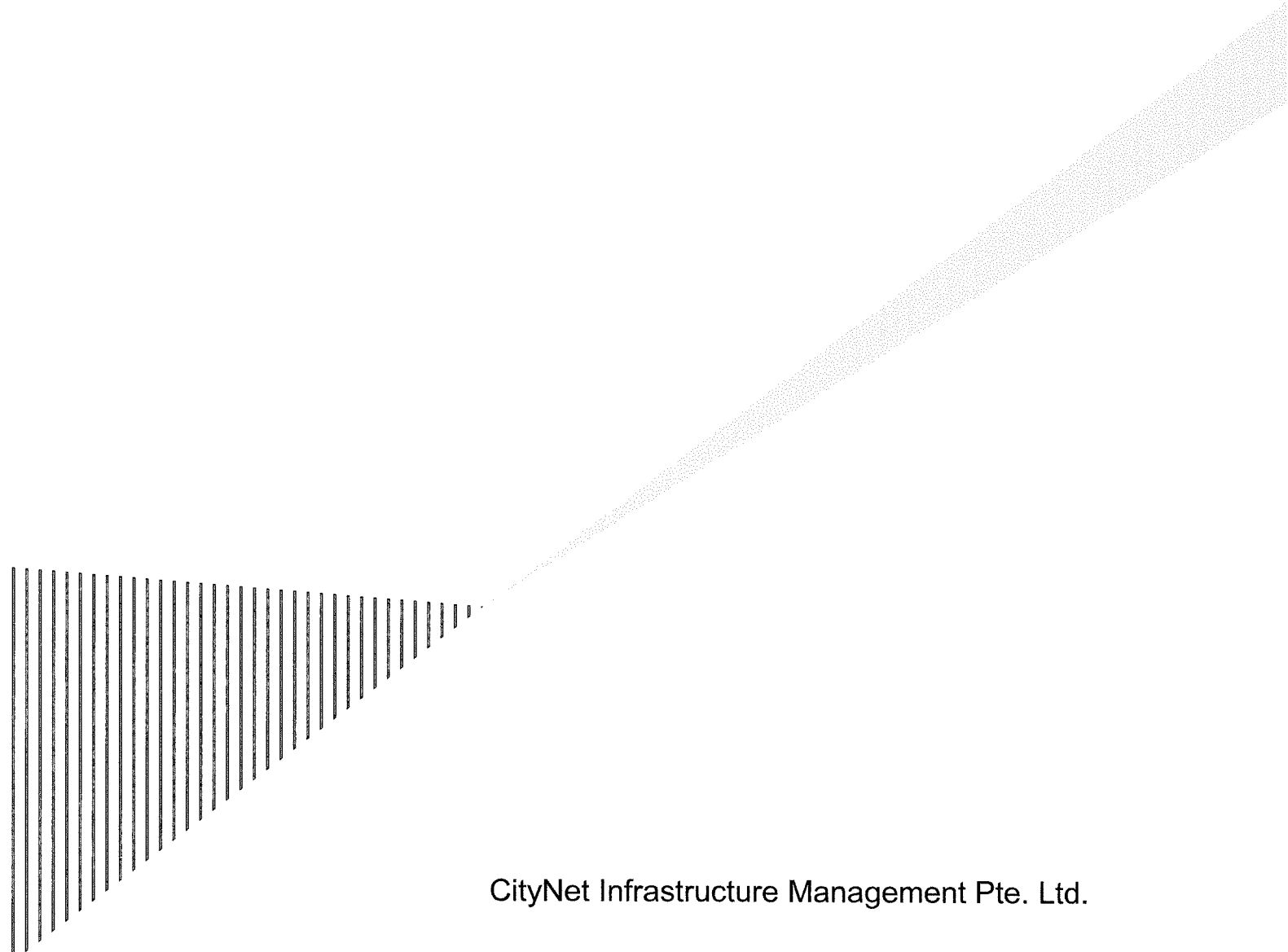


Company Registration No. 201117019K



CityNet Infrastructure Management Pte. Ltd.

Annual Financial Statements
31 March 2013



CityNet Infrastructure Management Pte. Ltd.

General Information

Directors

Mr Yap Chee Keong (Chairman)
Mr Slattery Sean Patrick
Dr Chew Tuan Chiong
Mr Tan Wee Kheng Kenneth Michael
Mr Tong Yew Heng
Mr Quah Kung Yang (Alternate Director to Slattery Sean Patrick)

Secretaries

Ms Susanna Cher Mui Sim
Ms Khung Shyang Lee

Registered Office

111 Somerset Road
#10-01 TripleOne Somerset
Singapore 238164

Auditors

Ernst & Young LLP

Contents

	Page
Directors' Report	1
Statement by Directors	3
Independent Auditor's Report	4
Statement of Comprehensive Income	6
Balance Sheet	7
Statement of Changes in Equity	8
Cash Flow Statement	9
Notes to the Financial Statements	10

CityNet Infrastructure Management Pte. Ltd.

Directors' Report

The directors are pleased to present their report to the member, together with the audited financial statements of CityNet Infrastructure Management Pte. Ltd. (in its personal capacity and not as trustee-manager of NetLink Trust) (the "Company") for the financial year ended 31 March 2013.

Directors

The directors of the Company in office at the date of this report are as follows:

Mr Yap Chee Keong	(Chairman)
Mr Slattery Sean Patrick	
Dr Chew Tuan Chiong	
Mr Tan Wee Kheng Kenneth Michael	
Mr Tong Yew Heng	
Mr Quah Kung Yang	(Alternate Director to Slattery Sean Patrick)

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under section 164 of the Singapore Companies Act, Cap. 50, an interest in the shares or debentures of the Company and related corporations, as stated below:

Holding Entity	Holdings registered in name of director		Holdings in which director is deemed to have an interest	
	At 31.3.2013	At 31.3.2012	At 31.3.2013	At 31.3.2012
CitySpring Infrastructure Trust (No. of units)				
Mr Tong Yew Heng	793,600	793,600	—	—
Mr Quah Kung Yang	3,000	3,000	—	—

Directors' contractual benefits

Except as disclosed in the financial statements, since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except for remunerations received by directors from related corporations, under their respective employment contracts.

During the year, Mr Yap Chee Keong served as an advisor and director to certain subsidiaries of Temasek Holdings (Private) Limited, the controlling unitholder of CitySpring Infrastructure Trust which is the immediate holding entity of the Company. He received fees for the services rendered in those capacities.

CityNet Infrastructure Management Pte. Ltd.

Directors' Report

Share options

There were no options granted during the financial year to subscribe for unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.


Auditors

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditors.

On behalf of the Board of Directors



Yap Chee Keong
Chairman



Chew Tuan Chiong
Director

Singapore
10 May 2013


CityNet Infrastructure Management Pte. Ltd.

Statement by Directors

We, Yap Chee Keong and Chew Tuan Chiong, being two of the directors of CityNet Infrastructure Management Pte. Ltd., do hereby state that, in the opinion of the directors,

- (a) the balance sheet, statement of comprehensive income, statement of changes in equity and cash flow statement together with the notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2013 and the result of the business, changes in equity and the cash flows of the Company for the financial year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors



Yap Chee Keong
Chairman



Chew Tuan Chiong
Director

Singapore
10 May 2013

CityNet Infrastructure Management Pte. Ltd.

**Independent Auditors' Report to the member of CityNet Infrastructure Management Pte. Ltd.
For the financial year ended 31 March 2013**

Report on the financial statements

We have audited the accompanying financial statements of CityNet Infrastructure Management Pte. Ltd. (the "Company") set out on pages 6 to 21, which comprise the balance sheet as at 31 March 2013, the statement of changes in equity, the statement of comprehensive income and cash flow statement for the financial year ended 31 March 2013, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

CityNet Infrastructure Management Pte. Ltd.

**Independent Auditors' Report to the member of CityNet Infrastructure Management Pte. Ltd.
For the financial year ended 31 March 2013**

Opinion

In our opinion, the financial statements of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 March 2013 and the results, changes in equity and cash flows of the Company for the year ended on that date.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP

Ernst & Young LLP
Public Accountants and
Certified Public Accountants
Singapore
10 May 2013

CityNet Infrastructure Management Pte. Ltd.

**Statement of Comprehensive Income
For the financial year ended 31 March 2013**

	Note	Year ended 31.3.2013 \$	18.7.2011 (date of incorporation) to 31.3.2012 \$
Revenue	3	2,136,005	1,482,361
Interest income		1,116	127
Expenses			
Professional fees		(26,206)	(16,464)
Other operating expenses		(17,562)	(26,708)
Total expenses		<u>(43,768)</u>	<u>(43,172)</u>
Profit before income tax		2,093,353	1,439,316
Income tax expense	4	<u>(299,945)</u>	<u>(219,422)</u>
Profit for the financial year/period representing total comprehensive income for the financial year/period		<u>1,793,408</u>	<u>1,219,894</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CityNet Infrastructure Management Pte. Ltd.

**Balance Sheet
As at 31 March 2013**

	Note	2013 \$	2012 \$
ASSETS			
Current assets			
Cash and bank deposits	5	1,353,002	958,271
Trade and other receivables	6	534,059	534,044
		<u>1,887,061</u>	<u>1,492,315</u>
Total assets		<u>1,887,061</u>	<u>1,492,315</u>
LIABILITIES			
Current liabilities			
Other payables	7	66,466	52,998
Current tax liabilities		307,292	219,422
		<u>373,758</u>	<u>272,420</u>
Total liabilities		<u>373,758</u>	<u>272,420</u>
NET ASSETS		<u>1,513,303</u>	<u>1,219,895</u>
EQUITY			
Share capital	8	500,000	500,000
Retained earnings		1,013,303	719,895
TOTAL EQUITY		<u>1,513,303</u>	<u>1,219,895</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CityNet Infrastructure Management Pte. Ltd.

**Statement of Changes in Equity
For the financial year ended 31 March 2013**

	Note	Share capital \$	Retained earnings \$	Total \$
2013				
Beginning of financial year		500,000	719,895	1,219,895
Total comprehensive income for the financial year		–	1,793,408	1,793,408
<u>Contribution by and distributions to owner</u>				
Dividends paid	9	–	(1,500,000)	(1,500,000)
Total transactions with owners in their capacity as owner		–	(1,500,000)	(1,500,000)
End of financial year		500,000	1,013,303	1,513,303
2012				
On date of incorporation (18.7.2011)		1	–	1
Total comprehensive income for the financial period		–	1,219,894	1,219,894
<u>Contribution by and distributions to owner</u>				
Share capital	8	499,999	–	499,999
Dividends paid	9	–	(499,999)	(499,999)
Total transactions with owner in their capacity as owner		499,999	(499,999)	–
End of financial period		500,000	719,895	1,219,895

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CityNet Infrastructure Management Pte. Ltd.

**Cash Flow Statement
For the financial year ended 31 March 2013**

	Note	Year ended 31.3.2013 \$	18.7.2011 (date of incorporation) to 31.3.2012 \$
Operating activities			
Profit before income tax		2,093,353	1,439,316
Adjustments for:			
- Interest income		(1,116)	(127)
Operating cash flows before working capital changes		<u>2,092,237</u>	<u>1,439,189</u>
Changes in working capital:			
- Trade receivables		(2)	(534,000)
- Other payables		13,468	52,998
Cash generated from operation		<u>2,105,703</u>	<u>958,187</u>
Interest received		1,103	83
Income tax paid		(212,075)	-
Net cash generated from operating activities		<u>1,894,731</u>	<u>958,270</u>
Financing activities			
Dividends paid to unitholder		(1,500,000)	-
Net cash used in financing activities		<u>(1,500,000)</u>	<u>-</u>
Net increase in cash and cash equivalents		394,731	958,270
Cash and cash equivalents at beginning of financial year/period		<u>958,271</u>	<u>1</u>
Cash and cash equivalents at end of financial year/period	5	<u>1,353,002</u>	<u>958,271</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CityNet Infrastructure Management Pte. Ltd.

Notes to the Financial Statements For the financial year ended 31 March 2013

1. Corporate information

CityNet Infrastructure Management Pte. Ltd. (the "Company") was incorporated on 18 July 2011. The Company is a limited liability company domiciled in Singapore. The address of its registered office is at 111 Somerset Road #10-01, TripleOne Somerset, Singapore 238164.

The principal activity of the Company is that of trustee-manager of NetLink Trust (the "Trust").

The principal activities of the Trust are the ownership, installation, operation and maintenance of ducts, manholes, central offices and space in central offices in Singapore for the purposes of telecommunication activities. The principal place of business of the Trust is located at 1 Serangoon North Avenue 5 #04-02, Singapore 554915.

The Company's immediate holding entity, which is also the ultimate holding entity, is CitySpring Infrastructure Management Pte. Ltd. as Trustee-Manager of CitySpring Infrastructure Trust ("CitySpring"). CitySpring is a business trust constituted by a trust deed and regulated by the Business Trust Act, Chapter 31A of Singapore. The Trust was listed on the Main Board of Singapore Exchange Securities Trading Limited on 12 February 2007. Related Companies in these financial statements refers to members of the ultimate holding company's group of entities.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or \$).

2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial period except in the current financial year, the Company has adopted all the new and revised standards that are effective for annual periods beginning on or after 1 April 2012. The adoption of these standards did not have any effect on the financial performance or position of the Company.

2.3 **Standards issued but not yet effective**

The Company has not adopted the following FRS and INT FRS that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 1 <i>Presentation of Items of Other Comprehensive Income</i>	1 July 2012
Revised FRS 19 <i>Employee Benefits</i>	1 January 2013
FRS 113 <i>Fair Value Measurements</i>	1 January 2013
Amendments to FRS 107 <i>Disclosure – Offsetting of Financial Assets and Financial Liabilities</i>	1 January 2013
Improvements to FRSs 2012	1 January 2013
- Amendment to FRS 1 <i>Presentation of Financial Statements</i>	1 January 2013
- Amendment to FRS 32 <i>Financial Instruments: Presentation</i>	1 January 2013
Amendments to FRS 32 – <i>Offsetting of Financial Assets and Financial Liabilities</i>	1 January 2014

Except for Amendments to FRS 1 and FRS 113, the Company expects that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending change in accounting policy on adoption of Amendments to FRS 1 and FRS 113 are described below:

Amendments to FRS 1 Presentation of Items of Other Comprehensive Income

The Amendments to FRS 1 Presentation of Items of Other Comprehensive Income (“OCI”) is effective for financial periods beginning on or after 1 July 2012.

The Amendments to FRS 1 changes the grouping of items presented in OCI. Items that could be reclassified to profit or loss at a future point in time would be presented separately from items which will never be reclassified. As the Amendments only affect the presentations of items that are already recognised in OCI, the Company does not expect any material impact on its financial position or performance upon adoption of this standard.

FRS 113 Fair Value Measurements

FRS 113 provides a single source of guidance on how to measure fair value under FRS when fair value is required or permitted by FRS. It does not require fair value measurements in addition to those already required or permitted by other FRSs and is not intended to establish valuation standards or affect valuation practices outside financial reporting. As this is a disclosure standard, the Company does not expect any material impact on its financial position or performance upon adoption of this standard.

2.4 **Currency translation**

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars, which is the functional and presentation currency of the Company.

2.5 **Financial assets**

The Company has only one category of financial assets – loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognised at fair value plus transaction costs and are subsequently carried at amortised cost using the effective interest method. They are presented as current assets, except those maturing more than 12 months after the balance sheet date, which are classified as non-current assets. Loans and receivables include "amounts due from related companies", "other receivables" and "cash and cash equivalents" on the balance sheet.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

An allowance for impairment of loans and receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance is recognised in the statement of comprehensive income.

A financial asset is derecognised where the contractual rights to receive cash flows from the asset have expired. On derecognition of a financial asset in its entirety, the difference between the carry amount and the sum of the consideration received and any cumulative gain or loss that has been recognised directly in equity is recognised in the statement of comprehensive income.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

2.6 **Cash and cash equivalents**

Cash and cash equivalents include cash at bank and deposits with financial institutions which are subject to an insignificant risk of change in value.

2.7 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.8 Financial liabilities

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. Financial liabilities are recognised initially at fair value of consideration received less directly attributable transaction costs. Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method.

Gain and losses are recognised in the statement of comprehensive income when the liabilities are derecognised, and through the amortisation process. The liabilities are derecognised when the obligation under the liability is discharged or cancelled or expired.

Financial liabilities include "other payables" on the balance sheet.

2.9 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the Company's activities. Revenue is presented net of goods and services tax.

The Company recognises revenue when the amount of revenue and related cost can be reliably measured, when it is probable that future economic benefits will flow to the entity, the collectibility of the related receivables is reasonably ensured and specific criteria have been met.

Management fees revenue from the provision of management services are recognised when the services are rendered.

Incentive fees revenue are recognised when the Trust bills new customers for access and use of its ducts and manholes.

2.10 *Taxes*

Income tax for current period is recognised at the amount expected to be paid to or recovered from the tax authorities.

Current income taxes are recognised in the income statement except to the extent that the tax relates to items recognised outside the income statement, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax is recognised for all temporary differences arising between the tax losses of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability that affects neither accounting nor taxable profit or loss at the time of the transaction.

Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.11 Related parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Company if that person:
 - (i) Has control or joint control over the Company;
 - (ii) Has significant influence over the Company; or
 - (iii) Is a member of the key management personnel of the Company or of a parent of the Company.
- (b) An entity is related to the Company if any of the following conditions applies:
 - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

2.12 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.13 Dividends

Dividends to the Company's shareholder is recognised when the dividends are approved for payment.

CityNet Infrastructure Management Pte. Ltd.

**Notes to the Financial Statements
For the financial year ended 31 March 2013**

3. Revenue

	Year ended 31.3.2013	18.7.2011 (date of incorporation) to 31.3.2012
	\$	\$
Management fees	2,136,000	1,482,361
Incentive fees	5	-
	<u>2,136,005</u>	<u>1,482,361</u>

The management fee is receivable quarterly in arrears and in accordance with the trust deed dated 22 July 2011 which constituted NetLink Trust. The Company receives incentive fees when the Trust bills new customers for access and use of its ducts and manholes.

4. Income tax

Major components of income tax expense

The major components of income tax expense for the financial year ended 2013 are:

	Year ended 31.3.2013	18.7.2011 (date of incorporation) to 31.3.2012
	\$	\$
Tax expense attributable to profit is made up of:		
- Current income tax	299,945	219,422
	<u>299,945</u>	<u>219,422</u>

Relationship between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the year ended 31 March 2013 are:

	Year ended 31.3.2013	18.7.2011 (date of incorporation) to 31.3.2012
	\$	\$
Profit before tax	2,093,353	1,439,316
Tax calculated at a tax rate of 17%	355,870	244,684
Effects of:		
- Effect of tax relief	(55,925)	(25,925)
- Expenses not deductible for tax purposes	-	663
	<u>299,945</u>	<u>219,422</u>

Notes to the Financial Statements
For the financial year ended 31 March 2013

5. Cash and bank deposits

	2013	2012
	\$	\$
Bank balances	28,815	58,188
Short-term deposits	1,324,187	900,083
	<u>1,353,002</u>	<u>958,271</u>

Short-term deposits are made for average period of one month depending on cash requirements of the Company. The weighted average effective interest rate as at 31 March 2013 for the Company was 0.12% (31 March 2012: 0.12%).

6. Trade and other receivables

	2013	2012
	\$	\$
Due from related party	534,002	534,000
Interest receivable	57	44
	<u>534,059</u>	<u>534,044</u>

Trade receivables are non-interest bearing and are generally on 30 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

There are no trade receivables which are past due as at 31 March 2013 (31 March 2012: Nil).

7. Other payables

	2013	2012
	\$	\$
Accrued operating expenses	29,231	15,722
Goods and services tax payable	37,235	37,276
	<u>66,466</u>	<u>52,998</u>

These amounts are non-interest bearing. Accrued operating expenses are normally settled within 30 days.

CityNet Infrastructure Management Pte. Ltd.

**Notes to the Financial Statements
For the financial year ended 31 March 2013**

8. Share capital

The Company's share capital comprises fully paid-up 500,000 ordinary shares with no par value, amounting to a total of \$500,000.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

	2013		2012	
	Number of shares	Amount \$	Number of shares	Amount \$
Issued share capital				
Beginning of financial year/date of incorporation	500,000	500,000	1	1
Issued during the financial year/period for working capital	–	–	499,999	499,999
Balance at end of financial year/period	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>

9. Dividend

	2013 \$	2012 \$
Declared and paid during the financial year/period:		
Ordinary dividend paid:		
Interim tax exempt dividend \$1.60 per share (2012: \$499,999 per share)	800,000	499,999
Final tax exempt dividend \$1.40 per share (2012: Nil)	700,000	–
	<u>1,500,000</u>	<u>499,999</u>
Proposed but not recognised as a liability as at 31 March 2013		
Dividends per ordinary share, subject to shareholder's approval at the AGM:		
Final tax exempt dividend \$1.60 per share (2012: \$1.40 per share)	<u>800,000</u>	<u>700,000</u>

On 16 November 2012, an interim dividend of \$800,000 was declared. This was paid out on 21 November 2012.

Notes to the Financial Statements
For the financial year ended 31 March 2013

10. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Company and related parties at terms agreed between the parties during the financial year ended 31 March 2013:

	2013 \$	2012 \$
Management fee received/receivable from related company	2,136,005	1,482,361

Key management personnel compensation are payable out of the Trust Property of the Trust in accordance with the trust deed dated 22 July 2011. The Company does not have any staff in its personal capacity. During the financial year, directors' fees payable to the non-executive directors of the Company were \$96,000 (financial period ended 31 March 2012: \$66,574). This would be recharged to the Trust.

11. Financial risk management objectives and policies

The main risks arising from the Company's financial instruments are credit risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

(a) *Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's business is conducted primarily with the trust of which it is the trustee-manager. The trust's payment profile and credit exposure are continuously monitored by the management.

The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments presented on the balance sheet. The Company's major classes of financial assets are bank deposits and trade and other receivables.

Bank deposits are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade and other receivables are neither past due nor impaired are substantially due from the Trust.

11. Financial risk management objectives and policies (cont'd)

(b) *Liquidity risk*

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The table below analyses the maturity profile of the Company's financial liabilities based on contractual undiscounted cash flows.

	Within 1 year \$	Later than 1 year \$	Total \$
At 31 March 2013			
Other payables	66,466	–	66,466
	<u>66,466</u>	<u>–</u>	<u>66,466</u>
	Within 1 year \$	Later than 1 year \$	Total \$
At 31 March 2012			
Other payables	52,998	–	52,998
	<u>52,998</u>	<u>–</u>	<u>52,998</u>

(c) *Capital management*

The capital management of the Company is handled by its ultimate holding company.

The ultimate holding company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the ultimate holding company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

(d) *Fair values*

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

Management has determined that the carrying amounts of cash and bank deposits, trade and other receivables, other payables reasonably approximate their fair values because they are mostly short-term in nature.

(e) *Classification of financial instruments*

All the Company's assets and liabilities are categorised as loans and receivables and liabilities at amortised cost respectively.

CityNet Infrastructure Management Pte. Ltd.

**Notes to the Financial Statements
For the financial year ended 31 March 2013**

12. Comparative figures

The comparative information relates to the period from 18 July 2011 (date of incorporation) to 31 March 2012. Accordingly, the statement of comprehensive income, statement of changes in equity and cash flow statement for the comparative period are not comparable to those for the current year.

13. Authorisation of financial statements

The financial statements for the financial year ended 31 March 2013 were authorised for issue in accordance with a resolution of the directors on 10 May 2013.