

## NETLINK NBN TRUST

(a business trust constituted on 19 June 2017 under the laws of the Republic of Singapore and registered under the Business Trusts Act 2004 of Singapore (Registration Number: 2017002))  
(Managed by NetLink NBN Management Pte. Ltd.)

### MINUTES OF ANNUAL GENERAL MEETING

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<b>PLACE</b>	:	Ballroom at Level 2 Conrad Centennial Singapore Two Temasek Boulevard Singapore 038982
<b>DATE</b>	:	Wednesday, 19 July 2023
<b>TIME</b>	:	2.00 p.m.
<b>PRESENT</b>	:	As per the attendance record maintained by the Trustee-Manager.
<b>IN ATTENDANCE</b>	:	As per the attendance record maintained by the Trustee-Manager.
<b>CHAIRMAN</b>	:	Mr Chaly Mah Chee Kheong

#### 1. INTRODUCTION

- 1.1 The Chairman welcomed all Unitholders who were attending NetLink NBN Trust's Sixth Annual General Meeting ("**AGM**"). Before the AGM commenced, a fire safety briefing was given by the venue's staff.
- 1.2 As a quorum was present, the Company Secretary declared the Meeting opened at 2.00 p.m. and informed that there were two virtual meetings taking place consecutively that afternoon and they were:
- AGM of NetLink NBN Trust which was immediately followed by
  - AGM of Singapore NBN Trust.
- 1.3 The Company Secretary further explained the purpose of convening the AGM of Singapore NBN Trust as follows:
- DBS Trustee Limited (as share trustee of the TM Shares Trust) (the "**Share Trustee**") holds the shares of the Trustee-Manager (the "**TM Shares**") on trust for the benefit of the beneficiaries of the TM Shares Trust (i.e., the Unitholders of NetLink NBN Trust) pari passu, each of whom has an undivided interest in the TM Shares in proportion to each Unitholder's respective percentage of units held or owned by each Unitholder in NetLink NBN Trust.
  - The deed constituting the TM Shares Trust (the "**TM Shares Trust Deed**") provides that the Trustee-Manager agrees and undertakes to call and hold meetings and proceedings of the beneficiaries of the TM Shares Trust for the purposes of the TM Shares Trust Deed in accordance with the Trust Deed of NetLink NBN Trust.
  - Any matter on which the Share Trustee is required to exercise the voting rights conferred by the TM Shares at the AGM of the Trustee-Manager (which only the Share Trustee needs to attend) shall be put before the Unitholders at the AGM of the TM Shares Trust, for Unitholders'

approval as beneficiaries of the TM Shares Trust, and the Share Trustee shall act in accordance with the relevant resolutions passed by Unitholders.

- 1.4 The Company Secretary then invited the Chief Executive Officer (“**CEO**”), Mr Tong Yew Heng, to deliver a presentation on NetLink NBN Trust.
- 1.5 After the presentation, the proceeding was handed over to the Chairman who then introduced the Directors and other members of the panel.
- 1.6 Unitholders were informed that in accordance with the Trust Deed of NetLink NBN Trust, all the Resolutions that were to be decided at the meeting be conducted by poll and Boardroom Corporate & Advisory Services Pte. Ltd. and DrewCorp Services Pte Ltd have been appointed as the polling agent and Scrutineers respectively.
- 1.7 A copy of the Management’s presentation which is attached as Appendix 1, had also been made available on the corporate website and SGXNet prior to the AGM.

## **2. NOTICE OF MEETING**

- 2.1 With the consent of the Unitholders present, the Notice which has been sent to Unitholders and published on SGXNet and on the corporate website on 23 June 2023, was taken as read.
- 2.2 The Chairman informed the meeting that in his capacity as Chairman of the AGM, he has been appointed as a proxy by a number of Unitholders and he would vote in accordance with the specific instructions of these Unitholders.

## **3. QUESTIONS AND ANSWERS**

- 3.1 The Chairman then proceeded to invite Unitholders to raise their questions on all the resolutions of the Meeting.
- 3.2 The questions relating to the resolutions raised by Unitholders at the AGM and the responses are summarised and attached as Appendix 2.
- 3.3 Subsequent to the questions and answers session, a video presentation explaining the voting process was shown to Unitholders.

## **ORDINARY BUSINESS:**

### **4. REPORTS AND FINANCIAL STATEMENTS – ORDINARY RESOLUTION 1**

- 4.1 The Chairman proposed the motion to Ordinary Resolution 1 set out as follows which was duly seconded:

“That the Report of the Trustee-Manager, Statement by the Trustee-Manager and the Audited Financial Statements of NetLink NBN Trust for the financial year ended 31 March 2023 together with the Independent Auditors’ Report therein be received and adopted.”

4.2 The result of Ordinary Resolution 1 tabled at the Meeting, taken on a poll, was as follows:

Total number of units represented by votes for and against the relevant resolution	FOR		AGAINST	
	Number of units	As a percentage of total number of votes for and against the resolution (%)	Number of units	As a percentage of total number of votes for and against the resolution (%)
1,868,326,298	1,867,606,998	99.96	719,300	0.04

4.3 Accordingly, Ordinary Resolution 1 tabled at the Meeting was carried.

## 5. RE-APPOINTMENT OF AUDITORS – ORDINARY RESOLUTION 2

5.1 The Chairman proposed the motion to Ordinary Resolution 2 set out as follows which was duly seconded:

“That Deloitte & Touche LLP be re-appointed as Auditors of NetLink NBN Trust to hold office until the conclusion of the next Annual General Meeting and that the Directors of the Trustee-Manager be authorised to fix their remuneration.”

5.2 The result of Ordinary Resolution 2 tabled at the Meeting, taken on a poll, was as follows:

Total number of units represented by votes for and against the relevant resolution	FOR		AGAINST	
	Number of units	As a percentage of total number of votes for and against the resolution (%)	Number of units	As a percentage of total number of votes for and against the resolution (%)
1,869,953,998	1,867,812,791	99.89	2,141,207	0.11

5.3 Accordingly, Ordinary Resolution 2 tabled at the Meeting was carried.

## 6. ANY OTHER ORDINARY BUSINESS

6.1 There being no other ordinary business to transact, the Meeting proceeded to deal with the Special Business on the Agenda.

### SPECIAL BUSINESS:

## 7. GENERAL MANDATE TO ISSUE UNITS IN NETLINK NBN TRUST – ORDINARY RESOLUTION 3

7.1 The Chairman explained that Ordinary Resolution 3 was to authorise the Trustee-Manager to issue units in NetLink NBN Trust, pursuant to Clause 6.1 of the Trust Deed, Section 36 of the Business

Trusts Act and Rule 806 of the SGX Listing Manual.

- 7.2 The Chairman proposed the motion to Ordinary Resolution 3 set out as follows which was duly seconded:

“That pursuant to Clause 6.1 of the deed of trust dated 19 June 2017 (as amended and restated by the Amending and Restating Deeds dated 25 July 2018, 28 September 2020, 19 July 2021, and 20 July 2022) constituting NetLink NBN Trust (collectively, the “**Trust Deed**”), Section 36 of the Business Trusts Act 2004 of Singapore (the “**BTA**”), and Rule 806 of the Listing Manual of Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), authority be and is hereby given to the Trustee-Manager to:

- (a) (i) issue Units, whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Units,

at any time and upon such terms and conditions and for such purposes and to such persons as the Trustee-Manager may in its absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued) issue Units in pursuance of any Instruments made or granted by the Trustee-Manager while this Resolution was in force,

provided that:

- (i) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed 50% of the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of Units to be issued other than on a pro rata basis to existing Unitholders shall not exceed 10% of the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (ii) below);
- (ii) (subject to such manner of calculation as may be prescribed by SGX-ST) for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (i) above, the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) shall be based on the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) at the time of the passing of this Resolution, after adjusting for:
- (aa) any new Units arising from the conversion or exercise of any convertible securities or Instruments which were issued and are outstanding or subsisting at the time this Resolution is passed; and
- (bb) any subsequent bonus issue, consolidation or subdivision of Units;

provided such adjustment in sub-paragraph (ii)(aa) is made only in respect of new Units

arising from the exercise of Instruments or convertible securities which were issued and are outstanding or subsisting at the time of the passing of this Resolution;

- (iii) in exercising the authority conferred by this Resolution, the Trustee-Manager shall comply with the provisions of the Listing Manual of SGX-ST for the time being in force (unless such compliance has been waived by SGX-ST), the Trust Deed and the BTA for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);
- (iv) unless revoked or varied by the Unitholders of NetLink NBN Trust in a general meeting, such authority conferred by this Resolution shall continue in force until (i) the conclusion of the next Annual General Meeting of the Unitholders or (ii) the date by which the next Annual General Meeting of the Unitholders is required by law to be held, whichever is earlier;
- (v) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted, in the event of rights, bonus or other capitalisation issues or any other events, the Trustee-Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and
- (vi) the Trustee-Manager be and is hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Trustee-Manager may consider expedient or necessary or in the interest of NetLink NBN Trust to give effect to the authority conferred by this Resolution.”

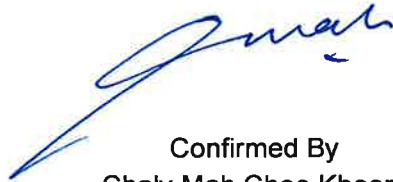
7.3 The result of Ordinary Resolution 3 tabled at the Meeting, taken on a poll, was as follows:

<b>Total number of units represented by votes for and against the relevant resolution</b>	<b>FOR</b>		<b>AGAINST</b>	
	<b>Number of units</b>	<b>As a percentage of total number of votes for and against the resolution (%)</b>	<b>Number of units</b>	<b>As a percentage of total number of votes for and against the resolution (%)</b>
1,869,876,098	1,856,510,005	99.29	13,366,093	0.71

7.4 Accordingly, Ordinary Resolution 3 tabled at the Meeting was carried.

**8. CLOSURE OF NETLINK NBN TRUST AGM**

- 8.1 There being no other business, the Chairman declared the AGM of NetLink NBN Trust closed at 3.10 p.m.



Confirmed By  
Chaly Mah Chee Kheong  
Chairman of the Meeting

Appendix 1

**NetLinkNBN**  
*the fibre of a smart nation*



19 July 2023

# Management Presentation

# Disclaimer

This presentation is for information purposes only and does not constitute or form part of an offer, solicitation, recommendation or invitation for the sale or purchase or subscription of securities, including units in NetLink NBN Trust (the “**Trust**” and the units in the Trust, the “**Units**”) or any other securities of the Trust. No part of it nor the fact of its presentation shall form the basis of or be relied upon in connection with any investment decision, contract or commitment whatsoever.

The information and opinions in this presentation are provided as at the date of this document (unless stated otherwise) and are subject to change without notice, its accuracy is not guaranteed, and it may not contain all material or relevant information concerning NetLink NBN Management Pte. Ltd. (the “**Trustee-Manager**”), the Trust or its subsidiaries (the “**NetLink Group**”). None of the Trustee-Manager, the Trust nor its affiliates, advisors and representatives make any representation regarding, and assumes no responsibility or liability whatsoever (in negligence or otherwise) for, the accuracy or completeness of, or any errors or omissions in, any information contained herein nor for any loss howsoever arising from any use of this presentation. Further, nothing in this presentation should be construed as constituting legal, business, tax or financial advice.

The information contained in this presentation includes historical information about and relevant to the assets of the NetLink Group that should not be regarded as an indication of the future performance or results of such assets. Certain statements in this presentation constitute “forward-looking statements”. These forward-looking statements are based on the current views of the Trustee-Manager and the Trust concerning future events, and necessarily involve risks, uncertainties and assumptions. These statements can be recognised by the use of words such as "expects", "plans", "will", "estimates", "projects", "intends" or words of similar meaning. Actual future performance could differ materially from these forward-looking statements, and you are cautioned not to place any undue reliance on these forward-looking statements. The Trustee-Manager does not assume any responsibility to amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events, or otherwise, subject to compliance with all applicable laws and regulations and/or the rules of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and/or any other regulatory or supervisory body or agency.

EBITDA is a non-SFRS financial measure and represents operating profit before depreciation and amortisation expense, net finance costs and income tax expense. EBITDA and EBITDA margin are supplemental financial measures of the NetLink Group’s performance and liquidity, and are not required by, or presented in accordance with SFRS, IFRS, Singapore Financial Reporting Standards (International), U.S. GAAP or any other generally accepted accounting principles. Furthermore, EBITDA and EBITDA margin are not measures of financial performance or liquidity and should not be considered as alternatives to net income, operating income or any other performance measures derived in accordance with SFRS, IFRS, Singapore Financial Reporting Standards (International), U.S. GAAP or any other generally accepted accounting principles.



# Our business



# Our business is future proof

## PREFERRED

#1

Only means of fixed broadband delivery in Singapore

## HIGH PENETRATION



Over 95% residential penetration rate

## LOW PRICES



Fibre broadband prices are lower in Singapore than many other countries

## CRITICAL INFRASTRUCTURE



Fibre supports last-mile wireless access solutions such as WiFi hotspots and 4G/5G mobile base stations

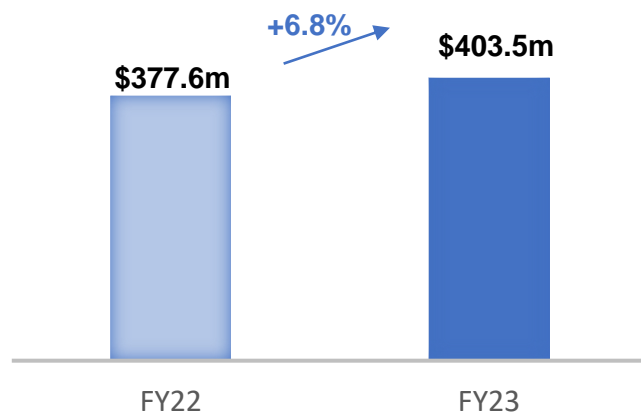
## SCALABLE



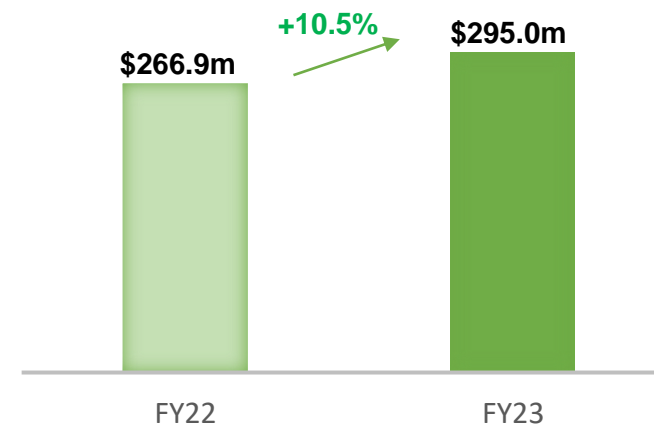
Fibre capacity is highly scalable and can support future transmission technologies

# FY23 Financial highlights

## REVENUE



## EBITDA



## NET GEARING

**20.3%**

Comfortable debt headroom

## WEIGHTED AVERAGE DEBT MATURITY

**3.4 years**

## MARKET CAPITALISATION

**\$3.4 billion**

Unit price of \$0.86 as at  
31 Mar 2023

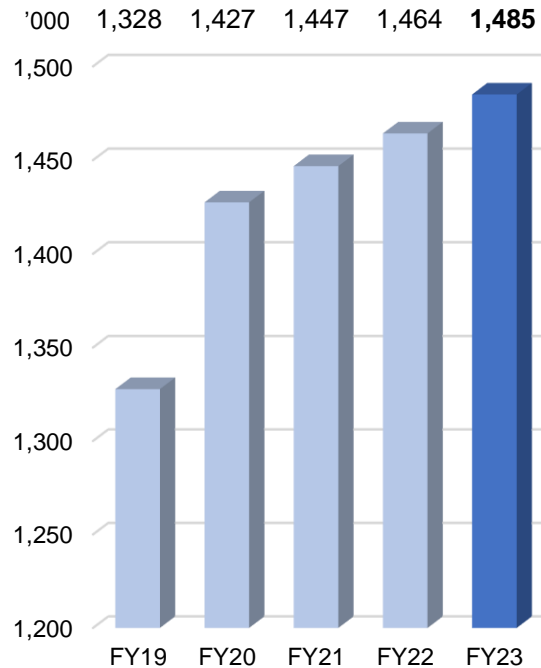
## DISTRIBUTION PER UNIT

**5.24 cents**

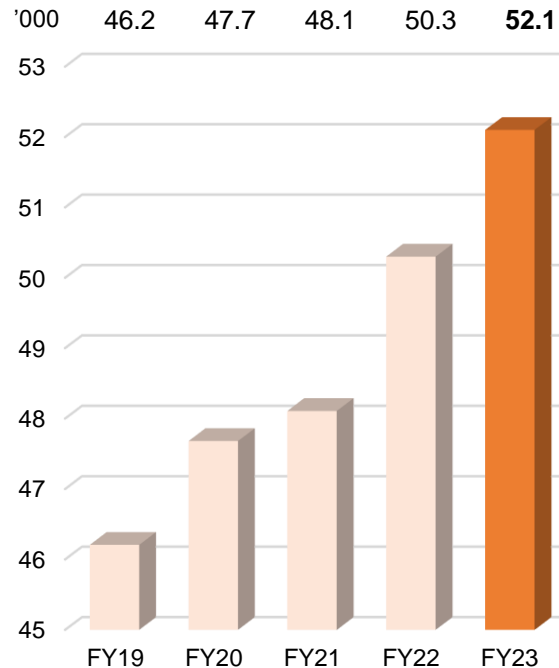
2.1% higher than FY22

# Fibre connections

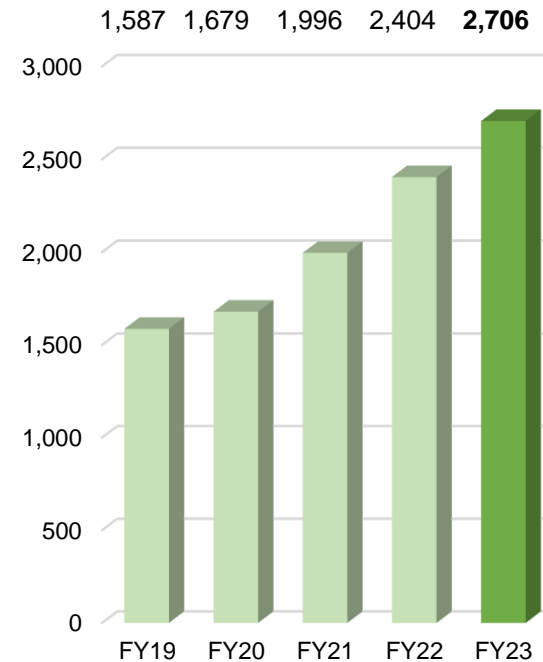
## Residential



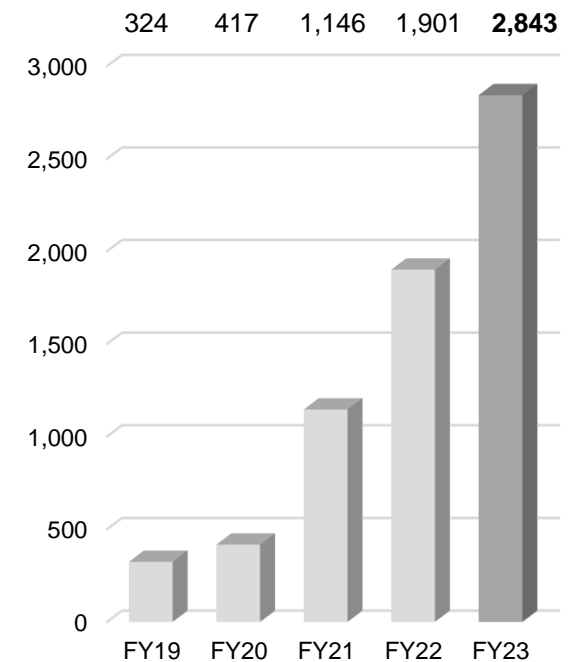
## Non-Residential



## Non-Building Address Points



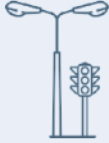







## Segment<sup>(1)</sup>



<sup>(1)</sup> Segment connections comprise, *inter alia*, Point-to-Point, Central Office to Central Office and Central Office to MDF room fibre connections provided to Requesting Licensees

# Resilient business model

	 Residential Connections	 Non-Residential Connections	 NBAP & Segment Connections	 Ducts & Manholes Service Revenue	 Installation Related Revenue	 Ancillary Project Revenue	 Co-Location & Other Revenue	 Central Office Revenue
	RAB REVENUE				NON-RAB REVENUE			
<b>% of FY23 Revenue</b>	<b>60.5%</b>	<b>8.0%</b>	<b>4.2%</b>	<b>6.8%</b>	<b>5.0%</b>	<b>6.4%</b>	<b>5.3%</b>	<b>3.8%</b>
<b>Recurring, predictable cash flows</b>	✓	✓	✓	✓	-	-	✓	✓
<b>Long-term contracts / customer stability</b>	✓	✓	✓	✓	-	-	✓	✓
<b>Regulated revenues</b>	✓	✓	✓	✓	✓	-	✓	-
<b>Creditworthy customers</b>	✓	✓	✓	✓	✓	✓	✓	✓

# Strategic Focus

- 1. Improve network reach, densification and capability in support of NetLink's fibre-to-anywhere (FTTx) deployment.**
- 2. Improve competitiveness of NetLink's Fibre in enterprise and Government segment**
- 3. Provide expertise and infrastructure to support the upgrade of the NBN**
- 4. Explore opportunities to invest in telecoms infrastructure businesses overseas which are likely to generate a stable cashflow**
- 5. Create brand affinity with end-users**

# FY23 Profit & loss statement

\$'000	FY23	FY22	Variance (%)
Revenue	403,460	377,611	6.8
EBITDA	294,979	266,941	10.5
EBITDA Margin (%)	73.1	70.7	2.4 pp
Depreciation and amortisation	(170,617)	(169,723)	0.5
Net finance charges	(15,145)	(10,140)	49.4
Net Profit after tax	109,253	91,262	19.7

**Revenue** for FY23 was **6.8%** higher than FY22 due to:

- Higher revenue from ancillary projects, NBAP and segment connections, residential connections, co-location and installation orders.
- Ancillary project revenue contributed most significantly with more projects completed in FY23.

**EBITDA** was **10.5%** higher mainly due to:

- Higher revenue (net of its related costs), higher other income and lower operating expenses.
- Operating expenses for FY23 were significantly lower in comparison to FY22 because of the \$12.4 million remeasurement loss recorded in FY22 due to the reduction in rental rates upon the renewal of the Central Office lease agreements.

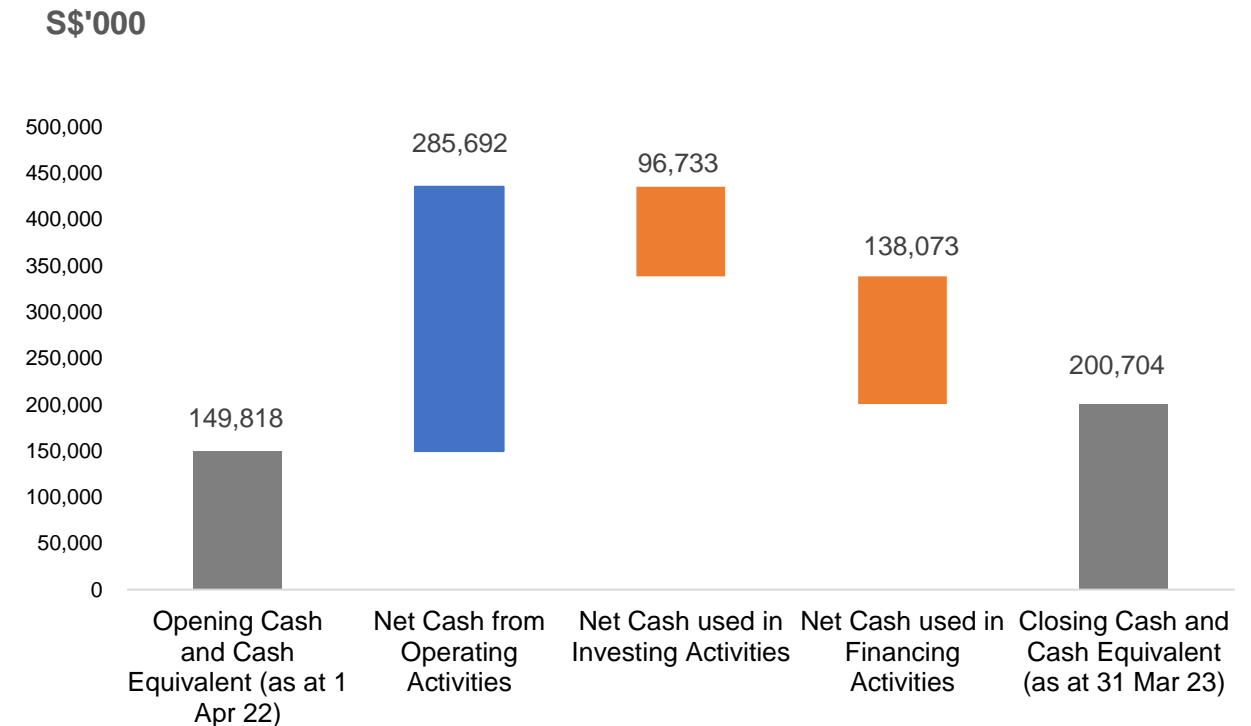
# Credit metrics and cashflow

	FY23	FY22
Gross Debt	<b>\$735m</b>	\$666m
Weighted average debt maturity	<b>3.4 yrs</b>	3.4 yrs
Net debt/EBITDA <sup>(1)</sup>	<b>1.8x</b>	1.9x
EBITDA Interest cover <sup>(1)</sup>	<b>18.6x</b>	29.8x
Borrowings at Fixed Rate	<b>69.4%</b>	76.6%
Effective average interest rate	<b>2.1%</b>	1.1%

<sup>(1)</sup> Ratios calculated based on NetLink Group's trailing 12 months financial

- Debt interest rate substantially hedged
- Strong capital structure with debt headroom to fund future capex

## Strong cashflow from operations

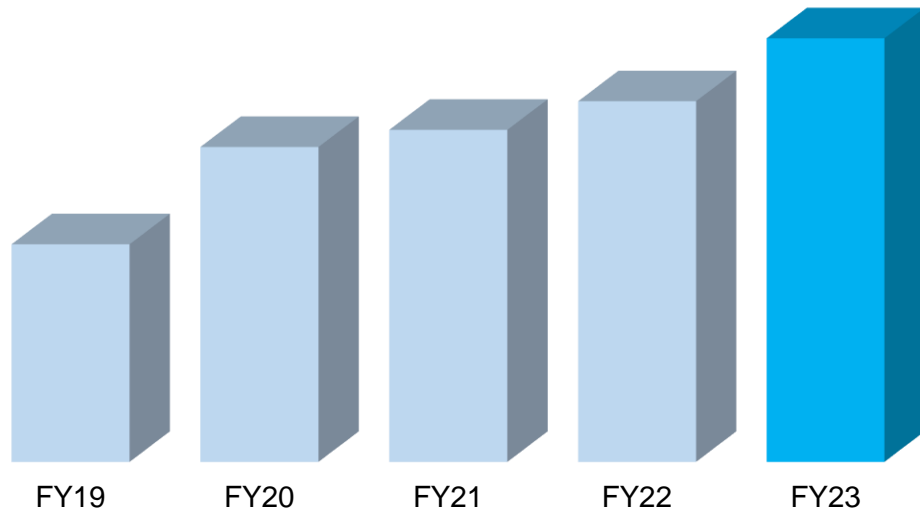




# Attractive distribution

## Distribution per Unit (Singapore cents)

4.88	5.05	5.08	5.13	5.24
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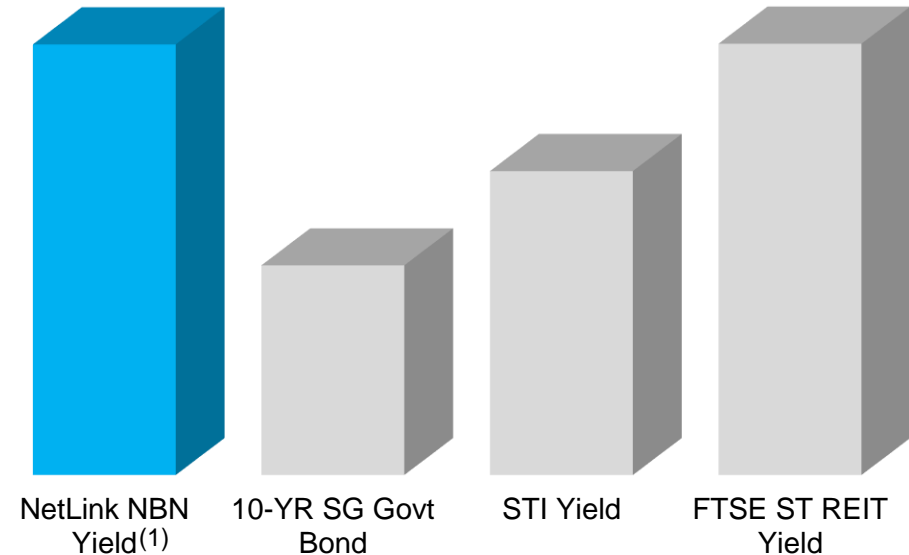


NetLink has returned **\$1.1 billion** to unitholders since its IPO in Jul 2017 to date (including the H2FY23 distribution)

## Distribution yield (%)

6.09	2.94	4.26	6.04
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Bloomberg as at 31 Mar 2023



<sup>(1)</sup> Based on the unit price of \$0.86 as at 31 Mar 2023

# Corporate Governance Awards

**Governance Index for Trust (GIFT) 2022**

**RANKED 1<sup>st</sup>**

**Singapore Corporate Governance and Transparency Index (SGTI)**

**RANKED 5<sup>th</sup>**  
REIT and Business Trust Category

**Singapore Corporate Awards 2022**

**BRONZE**  
**Best Investor Relations Award**  
REITs and Business Trusts Category

**SIAS Investors' Choice Award**

**WINNER**  
**Shareholder Communication Excellence Award**  
REITs and Business Trusts Category

**ASEAN Corporate Governance Scorecard Awards**

- **ASEAN ASSET CLASS**
- **ASEAN TOP 20**
- **S'PORE TOP 3 PUBLICLY LISTED COMPANIES**



# Sustainability

## TARGET

- Reduce scope 1 and 2 emissions **50% by FY30 (using FY22 as a baseline)**
- Achieve net zero by 2050



## OUR ENVIRONMENT

- Achieved within target a **scrap rate of 2.2%** on fibre cable issued
- Maintained **zero incidents** of non-compliance on waste disposal practices
- Recorded **31% Scope 1 and 2 emissions** reduction from FY22 base year\*
- Embarked on our **inaugural TCFD report** with completed qualitative scenario analysis

\* This is mainly due to the reduction in refrigerant and diesel top up in our COs. The amount of top up required varies from year to year.



## OUR BUSINESS PRACTICES

- Maintained **zero cases** of corruption and significant non-compliance with laws and regulations
- Received **five awards and recognitions** for corporate governance and communications
- Sustained **zero incidents** of data breaches affecting personal data or company-related confidential data



## OUR PEOPLE & COMMUNITIES

- Recorded a total of **5,864 learning hours**
- **No incidents** of discrimination reported
- Maintained **zero work-related incidents** that resulted in permanent disability or fatality
- Maintained **100% islandwide** fibre coverage
- Maintained **99.99%** network availability



**Thank you**

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Questions and answers (“Q&A”) –  
NetLink NBN Trust (“NetLink”) AGM held on 19 July 2023 at 2.00 p.m.

Name of Unitholder / NetLink	Question / Response
Unitholder A	Please provide hard copies of the Annual Report at the AGM so that it would be easier for Unitholders to refer to the pages during the Q&A session. It is difficult for Unitholders to navigate the pages from a downloaded copy of the Annual Report.
Chairman	Thank you for your feedback.
Unitholder A	<p>(1) NetLink’s revenue is derived from Residential Connections (60%) and Non-Residential Connections and Other Revenue (40%). The growth rate for revenue seems to have slowed down. With new technological developments (e.g. 5G) where will NetLink’s growth in revenue come from, in future?</p> <p>(2) On geographical diversification, NetLink had previously sought Unitholders’ approval to expand NetLink’s investment mandate to allow NetLink to invest in overseas infrastructure markets. Will NetLink be investing in countries such as China or India where NetLink can perhaps provide fibre infrastructure to a city in that country?</p>
Chairman	<p>(1) The Residential Connections segment is still growing as Singapore continues to develop new housing estates. The NBAP connections and Point-to-Point Connections segments are actually growing at a faster pace than the Residential Connections segment because of NetLink’s support for the Government’s Smart Nation initiatives and 5G rollout.</p> <p>(2) Management has explored several overseas investments and prefers countries with lower risk. Investments in China and India could carry higher risk. We have also explored investments in Europe but these transaction valuations have generally been very high, and if NetLink were to make these investments, these could be dilutive to NetLink’s Distribution. Hence, we have not proceeded with these investments.</p>

**Notes:-**

1. The names of the Unitholders have been masked for privacy.
2. The above is a summary, and not a verbatim record, of the matters discussed.

Name of Unitholder / NetLink	Question / Response
Unitholder B	<p>(1) Despite NetLink's low gearing why is NetLink's unit price low?</p> <p>(2) What is the progress of the IMDA price review?</p> <p>(3) Is NetLink aware of any risk from new technology that may impact NetLink's business?</p>
Chairman	<p>(1) NetLink's unit price is a function of market conditions. Rising interest rates in general have a negative impact on the price of yield stocks. NetLink's unit price has been similarly affected by rising interest rates.</p> <p>(2) The IMDA price review is still underway. The results have been delayed because we have taken more time to discuss the impact of rising interest rates, and the impact of inflation on various Opex items.</p> <p>(3) The Board has asked Management to scan the marketplace for business risks due to changes in technology but has so far not found anything that could adversely affect our fibre business.</p> <p>Satellite broadband is also unlikely to be a threat to fibre broadband because satellite broadband services are difficult to work in cities which are densely populated such as Singapore due to affordability, quality of connection, etc.</p> <p>We will continue to monitor technological developments to identify business opportunities and potential threats.</p>
Unitholder C	<p>The Distribution paid as set out on page 135 is \$202,253/-, which is higher than the Free Cash Flow. Can the payment of Distribution be sustained by NetLink's cashflow or does NetLink have to rely on borrowings as well for Distribution payment?</p>
Chief Executive Officer ("CEO")	<p>NetLink's intent is to pay Distribution from cash generated from operations after setting aside reserves and provisions for, amongst others, future capital expenditure, debt repayment and working capital as may be required. This has been the case since our IPO in 2017. In total NetLink has distributed \$1.1 billion back to Unitholders since its IPO.</p> <p>We maintain a low level of gearing and only borrow for investment purposes.</p>
Chairman	<p>Unitholders should compare the Net cash generated from operating activities (\$285,692) which is more than enough to cover Distributions (\$202,253).</p>

**Notes:-**

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2. The above is a summary, and not a verbatim record, of the matters discussed.

Name of Unitholder / NetLink	Question/Response
Unitholder D	<p>(1) How does the rising interest rates impact NetLink's business and what measures have been taken to safeguard against such an impact?</p> <p>(2) Has NetLink considered venturing into the Artificial Intelligence ("AI") business?</p>
Chairman	<p>(1) The rising interest rates will have an impact on borrowing cost but NetLink's interest rate exposure remains substantially hedged. This is consistent with NetLink's risk management framework and treasury policy.</p> <p>(2) NetLink is an infrastructure/wholesale business and does not engage with end-users directly; hence AI has minimal impact on NetLink's business.</p>
Unitholder E	Does quantum technology have any impact on NetLink's business, and if so, will quantum technology be a threat or an opportunity for growth to NetLink's business?
CEO	NetLink is closely monitoring new potential technological and market developments that may come up in the foreseeable future arising from the Digital Connectivity Blueprint recently announced by the Government, which includes quantum technology. Quantum computing could be a growth opportunity for NetLink as it uses fibre optics cable for transmission of data.
Chairman	NetLink has been conducting academic trials with the NUS Centre of Quantum Technologies on Quantum Key Distribution as a secure method of communication.
Unitholder F	<p>(1) What is the longevity of NetLink's fibre optics cables? Is it 25 years from 2008 when OpenNet Pte Ltd was set up to own the fibre optic cables?</p> <p>(2) If so, after 25 years, what will happen to the fibre optic cables? NAV will decrease due to depreciation. Does NetLink have to re-capitalise its assets?</p>
CEO	<p>(1) NetLink's assets of fibre optic cables and ducts are well shielded from the environmental impact of weathering. Furthermore, NetLink continually replaces the fibre optic cables as and when these cables are damaged. Fibre optic cables could be used for a long time technically and there is also no cause for concern that the asset will need to be replaced completely.</p> <p>(2) As NetLink is regulated under the Regulatory Asset Base ("RAB") model, we will focus on regulatory depreciation (rather than accounting depreciation) as regulatory depreciation is one of the components that IMDA uses to determine the regulatory revenue for NetLink.</p>

**Notes:-**

1. The names of the Unitholders have been masked for privacy.
2. The above is a summary, and not a verbatim record, of the matters discussed.

Name of Unitholder / NetLink	Question/Response
Unitholder G	Under the RAB Pricing Framework, which is based on WACC, do we have to consider the interest rate and how do we cope with rising interest rates?
CEO	Yes, interest rate is taken into consideration in the determination of WACC every five years during the RAB Pricing review.
Chairman	Management has been managing costs, including hedging to manage interest cost, very well so that NetLink has outperformed the plan and generated more cash for Distribution payment.

**Notes:-**

1. The names of the Unitholders have been masked for privacy.
2. The above is a summary, and not a verbatim record, of the matters discussed.