

ASIAN PAY TELEVISION TRUST

(Registration No.: 2013005)

(A business trust registered under the Business Trusts Act)

MINUTES OF ANNUAL GENERAL MEETING

CONVENED AND HELD BY WAY OF ELECTRONIC MEANS THROUGH “LIVE” AUDIO-VISUAL WEBCAST AND “LIVE” AUDIO-ONLY STREAM

DATE : Tuesday, 30 June 2020

TIME : 3.00 p.m.

PRESENT : **Directors**

Yong Lum Sung (Chair and Independent Director)
Brian McKinley (Chief Executive Officer and Executive Director)

Via teleconference

Richard Tan (Independent Director)
Leong Shin Loong (Independent Director)
Joanna Ong (Independent Director)
Daniel Chang (Non-Executive Director)
Lu Fang-Ming (Vice-Chair and Non-Executive Director)

Unitholders

(attended via “live” audio-visual webcast or “live” audio only stream)

As set out in the attendance record maintained by the Trustee-Manager

BY INVITATION : Somnath Adak (Chief Financial Officer)

Via teleconference

Yang Chi Chih, Audit Partner from Deloitte & Touche LLP and other invitees as set out in the attendance record maintained by the Trustee-Manager

IN ATTENDANCE : Kim Yi Hwa (Company Secretary) (via audio-visual webcast)

CHAIR

The seventh Annual General Meeting (“AGM” or the “Meeting”) of Asian Pay Television Trust (“APTT” or the “Trust”) was convened and held by way of electronic means through “live” audio-visual webcast and “live” audio-only stream pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (as amended) and in accordance with the Joint Statement of the Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Securities Trading Limited (“SGX-ST”) guidance issued on 13 April 2020 (and updated on 27 April 2020) in relation to the conduct of general meetings during elevated safe distancing period. The Meeting was chaired by Mr Yong Lum Sung.

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QUORUM

There being a quorum, the Chair called the Meeting to order and declared the Meeting open at 3.00 p.m. and welcomed Unitholders of APTT and other invitees to the Meeting.

NOTICE

As the notice convening the Meeting was in Unitholders' hands for the statutory period, the notice convening the Meeting was taken as read.

INTRODUCTION AND PRESENTATION

The Chair introduced the Directors of APTT Management Pte. Limited (the "Trustee-Manager") the Chief Financial Officer of the Trustee-Manager, and the Audit Partner of APTT's Auditors, Deloitte & Touche LLP.

Unitholders were not able to ask questions during the "live" audio-visual webcast or "live" audio-only stream and had submitted their questions prior to the Meeting. Answers to all substantial and relevant questions received from Unitholders were published on the SGX-ST and APTT websites prior to the Meeting. The AGM presentation that was presented in the Meeting was also published on the SGX-ST and APTT websites.

The Chair requested Mr Brian McKinley, Executive Director and Chief Executive Officer ("CEO") of the Trustee-Manager, to deliver the AGM presentation and provide an update on APTT.

Following the CEO's update, the Chair proceeded with the ordinary and special businesses of the Meeting.

The Chair informed the Meeting that all Resolutions tabled at the Meeting were voted by proxy appointing the Chair of the Meeting as proxy. The proxy forms were submitted at least 48 hours before the Meeting by either post or email and in his capacity as the Chair of the Meeting, he would vote in accordance with Unitholders' instructions.

DrewCorp Services Pte Ltd and Boardroom Corporate & Advisory Services Pte. Ltd. were appointed as independent Scrutineer and Polling Agent respectively. The validity of the proxies submitted by Unitholders by the submission deadline of 3.00 pm on 28 June 2020, were reviewed and the votes of all such valid proxies were counted and verified.

1. **ORDINARY BUSINESS:**
TO RECEIVE AND ADOPT THE REPORT OF THE TRUSTEE-MANAGER, STATEMENT BY THE TRUSTEE-MANAGER AND THE AUDITED FINANCIAL STATEMENTS OF APTT GROUP FOR THE YEAR ENDED 31 DECEMBER 2019 AND THE AUDITOR'S REPORT THEREON – ORDINARY RESOLUTION 1

The Meeting proceeded to receive and adopt the Report of the Trustee-Manager, Statement by the Trustee-Manager and the Audited Financial Statements of APTT Group for the year ended 31 December 2019 and the Auditor's Report thereon.

The Chair proposed the motion as follows:

"That the Report of the Trustee-Manager, Statement by the Trustee-Manager and the Audited Financial Statements of APTT Group for the year ended 31 December 2019 and the Auditor's Report thereon be received and adopted."

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The votes of Unitholders who had cast their votes by proxy appointing the Chair of the Meeting were counted and verified prior to the Meeting and based on the proxy votes received, the poll results of Ordinary Resolution 1 were as follows:

	Number of votes	%
Number of votes "For"	214,788,259	98.85
Number of votes "Against"	2,491,700	1.15
Total number of valid votes cast	217,279,959	100.00

The Chair declared the motion carried.

It was **RESOLVED**:

"That the Report of the Trustee-Manager, Statement by the Trustee-Manager and the Audited Financial Statements of APTT Group for the year ended 31 December 2019 and the Auditor's Report thereon be received and adopted."

2. **ORDINARY BUSINESS:**
TO REAPPOINT DELOITTE & TOUCHE LLP AS THE AUDITOR OF APTT TO HOLD OFFICE UNTIL THE NEXT ANNUAL GENERAL MEETING AND TO AUTHORISE THE DIRECTORS OF THE TRUSTEE-MANAGER TO FIX ITS REMUNERATION – ORDINARY RESOLUTION 2

The Meeting was informed that the next item on the Agenda was to reappoint Deloitte & Touche LLP as the Auditor of APTT to hold office until the next Annual General Meeting and to authorise the Directors of the Trustee-Manager to fix its remuneration. Deloitte & Touche LLP had expressed its willingness to accept reappointment.

The Chair proposed the motion as follows:

"That Deloitte & Touche LLP be reappointed as the Auditor of APTT to hold office until the next Annual General Meeting and the Directors of the Trustee-Manager be authorised to fix its remuneration."

The votes of Unitholders who had cast their votes by proxy appointing the Chair of the Meeting were counted and verified prior to the Meeting and based on the proxy votes received, the poll results of Ordinary Resolution 2 were as follows:

	Number of votes	%
Number of votes "For"	212,234,204	98.84
Number of votes "Against"	2,491,700	1.16
Total number of valid votes cast	214,725,904	100.00

The Chair declared the motion carried.

It was **RESOLVED**:

"That Deloitte & Touche LLP be reappointed as the Auditor of APTT to hold office until the next Annual General Meeting and the Directors of the Trustee-Manager be authorised to fix its remuneration."

**3. SPECIAL BUSINESS:
GENERAL MANDATE TO ISSUE NEW UNITS IN APTT – ORDINARY RESOLUTION 3**

The Meeting was informed that the next item on the Agenda was to grant authority to the Trustee-Manager to issue new units in APTT not exceeding the limit as mentioned in the text of the resolution at any time and upon such terms and conditions and for such purposes and to such persons as the Trustee-Manager shall deem fit.

The Chair proposed the motion that the general mandate to issue units in APTT, the text of which was contained in the Notice of Meeting, be approved.

The votes of Unitholders who had cast their votes by proxy appointing the Chair of the Meeting were counted and verified prior to the Meeting and based on the proxy votes received, the poll results on the Ordinary Resolution 3 were as follows:

	Number of votes	%
Number of votes "For"	208,271,204	95.85
Number of votes "Against"	9,008,755	4.15
Total number of valid votes cast	<u>217,279,959</u>	<u>100.00</u>

The Chair declared the motion carried.

It was **RESOLVED**:

"That pursuant to Clause 6.1 of the deed of trust dated 30 April 2013 constituting APTT (the "Trust Deed"), Section 36 of the Business Trusts Act, Chapter 31A of Singapore (the "BTA") and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "SGX-ST"), authority be and is hereby given to the Trustee-Manager to:

- (i) (a) issue Units, whether by way of rights, bonus or otherwise; and/or
- (b) 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
- (ii) issue Units pursuant to any Instrument made or granted by the Trustee-Manager while this Resolution is in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued),

provided that:

- (A) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued pursuant to Instruments made or granted pursuant to this Resolution) must not exceed 50.0% of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (B) below), of which the aggregate number of Units to be issued other than on a pro-rata basis to unitholders must not exceed 20.0% of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (B) below);
- (B) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (A) above, the total number of issued Units (excluding treasury Units, if any) will

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be based on the number of issued Units (excluding treasury Units, if any) at the time of the passing of this Resolution, after adjusting for:

- (I) new Units arising from the conversion or exercise of the Instruments which are issued and outstanding or subsisting at the time this Resolution is passed; and
 - (II) any subsequent bonus issue, consolidation or subdivision of Units;
- (C) in exercising the authority conferred by this Resolution, the Trustee-Manager must comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Trust Deed for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore) and the BTA;
- (D) (unless revoked or varied by the unitholders in a general meeting) the authority conferred by this Resolution will continue in force until (i) the conclusion of the next Annual General Meeting of APTT or (ii) the date by which the next Annual General Meeting of APTT is required by law to be held, whichever is earlier;
- (E) 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
- (F) the Trustee-Manager be and is hereby severally 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 APTT to give effect to the authority conferred by this Resolution."

CONCLUSION

There being no other business to transact, the Chair declared the Meeting of the Trust closed at 3.41 p.m. and thanked everyone for their attendance.

Confirmed As True Record Of Proceedings Held



Yong Lum Sung
Chair



ANNUAL GENERAL MEETING

30 June 2020

IMPORTANT NOTICES AND DISCLAIMERS

Disclaimers

Asian Pay Television Trust ("APTT") is a business trust registered under the Business Trusts Act (Chapter 31A of Singapore) and listed on the Main Board of the Singapore Exchange Securities Trading Limited. APTT Management Pte. Limited ("AMPL") is the Trustee-Manager of APTT. AMPL is a wholly owned subsidiary of Dynami Vision Pte. Ltd. ("Dynami"), which is a Singapore-incorporated company owned by Mr Lu Fang-Ming, the Chairman of Asia Pacific Telecom Co., Ltd.

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General Securities Warning

This presentation is not an offer or invitation for subscription or purchase of or a recommendation of securities. It does not take into account the investment objectives, financial situation and particular needs of the investor. Before making an investment in APTT, the investor or prospective investor should consider whether such an investment is appropriate to their particular investment needs, objectives and financial circumstances and consult an investment adviser if necessary.

Information, including forecast financial information, in this presentation should not be considered as a recommendation in relation to holding, purchasing or selling securities or other instruments in APTT. Due care and attention has been used in the preparation of forecast information. However, actual results may vary from forecasts and any variation may be materially positive or negative. Forecasts by their very nature, are subject to uncertainty and contingencies many of which are outside the control of APTT. Past performance is not a reliable indication of future performance.

Investors should note that there are limitations on the rights of certain investors to own units in APTT under applicable Taiwan laws and regulations. Such investors include individuals or certain corporate entities in the People's Republic of China ("PRC"), the Taiwan Government and political entities and other restricted entities and restricted persons. For further information, investors should refer to the prospectus dated 16 May 2013 issued by APTT and the deed of trust constituting APTT dated 30 April 2013.

AGENDA

1. BOARD OF DIRECTORS
2. BUSINESS OVERVIEW
3. 2019 & Q1 2020 RESULTS
4. OUTLOOK & STRATEGY
5. IMPORTANT UPDATES
6. FORMAL PROCEEDINGS

BOARD OF DIRECTORS



BOARD OF DIRECTORS

Independent directors comprise majority of the Board (4 out of 7); six are non-executive directors



**Yong Lum
Sung**

—
Chair,
Independent
Director



**Richard
Tan**

—
Independent
Director,
Remuneration
Committee
Chair



**Leong Shin
Loong**

—
Independent
Director,
Nominating
Committee
Chair



**Joanna
Ong**

—
Independent
Director,
Audit
Committee
Chair



**Daniel
Chang**

—
Non-Executive
Director



**Lu
Fang-Ming**

—
Vice-Chair,
Non-Executive
Director



**Brian
McKinley**

—
Chief
Executive
Officer,
Executive
Director

BUSINESS OVERVIEW



OVERVIEW



APTT is a business trust with a mandate to own & operate pay-TV & broadband businesses in Taiwan, Hong Kong, Japan & Singapore

- Independent directors comprise majority of the Board of Directors (4 out of 7)
- **Sole investment in Taiwan Broadband Communications (“TBC”) – Taiwan’s third largest cable TV operator**



Cable TV operator in five franchise areas in Taiwan, with network coverage of more than 1.2 million homes

- Owns 100% of the advanced hybrid fibre coaxial cable network in the five franchise areas
- Resilient business with high barriers of entry due to high network roll out requirements
- Large customer base makes TBC attractive to local content providers; unique commercial arrangement with content providers
- Long standing relationship with subscribers; deep understanding of Taiwanese viewers’ preferences

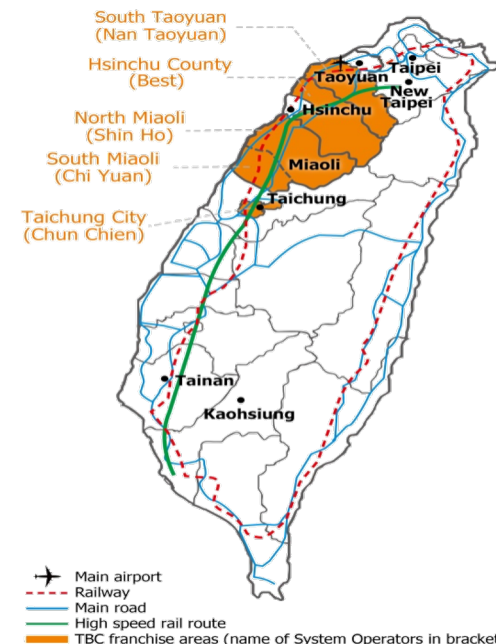
PRODUCT OFFERINGS

Approx. 80% of revenue is subscription-based from the three products¹

BASIC CABLE TV	PREMIUM DIGITAL CABLE TV	BROADBAND
Variety of local and international content, comprising more than 100 channels on Basic cable TV; most of the popular channels are only available on cable TV	Up to 75 additional channels including 64 HD channels, through MPEG4 platform 30% Premium digital cable TV penetration ¹ with large addressable market of 100% digital set-top box penetration	34% Broadband penetration ¹ with ability to cross-sell to remaining market on 100% DOCSIS 3.1 enabled HFC network and current speed offerings up to 1 Gbps

Note: (1) As at 31 March 2020

FRANCHISE AREAS IN NORTHERN & CENTRAL TAIWAN

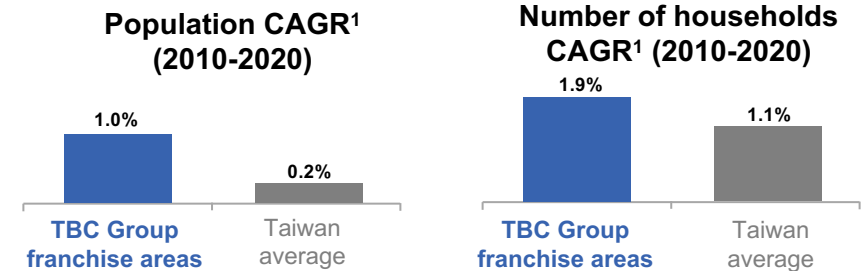


- Low churn rate of 0.6%¹ for Basic cable TV (725K¹ Revenue Generating Units)
- Limited competition from IPTV and DTH operators
- Up-sell Premium digital cable TV and cross-sell Broadband to large Basic cable TV subscriber base

TBC'S FRANCHISE AREAS

Network coverage of more than 1.2 million households across five franchise areas in four counties of Taiwan

- Well connected via major railways, road transportation and/or international airports
- Increasing population due to workforce seeking employment in TBC Group's franchise areas
- Population growth in the five franchise areas (1.0%) outstrips national average (0.2%); Growing number of new households as more young Taiwanese set up families



South Taoyuan



- Home to Taiwan Taoyuan International Airport and close proximity to Taipei
- Service area covers 918 square km and constitutes over 75% of the total area in Taoyuan County
- Approx. 421K households and population of close to 1.2 million

Hsinchu



- Hsinchu Science Park is home to high tech companies, the city has one of the highest income levels in Taiwan
- Approx. 201K households and population of 565K

Miaoli (North & South)



- Suburban mountainous region geographically located between Hsinchu and Taichung
- Well connected via major railway and road transportation systems
- Approx. 192K households and population of 545K

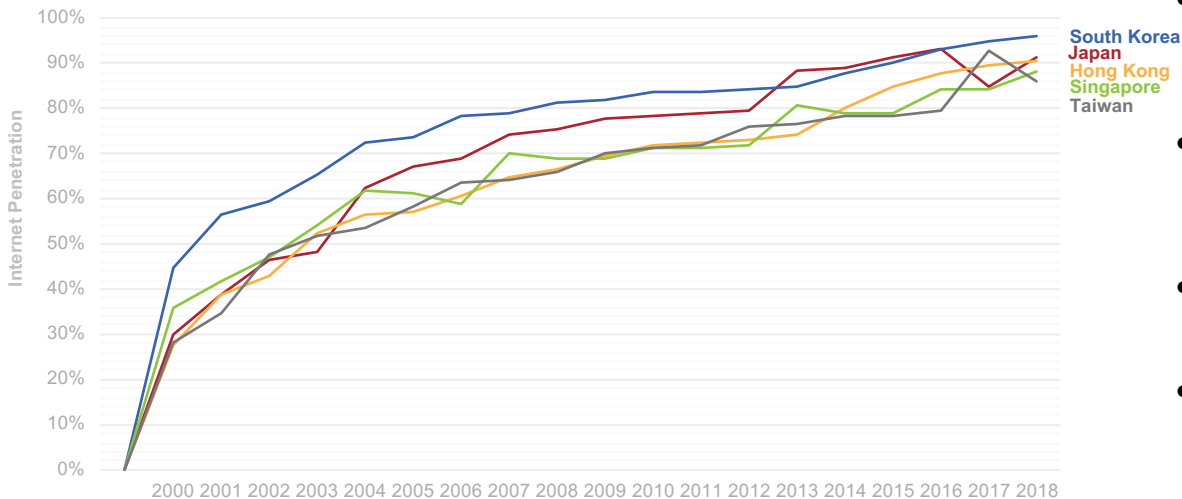
Taichung City



- One of the most populous cities in Taiwan; home to Taichung International Airport
- Vibrant, diverse economy: large industrial areas and a thriving commercial sector that incorporates traditional businesses, small family-run shops & factories
- Approx. 452K households and population of 1.2 million

TAIWAN MARKET – POTENTIAL IN BROADBAND

Relatively lower internet penetration and speed compared to other developed APAC markets



- Internet penetration has increased significantly in South Korea, Japan, Hong Kong, Singapore and Taiwan; but remains lowest in Taiwan, compared to the four markets
- While Taiwan's average internet speed has improved, it is still ranked second last among the developed APAC markets at approx. 137.9 Mbps
- TBC's Broadband market penetration in its five franchise areas is approx. 34% as at 31 March 2020
- Opportunity for TBC to gain more market share and meet rising demand for higher-speed broadband plans due to rapidly growing demand for data

International Telecommunications Union

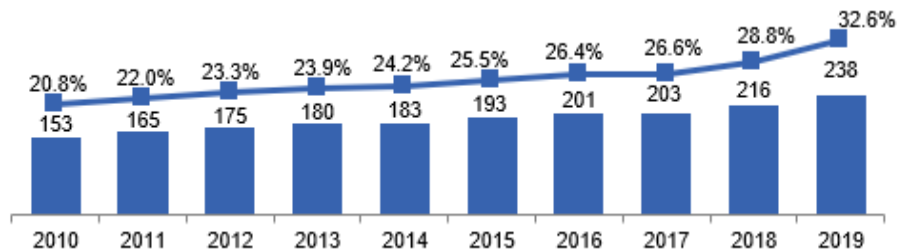
Region	Number of Internet users (million)	Average speed of fixed internet connections (Mbps)	Year-on-year change in average speed of fixed internet connections
Asia-Pacific			
Taiwan	20.51	137.90	+113%
South Korea	49.21	144.41	+21%
Japan	116.5	104.58	+14%
Singapore	5.14	200.12	+4.8%
Hong Kong	6.79	164.88	+2.2%

GROWING BROADBAND MARKET PENETRATION

TBC's broadband market penetration in its franchise areas: 34% in Q1 2020 vs 33% in 2019

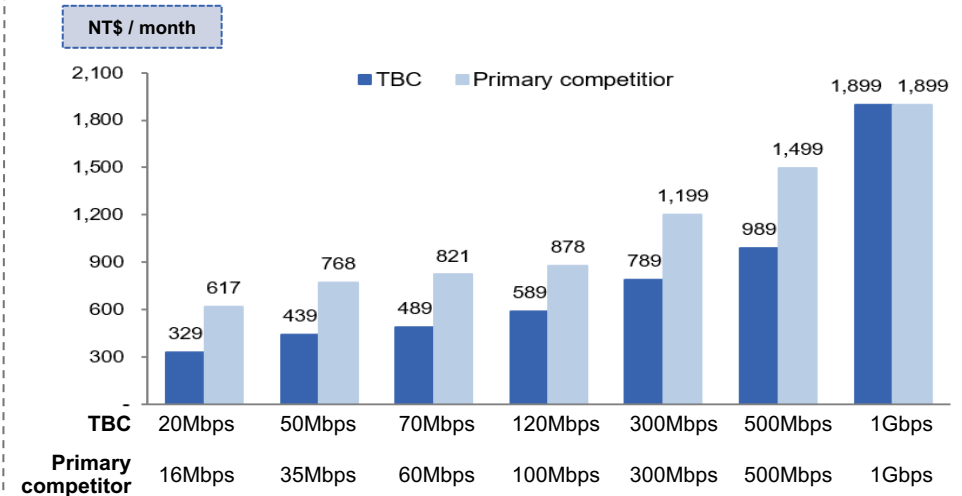
Broadband RGUs ('000) and penetration

2010-19 Broadband RGU CAGR: 5.0%



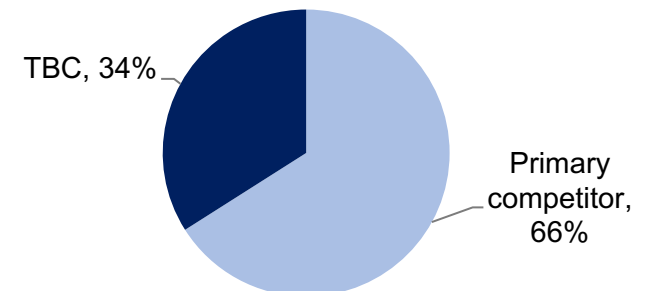
- DOCSIS 3.1 enabled network that meets consumer demand for high-speed internet; 1 Gbps launched in Q4 2019
- Competitive pricing and optional bundling with digital TV
- Launch of value-added services including Android OTT gateway and karaoke singing box. Will continue to introduce value-added solutions (e.g. IoT, smart home devices) that will leverage the Android gateway
- Develop new market segments, including enterprise clients
- Support wireless operators with their network development by leveraging TBC network for data backhaul

TBC Group offers competitive prices¹ with reliable services



Note: (1) Primary competitor pricing based on NCC data as at 31 March 2020

Approx. market penetration of Broadband in TBC's five franchise areas



2019 & Q1 2020 RESULTS



Broadband market penetration and EBITDA margin improved



Lower EBITDA but margins improved

- Revenue and ARPUs under pressure due to a saturated cable TV market, heightened competition from IPTV and from mobile operators offering unlimited wireless data
- Revenue: S\$79.3 million in Q1 2020 and S\$292.6 million in 2019
- EBITDA: S\$48.3 million in Q1 2020 and S\$174.5 million in 2019; EBITDA margin: 60.9% in Q1 2020 and 59.6% in 2019
- Lower broadcast and production costs in Q1 2020 and 2019



Growth in subscriber base

- Premium digital cable TV and Broadband subscribers have been steadily increasing over the past eight quarters
- Growth in Premium digital cable TV and Broadband subscribers more than offset Basic cable TV churn; total subscribers increased to c.1,186,000 as at 31 Mar 2020



Growth in Broadband market penetration

- Deepened market penetration to 34% in Q1 2020 (2019: 33%; 2018: 29%), as we continue to offer higher speed plans at competitive prices
- Continued efforts to drive higher speed plans and tap opportunities in data backhaul



Distributions

- Total distribution for full year 2019 of 1.20 cents per unit; Q1 2020 distribution of 0.30 cents declared and paid
- Based on the enlarged unitholdings post Rights Issue, quarterly distribution to be adjusted to 0.25 cents per unit for the remaining quarters in 2020, starting from Q2 2020, subject to no material changes in planning assumptions



Strategic review

- A new strategic partnership at the Trustee-Manager level was one of the options considered by the Strategic Review Committee
- Dynami's parent company has entered into a sale and purchase agreement with Da Da Digital Convergence Co., Ltd for a 65% stake in Dynami; subject to approvals

KEY OPERATING METRICS

Premium and Broadband RGUs have been steadily increasing over the last eight quarters, which more than offset Basic cable TV churn, raising total subscriber base to c.1,186,000

	RGUs ¹ ('000)			ARPU ² (NT\$ per month)		
	As at 31 Mar	As at 31 Dec		Quarter ended 31 Mar	Year ended 31 Dec	
	2020	2019	2018	2020	2019	2018
Basic cable TV	725	729	750	486	490	500
Premium digital cable TV	219	214	196	104	112	127
Broadband	242	238	216	360	383	426

- **Basic cable TV:** Saturated cable TV market in Taiwan, resulting in RGUs declining (c.725,000 as at 31 March 2020), ARPU was also lower. RGUs were impacted by i) video piracy issues, ii) competition from aggressively priced IPTV and iii) expectations from consumers for discounts as they compare with the lower cable TV pricing outside of TBC's five franchise areas, particularly in the Taipei region
- **Premium digital cable TV:** RGUs increased to c.219,000 as at 31 March 2020. ARPU was lower due to promotions and discounted bundled packages that were offered to generate new RGUs and to retain existing RGUs. Video piracy issues and aggressively priced IPTV have also impacted ARPU
- **Broadband:** RGUs increased to c.242,000 as at 31 March 2020. The continued focus on TBC's broadband growth strategy, in the face of competitive market conditions from unlimited wireless data offerings from mobile operators, resulted in strong increase in RGUs in the quarter. The availability of low-cost unlimited data offerings from mobile operators is necessitating fixed-line operators to offer higher speeds at competitive prices to acquire new RGUs and re-contract existing RGUs. Broadband churn rates remained very low, averaging around 0.9% in Q1 2020

Notes: (1) RGUs refer to Revenue Generating Units, another term for subscribers or subscriptions; the terms are used interchangeably

(2) Average Revenue Per User ("ARPU") is calculated by dividing the subscription revenue for Basic cable TV or Premium digital cable TV or Broadband, as applicable, by the average number of RGUs for that service during the period

FINANCIAL RESULTS

EBITDA margin improved in Q1 2020 and FY2019; ARPU continued to be under pressure

Group ¹ (\$'000)	Quarter ended 31 Mar			Year ended 31 Dec		
	2020	2019	Variance ² (%)	2019	2018	Variance ² (%)
Revenue						
Basic cable TV	63,669	58,083	9.6	232,151	250,044	(7.2)
Premium digital cable TV	3,254	3,241	0.4	12,797	13,849	(7.6)
Broadband	12,381	11,883	4.2	47,677	49,962	(4.6)
Total revenue	79,304	73,207	8.3	292,625	313,855	(6.8)
Total operating expenses³	(31,044)	(29,132)	(6.6)	(118,165)	(129,266)	8.6
EBITDA	48,260	44,075	9.5	174,460	184,589	(5.5)
EBITDA margin	60.9%	60.2%		59.6%	58.8%	

In constant Taiwan dollars (“NT\$”), Q1 2020 revenue was up 3.6% while 2019 revenue was down 5.4% compared to the pcg; foreign exchange contributed 4.7% positive variance and 1.4% negative variance

- **Basic cable TV:** Up 4.9% in Q1 2020, in constant NT\$ terms, mainly due to higher non-subscription revenue generated from airtime advertising sales and others. Down 5.8% in 2019, in constant NT\$ terms, mainly due to lower subscription revenue, driven by lower number of subscribers and ARPU, and lower non-subscription revenue generated from channel leasing and airtime advertising sales
- **Premium digital cable TV:** Down 4.3% in Q1 2020 and 6.2% in 2019, in constant NT\$ terms. Generated predominantly from TBC’s average Premium digital cable TV RGUs each contributing an ARPU of NT\$104/month in Q1 2020 and NT\$112/month in 2019 for Premium digital cable TV packages, bundled DVR or DVR-only services
- **Broadband:** Down 0.5% in Q1 2020 and 3.2% in 2019, in constant NT\$ terms. Generated predominantly from TBC’s average Broadband RGUs each contributing an ARPU of NT\$360/month in Q1 2020 and NT\$383/month in 2019 for high-speed Broadband services

Total operating expenses: Lower broadcast and production costs in Q1 2020 and 2019; overall operating expenses were lower in 2019 but higher in Q1 2020 mainly due to higher staff costs and other operating expenses

Notes: (1) Group refers to APTT and its subsidiaries taken as a whole

(2) A positive variance is favourable to the Group and a negative variance is unfavourable to the Group

(3) Total operating expenses exclude depreciation and amortisation expense, net foreign exchange gain/loss and mark to market movements on foreign exchange contracts, in order to arrive at EBITDA and EBITDA margin

NET PROFIT

Net profit for Q1 2020 and 2019 sufficiently covers the distribution payout; Net profit includes non-cash items such as depreciation and amortisation expense, foreign exchange, mark to market movements and deferred taxes

Group ¹ (S\$'000)	Quarter ended 31 Mar			Year ended 31 Dec		
	2020	2019	Variance ² %	2019	2018	Variance ² %
Total revenue	79,304	73,207	8.3	292,625	313,855	(6.8)
Operating expenses						
Broadcast and production costs	(13,713)	(14,524)	5.6	(53,431)	(60,049)	11.0
Staff costs	(8,274)	(6,569)	(26.0)	(28,836)	(28,056)	(2.8)
Trustee-Manager fees	(1,830)	(1,804)	(1.4)	(7,315)	(7,285)	(0.4)
Other operating expenses	(7,227)	(6,235)	(15.9)	(28,583)	(33,876)	15.6
Total operating expenses	(31,044)	(29,132)	(6.6)	(118,165)	(129,266)	8.6
EBITDA	48,260	44,075	9.5	174,460	184,589	(5.5)
Other expenses						
Depreciation and amortisation expense	(21,554)	(20,535)	(5.0)	(86,563)	(78,613)	(10.1)
Net foreign exchange gain/(loss)	1,168	(1,709)	>100	(847)	(1,053)	19.6
Mark to market (loss)/gain on derivative financial instruments	(2,734)	1,424	(>100)	582	2,642	(78.0)
Amortisation of deferred arrangement fees	(864)	(830)	(4.1)	(3,339)	(23,125)	85.6
Interest and other finance costs	(12,476)	(11,994)	(4.0)	(50,161)	(53,847)	6.8
Income tax expense	(5,693)	(2,957)	(92.5)	(14,719)	(22,859)	35.6
Total other expenses	(42,153)	(36,601)	(15.2)	(155,047)	(176,855)	12.3
Net profit	6,107	7,474	(18.3)	19,413	7,734	>100

Notes: (1) Group refers to APTT and its subsidiaries taken as a whole

(2) A positive variance is favourable to the Group and a negative variance is unfavourable to the Group

SELECTED FINANCIAL INFORMATION

Selected financial information¹ are key financial metrics of APTT's business

Group ² (\$'000)	Quarter ended 31 Mar			Year ended 31 Dec		
	2020	2019	Variance ³ %	2019	2018	Variance ³ %
Revenue						
Basic cable TV	63,669	58,083	9.6	232,151	250,044	(7.2)
Premium digital cable TV	3,254	3,241	0.4	12,797	13,849	(7.6)
Broadband	12,381	11,883	4.2	47,677	49,962	(4.6)
Total revenue	79,304	73,207	8.3	292,625	313,855	(6.8)
Total operating expenses⁴	(31,044)	(29,132)	(6.6)	(118,165)	(129,266)	8.6
EBITDA	48,260	44,075	9.5	174,460	184,589	(5.5)
EBITDA margin⁵	60.9%	60.2%		59.6%	58.8%	
Capital expenditure						
Maintenance	4,312	3,823	(12.8)	21,772	19,903	(9.4)
Network, Broadband and other	6,800	10,899	37.6	53,085	55,480	4.3
Total capital expenditure	11,112	14,722	24.5	74,857	75,383	0.7
Income tax paid, net of refunds	(1,117)	(2,931)	61.9	(10,182)	(16,742)	39.2
Interest and other finance costs paid	(12,460)	(11,960)	(4.2)	(50,524)	(53,536)	5.6

Notes: (1) Some of the selected financial information includes non-IFRS measures

(2) Group refers to APTT and its subsidiaries taken as a whole

(3) A positive variance is favourable to the Group and a negative variance is unfavourable to the Group

(4) Total operating expenses exclude depreciation and amortisation expense, net foreign exchange gain/loss and mark to market movements on foreign exchange contracts, in order to arrive at EBITDA and EBITDA margin

(5) EBITDA margin is a non-IFRS financial measure and is calculated by dividing EBITDA by total revenue

FINANCIAL POSITION

Group (S\$'000)	As at		
	31 Mar 2020	31 Dec 2019	31 Dec 2018
Assets			
Current assets			
Cash and cash equivalents	96,830	79,101	73,576
Trade and other receivables	14,882	11,956	13,471
Other assets	20,769	17,895	3,260
	132,481	108,952	90,307
Non-current assets			
Property, plant and equipment	346,090	338,796	328,308
Intangible assets	2,504,731	2,390,549	2,371,838
Other assets	1,864	1,232	1,065
	2,852,685	2,730,577	2,701,211
Total assets	2,985,166	2,839,529	2,791,518
Liabilities			
Current liabilities			
Borrowings from financial institutions	19,572	15,400	5,694
Trade and other payables	44,364	39,278	23,133
Income tax payable	10,035	7,582	11,444
Other liabilities	58,294	54,502	61,176
	132,265	116,762	101,447
Non-current liabilities			
Borrowings from financial institutions	1,566,674	1,511,288	1,504,674
Deferred tax liabilities	90,553	84,793	74,575
Other liabilities	51,405	42,156	37,090
	1,708,632	1,638,237	1,616,339
Total liabilities	1,840,897	1,754,999	1,717,786
Net assets	1,144,269	1,084,530	1,073,732

- **Cash and cash equivalents:** Cash balance of S\$96.8 million as at 31 Mar 2020 and S\$79.1 million as at 31 Dec 2019
- **Depreciation/amortisation:** Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:
 - Buildings: 3-50 years
 - Leasehold improvements: 3-10 years
 - Network equipment: 2-10 years
 - Transport equipment: 5 years
 - Plant and equipment: 2-5 years
 - Right of use assets: Lease period

BORROWINGS

Refinancing of borrowing facilities in 2018 and extension of interest rate swaps lowered effective interest rate

Group debt		As at		
		31 Mar 2020	31 Dec 2019	31 Dec 2018
Total size available	S\$ million	1,691	1,628	1,626
Total outstanding	S\$ million	1,604	1,545	1,531
Effective interest rate - constant dollar	% p.a.	Q1 - 2.6	Full year - 2.7	Full year - 3.2
Effective interest rate - SGD	% p.a.	Q1 - 3.2	Full year - 3.3	Full year - 3.6
Net debt / EBITDA ¹	Multiple	8.4	8.4	7.9
Interest cover ²	Multiple	3.5	3.5	3.4
Gearing ³	%	53.1	53.8	54.1

- Successfully completed the refinancing of borrowing facilities in November 2018 at lower interest margin and arrangement fees, which demonstrated strong lender support and confidence in APTT's business and its management
- Interest rate swaps in place to hedge approx. 95% of outstanding onshore facilities through to 2021. The average fixed rate on TAIBOR swaps is approx. 0.82%
- The refinancing and extension of interest rate swaps resulted in substantial annual savings through lower interest costs
- Effective interest rate in constant dollar terms of 2.6% p.a. for Q1 2020 compared to 2.7% p.a. for 2019 (2018: 3.2% p.a.). Actual effective interest rate in SGD was 3.2% p.a. for Q1 2020 compared to 3.3% p.a. for 2019 (2018: 3.6% p.a.)
- Approx. S\$87 million of revolving facilities are available to fund future initiatives

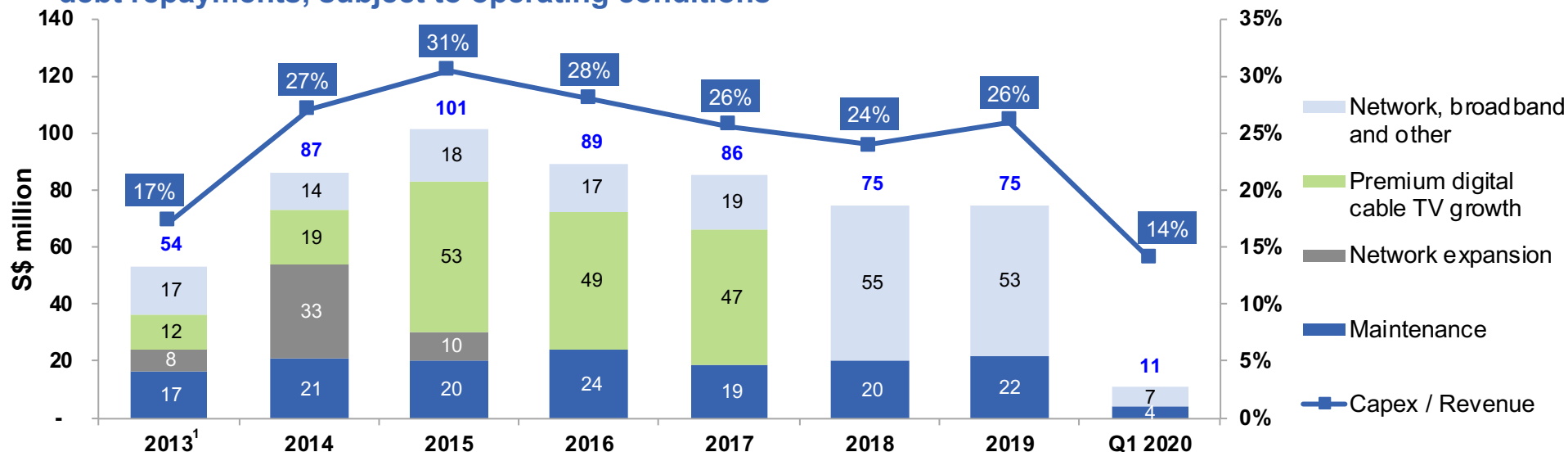
Notes: (1) Total debt outstanding less cash divided by LTM EBITDA

(2) Interest and other finance costs divided by LTM EBITDA

(3) Total debt outstanding (net of unamortised arrangement fees) divided by total assets

CAPITAL EXPENDITURE

Capex to trend down from 2020 onwards; more cash generated from operations may be available to make debt repayments, subject to operating conditions



- Capital expenditure was higher from 2015 to 2017 due to the regulatory requirement to switch-off analogue broadcasting and complete the digitisation of TBC's subscriber base by 2017
- The deployment of fibre deeper into the network continues to be a key investment initiative for 2020 as it will increase network capacity to drive future growth. This investment is key to driving the Broadband business, positioning APTT to benefit from supporting wireless carriers in their network rollouts and to pursue other opportunities for the long-term success of the Trust
- Capital expenditure for full year 2019 was elevated due to the key network and Broadband investments, and is expected to trend down from 2020 onwards; more cash generated from operations may be available to make debt repayments, subject to operating conditions
- Focus will continue to be on areas that will have the best potential in generating growth and sustainability for the long-term; with the uncertainty brought about by the COVID-19 pandemic, some capital expenditure will be deferred until the second half of 2020 or to 2021, if necessary, as extra prudence

Capital expenditure in Q1 2020 and 2019 comprised the following:

- Maintenance capital expenditure to support TBC's existing infrastructure and business
- Network, broadband and other capital expenditure included items related to expanding the fibre network such as cabling, additional equipment to upgrade the headends, backbone and fibre nodes, DOCSIS and GPON deployments for higher speed customers, high-speed broadband modems and cable line extensions for new buildings

Note: (1) Capital expenditure for full year 2013 are included here for information purposes only; APTT's ownership of TBC commenced from 29 May 2013

OUTLOOK & STRATEGY



POSITIONED FOR THE MID TO LONG-TERM

Initiatives to strengthen operations and drive growth, against an increasingly challenging and competitive environment

Capital Management

- Interest rate swaps covering ~95% of outstanding onshore facilities are hedged through to 2021 to reduce the risk of rising interest rates
- Average fixed rate on TAIBOR swaps is ~0.82%
- Net proceeds (~S\$45 million) from the Rights Issue have been used to pare down approx. 20% of outstanding offshore facilities; derive annual interest cost savings of approx. S\$2.9 million

Strengthen Balance Sheet

- Continue to use cash generated from operations to fund capital expenditure and reduce the dependence on borrowings
- CAPEX is expected to trend down from 2020 and more cash generated from operations may then be available to make debt repayments, subject to operating conditions
- Step up on debt management programme

Key Investments

- Investments to focus on:
 - Driving higher speed plans
 - Positioning APTT to benefit from Taiwan's upcoming 5G rollout and drive data backhaul business

Broadband Growth Strategy

- Be data-backhaul ready; data backhaul through TBC's network is expected to become a material part of the broadband business within the next few years as wireless carriers tap into TBC's network for their network rollout
- Develop new market segments, including enterprise clients
- Introduce value-added solutions (e.g. IoT, smart home devices) that will leverage the Android gateway

APTT is positioned to grow in a measured way

GROWTH DRIVERS



UP-SELL & CROSS-SELL

- Continue to build on the up-sell & cross-sell initiatives across TBC's subscriber base to drive growth in future cash flows
- Leverage TBC's product offerings and strong subscriber base for growth



BROADBAND RGU GROWTH

- To navigate the competitive market environment, especially with mobile operators offering unlimited wireless data, continue to focus on Broadband RGU growth by offering discounted packages in order to acquire new RGUs from competitors and to retain existing RGUs
- High fixed broadband penetration in Taiwan; opportunity to gain more market share
- Rising demand for higher-speed broadband plans due to rapidly growing demand for data



SCALABLE & EFFICIENT COST STRUCTURE

- Headroom in network capacity that allows provision of additional services at limited incremental cost
- Support growth in future



PREMIUM DIGITAL TV

- Room for growth as Digital cable TV penetration in Taiwan is still lower than that of Korea, Singapore and Hong Kong
- Consumer preference for better quality video and interactive services
- Growing number of HD television sets in Taiwan

OPERATING ENVIRONMENT



CHALLENGING ENVIRONMENT

- Total RGUs expected to increase in 2020
- ARPUs continue to remain under pressure due to growing popularity of online TV, challenges from video piracy issues and aggressively priced IPTV and competition from mobile operators offering unlimited wireless data
- Decline in demand for home shopping and competition from internet retailing negatively impacting channel leasing revenue for cable industry



HIGHLY REGULATED

- Announced by the local authorities before the end of 2019: Basic cable TV rates for 2020 across all five franchise areas have been maintained at the same rates as 2019

While Premium digital cable TV and Broadband RGUs are expected to grow in 2020, total revenue will be influenced by the ability to maintain ARPUs which will remain under pressure; Total operating expenses in 2020 expected to be in line with 2019

Impact of the COVID-19 pandemic on TBC has been limited to date due to the subscription-based nature of its business

- While the COVID-19 outbreak in Taiwan is relatively contained as compared to other countries, Taiwan's outlook remains uncertain as the expected downturn in other countries will invariably have an impact on Taiwan's export-driven economy and GDP growth. A significant and prolonged deterioration in the national GDP, disposable income or overall economic conditions could in turn adversely affect TBC's ability to grow or maintain revenues, and its financial position.
- The Trustee-Manager will continue to:
 - Monitor developments of COVID-19 and their related impact on operations; and
 - Exercise prudence by managing operational and capital expenditure and strengthening APTT's debt management programme. A stronger balance sheet will provide APTT with the flexibility to navigate and compete more effectively in today's uncertain economic climate.
- TBC and the Trustee-Manager have activated their respective Business Continuity Plans that adhere to all regulations and guidelines in their respective jurisdictions.

IMPORTANT UPDATES



Net proceeds from the Rights Issue to pare down approx. 20% of outstanding offshore facilities

- As announced on 22 June 2020, APTT raised gross proceeds of S\$46.2 million from the 1-for-4 renounceable non-underwritten rights issue (the “Rights Issue”) of 361,270,970 new units in APTT at S\$0.128 each.
- S\$45.0 million of the net proceeds from the Rights Issue has been used to pare down 20% of outstanding offshore facilities, enabling APTT to derive annual interest cost savings of approximately S\$2.9 million and strengthen its financial position.
- Even under this current economic climate, the Trustee-Manager and three supportive unitholders stepped forward to provide undertakings for the Rights Issue, ensuring that APTT achieved its target fund raising amount.
- Since this opportunity presented itself and with the continued pressures on APTT’s EBITDA amidst the challenging operating environment and uncertain economic outlook, the Trustee-Manager is exercising extra prudence by paying down debt.

Total distributions to date

- **26 distributions paid to date totalling 45.105 cents per unit**
(including Q1 2020 distribution of 0.30 cents per unit)
- 4-year distribution record:
FY2016: 6.5 cents per unit
FY2017: 6.5 cents per unit
FY2018: 5.175 cents per unit
FY2019: 1.2 cents per unit

Distribution guidance for 2020

- Distribution of **0.30 cents per unit** declared and paid for Q1 2020
- Based on the enlarged unitholdings post Rights Issue, total quarterly distribution payout to increase by 4.2% to S\$4.5 million, translating to an **adjusted quarterly distribution of 0.25 cents per unit** for the remaining quarters in 2020, subject to no material changes in planning assumptions
- Adjusted distribution of **0.25 cents per unit per quarter** to start from Q2 2020
- It is anticipated that the distribution will continue to be paid quarterly

FORMAL PROCEEDINGS



SUMMARY OF RESOLUTIONS

Ordinary Business

- To receive and adopt the Report of the Trustee-Manager, Statement by the Trustee-Manager and the audited financial statements of APTT Group for the year ended 31 December 2019 and the Auditor's Report thereon
- To reappoint Deloitte & Touche LLP as the Auditor of APTT to hold office until the next Annual General Meeting and to authorise the directors of the Trustee-Manager to fix its remuneration

Special Business

To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

- General mandate to issue units in APTT

ORDINARY RESOLUTION 1

Adoption of the Report of the Trustee-Manager, Statement by the Trustee-Manager and audited financial statements of APTT Group for the year ended 31 December 2019 and the Auditor's Report thereon

ORDINARY RESOLUTION 1

Adoption of the Report of the Trustee-Manager, Statement by the Trustee-Manager and audited financial statements of APTT Group for the year ended 31 December 2019 and the Auditor's Report thereon

	No. of Votes	Percentage
For	214,788,259	98.85%
Against	2,491,700	1.15%

ORDINARY RESOLUTION 2

Reappointment of Deloitte & Touche LLP as the Auditor of
APTT

ORDINARY RESOLUTION 2

Reappointment of Deloitte & Touche LLP as the Auditor of APTT

	No. of Votes	Percentage
For	212,234,204	98.84%
Against	2,491,700	1.16%

ORDINARY RESOLUTION 3

Authority to issue new units in APTT

ORDINARY RESOLUTION 3

Authority to issue new units in APTT

	No. of Votes	Percentage
For	208,271,204	95.85%
Against	9,008,755	4.15%

END



SGX-ST Release

ASIAN PAY TELEVISION TRUST 2020 ANNUAL GENERAL MEETING RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS FROM UNITHOLDERS

Singapore – 30 June 2020

APTT Management Pte. Limited (the “Trustee-Manager”), as Trustee-Manager of Asian Pay Television Trust (“APTT”), refers to the announcement dated 5 June 2020 in relation to the Annual General Meeting (“AGM”) to be held by way of electronic means today, 30 June 2020, at 3.00 p.m. (Singapore time).

The Trustee-Manager would like to thank all Unitholders who have submitted their questions in advance of the AGM. We have endeavoured to address all substantial and relevant questions, grouped into the following key topics:

1. Business, Strategy & Outlook (*Page 2*)
2. Broadband & Data Backhaul (*Page 3*)
3. Capital Expenditure (*Page 4*)
4. Rights Issue (*Page 5*)
5. Strategic Review (*Page 6*)
6. Debt Management (*Page 7*)
7. Distributions (*Page 8*)
8. Impact of COVID-19 (*Page 8*)
9. Others (*Page 8*)

As there were several overlapping questions received, and to avoid repetition, we have summarised and answered each question only once. Please refer to the responses in the following pages.

Key questions will also be addressed by Mr Brian McKinley, CEO of the Trustee-Manager, during his presentation at the AGM. Please refer to all AGM related documents on APTT’s corporate website at the URL <http://www.aptt.sg/news/news-2020>.

Following the conclusion of the AGM, the voting results of the AGM will be made available on the website of the SGX-ST and on APTT’s corporate website.

BUSINESS, STRATEGY & OUTLOOK

1. What is APTT's strategy to navigate the business challenges?

Our strategy has always been to drive cash flow generation through operating TBC's business, which is subscription-based in nature. We continue to bundle, up-sell and cross-sell our services across our wide subscriber base of c.1,186,000.

In particular, we are very focused on executing our Broadband growth strategy and also the debt management programme.

Broadband growth strategy

The strength of APTT's business lies in our wide subscriber base of almost 1.2 million, as well as a fully owned hybrid fibre coaxial cable network that we use to deliver digital cable TV and high-speed broadband services across our five franchise areas. This is a valuable asset, especially on the back of industry changes from Taiwan's 5G rollout.

In our five franchise areas, there are two major players providing fixed-line broadband services. A significant number of TBC's cable TV subscribers are our main competitor's broadband customers, so these subscribers represent a real opportunity for TBC to convert them to TBC Broadband subscribers. Our strategy is to win market share from our primary competitor by offering higher speed plans at lower prices as well as providing value-added solutions that leverage our Android gateway. This strategy is already seeing some measure of success. As at 31 March 2020, we had 242,000 Broadband subscribers, compared to 216,000 subscribers at the start of 2019, representing an increase of 12% in the last 15 months.

We are also targeting to be fully data-backhaul ready to support wireless operators in their eventual 5G network rollout. Continued investment to increase network capacity is key to unlocking the potential of our data backhaul business, which is expected to be a cornerstone of our Broadband business within the next few years.

Debt management programme

A key priority is to continue to manage debt levels and strengthen the balance sheet. A stronger balance sheet will provide APTT with the flexibility to navigate and compete more effectively in today's uncertain economic climate.

Net proceeds of S\$45 million from the Rights Issue have been used to pare down 20% of our outstanding offshore facilities, enabling the Trust to derive annual interest cost savings of around S\$2.9 million.

The refinancing of borrowing facilities in 2018 and the extension of interest rate swaps in 2019 have also helped to lower our effective interest rates - in both Singapore dollar and Taiwan dollar terms.

In addition, unlike in previous years where bank borrowings funded a significant portion of capital expenditure, since 2019, cash generated from operations has been funding all capital expenditure, specifically on areas that are necessary and have the best potential for generating growth. With capital expenditure trending down from 2020, more cash generated from operations may be available to make debt repayments, subject to operating conditions.

2. Please provide an update on the performance of APTT's business segments and the outlook for 2020 and beyond?

Status update on APTT's business segments

The trends in 2019 for Basic cable TV, Premium digital cable TV and Broadband services continue into 2020. Premium digital cable TV and Broadband RGUs have been steadily increasing over the last eight quarters, which more than offset the churn in Basic cable TV RGUs. As at 31 March 2020, our total subscriber base has increased to c.1,186,000.

On Basic cable TV, a saturated market in Taiwan, video piracy issues, aggressively priced IPTV and the growing popularity of online video have led to downward pressure on the number of RGUs and ARPU.

On Premium digital cable TV, the growth momentum continued in Q1 2020, raising the number of RGUs but at a lower ARPU due to promotions and discounted bundled packages to compete with video piracy issues and aggressively priced IPTV.

On Broadband, despite strong competition from mobile operators offering unlimited wireless data, we have been deepening our market presence. As at 31 March 2020, we had 242,000 Broadband subscribers, compared to 216,000 subscribers at the start of 2019, representing an increase of 12% in the last 15 months. The monthly churn rate remains low, averaging only 0.9% in Q1 2020. This is lower than the preceding few quarters. ARPU, however, is under pressure as the availability of low-cost unlimited data offerings from mobile operators is necessitating TBC to offer higher speeds at competitive prices to acquire new RGUs and re-contract existing RGUs.

Outlook for 2020

Overall, we are positioning APTT to grow in a measured way. While we do not expect to see Basic cable TV RGU growth on the back of a saturated cable TV market in Taiwan, there is room to add more Premium digital cable TV and Broadband RGUs.

As the cable TV operator in our five franchise areas, we have a strong Basic cable TV subscriber base that serves as the platform to sell additional value-added services, including Premium digital cable TV content and high-speed Broadband. We will continue to leverage this subscriber base to drive growth.

Additionally, we have a scalable and efficient cost structure, with ample headroom in network capacity to provide additional services at limited incremental cost to drive growth.

Our continued network and Broadband investment will not only enable us to meet consumers' growing demand for data and high-speed plans, but to be fully data-backhaul ready to support wireless operators in their eventual 5G rollout. Data backhaul through our network is expected to become a material part of our Broadband business within the next few years.

BROADBAND & DATA BACKHAUL

3. When can APTT start generating revenue from data backhaul to tap opportunities arising from Taiwan's 5G rollout?

As a proof-of-concept, TBC is already providing data backhaul for 4G networks to a number of wireless operators who prefer tapping into our superior network, rather than the main telco who is also competing with them in the wireless space. With the first round of 5G licences awarded at the beginning of 2020, we are targeting to be fully data-backhaul ready to support 5G network operators in their eventual rollout through our franchise areas. Data backhaul through our network is expected to be a key component of our Broadband business within the next few years.

4. The Trustee-Manager has guided that data backhaul through TBC's network is expected to become a material part of the Broadband business within the next few years. Is there a projected revenue contribution?

As this is an emerging area, the Trustee-Manager is not in a position to provide projected revenue contributions. Data backhaul through our network is expected to be a material part of our Broadband business within the next few years.

5. Apart from providing data backhaul to support wireless operators, are there other areas in which APTT can benefit from the 5G deployment in Taiwan? Are there opportunities in the corporate data broadband segment?

Apart from data backhaul, our Broadband growth strategy is also focused on driving higher speed plans, developing new market segments including enterprise clients and introducing more value-added solutions that leverage the Android gateway.

6. When will 5G networks be launched in TBC's five franchise areas? Will TBC be able to compete effectively in the 5G broadband segment?

The first round of 5G licences were awarded at the beginning of 2020 and while some initial 5G services are targeted to be introduced in 2020, it will be a multi-year investment for the wireless operators. TBC is targeting to be fully data-backhaul ready to support the wireless operators in their network rollouts.

TBC provides fixed-line Broadband services in its five franchise areas. Our hybrid fibre coaxial cable network is DOCSIS 3.1 enabled, and as of the fourth quarter of 2019, TBC launched 1 Gbps broadband services, allowing it to meet consumer demand for high-speed internet access. We have continually been increasing our network capacity and offering higher speed plans at competitive prices to our subscribers.

Taiwan's 5G rollout translates to opportunities for TBC to provide data backhaul to wireless operators who prefer tapping into our hybrid fibre coaxial cable network, rather than working with our main competitor as it also competes with these operators in the wireless broadband segment.

CAPITAL EXPENDITURE

7. Please provide a forecast and breakdown of capital expenditure?

We have not provided guidance to a specific number as the level of capital expenditure is something which can be managed and adjusted, depending on the business landscape. This is unlike in earlier years (2015 to 2017) when much of our capital expenditure was mandatory due to the regulatory requirement to switch off analogue broadcasting and complete the digitisation of TBC's subscriber base by the end of 2017.

As is normal course for our capital expenditure spending, amidst continued industry challenges and pressure on ARPUs, and with the uncertain global economic outlook brought about by the COVID-19 pandemic, we are exercising extra prudence and have deferred some capital expenditure until the second half of 2020.

The level of capital expenditure will be closely monitored to focus on areas that will have the best potential in generating growth and sustainability for the long term. To tap opportunities in Taiwan's 5G rollout, continued investment to increase network capacity is key to unlocking the potential of our data backhaul business. This will allow wireless operators offering 5G services to tap into our network, rather than working with our main competitor which also competes with these operators in the wireless segment. We are expecting data backhaul to be a key component of our Broadband business within the next few years.

While we have not guided a specific number, we are expecting capital expenditure to trend down from 2020. With this, more cash generated from operations may be available to make debt repayments, subject to operating conditions.

RIGHTS ISSUE

8. Was there a need for the Rights Issue, especially if capital expenditure is expected to trend down from 2020? A debt repayment of S\$45 million is insignificant in reducing APTT's liabilities of more than S\$1.5 billion.

Even under the current economic climate, four Unitholders stepped forward to provide undertakings for the Rights Issue. Since this opportunity presented itself and with the continued pressures on APTT's EBITDA amidst the challenging operating environment, we exercised prudence by paying down debt. It is in the best interests of APTT and Unitholders that we continue to lower gearing.

Net proceeds from the Rights Issue of S\$45 million have been used to pare down 20% of APTT's outstanding offshore facilities, enabling the Trust to derive annual interest cost savings of approximately S\$2.9 million dollars.

With capital expenditure expected to trend down from 2020, more cash generated from operations may be available to make debt repayments, subject to operating conditions. This will further help as we aim to gradually reduce debt levels and strengthen APTT's balance sheet.

9. What was the rationale for the Rights Issue when APTT already holds more cash than the proceeds raised?

APTT's current assets as at 31 March 2020 were S\$132.5 million (including cash of S\$96.8 million); this compares to S\$132.3 million of current liabilities as at 31 March 2020. A significant portion of the cash balance (S\$34.5 million) represents collections received in advance to provide Basic cable TV, Premium digital cable TV and Broadband subscription services in future periods.

We maintain cash balances to fund the daily cash requirements of our business, including to i) pay for operating expenses; ii) service our existing debt facilities, in the form of interest payments and scheduled debt repayments; iii) fund capital expenditure (which is necessary to support our existing infrastructure) and business initiatives; and iv) pay distributions to Unitholders.

10. Was the Rights Issue an opportunity for the Trustee-Manager to accumulate units at a very low price? The Rights Issue diluted Unitholders' interests.

The Rights Issue provided eligible Unitholders with an opportunity to maintain their equity interest in APTT.

The Rights Issue Price was set after much deliberation to ensure that the discount was reasonable relative to i) the last trading date immediately prior to the announcement of the Rights Issue; and ii) recent volume weighted average trading prices. The Issue Price of S\$0.128 represented approximately a 3.8% discount to the closing price of S\$0.133 per unit on the SGX-ST on the last trading date immediately prior to the announcement of the Rights Issue, and a 3.0% discount to the theoretical ex-rights price.

The Board is of the view that since the opportunity presented itself – with four Unitholders stepping forward to provide undertakings even under the current economic climate – we should exercise prudence by paying down 20% of our outstanding offshore facilities, which will in turn enable the Trust to derive annual interest cost savings of approximately S\$2.9 million.

The four Unitholders who provided undertakings are APTT Management Pte. Limited (in its own capacity as Unitholder of APTT and not as the Trustee-Manager of APTT), Araedis Investment Pte. Ltd., Mr Hsiao Han Shen and Mr. Lu Fang Ming.

11. Why did the Trustee-Manager not consider a private placement?

The Board is of the view that the Rights Issue is a more inclusive option, as compared to a private placement. The Rights Issue provided eligible Unitholders with an opportunity to maintain their

equity interest in APTT. In contrast, a private placement would have been entirely dilutive to existing Unitholders.

12. What is the net asset value per unit after the Rights Issue?

Adjusted net asset value per unit attributable to Unitholders as at 31 March 2020, after adjusting for new Units issued from the Rights Issue, is S\$0.63, assuming the Rights Issue was completed and the Rights Units were issued as at 31 March 2020. This information has been disclosed in the Offer Information Statement dated 1 June 2020, a copy of which is available on the website of the SGX-ST and on APTT's corporate website.

STRATEGIC REVIEW

13. Please provide an update on the progress of the strategic review.

In the fourth quarter of 2019 and the first quarter of 2020, the Strategic Review Committee and Bank of America Securities conducted more in-depth discussions with selected shortlisted parties, including Dynami Vision Pte. Ltd. ("Dynami"), to explore options in relation to APTT and its investment in TBC. Among the options considered included a new strategic partnership at the Trustee-Manager level.

The Committee therefore welcomed the news on 11 February 2020 that Dynami's parent company had entered into a sale and purchase agreement with Da Da Digital Convergence Co., Ltd. ("Da Da Digital") for a strategic 65% stake in the Trustee-Manager. The transaction is subject to regulatory and lender approvals.

The Committee is of the view that Da Da Digital's proposed acquisition of a 65% interest in the Trustee-Manager, if approved, will be a win-win solution for all parties, including for APTT Unitholders. There is potential to create synergies between APTT and Da Da Digital on the back of industry changes from Taiwan's 5G rollout.

Da Da Digital also indicated its interest to increase its stake in APTT in the mid to long term, while adhering to the necessary regulations in both Taiwan and Singapore. Prior to the Rights Issue, Da Da Digital's parent company, Araedis Investment Pte. Ltd. ("Araedis"), had already accumulated a 2.5% stake in APTT. As a show of confidence in APTT, Araedis supported the Rights Issue by providing an undertaking which has resulted in its stake increasing to over 14% following the Rights Issue.

The Strategic Review Committee, which is steadfast in protecting Unitholders' interests, looks forward to growing the partnership and working closely with Da Da Digital to extract greater value for Unitholders.

14. As the current unit price is trading below the NAV per unit, has any party expressed an interest in making a takeover offer for APTT? Was this an option considered as part of the Strategic Review? What were the other options available?

The Strategic Review Committee and Bank of America Securities spent months identifying potential strategic or financial investors and conducted in-depth discussions with selected shortlisted parties who expressed interest in APTT and our investment in TBC.

The Strategic Review Committee considered many options to add value for APTT Unitholders including entertaining offers for privatisation, asset sales, business acquisitions, adding strategic investors through private placements or rights issue undertakings and new ownership at the Trustee-Manager level.

At any time should an interested party make a bona fide offer for privatisation, for a majority stake in APTT, or for the assets of APTT, the Trustee-Manager would present the offer to Unitholders.

15. What's next for the Strategic Review?

With the proposed new partnership at the Trustee-Manager level in progress, and with the conclusion of the Rights Issue, the Trustee-Manager will focus on executing its operational strategy. We also look forward to growing the partnership with Da Da Digital to extract greater value for Unitholders.

At any time should an interested party make a bona fide offer for privatisation, for a majority stake in APTT, or for the assets of APTT, the Trustee-Manager would present the offer to Unitholders.

DEBT MANAGEMENT

16. How is the Trustee-Manager managing APTT's high debt level?

Through our debt management programme, we are targeting to gradually bring down the level of debt. A stronger balance sheet will provide APTT with the flexibility to navigate and compete more effectively in today's uncertain economic climate. Our debt management programme, comprising the components listed below, is aimed at gradually reducing debt levels and strengthening our balance sheet:

- Net proceeds of S\$45 million from the Rights Issue have been used to pare down 20% of our outstanding offshore facilities, enabling the Trust to derive annual interest cost savings of around S\$2.9 million.
- The refinancing of borrowing facilities in 2018 and extension of interest rate swaps in 2019 have also lowered our effective interest rates - in both Singapore dollar and Taiwan dollar terms.
- Unlike in previous years where bank borrowings funded a significant portion of capital expenditure, since 2019, cash generated from operations has been funding all capital expenditure.
- With capital expenditure trending down from 2020, more cash generated from operations may be available to make debt repayments, subject to operating conditions.

17. Are there plans to refinance the loans this year to take advantage of the lower interest rate environment?

Our borrowing facilities bear a floating interest rate plus an interest margin based on the leverage ratio. We use interest rate swaps to manage exposure to interest rate movements on borrowing facilities by swapping a significant portion of our borrowing facilities from a floating interest rate to a fixed rate. To the extent some of our borrowing facilities remain unhedged, as is the case for our offshore borrowing facilities, we will benefit from lower interest rates. The more significant portion of the interest cost is the margin fixed in the borrowing facilities. These margins are fixed for the term of the facilities and only vary based on the amount of leverage.

We refinanced our borrowing facilities in 2018 and expect the next refinancing cycle to begin in 2021, given the offshore facilities mature in July 2021.

DISTRIBUTIONS

18. The quarterly distribution per unit has been adjusted from 0.3 cents to 0.25 cents, after the Rights Issue. Can the Trustee-Manager commit to this distribution level on a longer term basis?

With the completion of the Rights Issue on 26 June 2020, APTT's total unitholdings have increased by 25%. On a total quarterly distribution basis, the distribution will increase from S\$4.3 million to S\$4.5 million per quarter, a 4.2% increase. Based on the enlarged unitholdings, this translates to an adjusted distribution of 0.25 cents per unit per quarter, subject to no material changes in planning assumptions. The adjusted quarterly distribution level will start from Q2 2020 until the end of 2020.

Distribution guidance for 2021 is expected to be announced when APTT releases its third quarter results for 2020.

IMPACT OF COVID-19

19. How has COVID-19 affected the business?

TBC operates in a relatively defensive industry, providing cable TV and fixed-line Broadband services to the local households in our five closely clustered franchise areas in northern and central Taiwan. Given the subscription-based nature of our business, the impact of the COVID-19 pandemic on the business has been limited to date.

TBC activated its Business Continuity Plan ("BCP") since the start of the virus outbreak in Taiwan. The BCP aims to protect the health and safety of all staff while minimising disruptions to its service delivery and overall operations. TBC has adhered to all regulations and guidelines from government authorities related to the containment of the virus, including split team arrangements, safe-distancing and encouraging staff to embrace good personal hygiene, and will continue to do so.

Likewise, the Trustee-Manager in Singapore has activated its BCP that adheres to the relevant regulations in Singapore.

Although some additional expenses have been incurred to date to implement COVID-19 related measures, they are not material and are not expected to be material on a full year basis.

While the COVID-19 outbreak in Taiwan has been relatively contained as compared to other countries, Taiwan's outlook remains uncertain as the expected downturn in other countries will invariably have an impact on Taiwan's export-driven economy and GDP growth. A significant and prolonged deterioration in the national GDP, disposable income or overall economic conditions could in turn adversely affect our ability to grow or maintain revenues, and our financial position.

We will continue to i) monitor developments of COVID-19 and their related impact on operations; and ii) exercise prudence, manage operational and capital expenditure and strengthen APTT's debt management programme. A stronger balance sheet will provide us with the flexibility to navigate and compete more effectively in today's uncertain economic climate.

OTHERS

20. What is the strategy to improve APTT's unit price performance?

APTT's unit price is affected by a number of external factors that are outside of our control. What is within our control is the management of APTT.

We own a stable pay-TV business in five franchise areas across Taiwan. Our business model generates strong cash flows. We continue to focus on our core strategy which is to drive cash flow

generation through operating TBC's business, generate growth in cash flows through up-selling and cross-selling of our services across our subscriber base, and driving our Broadband growth initiatives.

A key priority is also to continue to manage debt levels and strengthen the balance sheet. A stronger balance sheet will provide APTT with the flexibility to navigate and compete more effectively in today's uncertain economic climate.

ABOUT APTT

APTT is the first listed business trust in Asia focused on pay-TV and broadband businesses. APTT has an investment mandate to acquire controlling interests in and to own, operate and maintain mature, cash generative pay-TV and broadband businesses in Taiwan, Hong Kong, Japan and Singapore. APTT is managed by its Trustee-Manager, APTT Management Pte. Limited. The Trustee-Manager has the dual responsibility of safeguarding the interests of Unitholders and managing the business conducted by APTT. The Trustee-Manager manages APTT's business with an objective of providing Unitholders with stable and sustainable distributions.

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