



Summary of significant matters in the form of questions and answers from the 2024 two-way communication of 3BB Internet Infrastructure Fund (3BBIF) via electronic media (E-Two-way communication)

BBL Asset Management Co., Ltd. (the “Management Company”) as the Management Company of 3BB Internet Infrastructure Fund (3BBIF) (the “Fund”) has convened the 2024 two-way communication of the Fund via electronic media (E-Two-way communication) on Wednesday, 10 April 2024 at 14.00 hours where the unitholders can ask additional information in such two-way communication.

In this regard, the Management Company would like to inform the unitholders that the Management Company has collected questions from the unitholders from the two-way communication and the answers of the Management Company and related persons and prepared a summary of significant matters in the form of questions and answers. The details of which are as follows:

Item No. 1 The Fund’s significant management and the Fund’s future management direction

Question 1 Has there been any progress on the interest rate reduction negotiations with Bangkok Bank? And if Bangkok Bank does not reduce the interest rate, what is the management plan for the Fund?

Answer Bangkok Bank has acknowledged the change of sponsor from Jasmine International Public Company Limited to Advanced Info Service Public Company Limited (“AIS”) and the interest rate reduction is still under consideration by Bangkok Bank which takes time to consider. If there is any progress, the Fund will further inform the unitholders.

Question 2 Does the Fund have any plans to expand the Fund? If there is a plan to expand the Fund, when will the unitholders be able to know?

Answer The expansion of the Fund depends mainly on AIS’s spending together with the interest to be paid. However, the spending plan of AIS depends on investment.

In this regard, the Management Company would like to render additional information on top of what has been stated in the Two-way communication meeting of the Fund on Wednesday, 10 April 2024 that the Fund still has a lot of borrowing capacity (D/E as at the end of 2023 = 0.20). Moreover, after AIS has become a sponsor of the Fund, it will enhance the Fund’s credit risk profile. As a result, the Fund has the ability to borrow with lower rates of interest costs than before, which contributes to the ability to acquire telecommunications assets to create additional returns in the future.



In the future, if AIS has a large demand for funds such as investment in 5G network or spectrum auction, provided that the Fund has an appropriate rate of return for AIS's borrowing costs or has a reasonable value, selling assets through the Fund will be one of the funding options that AIS can adopt in the above investments.

The Management Company will use the best effort to negotiate with the AIS group to create opportunities for AIS to sell additional assets to the Fund and to increase future returns for the unitholders.

Question 3 What are the positive factors towards the Fund in a downtrend of interest rates?

Answer The financial cost of the Fund is a floating interest rate (Minimum Loan Rate) which at present is equal to 7.1 percent. Thus, in the downtrend of interest rates, the financial cost of the Fund will decrease, resulting in increased operating performance for the Fund.

Question 4 How has the Fund procured tenants or managed the vacant portion of the property which is at a rate of 20 percent?

Answer The Fund has entered into an agreement with AMR Asia Public Company Limited which is a technical advisory company for the Fund that performs duties related to marketing. The Fund has already offered such vacant space to some telecommunications operators. However, it depends on the marketing plan and strategy of the telecommunications operators. Nevertheless, the Fund currently has no tenants other than Triple T Broadband Public Company Limited ("TB").

Question 5 Has AIS Fibre home internet moved into 3BB or not?

Answer AIS and 3BB are still different brands. AIS Fibre is still owned by AIS. However, if 3BB customers want to become mobile customers, AIS and 3BB will offer AIS 3BB Fibre3 to increase options for users.

In this regard, the Management Company would like to render additional information on top of what has been stated in the Two-way communication meeting of the Fund on Wednesday, 10 April 2024 that 3BB is a strong high-speed internet brand, doing business for a long time and widely known especially in provincial areas. After 3BB came under AIS, 3BB's services have continued to be offered. It has been re-branded, presenting services under the concept of AIS-3BB Fibre3 which is committed to delivering additional services to respond to customer's requirements in various aspects. The main strategies for development are as follows:



- Expanding the user base by focusing on high-quality users from the cooperation of networks between AIS and 3BB.
- Offering services that respond to user's requirements in various segments such as SME groups, corporate groups and higher-level services as Home Fibre Lan for development of ARPU growth.
- Offering other digital services to develop additional growth such as Smart Home solution, TV and Content including cross-selling AIS mobile phone services.

AIS still intends to create cost synergies between 3BB and AIS which will increase 3BB's operational efficiency, resulting in stable cash flow and profits. It will also increase the ability to pay the rent to the Fund.

Question 6 How long does an optical fiber cable last?

Answer Generally, the factory guarantees a lifespan of 30 - 35 years or more, depending on maintenance.

Question 7 After the merger of 3BB and AIS Fibre, what is the latest trend of the Fund's performance?

Answer Revenue from 3BB's business at the end of 2023 after the merger between 3BB and AIS on 15 November 2023 still decreased from Baht 16,500 million to Baht 15,000 million. However, the operating performance after the merger should be considered in the long term.

Question 8 Does the Fund have a plan to repay the principal early to reduce the interest burden and can the Fund repay the principal more than specified in the loan agreement with Bangkok Bank?

Answer At present, interest rates are on a downtrend. The Fund does not need to rush to repay loans because the financial costs of the Fund are about to decrease. The loan agreement specifies that the Fund must pay the amount as prescribed thereunder. If payment is not made as specified in the loan agreement, the Fund may be exposed to a penalty.

Item No. 2 The financial position and the operating performance of the Fund for the year 2023

Question 1 What are the causes of the accumulated loss of Baht 8,196.15 million?

Answer Due to the termination of Rental Assurance Agreement according to the resolution of the Extraordinary General Meeting of the Unitholders No. 1/2023, the Fund has assessed the value of the optical fibre assets at the new fair value. Therefore, there was a loss from the valuation of



Baht 19,100 million. As a result, from the Fund having accumulated profits of approximately Baht 8,000 million to accumulated losses of Baht 8,196.15 million.

However, such accumulated losses are losses in accounting. The Fund still has liquidity received from rentals on a regular basis after the termination of the Rental Assurance Agreement. Therefore, the Fund pays money received from property rentals in the form of capital reductions to unitholders instead of paying dividends. If the financial statements of the Fund do not show accumulated loss, such rental will be paid in the form of dividends.

Question 2 What was the cause of the increase in other assets of approximately Baht 528.75 million?

Answer From the financial statements at the end of the year, there are rent receivables and accrued penalties in the amount of Baht 514.97 million and debtors from accrued interest in the amount of Baht 83,000. On 23 August 2023, the Extraordinary General Meeting of the Unitholders has resolved to approve the waiver in relation to the suspension of the rental payment and the rental payment default under the Amended and Restated Rental Assurance Agreement for the period starting from July 2023 until the date the unitholders' meeting approved such waiver and the Fund's scheme has been amended, where TB will pay the overdue rental and interest at the rate of 7.5% per annum calculated up until the date on which the unitholders' meeting has approved such waiver and the Fund's scheme has been amended, in 6 equal instalments.

Therefore, TB's default in the rental payment and request for waiver under the Rental Assurance Agreement resulted in the Fund having recorded rent receivables and accrued penalties. As a result, other assets have increased. In this regard, from January to June 2024, the Fund will receive the rental which will be gradually paid from TB, approximately Baht 85 million per month.

Question 3 Will late payment penalties as of 2023 be paid as dividends for the unitholders this year?

Answer If the Fund has remaining liquidity, it will continue to allocate them to the unitholders.

Item No. 3 The payment of dividends and the capital decrease for the year 2023

Question 1 When will the Fund stop reducing its capital, when will the Fund be able to pay dividends, and what is the dividend trend?

Answer In the 4th quarter of the year 2023, the Fund had an accumulated loss of Baht 8,196.15 million. If the Fund still has accumulated losses, it will not be able to pay dividends. However, as the Fund still has remaining liquidity from receiving the rental from TB, the Fund can pay such



money in the form of capital reduction. The Fund will continue to decrease capital until the Fund no longer has accumulated losses. In the event where the net asset has increased from operations, the accumulated losses will decrease.

Question 2 What is the tax burden from the payment of capital decrease to the unitholders who are natural persons?

Answer If there is a capital decrease payment while the Fund has losses or no retained profits, such capital decrease does not need to be included as income for calculating personal tax income. Moreover, when the capital decrease is paid, the Fund will circulate documents to inform the unitholders that shows that upon the capital decrease payment, the Fund does not have retained earnings. Thus, there is no tax burden.

Question 3 Why is the capital decrease paid by the Fund at the rate of Baht 0.16 per investment unit, not Baht 0.26 per investment unit?

Answer The Fund paid dividends at the rate of Baht 0.23 per investment unit per quarter previously, which is the rate reflected from when the Fund receives full rental income of 100 percent. The Fund has received 30 percent decrease in rental at the present due to the termination of the Rental Assurance Agreement according to the resolution of the Extraordinary General Meeting of the Unitholders No. 1/2023. Thus, the Fund uses available liquidity to pay in the form of capital decrease to the unitholders which has a rate of approximately Baht 0.16 per investment unit per quarter.

Item No. 4 The appointment of the auditors of the Fund and the audit fees for the year 2024

Question 1 How much did EY Office Limited offer as an audit fee for the year 2024?

Answer EY Office Limited offered an audit fee of Baht 1.7 million continuously every year and there was no proposed audit fee that was different from before at this time.

Question 2 Why was the auditor changed?

Answer It was for convenience in preparing consolidated financial statements and to avoid additional expenses from using different auditors because both AIS as the new sponsor of the Fund and TB have KPMG Phoomchai Audit Company Limited as the auditor.

Question 3 What are the levels of the previous auditor and the new auditor?

Answer Both EY Office Limited and KPMG Phoomchai Audit Company Limited are at the same level.



Item No. 5 Other matters (if any)

Question 1 How has the request for an interest rate reduction and extension of the repayment period been progressed with the bank?

Answer The Fund negotiated with Bangkok Bank around the end of the year 2023. Therefore, some time has to be given to Bangkok Bank to consider approval. In addition, AIS as the new sponsor of the Fund has a good credit risk profile and a stable and reliable financial position. It may be one consideration that Bangkok Bank will consider.

Question 2 How does the Fund maintain the assets under the terminated Rental Assurance Agreement and is the supervisor in the form of a committee?

Answer The Fund has their assets inspected every quarter and are overseen by an investment advisory committee. This is because property inspection results must be reported to the investment advisory committee every quarter.

Yours faithfully,

BBL Asset Management Company Limited
3BB Internet Infrastructure Fund