ASIAN PAY TELEVISION TRUST

(Registration No.: 2013005)
(A business trust registered under the Business Trusts Act)

MINUTES OF ANNUAL GENERAL MEETING

PLACE	:	Phoenix Grand Ballroom Level 6, Novotel Singapore Clarke Quay 177A River Valley Road Singapore 179031
DATE	:	Thursday, 25 April 2019
TIME	:	10.00 a.m.
PRESENT	:	Please see Attendance List attached hereto.
IN ATTENDANCE	:	Please see Attendance List attached hereto.
CHAIR	:	Mr Yong Lum Sung

QUORUM

As a quorum was present, the Chair declared the meeting open and welcomed Unitholders to the sixth Annual General Meeting (the "Meeting") of Asian Pay Television Trust ("APTT").

NOTICE

With the consent of the Unitholders present, 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"), Chief Financial Officer, and the Audit Partner of APTT's Auditors, who were present at the Meeting, to the Unitholders.

The Chair requested Mr Brian McKinley, Executive Director and Chief Executive Officer of the Trustee-Manager to deliver a presentation on APTT (attached as "**Annexure A**").

After the Directors of the Trustee-Manager had dealt with the questions from the floor (attached as "**Annexure B**"), the Chair proceeded with the ordinary and special businesses of the Meeting.

The Chair informed the Meeting that all Resolutions would be voted upon by way of poll under paragraph 4.4 of the Schedule to the Deed of Trust constituting APTT. The polling was conducted electronically and the electronic poll voting services was provided by Boardroom Corporate & Advisory Services Pte. Ltd. DrewCorp Services Pte Ltd was appointed as Scrutineer for the poll.

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 2018 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 2018 and the Auditor's Report thereon.

The Resolution was proposed by Mr Tay Tiow Boon and duly seconded by Mr Lim Teck Kwang, Unitholders of the Trust.

The Chair put the motion to vote.

The results of Ordinary Resolution 1 taken on a poll were as follows:

Total no. of valid votes cast	No. of votes "FOR"	% "FOR"	No. of votes "AGAINST"	% "AGAINST"
185,933,499	177,356,668	95.39	8,576,831	4.61

The Chair declared the motion carried and 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 2018 and the Auditor's Report thereon be received and adopted."

2. ORDINARY BUSINESS:
TO REAPPOINT DELOITTE & TOUCHE LLP AS THE AUDITORS 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 the Auditors of APTT to hold office until the next Annual General Meeting and to authorise the Directors of the Trustee-Manager to fix its remuneration. The auditors, Deloitte & Touche LLP had expressed their willingness to accept reappointment.

The Resolution was proposed by Mr Teh Swee Khoi and duly seconded by Ms Tan Lee Hua, Unitholders of the Trust.

The Chair put the motion to vote.

The results of Ordinary Resolution 2 taken on a poll were as follows:

Total no. of valid votes cast	No. of votes "FOR"	% "FOR"	No. of votes "AGAINST"	% "AGAINST"
186,276,299	174,529,301	93.69	11,746,998	6.31

The Chair declared the motion carried and it was **RESOLVED**:

"That Deloitte & Touche LLP be reappointed as the Auditors 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 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 may in its absolute discretion deem fit.

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The Resolution was proposed by Mr Teh Swee Khoi and duly seconded by Mr Wong Kin Jong, Unitholders of the Trust.

The Chair put the motion to vote.

The results of Ordinary Resolution 3 taken on a poll were as follows:

Total no. of valid votes cast	No. of votes "FOR"	% "FOR"	No. of votes "AGAINST"	% "AGAINST"
186,170,036	163,856,206	88.01	22,313,830	11.99

The Chair declared the motion carried and 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 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; 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

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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."

4. SPECIAL BUSINESS:
APTT UNIT BUY-BACK MANDATE – ORDINARY RESOLUTION 4

The Meeting was informed that the next item on the Agenda was to grant authority to the Trustee-Manager to repurchase issued Units for and on behalf of APTT at such price or prices as may be determined by the Trustee-Manager from time to time not exceeding the limits as mentioned in the text of the resolution and subject to all terms and conditions set out in the Letter to Unitholders dated 5 April 2019.

The Resolution was proposed by Mr Teh Swee Khoi and duly seconded by Mr Lim Teck Kwang, Unitholders of the Trust.

The Chair put the motion to vote.

The results of Ordinary Resolution 4 taken on a poll were as follows:

Total no. of valid votes cast	No. of votes "FOR"	% "FOR"	No. of votes "AGAINST"	% "AGAINST"
186,221,821	137,986,545	74.10	48,235,276	25.90

The Chair declared the motion carried and it was **RESOLVED:**

"That:

(i) the exercise of all the powers of the Trustee-Manager to repurchase issued Units for and on behalf of APTT not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Trustee-Manager from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(a) market repurchase(s) on the SGX-ST and/or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted; and/or

(b) off-market repurchase(s) (which are not market repurchase(s)) in accordance with any equal access scheme(s) as may be determined or formulated by the Trustee-Manager as it considers fit in accordance with the Trust Deed, and otherwise in accordance with all applicable laws and regulations including the rules of the SGX-ST or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted, be and is hereby authorised and approved generally and unconditionally (the "Unit Buy-Back Mandate");

(ii) unless varied or revoked by unitholders in a general meeting, repurchases of Units may be made during the period commencing from the date of the passing of this Resolution and expiring on:

(a) the date on which the next Annual General Meeting of APTT is or is required by the Relevant Laws, Regulations and Guidelines (as defined in the Letter) or the Trust Deed to be held, whichever is earlier; or

(b) the date on which repurchases of Units by the Trustee-Manager pursuant to the Unit Buy-Back Mandate are carried out to the full extent mandated;

whichever is earlier.

(iii) in this Resolution:

"Average Closing Price" means the average of the closing market prices of the Units over the last five Market Days, on which transactions in the Units were recorded, immediately preceding the date of the market repurchase or, as the case may be, the date of the making of the offer pursuant to the off-market repurchase, and deemed to be adjusted for any corporate action that occurs after the relevant five Market Days;

"date of the making of the offer" means the date on which the Trustee-Manager makes an offer for an off-market repurchase, stating therein the repurchase price (which shall not be more than the Maximum Price for an off-market repurchase) for each Unit and the relevant terms of the equal access scheme for effecting the off-market repurchase;

"Market Day" means a day on which the SGX-ST and/or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted, is open for trading in securities;

"Maximum Limit" means that number of Units representing 10.0% of the total number of issued Units as at the date of the passing of this Resolution; and

"Maximum Price" in relation to a Unit to be repurchased, means the repurchase price (excluding brokerage, stamp duty, commission, applicable goods and services tax and other related expenses) which shall not exceed:

(a) in the case of a market repurchase of a Unit, 105.0% of the Average Closing Price of the Units; and

(b) in the case of an off-market repurchase of a Unit, 120.0% of the Average Closing Price of the Units.

(iv) the Trustee-Manager and any of its Directors, Chief Executive Officer or Chief Financial Officer be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Trustee-Manager or, as the case may be, the Director, Chief Executive Officer or Chief Financial Officer may consider expedient or necessary or in the interests of APTT to give effect to the transactions contemplated and/or authorised by this Resolution."

CONCLUSION

There being no other business to transact, the Chair declared the Annual General Meeting of the Trust closed at 12.50 p.m.

Confirmed As True Record Of Proceedings Held

Yong Lum Sung
Chair

ANNUAL GENERAL MEETING

25 April 2019

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 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 registered company majority 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 right of certain investors to own units in APTT under applicable Taiwan laws and regulations. Such investors include PRC individuals and corporate entities, the Taiwan Government and political entities and other restricted entities and restricted persons. For further information, investors should refer to the APTT Prospectus dated 16 May 2013 issued by APTT.

AGENDA

1. INTRODUCTION OF BOARD OF DIRECTORS
2. APTT OVERVIEW
3. 2018 RESULTS
4. DISTRIBUTIONS
5. DEBT MANAGEMENT PROGRAMME
6. CAPEX
7. OUTLOOK & STRATEGY
8. UPDATES: STRATEGIC REVIEW & MANAGEMENT FEE
9. Q&A
10. FORMAL PROCEEDINGS
11. REFRESHMENTS

INTRODUCTION OF BOARD OF DIRECTORS

BOARD OF 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

Lu Fang-Ming

—

Vice-Chair, Non-Executive Director

Brian McKinley

—

Chief Executive Officer, Executive Director

APTT 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 6)
- **Sole investment in Taiwan Broadband Communications ("TBC") – Taiwan's third largest cable TV operator**

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

- Owns 100% of the 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' preference

PRODUCT OFFERINGS

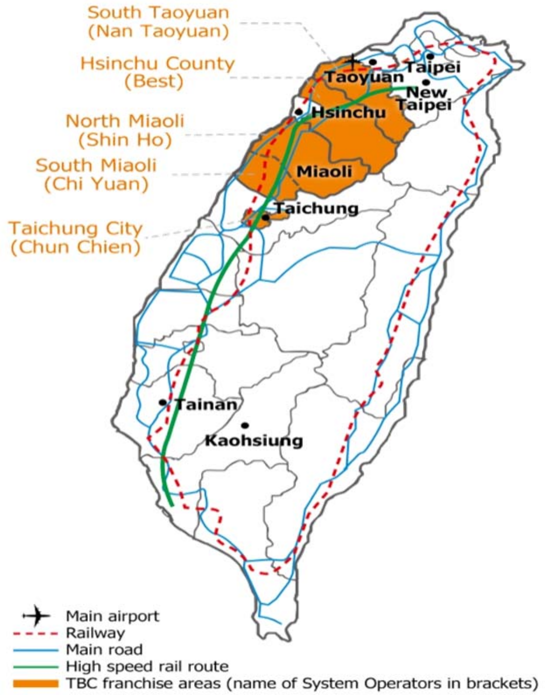
Approx. 84% of revenue is subscription-based from the three products

BASIC CABLE TV	PREMIUM DIGITAL CABLE TV	BROADBAND
Over 100 channels on Basic cable TV, including all of top 20 channels in Taiwan; most of the popular channels are only available on cable TV	Up to 77 additional channels including 47 HD channels, through MPEG4 platform 26% Premium digital cable TV penetration[1] with large addressable market of 100% digital set-top box penetration	29% 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 500 Mbps

Note: (1) As at 31 December 2018

FRANCHISE AREAS IN NORTHERN & CENTRAL TAIWAN

Each of the five franchise areas shows unique growth potential

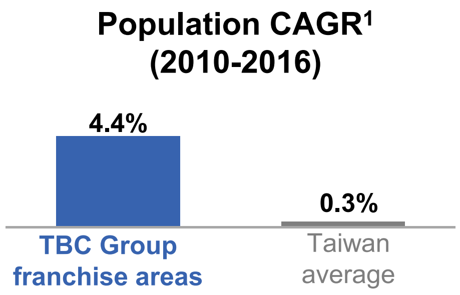


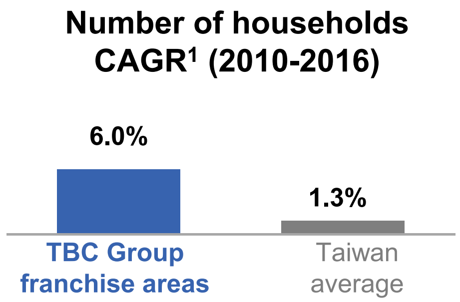
- Highly attractive demographics and low churn rate of 0.9%[1] for Basic cable TV (750K[1] Revenue Generating Units)
- Limited competition from IPTV and DTH operators
- Up-sell Premium digital cable TV and cross-sell Broadband to large Basic cable TV subscriber base

TBC'S FRANCHISE AREAS

Approx. 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 (4.4%) outstrips national average (0.3%); 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. 388K households and population of 1.1 million

Hsinchu

- Hsinchu Science Park is home to 360 high tech companies, the city has the highest income level in Taiwan[2]
- Approx. 188K households and population of 553K

Miaoli (North & South)

- Suburban mountainous region geographically located between Hsinchu and Taichung
- Well connected via major railway and road transportation systems
- Approx. 186K households and population of 551K

Taichung City

- Second largest city in Taiwan, approx. 2.8 million population; home to Taiwan's third airport - Taichung International Airport
- Vibrant, diverse economy: large industrial areas and a thriving commercial sector that incorporates traditional businesses, small family-run shops & factories
- Approx. 581K households

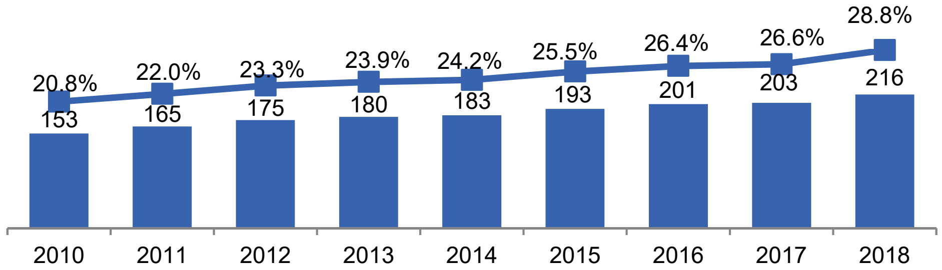
Notes: (1) National Statistics, R.O.C. (Taiwan) 2016
(2) Ministry of Labor, Taiwan

GROWING BROADBAND MARKET SHARE

TBC's broadband market share in its franchise areas: 29% in 2018 vs 27% in 2017

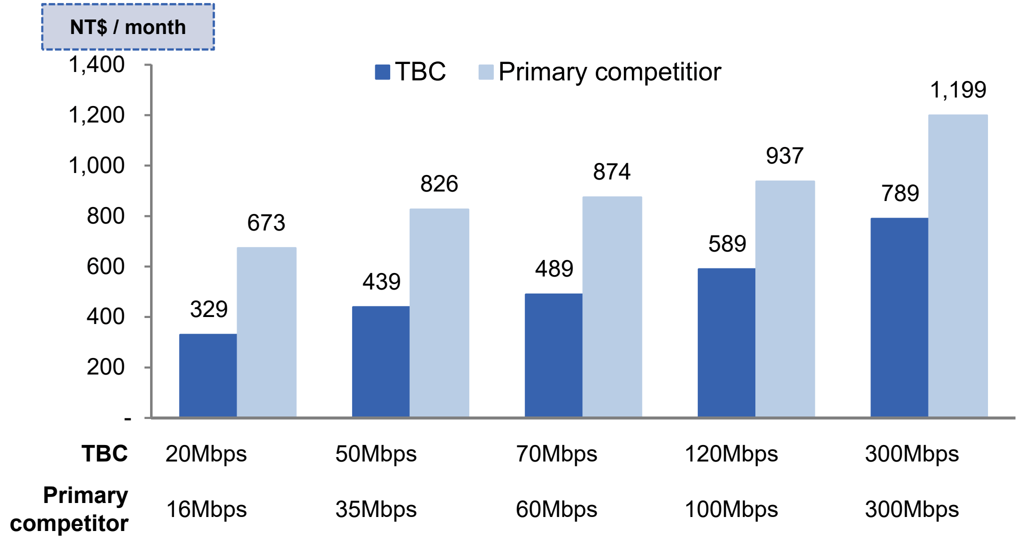
Broadband RGUs ('000) and penetration

2010-18 Broadband RGU CAGR: 4.4%



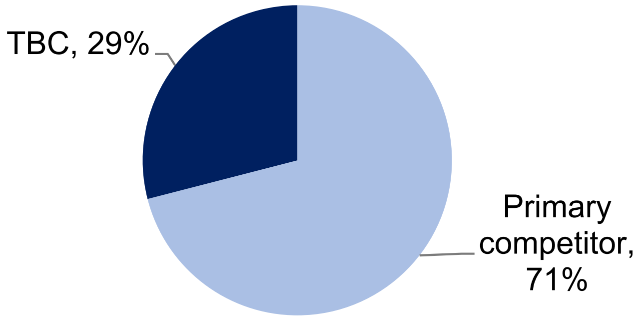
- DOCSIS 3.1 enabled network that meets consumer demand for high-speed internet; 500Mbps launched in 2018
- Competitive pricing and optional bundling with digital TV
- Launch of value-added services including Android OTT gateway and karaoke singing box. Will continue to introduce value-added solutions (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 prices[1] with reliable services



Note: (1) Primary competitor pricing based on NCC data

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



2018 RESULTS

HIGHLIGHTS

Broadband market share continued to expand despite competitive market conditions

Full-year 2018 EBITDA lower than pcp

- Performance was under pressure due to a saturated cable TV market, as well as heightened competition from IPTV and from mobile operators offering unlimited wireless data
- Revenue for the year was S$313.9 million
- EBITDA for the year was S$184.6 million
- Increase in the number of Premium digital cable TV and Broadband subscribers more than offset the churn in Basic cable TV
- Successfully completed refinancing of existing borrowing facilities; improved interest margin and arrangement fees; lowered borrowing costs by approx. S$9 million per year

Growth in Broadband market share

- Continued to show good progress with growing RGUs
- Lower ARPU due to competitive pressures from mobile operators who are offering low-priced unlimited wireless data plans
- With growing data usage and demand for high speed plans, continued investment to increase Broadband capacity and speed is key to driving growth

Distributions

- Distribution of 0.30 cents per unit declared for Q4 2018, bringing total distributions for 2018 to 5.175 cents per unit
- Re-affirmed two-year view on distribution level to support debt management programme
- The distribution is expected to be 1.20 cents per unit per year for 2019 and 2020, subject to no material changes in planning assumptions
- It is anticipated that the distribution will continue to be paid quarterly at 0.30 cents per unit per quarter through to 2020

KEY OPERATING METRICS

Improvement in Premium and Broadband RGUs offset the churn in Basic cable TV; total subscribers increased to 1,162,000

	RGUs[1] ('000)		ARPU[2] (NT$ per month)	
	As at 31 December		Year ended 31 December	
	2018	2017	2018	2017
Basic cable TV	750	762	500	519
Premium digital cable TV	196	193	127	146
Broadband	216	203	426	449

- **Basic cable TV:** Saturated cable TV market in Taiwan, resulting in RGUs declining for the first time in TBC's[3] history; c.750,000 RGUs as at 31 December 2018, ARPU was also lower. With the cessation of analogue TV broadcasting, there were no more analogue TV piracy households to convert to paying RGUs. Video piracy issues and aggressively priced IPTV also impacted the ability to attract new RGUs. With competing cable TV operators in the Taipei region driving prices down, consumers in TBC's franchise areas are also expecting larger discounts despite no competing cable TV operators

- **Premium digital cable TV:** RGUs increased to c.196,000. 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 continue to impact the ability to attract new RGUs and strengthen ARPU

- **Broadband:** RGUs increased to c.216,000. The focus on RGU growth, in the face of competitive market conditions from unlimited wireless data offerings from mobile operators, showed good progress in the year. The availability of low-cost unlimited data offerings from the top mobile operators is necessitating fixed-line operators to offer higher speeds at competitive prices to acquire new RGUs and re-contract existing RGUs

Notes: (1) RGUs refer to revenue generating units
(2) Average Revenue Per User ("ARPU") is calculated by dividing the subscription revenue for Basic cable TV, Premium digital cable TV or Broadband, as applicable, by the average number of RGUs for that service during the period
(3) TBC refers to Taiwan Broadband Communications group

FINANCIAL RESULTS

Full-year 2018 EBITDA lower than pcp; including impact of one-time provisions in Q4 2018

Group[1] (S$'000)	Year ended 31 December		
	2018	2017	Variance[2](%)
Revenue			
Basic cable TV	250,044	268,304	(6.8)
Premium digital cable TV	13,849	15,619	(11.3)
Broadband	49,962	50,915	(1.9)
Total revenue	**313,855**	**334,838**	**(6.3)**
Total operating expenses[3]	**(129,266)**	**(133,415)**	**3.1**
EBITDA	**184,589**	**201,423**	**(8.4)**
EBITDA margin	58.8%	60.2%	

Total Revenue (FY2018)
S$ 313.9 million
6.3%

EBITDA (FY2018)
S$184.6 million
8.4%

EBITDA Margin (FY2018)
58.8%
1.4 PPT

In constant Taiwan dollars ("NT$"), total revenue down 4.9% for the year; foreign exchange contributed 1.4% negative variance

- **Basic cable TV:** Down 5.4% for the year in constant NT$ terms mainly due to lower subscription revenue, driven by lower number of subscribers and ARPU compared to the pcp, and lower revenue generated from channel leasing partially offset by higher airtime advertising sales. Channel leasing to home shopping networks continues to be affected by declining demand for home shopping and heightened competition from internet retailing
- **Premium digital cable TV:** Down 9.9% for the year in constant NT$ terms. Generated predominantly from TBC's average Premium digital cable TV RGUs each contributing an ARPU of NT$127 per month during the year for Premium digital cable TV packages, bundled DVR or DVR-only services
- **Broadband:** Down 0.5% for the year in constant NT$ terms due to lower ARPU. Generated predominantly from TBC's average Broadband RGUs each contributing an ARPU of NT$426 per month during the year for high-speed Broadband services

Total operating expenses: Operating expenses for the year were lower mainly due to lower broadcast and production costs and staff costs partially offset by higher other operating expenses. Other operating expenses were higher due to provisions in Q4 2018 for additional pole rental expenses and provisions for fines imposed by Taiwan regulators; both issues have not been concluded

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

DISTRIBUTIONS

DISTRIBUTIONS

APTT has been paying a large distribution to Unitholders for as long as it could; distribution guidance for 2019 and 2020 to reposition APTT for the future

Total distributions to date

- **21 distributions declared totalling 43.605 cents per unit** *(including Q4 2018 of distribution of 0.3 cents)*
- 3-year distribution record:
  FY2016: 6.5 cents per unit
  FY2017: 6.5 cents per unit
  FY2018: 5.175 cents per unit

Distribution guidance for 2019 and 2020

- **Two-year view on distribution level** to support debt management programme
- The distribution is expected to be **1.20 cents per unit per year for 2019 and 2020**, subject to no material changes in planning assumptions
- It is anticipated that the distribution will continue to be paid quarterly
- Annual cash savings of over S$76 million will enable use of **operational cash flows to fund capital expenditure** and reduce the dependence on borrowings

DEBT MANAGEMENT PROGRAMME

THREE KEY COMPONENTS

- ✓ **Reduce dependence on borrowings and strengthen balance sheet**
- ✓ **Manage gearing ratio amidst continued pressure on EBITDA to mitigate the risk of covenant issues in the future, should challenging operating conditions persist**

Refinancing	• Refinanced NT$29.0 billion facilities with new seven-year facilities of NT$31.0 billion at improved interest margin of 1.60% p.a. (down from 2.30% p.a.); **lowered borrowing costs by approx.S$9 million per year**; bears floating interest rate of TAIBOR[1] plus an interest margin • Lower arrangement fees of 1.25% compared to last refinancing in 2016 of 1.60% translated to **up-front savings of approx. S$5 million in 2018** • **Extended maturity date of existing offshore facilities** (a multicurrency term loan facility of $125.0 million and a multicurrency revolving loan facility of $125.0 million) from July 2019 to July 2021; bears floating interest rate of SIBOR[2] plus an interest margin of 4.1% to 5.5% p.a. based on Group's leverage ratio
Extension of interest rate swaps	• Interest rate swaps will continue to be gradually entered into **until 90% to 95% of outstanding onshore facilities are hedged** through to 2021 (Approx. 80% of the outstanding onshore facilities have been hedged to date)
Distribution per unit	• Re-affirmed the two-year view on distribution level to support debt management programme • The distribution is expected to be 1.20 cents per unit per year for 2019 and 2020, subject to no material changes in planning assumptions • **Annual cash savings of over S$76 million** enable use of operational cash flows to fund capital expenditure and reduce the dependence on borrowings

Notes: (1) Taiwan's three-month Taipei Interbank Offered Rate
(2) Singapore Interbank Offered Rate

BORROWINGS

Effective interest rate to continue declining

Group debt		As at 31 Dec	
		2018	2017
Total size available	S$ million	1,626	1,552
Total outstanding	S$ million	1,531	1,439
Effective interest rate - constant dollar	% p.a.	Q4 - 3.0; Full year - 3.2	Q4 - 3.6%; Full year - 3.8
Effective interest rate - SGD	% p.a.	Q4 - 3.5; Full year - 3.6	Q4 - 3.9%; Full year - 4.0
Total net debt / EBITDA[1]	Multiple	7.9	7.5
Interest cover[2]	Multiple	3.4	3.6
Gearing[3]	%	54.1	49.9

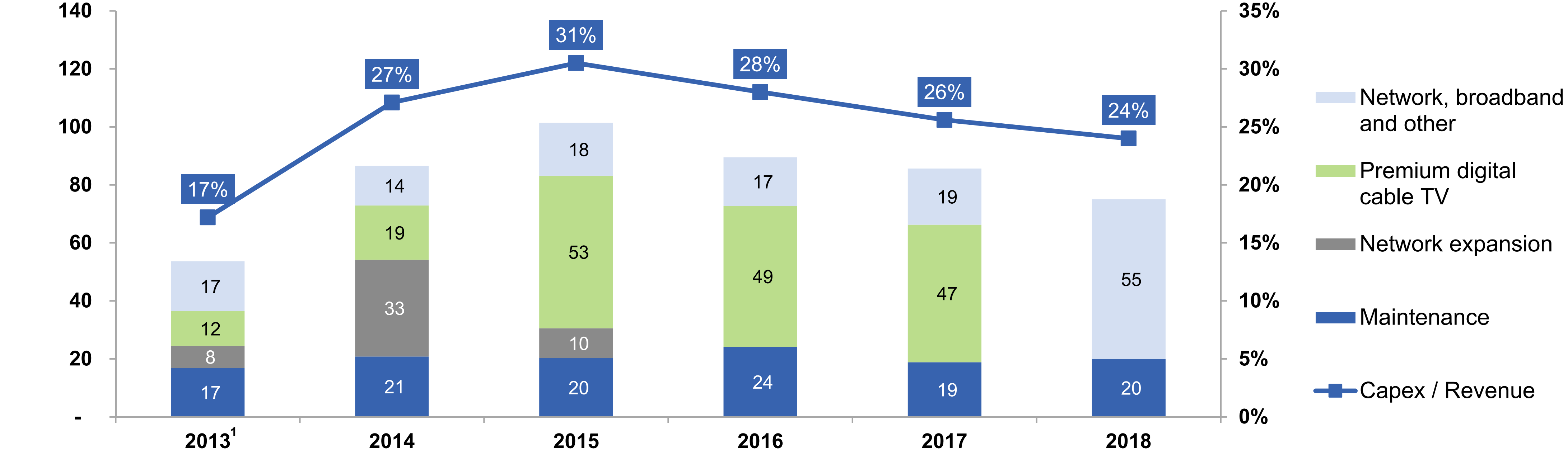
- Effective interest rate in constant dollar terms of 3.0% p.a. for the quarter and 3.2% p.a. for the full year compared to 3.6% p.a. for the quarter and 3.8% p.a. for the full year 2017
  - Actual effective interest rate in SGD was 3.5% p.a. for the quarter and 3.6% p.a. for the full year compared to 3.9% p.a. for the quarter and 4.0% p.a. for the full year 2017
- Approx. S$95 million of revolving facilities are available to fund future initiatives

Notes: (1) Total debt outstanding less cash divided by EBITDA
(2) Interest and other finance costs divided by EBITDA
(3) Total debt outstanding (net of unamortised arrangement fees) divided by total assets

CAPEX

CAPITAL EXPENDITURE

CAPEX expected to trend down from 2020



- 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
- The deployment of fibre deeper into the network in 2018 will continue in 2019. This investment is key to driving the Broadband business as it will help to increase network capacity, speed and enhance data backhaul infrastructure. This in turn enables APTT to meet the growing demand for data and high-speed broadband services, support wireless carriers in their network rollouts, and pursue other opportunities for the long-term success of the Trust
- Capital expenditure in 2019 will remain elevated due to the key network and Broadband investments, before trending downwards from 2020

Capital expenditure comprised the following:

- Maintenance capital expenditure to support TBC's existing infrastructure and business
- Premium digital cable TV capital expenditure to acquire digital set-top boxes to fully digitise TBC's subscriber base and switch off analogue broadcasting, installation related expenditure and digital headend upgrades
- 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 will continue to be gradually entered into until 90% to 95% of outstanding onshore facilities are hedged through to 2021

Strengthen Balance Sheet

- 2-year view on distribution guidance
- APTT intends to use operational cash flows to fund its capital expenditure and reduce dependence on borrowings
- The lower distribution also offers the potential for future unit buybacks

Key Investments

- Continue to deploy fibre deeper into the network in 2019 to:
  - Increase capacity and provide subscribers with higher Broadband speed; and
  - Position APTT to benefit from supporting wireless carriers in their future network rollouts

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 five 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

OUTLOOK

APTT is positioned to grow in a measured way

GROWTH DRIVERS | **OPERATING ENVIRONMENT**

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

CHALLENGING ENVIRONMENT

- Total RGUs expected to increase in 2019
- 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

SCALABLE & EFFICIENT COST STRUCTURE

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

HIGHLY REGULATED

- Announced by the local authorities before the end of 2018: Basic cable TV rates for 2019 across all five franchise areas have been maintained at the same rates as 2018

Total operating expenses in 2019 expected to be at same level as 2018; Total revenue will be influenced by the ability to increase RGUs while ARPUs to remain under pressure

UPDATES:

STRATEGIC REVIEW & MANAGEMENT FEE

STRATEGIC REVIEW

The Board of the Trustee-Manager has announced that it is undertaking an independent strategic review of options available for APTT and its investment in TBC:

- A special committee has been established to oversee the strategic review; the committee comprises:

  - Yong Lum Sung, Chair and Independent Director
  - Tan Chung Yaw, Richard, Independent Director
  - Leong Shin Loong, Independent Director
  - Ong Joo Mien, Joanna, Independent Director
  - Brian McKinley, CEO and Executive Director

- The committee is in the process of selecting an independent financial adviser to assist with the strategic review and expects to make an appointment in the near future

Important note:

There is no assurance that any transaction will materialise from the strategic review. The Trustee-Manager will make appropriate announcements in the event of any material developments.

Unitholders of APTT are advised to refrain from taking any action in respect of their units or other securities of APTT which may be prejudicial to their interests, and to exercise caution when dealing in such units or other securities.

TRUSTEE-MANAGER FEE

Payment of management fee in 2019 by way of issue of units in APTT to achieve greater alignment with Unitholders

- The Board of Directors proposes to issue APTT units to the Trustee-Manager in lieu of a portion of the management fee
- Subject to unitholders' approval at the upcoming AGM on 25 April 2019 in relation to the general mandate to issue new units in APTT
- The quantum of the fee to be paid with units will be determined after the Trustee-Manager has fulfilled its cash flow obligations
- Following the AGM, the Trustee-Manager will update unitholders on the proposed quantum and timing. The next scheduled settlement of management fees is in July 2019

Q&A

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 2018 and the Auditor's Report thereon

- To reappoint Deloitte & Touche LLP as the Auditors 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 resolutions as Ordinary Resolutions:

- General mandate to issue units in APTT

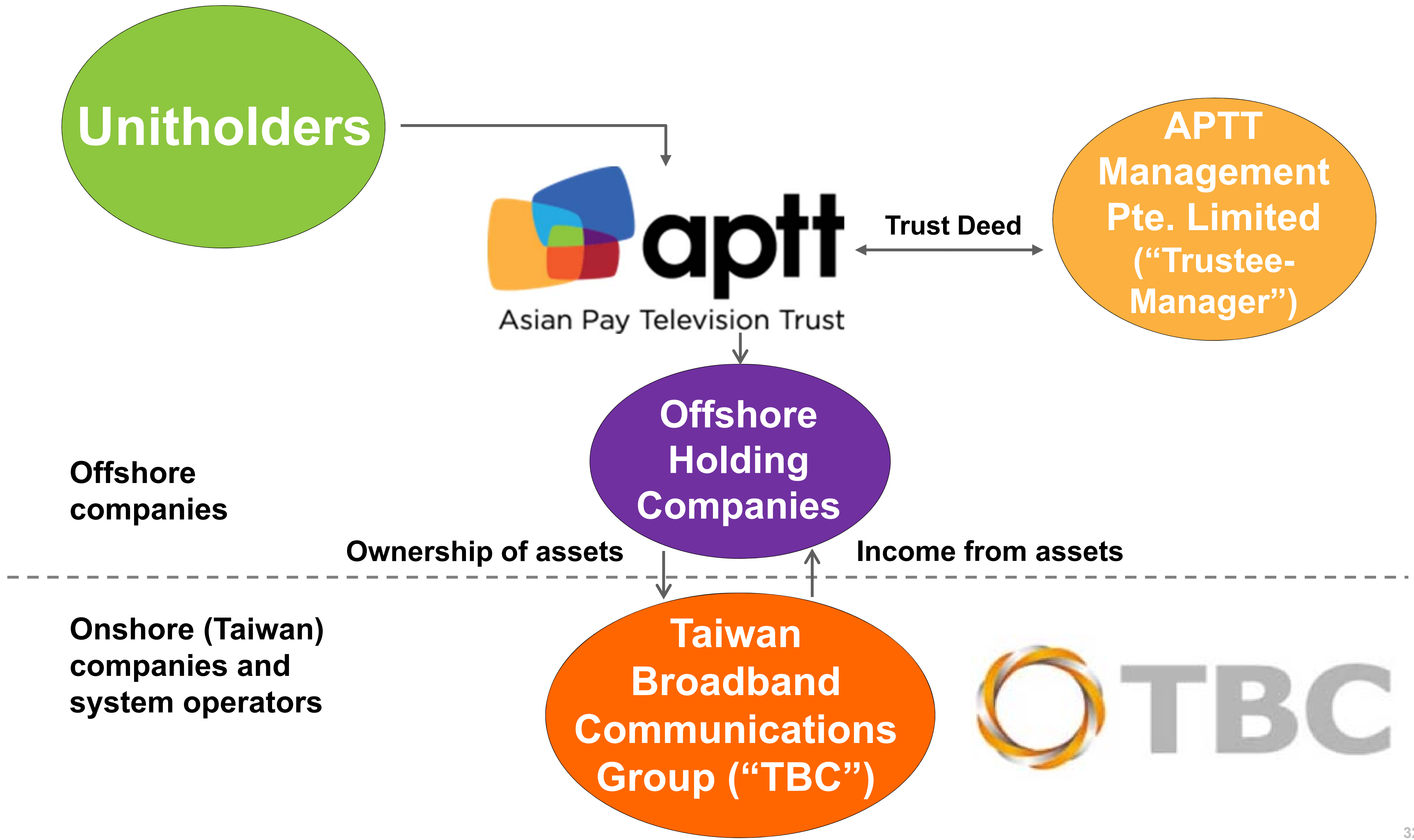
- APTT Unit Buy-Back Mandate

REFRESHMENTS

END

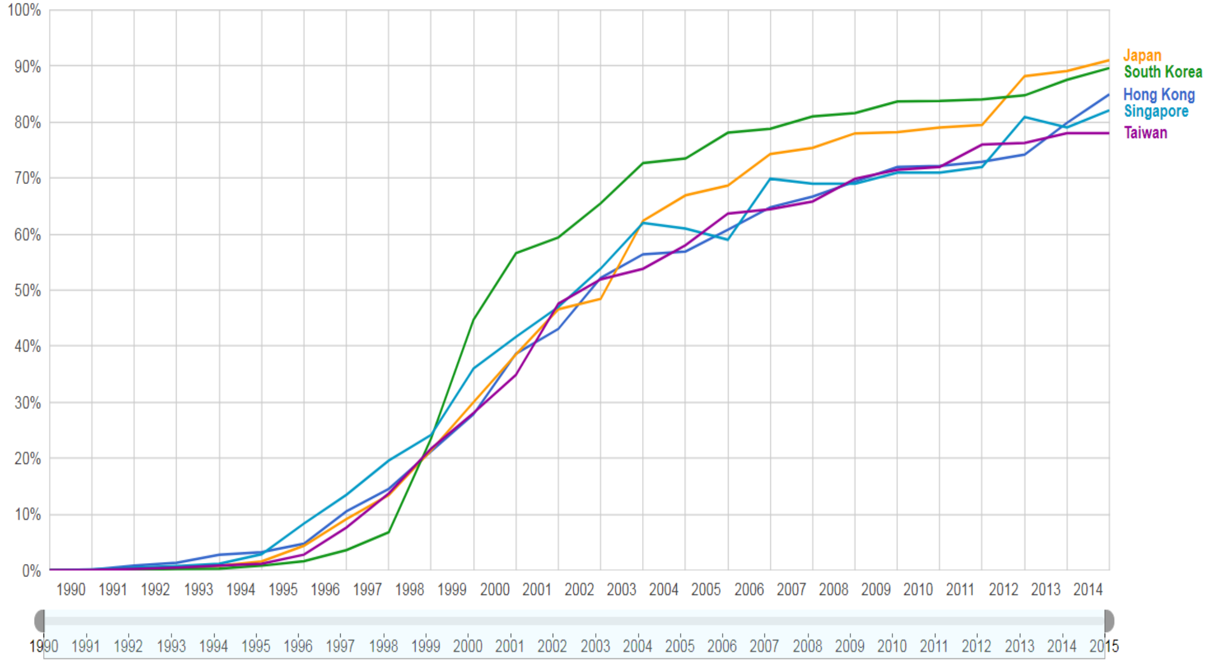
APPENDIX
ADDITIONAL SLIDES

TRUST STRUCTURE



TAIWAN MARKET – POTENTIAL IN BROADBAND

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



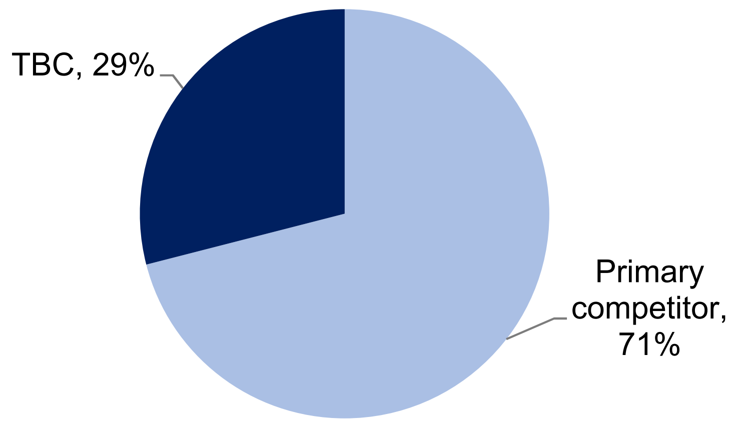
International Telecommunications Union

- Internet penetration has increased exponentially; but Broadband penetration remains lowest among the other four developed APAC markets (Japan, South Korea, Hong Kong, Singapore)
- Taiwan's average broadband speed also ranked last among the developed APAC markets at approx. 16.9 Mbps
- Opportunity for TBC to gain more market share and meet rising demand for (i) higher-speed broadband plans due to rapidly growing demand for data; and (ii) data backhaul services

Region	Unique IPv4 Addresses	Average Connection Speed (Mbps)	Average Peak Connection Speed (Mbps)	% Above 4 Mbps	% Above 10 Mbps	% Above 15 Mbps
ASIA PACIFIC						
Hong Kong	3,248,227	21.9	129.5	94%	71%	54%
Japan	46,179,708	20.2	94.5	93%	73%	52%
South Korea	26,226,184	28.6	121.0	98%	85%	69%
Singapore	1,882,779	20.3	184.5	94%	72%	51%
Taiwan	9,524,660	16.9	94.7	95%	65%	38%

Akamai Technology, State of the Internet, Connectivity Report 1Q 2017

Approx. Market Share of Broadband in TBC's Five Franchise Areas

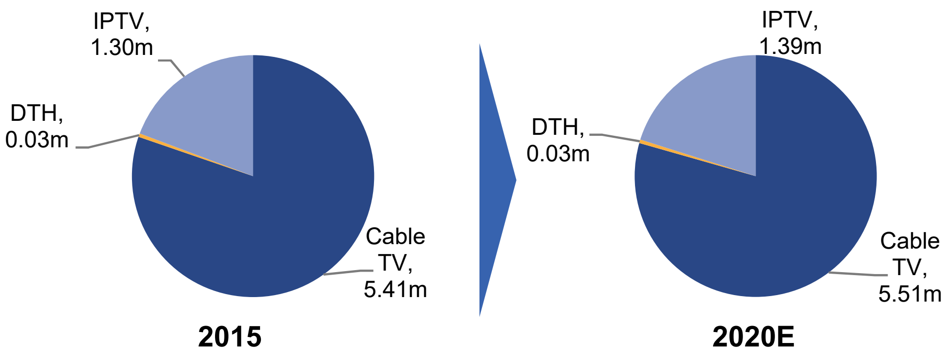


HIGH BARRIERS TO ENTRY AGAINST CABLE ENTRANTS IN TAIWAN

Cable TV continues to be the dominant TV platform

- Superior content portfolio at competitive pricing
- Affordable services
- Adoption of superior technology by operators
- Political and technological disadvantages of IPTV in Taiwan

Pay-TV subscriptions share by platform[1]



Barrier to entry against new cable entrants

- High network roll-out requirements
- Long standing relationships with subscribers; strong brand awareness
- Deep understanding of Taiwan viewers' preferences

Note: (1) Source: Media Partners Asia 2016

Top 20 channels in Taiwan (2018)

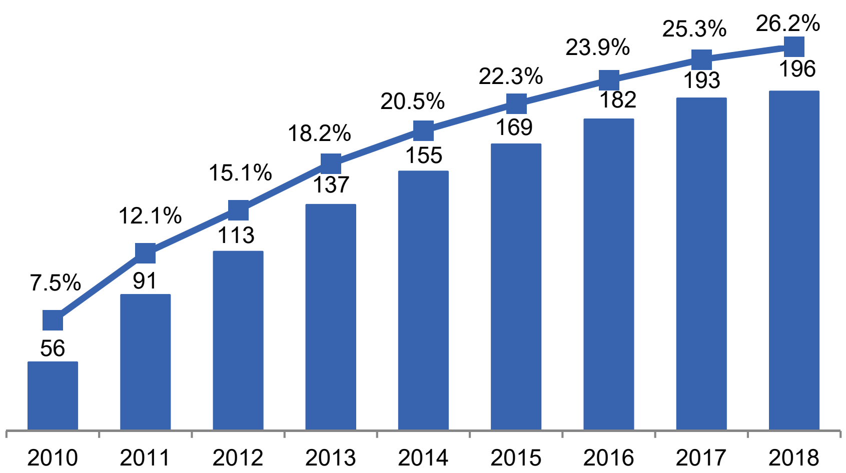
1	Sanlih Taiwan Channel
2	Cti News
3	TVBS News
4	EBC News
5	Sanlih E-Television News
6	Formosa TV News
7	YOYO TV
8	Unique Satellite TV
9	GTV Drama
10	Sanlih City Channel
11	ERA News
12	Star Chinese Channel
13	Star Chinese Movies
14	EBC Movies
15	TVBS
16	MoMo Kids
17	EBC Financial News
18	Videoland On-TV
19	Next TV News
20	Videoland Movies

ORGANIC GROWTH POTENTIAL: PREMIUM DIGITAL CABLE TV

Capitalising on the rising demand for HD TV sets and better quality videos

Premium digital cable TV RGUs ('000) and penetration

2010-18 Premium digital cable TV RGU CAGR: 17.1%



- Digital cable TV penetration in Taiwan 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
- Regulatory push by NCC and government - 100% digitisation target by 2017 → TBC was the first large cable TV operator to reach 100% digitisation

Cross-selling initiatives

Set-top boxes	• Promotional set-top boxes launched in March 2012 • Completed digitisation of its subscriber base across all five franchise areas in 2017 and switched off analogue TV broadcasting
Premium digital channels	• 10 free channels, including 3 HD channel • Better video quality across channels • Incentivises customers to get Premium digital cable TV to access up to 77 additional channels, including 47 HD channels
DVR service	• Offered as part of bundling package as well as stand-alone service • Leverages external hard disk drives which is more cost efficient • Creates stronger customer loyalty
Sales follow up / bundling	• Attractive bundling promotions • Educate subscribers on usage and benefits of digital TV

STATE-OF-THE-ART DELIVERY PLATFORM ADVANCED HFC NETWORK

Substantially invested in an advanced Hybrid fibre-coaxial (HFC) network which combines optical fibre and coaxial cable for TBC

- Ownership of HFC network and fibre backbone allows TBC to operate independently of third-party networks
- Covers substantially all of ~1.2 million households in TBC Group's franchise areas
- TBC's Cable TV and Broadband services delivered over one advanced HFC network
- 100% DOCSIS 3.1 enabled, fully supporting 500 Mbps Broadband services
- MPEG4 delivery platform set up as early as 2009
  - 100% digital penetration
  - Better video quality
  - Greater video transmission capacity
  - More efficient provision of value-added features such as HDTV and DVR services

Forefront of digitisation in Taiwan

- TBC completed the digitisation of its subscriber base across all five franchise areas in 2017 and switched off analogue TV broadcasting. TBC was the first large cable TV operator in Taiwan to reach this milestone
- Well positioned to provide subscribers with the opportunity to watch the latest TV offerings in high definition digital format

SUBSCRIPTION-BASED MODEL WITH EFFICIENT COST STRUCTURE

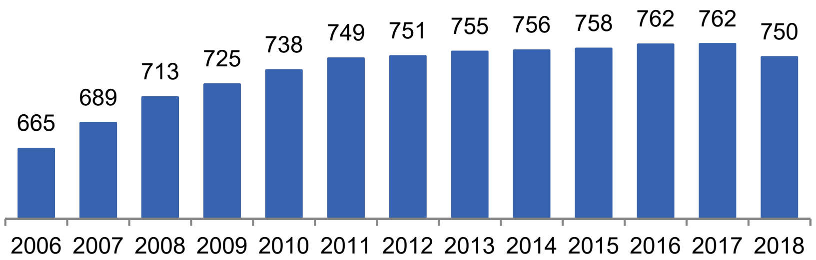
Utility-like, subscription-based business model with majority of payments made in advance

Strong EBITDA and EBITDA margin, competing effectively against alternative platforms & withstanding economic downturns

Resilient business with large Basic cable TV RGU base

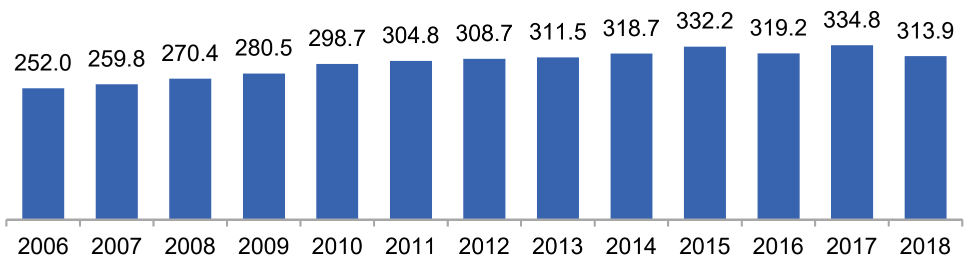
Basic cable TV RGUs ('000)

2006-18 Basic cable TV RGU CAGR: 1.0%



Revenue (S$)

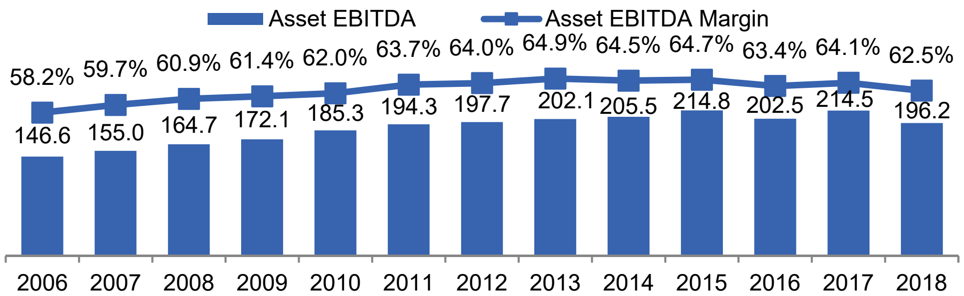
2006-18 Revenue CAGR: 1.8%



Growing EBITDA due to scalable & efficient cost structure

Asset EBITDA (S$) and Asset EBITDA margin[1]

2006-18 EBITDA CAGR: 2.5%



Key operating drivers supporting cost efficiency

- Majority of popular channels are local, inexpensive content
- Lack of "killer content" resulting in strong negotiating position
- Headroom in network capacity allowing provision of additional services at limited incremental cost
- Low churn rate from enhanced customer experience and strong customer loyalty

Note: (1) Asset EBITDA and Asset EBITDA margins are non-IFRS financial measures. Asset EBITDA represents EBITDA at TBC level. Asset EBITDA margin is calculated by dividing Asset EBITDA by total revenue

FINANCIAL POSITION

Debt management programme to strengthen balance sheet

Group (S$'000)	As at	
	31 Dec 2018	31 Dec 2017
Assets		
Current assets		
Cash and cash equivalents	73,576	66,835
Trade and other receivables	13,471	11,845
Other assets	3,260	1,278
	90,307	**79,958**
Non-current assets		
Property, plant and equipment	328,308	320,852
Intangible assets	2,371,838	2,391,052
Other assets	1,065	1,058
	2,701,211	**2,712,962**
Total assets	**2,791,518**	**2,792,920**
Liabilities		
Current liabilities		
Borrowings from financial institutions	5,694	14,677
Trade and other payables	23,133	21,692
Income tax payable	11,444	13,182
Other liabilities	61,176	59,566
	101,447	**109,117**
Non-current liabilities		
Borrowings from financial institutions	1,504,674	1,379,888
Deferred tax liabilities	74,575	73,323
Other liabilities	37,090	40,791
	1,616,339	**1,494,002**
Total liabilities	**1,717,786**	**1,603,119**
Net assets	**1,073,732**	**1,189,801**

- **Cash and cash equivalents:** Cash balance of S$73.6 million
- **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: 6-10 years
  - Transport equipment: 5 years
  - Plant and equipment: 2-5 years
  - Leased equipment: 3 years

SELECTED FINANCIAL INFORMATION

Group[1] (S$'000)	Year ended 31 December		Variance[2]
	2018	2017	%
Revenue			
Basic cable TV	250,044	268,304	(6.8)
Premium digital cable TV	13,849	15,619	(11.3)
Broadband	49,962	50,915	(1.9)
Total revenue	**313,855**	**334,838**	**(6.3)**
Total operating expenses[3]	**(129,266)**	**(133,415)**	**3.1**
EBITDA	**184,589**	**201,423**	**(8.4)**
EBITDA margin[4]	58.8%	60.2%	
Capital expenditure			
Maintenance	19,903	18,870	(5.5)
Premium digital cable TV growth	-	47,392	100
Other capital expenditure	55,480	19,351	(>100)
Total capital expenditure	**75,383**	**85,613**	**11.9**
Income taxes paid, net of refunds	(16,742)	(19,118)	12.4
Interest and other finance costs paid	(53,536)	(56,039)	4.5

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 loss/gain and mark to market movements on foreign exchange contracts, in order to arrive at EBITDA and EBITDA margin
(4) EBITDA margin is a non-IFRS financial measure and is calculated by dividing EBITDA by total revenue

NET PROFIT

2018 decline in net profit driven mainly by lower revenue and write-off of unamortised arrangement fees on the previous borrowing facilities refinanced during the year

Group[1] (S$'000)	Year ended 31 December		Variance[2]	Comments
	2018	2017		
Total revenue	**313,855**	**334,838**	**(20,983)**	
Operating expenses				
Broadcast and production costs	(60,049)	(64,288)	4,239	
Staff costs	(28,056)	(30,781)	2,725	
Trustee-Manager fees	(7,285)	(7,241)	(44)	
Other operating expenses	(33,876)	(31,105)	(2,771)	
Total operating expenses	**(129,266)**	**(133,415)**	**4,149**	
EBITDA	**184,589**	**201,423**	**(16,834)**	
Other expenses				
Depreciation and amortisation expense	(78,613)	(63,197)	(15,416)	Mainly due to higher depreciation expense on network equipment and amortisation expense on programming rights
Net foreign exchange loss	(1,053)	(6,196)	5,143	Mainly due to translations at the subsidiary level which are not expected to be realised
Mark to market gain/(loss) on derivative financial instruments	2,642	(1,681)	4,323	Due to exchange rate movements on foreign exchange contracts
Amortisation of deferred arrangement fees	(23,125)	(8,916)	(14,209)	Due to write-off of unamortised arrangement fees on the previous borrowing facilities which were refinanced during the year
Interest and other finance costs	(53,847)	(56,328)	2,481	
Income tax expense	(22,859)	(28,329)	5,470	Mainly due to lower current income tax resulting from lower profit for the year and a one-time adjustment of deferred tax liabilities as at 1 Jan 2018 following the change in corporate income tax rate in Taiwan from 17% to 20%
Total other expenses	**(176,855)**	**(164,647)**	**(12,208)**	
Net profit	**7,734**	**36,776**	**(29,042)**	

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

NAVIGATING CHALLENGES

- ✓ **Achieve balance sheet flexibility to effectively compete in this economic and operating environment**
- ✓ **Continue to manage operating and financing costs**
- ✓ **Closely monitor capital expenditure to focus on areas that will have the best potential in generating growth and sustainability for the long-term**

Key Challenges

- **Pressure on cable TV revenue** due to growing popularity of online TV and internet retailing
- **Competition from mobile operators** offering unlimited wireless data offerings
- **ARPUs are expected to remain under pressure** in this economic and operating environment

Strategy to Navigate Challenges & Strengthen Business

- **Focused debt management programme** to reduce dependence on borrowings and strengthen balance sheet
- Pay more conservative distributions to Unitholders and use operating cash flows to **fund capital expenditure** and reduce the dependence on borrowings
- **Strong cost and cash flow management** by managing operating expenses and through lower interest and other finance costs
- **Manage cable TV churn** by continuing to **offer superior content at competitive pricing** and leverage strong Basic cable TV subscriber base, as well as **new and attractively priced product offerings** to improve up-selling and cross-selling of services across subscriber base
- **Drive growth in Broadband business for long-term sustainability**[1]
- Continue to **offer higher speeds at competitive prices** to attract and retain subscribers to fixed-line Broadband services
- Continue with key network and **Broadband investment** in 2019

Note: (1) Refer next slide for Broadband growth strategy

DRIVING BROADBAND GROWTH

Drive growth in Broadband business for long-term sustainability

- **Expand market share**: Number of Broadband subscribers has been steadily increasing in 2018; continue to expand Broadband market share beyond the current 29% by increasing RGUs through attractively priced packages to acquire new subscribers from competitors and to retain existing ones

- **Support wireless operators with their network development:** TBC's network is beginning to provide data backhaul to some of Taiwan's major wireless operators. With continued wireless network development, data backhaul through TBC's network is expected to become a material part of the Broadband business within five years as wireless carriers tap into TBC's network for their network rollout

- **Develop new market segments**, including enterprise clients

- Continue to **introduce value-added solutions** (e.g. IoT, smart home devices) that will leverage the Android gateway that many subscribers are now including in their broadband plans (62,000 BandOTT boxes deployed as at 31 December 2018 compared to 18,000 boxes as at 31 December 2017)

- Continue to deploy fibre deeper into the network to **increase network capacity and speed** and support the Broadband business initiatives

ASIAN PAY TELEVISION TRUST

Questions and Answers at the Annual General Meeting held on 25 April 2019

Question 1 **Unitholder 1**	**:**	I asked about the high debt levels last year and was happy (to note) that there has been some action taken on the issue. Of course, no unitholder would like a big reduction in distributions, unless it is necessary to keep the company alive. My question is about the possibility to use or offer wireless as backbone for 5G. Firstly, what would be the total capex needed to be able to do that in a proper way and secondly, what are the challenges in doing that because there is also the national telco, which has market share and big network, and could also offer that? You mentioned that from 2020 onwards, capex would go down and a small portion be used to reduce debt. Currently, net debt is still very high. Do you have any target Debt/EBITDA for the next 2-3 years?
Answer **Brian McKinley** **("CEO")**	**:**	Thank you for your questions. On total cost of deployment, we have not given specific numbers but what we guided was that our capex would remain elevated this year and that from 2020, it would trend down. Our peak in capex was in 2016, in 2017 capex was lower than 2016 and in 2018 capex was lower than 2017 and we continue to expect it to trend down. So, we have hit the peak and we would expect the bulk of the investment for pushing fibre deeper into the network to have been in 2018 and in 2019. Reason we have not guided specific numbers is that unlike the capex in the first 4 years, this is more within our control and we are doing this because it is absolutely in the best interest for the long-term growth and sustainability of the business. You see our EBITDA margins are almost 60%, a very cash rich defensive business and in exchange for that, what we have to put up with is being heavily regulated. So, what is the biggest risk to our company, it is regulation. We enjoy a monopolistic position in our franchise areas but in exchange, we are heavily regulated. So, much of the capex that we had to spend in the 4 years after the IPO, had a lot to do with regulation, even though we knew from digitization, we would not necessarily see a very high return, but it was a necessary investment to make. Whereas now, moving forward and in the absence of regulated capex, the decision that we make really has to do with pushing this business forward i.e. spending where we want to spend is really for the long-term benefit of the Trust. To say that, it means we have more ability to move capex from one year or one quarter to the next, depending on operating conditions. We are very focused on managing the balance sheet and seeing what our cashflows are and so, we will make the necessary adjustments in capex to reflect our operating conditions. Like I said, the expected peak is in 2018-2019 from deploying fibre and would continue to trend down from 2020. On the question about the national telco, I would turn it over to Mr Lu to give more colour but the national telco is also a wireless competitor to the other wireless operators. By having one of the cable TV operators offering backhaul, it is a more palatable option for the

		wireless carriers than to go to their competition to lease their network for backhaul.
Answer **Mr Lu Fang-Ming ("LFM")**	:	The market emphasizes on 5G and 4K imaging and smart related, autonomous, etc. All these are related to low-latency and real time network and communications. Everyone emphasizes on 5G and wireless and if we do not have high bandwidth for backbone or backhaul, we cannot deliver high speed wireless. That is the reason we need to spend capex on the overall system. 2019 is trial run for 5G and 2020 is going to be first year for 5G going commercial. 2020 to 2022 would be expected to be a challenge for Taiwan market for control of the wireless market. Therefore, backhaul becomes critical. We try to build up our opportunities to catch the new wave of business opportunities.
Question 2 **Unitholder 1**	:	My experience with investing in telcos is that unfortunately the capex keeps on coming, always more and more. That is why telcos in Europe do not perform. Their EBITDA margins are good but capex keeps on coming. Do you think it would be peak or more capex would be incurred? Since the national telco has larger market share, are they better placed to offer network to wireless operators as backbone?
Answer **CEO**	:	The national telco is a competitor to the other wireless operators and so they are very happy to be coming to the cable operator, in our 5 franchise areas, to lease circuits for their data backhaul. Certainly, that is our experience. We started leasing to the major wireless carriers and the national telco is not one of them, but the other wireless carriers that we have been leasing circuits to, are already very pleased to have another alternative, to be able to connect with someone else's network. To your other question on capex and telcos are always continuing (capex), that is what we are trying, to be part of that solution for them because we already have a great infrastructure in place. By just making a little more investment in these 2 years and trending down from 2020, to be part of the solution to helping them in less costly 5G rollout because they do not need to build a network in much of Taiwan when we already have the infrastructure and they do not need to lease it from their wireless competition. On your last question around capex beyond 2020, debt targets, we expect capex to continue to trend down, but it really depends on cash flows at the time, so there is no specific target for gearing in the next 2 years. We have always talked about long term ratios of 5 to 6 times EBITDA as being our targets but as you can see, we are at 7.9x. We just did a refinancing, so the banks are very supportive and they fix the required ratio at higher level but from an optimal capital structure perspective, 5 to 6 times for the long term. For where we are in the next 2 to 3 years would depend on cashflows and capex.
Answer **Chair**	:	May I assure all Unitholders that the Board and the Independent Directors look at capex very critically. Going forward, because it is not so regulatory driven, we are going to ensure that management spend

the capex in the most critical areas that earn us the best returns. As you know, the rollout of 5G is just starting. We have been talking about spectrum, tender lease end of this year. Of course, today there are backhaul requirements in 4G, so we are building the relationship with existing wireless operators, who prefer us to be their provider than the incumbent telco, which also operates a wireless business. In this instance, we do have some advantages but of course, we have to look at demand as they come and match them or rather to follow the progress of these other wireless competitors that require us to rollout to. That is why we are going to be very judicious in the expenditure of capex.

Question 3 Unitholder 1 : Is there any Taiwanese specific regulation that forces the operator to offer their network to all wireless operators?

Answer LFM : No regulation for how to provide high speed Broadband, that would be a business decision.

Question 4 Unitholder 2 : I note that maintenance expenses amount to $20 million. Should maintenance expenses, which are recurring yearly, be under the line of operating expenses instead of capex?

Answer CEO : It still meets the requirements of capital expenditure, so while it is maintenance, it extends the life of our network. So, it meets the requirements of a capital expenditure versus just normal operating repairs and maintenance expenses. These are actual expenditures that are put in place just to maintain the system for longer period of time. We would not expect growth from it. It is more of an operational name that we give it versus from an accounting perspective, it does extend the life of network.

Our classification is more to give distinction to what we use our operational cashflows to fund. We want to be clear that we are not using borrowings to fund maintenance capital expenditure, which for accounting purposes, meets the requirements of extending the life of the network but we would not genuinely think it is going to bring new business. So, we would want to use operational cashflows for that. But, it is still a capital expenditure. I hear your point and going forward, given our new capital management program, where we do not tend to use borrowings to fund capital expenditure, I think you may see a change in these classifications of maintenance and growth capital expenditure and just focus on the growth capital expenditure that we are making and the returns we expect to get from it in the future.

Question 5 Unitholder 2 : Out of the amount spent on capital expenditure, an amount is used to acquire new assets and there is high depreciation of $78 million i.e. 70% of your physical assets. Can you explain?

Answer CEO : That is reflective of the investments we have made in the last few years, and especially around digitization. Most of the capital expenditure for digitization, we amortise over 3 years. This is a lot of set top boxes and while the set top boxes will last much longer than 3 years, from an accounting policy, we depreciate them over 3 years and it creates a lot of depreciation expense in the financial statements. So, I think the depreciation numbers that you have quoted are reflective of the investment that we have been making in recent years. We do expect capex to trend down from 2020 and also noted that we are making more network investments and those are depreciated over a longer period of time. So that should start being reflected in the depreciation expense numbers as well.

Question 6
Unitholder 3 : With regard to backhaul, how much do you anticipate in terms of revenue in the next few years?

Answer
CEO : We have said that we expect it to become a material part of the business in the next 5 years. It is obvious that this is not a very precise forecast as Mr. Lu noted that the networks are just being built in 2020 to 2022 i.e. the big investment period. It is in the hundreds of thousands or 1 million today, but this is something that we would expect to grow into much bigger than our premium business over the long term. So, this is a material part of the business that we are really expecting to grow in the next 5 years.

We do have internal forecasts but for disclosures, we have disclosed what is appropriate. You would have to appreciate that we cannot give different numbers in different forums but what we have said is that we expect it to become a material part of the business over the next 5 years. That is significant and would be a cornerstone of our business. It is an important investment that we are making to grow a very significant part of the business in the future. We absolutely have internal forecasts and with every passing quarter, and especially with 5G rollout in the next few years and it becomes more permanent and relevant at the time, we will start to refine the forecast we give to market. We will keep you updated as we get closer.

Question 7
Unitholder 2 : Your TV licenses account for 84% of your total assets. May I know if this TV license is transferable i.e. if someone wanted to buy the business, is the license tradeable? Is it worth $2.3 billion?

Answer
CEO : If someone wanted to buy the company in Taiwan, then that would be just like a couple of years ago i.e. it would be subject to National Communication Commission (NCC) approval. Any deal by cable TV operator in Taiwan, which involves selling business to someone else, would require regulator's approval. It includes all of the licenses that goes with the business. The price worth of TV licenses would be determined in the sale transaction.

Certainly, we feel that the unit price is undervalued and less than the intrinsic value of the Company, which is why after 5 months of seeing a depressed unit price, the Board decided to launch a strategic review exercise to see if there were options available for potential to unlock unitholders value but again these options would have to come back to unitholders. Do you want to stick to long term strategy which we feel confident in and is the best for the long-term value of the Company or otherwise, you could be presented with other options and make a decision. The price would be determined by an offer by a potential investor.

Question 8 **Unitholder 4**	:	What is the net asset value? Why did unit price drop so much?
Answer **CEO**	:	The net book value is 75 Singapore cents. In November 2018, we announced a lower distribution and it was a distribution cut that was bigger than what people expected. The business today and over the last couple of years is very different from the first few years after IPO. The conditions and competition from wireless operators are much more intense. There is even competition in cable TV, not for us, but in nearby regions, and that is just causing pressure on our ARPUs and on our subscribers. It is a different landscape today than it was a few years ago. Our thesis to use borrowings to fund some of our capital expenditure, just had to change, given our borrowing levels and the challenging landscape. That is why in November 2018, we made a bigger distribution cut than I guess the unitholders were expecting and the unit price dropped. Frankly, the unit price dropped too much. It over reacted and the issue is that it has not come back in the last 5 months. So, while we believe in our strategy to move the company forward and that should lead to improved unit prices over time, but that could be a long time. Let us be honest, we are not a growth company but we feel strongly that we are position to grow in a measured way but that doesn't necessarily mean that unit price should suddenly recover a lot. So, we felt that we could look at other options that are available through a strategic review.
Question 9 **Unitholder 4**	:	Is it because you have less subscribers?
Answer **CEO**	:	The cut in distribution was due to all of the challenges that we talked about including the heavy competition in the wireless space. So that has put pressure on our broadband ARPUs and also in TV, it is a fully penetrated market and so adding new subscribers in TV is more challenging than in the past. In fact, we lost a few thousand subscribers in 2018. Our ARPUs are under pressure.
Question 10 **Unitholder 4**	:	What is your debt and gearing?
Answer **CEO**	:	Our debt and gearing is 7.9 times of EBITDA i.e. S$1.5 billion. We look at gearing from EBITDA perspective because it is a very cash flow generative business. Debt covenants always refer to debt as a proportion of EBITDA.
Question 11 **Unitholder 4**	:	The debt level is a substantial amount. How are you going to overcome the debt over the years?
Answer **CEO**	:	That was one of the key components of our debt management program. We announced in November 2018 that we have refinanced our debts. Even though we do have this high level of debt, we have refinanced our debt on much better terms than in the past, with lower interest margins and arrangement fees. As I mentioned in 2018 that we have saved approx. $5 million in arrangement fees and every year,

we are going to save approx. $9 million in interest costs because of lower rates. This really showed strong support by the banks and strong support for the business and the management. As I said, the hard work of the trustee-manager and with the support of new owners, the amount of savings is more than the entire trustee-manager fees in a year.

Question 12
Unitholder 4 : Would you be buying back your units?

Answer
CEO : One of the proposals in the resolutions set in the meeting today is a resolution for a buy back mandate. So, it is something that we put forward to you for approval and it is what the Board would look at implementing in the future. We spoke about the unit buy back mandate since November 2018, but we needed to wait until the annual general meeting to ask for your approval. Given that we have just launched the strategic review, we would wait some time for the strategic review to move forward a little before we start to buy back any units.

Question 13
Unitholder 4 : How would your unit price recover? We lost so much money.

Answer
CEO : We have distributed over 46 Singapore cents and as said, we have a clear operational strategy to move this forward, but you make an important point and that is the unit price isn't where it should be today and that is why we had launched the strategic review to see if there were some options available to see if it could unlock value. With disclaimer, there is no guarantee that a transaction would happen.

Question 14
Unitholder 5 : The mandate of the company is not only in Taiwan but the overall mandate provides that you could operate in Hong Kong and other countries. Any thoughts in that direction?

Answer
CEO : Absolutely, in the long term, that is part of our strategy. More so, in Taiwan. If we were able to operate an expansion in medium term, it would most likely be in Taiwan before we look anywhere else, because it is still a very fragmented market and there are over 20 cable TV operators still operating in Taiwan where there are 3 large players i.e. ourselves and 2 of our colleagues. There are many small independent operators or much smaller multiple system operators (MSOs). They present opportunities to roll-up into our existing business in Taiwan. Those are real opportunities to create synergies with acquisition in Taiwan. We have the most value-added services and highest margins and would be able to add value to top line. Meanwhile, we also have the highest margins of the operators and so over time we would be able to help the cost structure. There are synergies to do roll-up in Taiwan. As mentioned, our debt levels are already high and our capital to make acquisitions from debt is not there right now. Given our unit price, it would also be hard to present you with an accretive acquisition.

Question 15
Unitholder 6 : In relation to content piracy and pirated android box, does it affect your subscription base in Taiwan? In relation to demography, younger subscribers are watching less content on cable and switching to online content. How would this impact your business in future?

Answer CEO : Thank you for your questions.

Certainly, those two factors have impact, and that is the reason why in 2018, it was the first year when we saw a reduction in basic cable TV subscribers. As I mentioned in my presentation, it will continue, certainly. There will always be a lot of piracy and so that's something we continue to be very active to work with the regulators and authorities to help stem some of that. But as one gets taken down, another one comes up. At the margin, it has had an impact to our business.

Similarly, for purchasing demographics, you are absolutely right, we are seeing with our younger subscribers, as they move out of the house, they are not necessarily getting a cable TV subscription and so that has contributed to what has been a very dominant cable TV market, very highly-penetrated for a number of years. One thing that we have in our business in Taiwan compared to Singapore and many other markets is, you still get over a hundred channels of the most popular content, and this includes local content and western content like ESPN and HBO, and you get all of that for the equivalent of only 22 Singapore dollars per month, about 500 NT dollars per month. So, it is a very content rich and inexpensive service and so that's why we think it will continue to be more resilient in our markets than any other markets.

One thing we are doing to help address what is a long-term demographic generational change is we are starting to offer an android box, so in selling our broadband, we are offering this android box which can give you access to OTT contents. It gives you a subscription to iQiyi and you can access online content and then you can seamlessly switch back to the cable TV box.

We are also starting to negotiate OTT rights for some of our content. We are not getting it for the most popular local content, for the same reason the most popular local content doesn't want to licence to IPTV because they get so much advertising, but we are starting to get OTT rights for some international content and other content. We are offering that to help customers from churning, so we will move more and more into that space and really, a key part of our strategy is even if it was over, say, in 20 years, we can't expect it to be a predominately broadcast only cable TV market. Our key strategy is therefore focusing on broadband, making sure that we really grow our broadband base over the years and also our new business initiatives to not just be going after the home broadband subscriber but also going into the enterprise market and going into leasing our network, the excess capacity of our network to the required operators.

Question 16 Unitholder 7 : Based on what you have been telling us in previous Annual General Meetings and in this meeting, I tried to persuade myself to understand and go along with the company, and the management, the trustee, but it doesn't reflect the actual situation. You asked us to make a big sacrifice by cutting down the dividends from 1.625 to 0.3 without asking too many questions, and that is a tremendous sacrifice. Now even if we want to sell our shares, we can't because we are caught in the deep blue sea. So, you have given us a lot of promises and hope this morning. I hope you will live up to what you have been telling us. You have been telling us about the strategic review and so on. Maybe after this you can brief us a little bit more, some details of what your strategic review is.

We are in five regions. These five regions, are we the only operator?

Answer CEO : We are the only cable TV operator.

Question 17 Unitholder 7 : We are in a monopolistic situation. How can we be losing money in a monopolistic situation? You have very strong bargaining power. How can you from 2 billion drop down to minus 3 billion, you mentioned just now that this is part of a one-time payment, one-time expansion in Q4 2018. How much was that one-time payment?

Answer CEO : That's the arrangement fees you are referring to. $25 million is the cost of doing the refinancing.

Question 18 Unitholder 7 : So even if you add on the $25 million, you are still in a very unsatisfactory situation. Earlier, there was a question on maintenance fee of $20 over million. Can I get the view of the auditor, how is it that operating expenses can be capitalised? That means your loss is even greater that what was reflected. Can we have the auditor to tell us why this is the situation?

Answer Richard Loi (Audit Partner of Deloitte & Touche LLP) : I guess the misconception is the word 'maintenance'. It is actually maintenance of capital assets, it is not operating repairs and maintenance. So, whenever expenditure is used to extend the life of a useful asset, basically we capitalise and would depreciate it over the useful life. It is not maintenance cost as in the maintenance of a building or that kind of maintenance cost. It adds on to a value or increases the life. These are expenditure that basically increases the life of an asset and therefore are capitalised over the extended useful life.

Question 19 Unitholder 7 : We have been paying very hefty income tax. If you are not doing well, why are we paying so much of income tax? $20 over million.

Answer CEO : Actually, that's why we focus on the key operating metrics of EBITDA, taxes, capex and interest. There is one slide that we always focus on which is really the cashflow of the business and the net cashflow. We always talk about EBITDA because that is a proxy for your operating cashflows and we talk about our capital expenditure. You will see the EBITDA less your capital expenditure and then what we actually pay in taxes in a year versus accounting taxes and then what we pay in interest charges. We always focus on these numbers because that's the real cashflows of the business. But you are right, I think going forward, we will also bring in the net profit slide. There is just a couple of issues with net profit, especially for a business like ours, where we operate in a foreign jurisdiction but then report into a completely different currency, there is a lot of translation that goes into our net income statement. There is also a lot of deferring taxes and these are mostly non-cash items. Every year we have been deferring taxes growing at least $5 million you will see on our balance sheet, the deferred tax liabilities is tens and tens of millions which will never be realised under normal operating conditions. So, there is a lot of non-cash items.

Question 20
Unitholder 7 : When you have the income after expensing out all the costs, that is the income tax. You must have a hefty amount in order to be taxed $22 million. What happened to those money?

Answer
CEO : That's why we don't focus so much on the accounting net income statement because of all the non-cash items. This is the real deal of the business, where it generates quite a bit of cash. It is a truly profitable business and that's why we pay tax. When we actually operate the business in Taiwan, it's generating positive net income and having to pay taxes on that positive net income, which is why we have cash available to then pay for distributions and pay for the other fees. So all these, as you see represented on this slide, these are the cash taxes because of net income.

Answer
CEO : I think for this question, I can defer to the auditor, but we produce full IFRS financial statements. We produce full financial statements in accordance with the IFRS, which are audited by Deloitte, so all of our necessary statements are in order. In order to get a more meaningful view of the business and the real cashflows underlying the business, that's why we tend to focus on those items. We are always very transparent. We put all of the cash items on one slide that are meaningful to you. Otherwise, we would have spent so much time talking about all non-cash items. I hear the point. In the future, we will put in the net profit and explain why it differs and why it is not as meaningful to look at.

Question 21
Unitholder 7 : I can sympathise with the Management and Board. I appreciate whatever your problem is, but you are in a monopolistic situation with bargaining power in terms of your sales, you have very stable income and you still cannot do a good job. I think this should also be considered in your strategic review. I hope that you will give us a better result next year.

Answer
Chair : Certainly and thank you

Question 22
Unitholder 8 : Show us last year's after tax profit. You only showed us the before tax profit of $100 million. Actually, last year's after-tax profit was only $7 million.

Answer
CEO : There is a slide we can show. I hear your point. I agree. We can start to show this more in the main presentation. As I was just mentioning, there is a lot of non-cash items that go into this accounting net profit. But I hear you, we will add in. What is generally more reflective is the other page which shows you all of the cash items because included in here are non-cash items, but it is a good point. We will add more to the main presentation and then I will spend the time to explain why there are differences and why it may not be as meaningful.

Question 23 **Unitholder 9** : Can we get a little bit more colour on the strategic review? Is it triggered by an external factor or is it purely an internal driven exercise?

What is the timeline? Is there a timeline that you were working on because before you complete this, the buyback is going to be put on the back burner?

I'm sure for the Board, before you start a strategic review, there must have been discussions amongst yourselves i.e., whether it would be fruitful and what value is there, because you are all very capable people. There must be a thought process behind why you would launch a strategic review right now and especially, this is right after you are saying that you are going to have buybacks. So it doesn't look like a very planned step-by-step procedure. This is not a minor thing. Could you please give us a little bit more colour?

Answer **CEO** : I will just address the timing. The distribution cut announcement, and at the time when we started saying that there was more cash available to spend on capital expenditure, make debt repayments and potentially unit buybacks as well, was commentary that we started back in November last year. We can't actually do a unit buyback until we get a mandate, so this is the first AGM since starting to say something we look at in the future. So as part of the year-end procedures, we put together your annual report and all of the resolutions that would go in front of unitholders for approval. The unit buyback has just been in the works for six months now it is something that we look forward to do.

The strategic review, however, is a new development. This is something that was just announced in the last two weeks. As I mentioned, this is completely internally driven. There is absolutely no driving force behind it. This is a very committed Board to unitholders, the majority of the Board are independents, and the other directors are only looking after your interests. It has been five months since seeing the unit price being overly penalised. The distribution cut, the size of it was, I guess a surprise, so the unit price suffered as a result, but it hasn't recovered in five months. So, the Board, as a new development, had decided to launch a strategic review. This is an internal decision to launch it because the unit price is below intrinsic value of the Trust. What does this strategic review mean? Generally speaking, if we are trading at this value, we absolutely could be a target, because you are trading below what is the intrinsic value of this business and your unit price is depressed. This is a great company. There are many people out there, more strategic investors and financial investors, who may then see this as an opportunity. It is an opportunity for us to then see, is there, other than our operational strategy to drive value in our business, is there a potential opportunity that could bring you more value in a shorter term, because our operational strategy is a long-term strategy. Does that mean the unit price will suddenly change very much overnight? We can't control it. But based on the operational strategy alone, it doesn't give you the catalyst that suddenly it is going to jump. So we are launching the strategy review to see if there are other options that may be out there. If there are other potential strategic investors or other investors who would want to take this, and again, making all the disclaimers, launching a strategic review does not mean that there would be a transaction, but certainly it is a very valuable business and something that we will look at to bring you options. These can take many forms. As a Singapore-listed company, it is possible that in the future, you could be presented with a general offer, or it is possible that there could be something that comes to you to vote at a meeting. Again, you will decide. Our largest shareholder is Temasek with 8%, the Sponsor holds 3%, so 89% of the units are held by the general public. In the end, if there is an opportunity, or something, you will get to decide. That's just what the Board wants to bring to you. Here's our operational strategy and through the strategic review, if there is something else can present itself, you will get the option to decide whether you want to stick with the operational strategy or take what may present itself in the future.

Question 24 **Unitholder 2**	:	The auditor mentioned that maintenance is used to extend the lifespan of the equipment. I find that it is a bit contradictory because at the same time you are depreciating it 17% so aggressively. Although you satisfied your reporting, I am not sure if is the norm.
Answer **CEO**	:	That's just the nature of capital expenditure. I can assure you that it absolutely is the norm. Just to be very clear, this maintenance capital expenditure, this isn't repairs and maintenance. It is actual equipment that's being put into our network that is truly extending the life of the network. If we did not spend this capex, at some point when the network would become obsolete. So we are spending our capital expenditure to extend the life of the network, and so it absolutely, without a question, meets the definitions of capital expenditure and then we depreciate it over what is expected to be the useful life. To be honest, this isn't something that we manage very closely from a key metrics perspective. Depreciation is driven by accounting requirements. To the gentleman's point earlier, we don't put up the net profit because there are so many non-cash items in it. We don't focus on accounting depreciation because again, it's so many accounting concepts go into it. We focus on the real cash. We are never hiding anything from you. We put all of our cash items in front of you and talk about those. I hear you. Maybe maintenance capital expenditure isn't the best description for that capex, but it is a necessary item that we need to spend on and it does extend the life of our network. So, we must capitalise it. Frankly, I would be indifferent between expensing it or capitalising it because we don't even focus on it. We focus on cash but the accounting rules requires us to capitalise it.
Question 25 **Unitholder 2**	:	I did a calculation just now, regarding your TV license asset. It is worth about 6.3 cents per share. Out of the 7.5 cents, the net worth of the shares, the TV license account for 6.3 cents. So, I hope if anybody wants to buy over the Company, will give this due consideration. Another thing is your share buyback mandate that you are asking for. I find it a bit contradictory. On one hand you need your money to fund your capital expenditure by cutting down the distribution, and at the same time you are asking for use of the money to do the share

buyback. I am not sure which one is your priority. Capital expenditure or share buyback? Share buyback to me, never benefits minority shareholders.

Answer CEO	**:**	If you go through our disclosures, it is the last item and it just says, it may open the potential. Really it is based on investor feedback because the shares, viewed as undervalued and one option is, if you have available cash, you can use it to buy back units. So it is a very common thing that is done but it is certainly not one of our priorities. In putting it forward, it is just getting you to approve it, but it doesn't mean that it automatically goes into effect. It is kind of like the mandate to issue units. It is a mandate that we have put in front of you for six years. It is a mandate that all companies put in front of unitholders at their AGMs, but we have never used it in the past. We have no intention to be doing any rights issues now either, but it is something that goes in front of you. This year, if the mandate is approved, we are looking, again because of investor feedback, we are looking to maybe use a little to issue units to pay for some of the management fees. Again, that's for investor feedback and so the Board will look at it very closely before we actually institute it.
Question 26 Unitholder 2	**:**	As a shareholder, I would rather the Management focus on driving the Company well.
Answer CEO	**:**	That is absolutely our focus.
Question 27 Unitholder 10	**:**	Will the strategic review, include an evaluation of the current operating strategy? Let me explain the question, you have been doing this for the last 10 years. Monopoly, falling rates from regulator, continuing investments, are you sure that's the right way to do things? Would you also consider exit strategy now, before the value of your investments drop to zero? You still have to do a lot more investments in your network. Will this strategic review include (a review of) what are you doing now and is the strategy correct?
Answer CEO	**:**	In terms of the operational strategy, that is the responsibility of the Management and the Trustee-Manager and the Board of Directors. We feel very strongly about the operational strategy going forward. It is reflective in our results compared to other operators in Taiwan where we have the best margins of other cable TV operators. We are not saying that things are going to improve because it is a much more challenging environment than it has been for the last number of years than it was in the beginning. This isn't just for us - this is for the entire industry. I can assure you that we are doing very well, relative to peers, in these challenging conditions. In the last two years, we've had the opportunity for Mr Lu to join the Board and so he has brought on more expertise. You see it in our announcements from quarter to quarter and some of the things we have accomplished over the years around getting the most broadband additions this year, starting to have data backhaul. I think we're the first cable TV operator starting to do that. We really are setting trends in Taiwan for cable TV operators, moving into the enterprise segment. So our strategy operationally has really yielded tremendous results. Our android box that we are deploying with our broadband plans. On the borrowing side, as we mentioned,

saving approximately over nine million a year in interests cost. We really are driving the business forward. However, it is a tougher landscape today than it was in the past. Given the unit price reduction over the last five months, we think it is a good opportunity to maybe try to present you with other options, but those will tend to be more, as you said, exit options. The road ahead would continue to be challenging and we feel very confident that we are managing it well and would continue to fare well as compared to our peers. However, it doesn't mean that there won't still be challenges ahead. So, it is looking at those options to extract more value than reflected in the unit price now.

Question 28 Unitholder 11	:	A couple of questions for Chairman. I have asked this question to the CEO at the investors update a few days ago. We understand the cut for the distribution is largely due to a few factors: (i) the returns on prior growth capex did not yield the expected return; (ii) resulting in increase in the debt relative to the EBITDA ratio; (iii) the need to fund future capex to expand the backhaul business. Is that correct?
Answer Chair	:	Yes.
Question 29 Unitholder 11	:	Given that, the distribution was cut to improve the overall debt situation. From your angle, what would be a healthy debt EBITDA ratio which you yourself said that, that's where we can review the distribution policy.
Answer Chair	:	I think the CEO had earlier said, that eventually we are targeting for five to six times EBITDA as the more ideal situation in the long term. Of course, the guidance for distribution is only for the next two years. We will review the situation and look at how our strategy for this year and next year operates, and then definitely, what is the relationship between distribution, growth capex would be, how much growth capex we would still need and then how much is available after that for distribution. So that will be an ongoing review but certainly, we have indicated the five to six times as a more sustainable, long-term situation that we want ourselves to be. The full Board concurs with this.
Question 30 Unitholder 11	:	I assume the Board has full overview of and they get to approve the capex for the subsidiaries, am I correct?
Answer Chair	:	Yes.
Question 31 Unitholder 11	:	Going to the growth capex for the next few years, which is fundamentally focusing on backhaul for the enterprise part of the business, is it fair to confirm that the majority of the growth capex for that will tail off at the end of this year?
Answer CEO	:	Yes. 2018 and 2019 are the two years where we would be spending most of the investments, pushing fibre deeper into the network.
Question 32 Unitholder 11	:	Based on Mr Lu's comment earlier, in the case of 5G roll-out in Taiwan, we would not see a full roll-out until 2022?

Answer LFM	:	Yes, 2021 to 2022.
Question 33 Unitholder 11	:	Given that the growth capex spent as of 2019, what is the expected payback on that investment?
Answer CEO	:	It would depend on how quickly it ramps up. We talked in the beginning, that gentleman asked, how much and I am saying it is material as it is a cornerstone for our business. So we are talking about millions and millions of dollars for this part of our business. It is material and the Board is looking at it, it meets good capex return targets, but the payback period, we have not specifically guided it.
Question 34 Unitholder 11	:	I understand that it is a non-disclosable item. I want to get that understanding because of the growth up between 2022 and I am going to expect that the investment would only be paid back a few years after 2022. Would that be fair?
Answer CEO	:	The reason that we have to start now is because you can't just start building the infrastructure required for the wireless providers when they need it. We have already started it and as a result, we have already started providing backhaul to them for their 4G networks. There is a real proof of concept to them that they can use the cable operator when this is an actual viable alternative to use the cable operator for the data backhaul.
Question 35 Unitholder 11	:	When do you expect, in worse case, the full payback of the investment?
Answer CEO	:	We absolutely expect it to be a positive return item, compared to some of the other capex that we have spent in the past that we talked about which was for regulator purposes. This one is key to our long-term growth and sustainability but again, without giving a precise payback period, it is one that has a positive return because we think it is in the best interest to the Company.
Question 36 Unitholder 11	:	So at this moment you are not able to disclose?
Answer Chair	:	It is also market driven.
Answer CEO	:	We haven't given that kind of guidance.
Question 37 Unitholder 11	:	Does the Board hope for it to grow to a certain percentage of revenue?
Answer CEO	:	We intend to just keep growing as much as we can. Just like we do broadband, growing 29% of market share today so we are not setting in target on how much we can grow or how much of the market we can capture.

Question 38 Unitholder 11 : So maybe you can provide better clarifications. Is it going to be an investment that is in excess of cost? Would it provide better returns than the cost for capex?

Answer CEO : Yes, I have answered that already.

Question 39 Unitholder 11 : What is the intrinsic value of the Company?

Answer CEO : We are not a company that publishes based on fair value but you have what is the net book value of the Company which is 75 cents.

Question 40 Unitholder 11 : Is that what you refer to when you say intrinsic value?

Answer CEO : In terms of the work that the Company does, for a net asset value or a net book value, we have to do valuation testing to support the value of intangibles. So, we build our own models for long-term forecasts to support our value of intangibles and based on our long-term forecast, we have actually tried to add a lot more disclosures in our notes this year that talk about the terminal value, the assumptions for growth rate, the discount rate that we use, so that you understand the assumptions we are putting into the valuation testing, based on our discounted cashflow models. It supports the value of the business today, supports the net book value. So that's the work that we do as a Company that is then also audited by the auditors. Supporting the value of intangibles, as you can appreciate, your book value is not necessarily the value your unit price trades at. It is also not the value that someone would necessarily buy you at, but it is the book value today and we do intangibles testing to support it. So when I refer to intrinsic value, it is referring to this, but yes, it is referring to anyone who builds their own model, whether it is a strategic investor or someone out there, when they build a model to look at our business, it will be hard for most people to understand the business closely to come out with the value at today's unit price. It would be worth more to them, as we think it is worth more, based on estimated operational cashflows.

Question 41 Unitholder 11 : You mentioned the auditor did audit the price valuation model?

Answer CEO : Yes, the auditors, as part of their audited financial statements, also employ their corporate finance teams to audit the valuation model. So part of their opinion in saying the financial statements are fairly presented, includes the assessment of the impairment for intangibles.

Question 42 Unitholder 11 : What did the Board expect the price of the unit to drop to when you announce the dividend cut?

Answer CEO : You can never predict that.

Already when you look at the unit price at the time of the distribution cut, it had already come down. We would not have expected that kind of drop and the Board doesn't ever try to predict the unit price as a measure of driving the business.

Question 43 Unitholder 11 : Can I assume that the Board is aware that this is a dividend-driven counter? Can the Chairman comment? Could the Board take a bit more care when you make distribution adjustment because the impact is quite significant.

Answer Chair : I would like to confirm that it was with utmost care and consideration.

Question 44 Unitholder 12 : I would like to direct this question to Mr Lu, if he could comment on that. My observation is that this Trust doesn't have any obvious Sponsor. Is Dynami or Temasek the Sponsor? So, the owner operator has a very thin skin in the game. There is only a 3% stake in the Company. I guess that contributes to the confidence of the stock performance. I am not sure whether Mr Lu can share with us where he sees value in the unit at this current stage. Maybe he can comment on that?

Answer CEO : Maybe I will just give an overview. The sponsor of the Trustee-Manager is Dynami and Dynami is ultimately owned 80% by Mr Lu and 20% by Mr Terry Gou. That is the ultimate ownership of the Sponsor. At the time of the transfer, when the transaction closed in April 2017, between Dynami, Mr Lu, Mr Gou and Macquarie, Hong Han, which is a holding company in the structure owned by Mr Gou, took over the 3% stake. That was what Macquarie owned at that time and so they took over the 3% stake. I can tell you that from day one, Mr Lu has been fully committed to adding value to the business for all unitholders, since the beginning. He has been looking at ways to increase synergies, whether that's in helping to push the debt or in providing the band OTT box. We are also using Asia-Pacific Telecom now as we have transferred telephony to them and they provide us interconnect and that is saving money. I can assure you anything that is a related party, all of these things were reviewed by the independent audit committee, have been really focused on driving value for unitholders.

I think you just need to appreciate that for buying units on market, there's a different standard that goes to that and sometimes there are black-out periods that can sometimes prevent you from being able to buy units. I can tell you that he asked me all the time, can we open the window (to buy) etc. One of the things we have looked at based on feedback from unitholders is whether we could settle part of the Management fees in units because actually the same rules don't apply to issuing units or buybacks, if you are aware of insider information. So, if you can imagine, if the Board was contemplating a reduction in the distribution or if you are going through a refinancing and there were so many things at various points that could be happening in the business that prevented officers from trading in the Company. We are very strict in following a good protocol for trading in the Company. I can assure you that is a question that he asked me a lot in terms of the window but we say that this is happening and maybe you shouldn't because of how it could be perceived by unitholders. I can tell you he has been committed since day one and has added so much value to the Company and to the Board.

Answer LFM : Thank you. Actually, it was agreed since day one that we tried to increase our shareholding. However, like Brian said, we tried many times, even I think just before our October 2018 meeting. Personally, I tried to buy but all the lawyers said no i.e. if you buy, there are some liabilities. Should we buy at a better price is not just only when the price is wrong. Are you trying to drive the price down when you buy the shares? All the lawyers in Singapore told me no. Actually, I can tell you that even Dynami and myself have prepared cash there. I am committed to buy but could not step in to buy. That is the true scenario.

Answer CEO : Actually, that's a point he made to me as well. Even if the window opened at this price, now the price is down and the perception wouldn't be good right? It's been unfortunate but I can assure that his commitment has been there and the desire to try to top up has also been there.

Question 45 Unitholder 12 : I appreciate those sharing. I guess if you are not buying to take over or take the Company private, that sort of legality issue would not be that strong. Just by buying even 1% stake is a shot of confidence to the stock, like insiders telling everyone that this Company is not going bust. I think that is a very strong message that Management and the owner should consider because here you are talking about the value of all the shareholders here that's been depleted and they have been staying on with the Company since day one. That's something which you should seriously consider against broad advice that you have been receiving.

Answer CEO : Just to be fair, he couldn't go against advice received. That's what I said to Mr Lu, it's maybe only 1% but it's something we have been trying to find ways to increase the alignment so the Management fee in units will at least be in that categories. There may be other opportunities I am sure that may be taken advantage of.

Question 46 Unitholder 12 : Thanks. I hope you can talk to your lawyer again. Separately, I remember in previous quarterly earnings released just before the dividend cut, the Company has mentioned that the unit is undervalued and at that time it was trading above 30 cents. Does the Board still hold the view that it was still undervalued at 30 cents?

Answer CEO : That's what we said at that time. Certainly, we are still saying it now and yes, we have done our valuation testing on the Company which supports the net book value of the Company. So, to answer your question indirectly because it is not on unit price per se. I encourage you to read the key audit matters of the auditors' report, it's in our intangibles note and we give details around what our assumptions are to reach this conclusion and you will see that they are reasonable assumptions. They are not wild growth assumptions. There are reasonable assumptions that go into our long-term forecast to support the value of the intangibles. Therefore, supports the net book value of the balance sheet. But that does not necessarily mean that's what the price would trade at or that's the price you would be offered. That's completely a negotiated outcome as you could imagine.

Question 47 : I guess the price is trading like any other yield-driven asset, it is like
Unitholder 12 you are paying 1.2 cents a year. If you are looking at 10% yield, you should be trading at 12 cents.

Answer : Which is why we launched a strategic review because it is not a fair
CEO price. It shouldn't trade like that and it has more value and we will continue to push on our operational strategy to see if we can see any increase. But to your point, if it will continue trading just like a yield asset, then let's launch the strategic review to see if there are any other non-yield focus investors or highly strategic investors or other financial investors who see the additional value in this business.

Question 48 : When do you expect the strategic review to wrap up and the reports
Unitholder 6 be released?

Answer : We just launched the strategic review in the last two weeks. So the
CEO next step is for the committee, which is basically all the Directors except Mr Lu, to make sure that there are no conflicts, there are the Independent Directors and myself, would evaluate financial advisers. The next step is to appoint a financial adviser and again contrary to any blogs or anything you see, Terry Gou, running for President has no impact on any of this. He is not behind the strategic review and there is no impact to him running for President on the strategic review. It will continue at a normal pace. Right now, we are focused on the AGM and getting through the first quarter results. In the near future after that, in the coming weeks, between Q1 and Q2, we would expect to make an announcement around the financial adviser whom we appoint and we would continue at pace. When it ends, of course, that's not up to us that will depend really on the interests of other parties. Those processes, whether someone was interested in an offer, whether it would be through coming to a special general meeting, or through a general offer, those would typically take someone who is interested, two to three months to get something together. It's not something that would conclude in the next one or two quarters, but we are absolutely continuing on pace because it is something that we are taking very seriously to be able to bring you options, should they present themselves.

Question 49 : I understand from today's discussion that $25 million is a one-time Q4
Unitholder 13 2018 one-time off event. So which means that the cost of financing itself should not be occurring again. Am I correct?

Answer : Correct. We would only incur arrangement fees again at the next
CEO refinancing, which we would expect later now that we have different capital management approach to not rely on borrowings to fund capital expenditure, we would expect our refinancing cycle to be longer. In the past, we are refinancing every two to three years but we plan to extend that now, now that we have less reliance on borrowings.

Question 50 : Which means that in this coming year itself, I shouldn't be seeing that
Unitholder 13 $25 million extraordinary amount again?

Answer : Correct, there will not be a refinancing fee in 2019.
CEO

Question 51 **Unitholder 13** : That means my earnings per share should be going up?

Answer **CEO** : Correct, the accounting earnings per share.

Question 52 **Unitholder 13** : I am hearing from yourself that it is actually below the intrinsic value and I don't see a lot of Directors going in to buy this Company. As the Board of Director, you are actually having information, basically, more confident than any of us here should be that case.

Answer **CEO** : The majority of the Board of Directors do have an interest in APTT and you will find the disclosures in our financial statements. I think the same point would apply that we were just discussing around Mr Lu, that we have to abide by trading rules as you can imagine we have made quite a few announcements over the last six months. Sometimes you just can't open trading windows, based on what the Company may have going on.

Question 53 **Unitholder 13** : I understand that you have intention to pay the Management fee with units itself.

So, it may not be something that Managers are comfortable with, but as a shot of confidence, the intrinsic value at 75 cents, I actually propose that the Management consider, as well as the Board of Directors consider to issue part of the Management fee with the unit price at the book value which is the intrinsic value. That will be a very good shot of confidence but of course, this is up to the Management and the Board of Directors to agree upon.

Answer **CEO** : I think for the Management fee itself, we have to abide by the business trust rules. I hear your point and to the extent, if there were ever a rights issue contemplated, I think you made a very good point that things would have to be at a significant premium. For the Management fee itself I think it will have to be guided by what's in the trust deed. It's a valid point.

Question 54 **Unitholder 13** : There is a huge growth in terms of the backhaul and so the backhaul could generate good potential to become one of the major revenue drivers. Is there another alternative during the strategic review - perhaps that this huge amount of capex which is projected to become one of the major revenue drivers to be considered for maybe an IPO and that itself will then generate the distribution back to APTT as one of the potentials rather than now, it become a cost. Going forward, as part of your strategic review that this is a forecast. Of course, if it is a forecast, it is going to be realised. Then an IPO market will be a quicker access for all unitholders to realise their value in APTT.

Answer **CEO** : In the strategic review, we will look at various alternatives to unlocking value. I think from a Taiwan context, compared to Singapore context, we own our network and we built it entirely from headend and all the way to the plug in the wall. We built it with our own private money and it wasn't funded by the Government at all. As we continue to make investments in the network, it is still our network, we are just extending fibre deeper into the network from where a fibre node ends in the neighbourhood today, we are putting fibre deeper into the network down streets so that we reduce the number of homes per fibre node, increasing the density of our network. So, it is unlike a NetLink Trust situation, where it was separately spun into an IPO where all the various providers could tap into the network including new wireless providers that come into the market. This is our network, so in a situation like that it may be a little more challenging in a Taiwan context, but we will look at other alternatives versus, say, a general offer. We will see if there are other opportunities that could add value.

Question 55
Unitholder 14 : Is your network using coaxial cable? A majority in coaxial cable?

Answer
CEO : The majority is fibre with a coaxial last mile.

Question 56
Unitholder 14 : Are you going to change all the coaxial to fibre like what we did in Singapore? We have already replaced everything to fibre right to the homes. What do you intend to do? Are you going to write-off two to three years of expenditures on the set-up box?

Answer
CEO : We will continue to rely on a cable last mile for the majority of our network. It is possible that in select new buildings, if there is a new MDU going up, possibly we can do fibre straight to the home in those instances, but we will continue to rely on our existing HFC network.

Question 57
Unitholder 14 : Nowadays, the TV are going all digital. Even in Malaysia, it is going digital. Are you going to waste money on coaxial and write off?

Answer
CEO : Our investment today is actually being made on fibre. We are putting fibre deeper into the network, so that we could increase the density of our network. So, we are not looking to write off any part of our existing network. We will continue to rely on coaxial to our existing homes to provide cable TV and high-speed Broadband. As we continue to put fibre deeper into the network, today we are offering a 500 Mbps speed plan. In the not-too-distant future, we will be offering a 1 Gbps plan. HFC networks are very capable in offering very high and reliable speeds and so there is no intent to write off that network. Again, when we live in Singapore, we have the Singapore context, it’s hard to compare because you have a Government-subsidised country-wide fibre network that’s been built, which may be causing different decisions to be made by different operators because of what’s available out there. But in the Taiwan context, it’s private money being spent and an HFC network is a very reliable one and we will continue to rely on that cable.

Question 58
Unitholder 14 : You know that the world is going into 5G and Taiwan you just said that in 2022 you are going into 5G. So, why are you going into coaxial? Everything is going to be so much faster and your coaxial is not going to be able to take in. Are you going to throw money into something and write it off?

Answer
CEO : Maybe it is because you didn’t have the benefit of being here earlier in the meeting but our investment and we discussed, our investments

are being made in fibre. We are putting fibre deeper into the network, precisely to your point, to capitalise on the 5G opportunity. By putting fibre deeper into our network, we would be able to provide the necessary infrastructure to provide backhaul to the wireless operators. Our investment that's been made isn't in more coaxial. We already covered a 100% of our homes in coaxial, our HFC network. So our investments are being made in putting fibre deeper.

Answer LFM : Actually we invest in fibre, but we try to optimise using the existing coaxial. So that's why we are using the HFC. That's a hybrid fibre and cable.

Answer Chair : As a clarification, you may be referring to Starhub's decision to switch out of coaxial to fibre. It is not because of technological obsolescence. The coaxial network is still good for use. Starhub's decision to switch out of coaxial to fibre is out of a different consideration. Certainly not all cable operators in the world are abandoning their coaxial cable network right now.

Answer Chair : We are laying new fibre in new areas to cater for the 5G demand.

Question 59 Unitholder 11 : For the purposes of strategic review, is there any regulatory reasons not to consider an independent listing of TBC?

Answer CEO : This is a regulated business so depending on the options, it could be subject to regulatory approval by the NCC.

Question 60 Unitholder 11 : Is that the only possible limitation?

Answer CEO : No, that's not the only possible one. There are certain options that wouldn't involve an NCC approval. Certainly, if you look at the cable TV industry in Taiwan, I think it has come a long way in the last few years. One of our large colleagues in the industry had been for sale for eight years and it went through three unsuccessful transactions because it is a regulated business and for whatever reasons, those transactions didn't meet the requirements. The last transaction was approved by the regulator in six months. Even if something were to come through and it require regulatory approval, based on the last transaction, that happened in six months.

Question 61 Unitholder 1 : Relating to the strategic review, as you already mentioned before, this is dividend-driven stock. The way out of that is either an open offer or more institutional investors. Personally, I don't favour an open offer because in the long term I don't think it is the best for unitholders. The way would be to bring in more funds, more institutional investors. You are low in market cap. How can you attract more cornerstone or strategic investors of specialised funds or institutions?

Answer CEO : It is a very good question. I think over the last couple of years, that's become even more of a challenge, given that the market just became more challenging and given our debt levels. One of the things that keeps more institutional investors away is the amount of borrowings. That's why we have always talked about the five to six times EBITDA as a target for long term leverage. It is not because we need to keep it there from a Taiwan context, but more from attracting significant institutional investor interest, keeping the debt level at that range is more comfortable for them. That's been part of the challenge. The operating conditions have become more challenging, the debt has increased and so the level of institutional investors has decreased over time.

We continue to focus on getting some but going forward, certainly, in the more short-to-medium term, it would be more strategic institutional investors more so than pure financial institutional investors because of the challenges. It's a good point and one that will be part of the strategic review. To your point, it doesn't have to be a sale and so can we attract interest from strategic investors to just push forward.

Question 62 **Unitholder 15**	:	On the strategic review, instead of searching for strategic investors, is it possible to look at our existing larger shareholders and talk to them and to do some increase in their shareholding within the Company?
Answer **CEO**	:	Yes, it is.
Question 63 **Unitholder 11**	:	On the buyback mandate, is there any formula to determine the buyback price?
Answer **CEO**	:	Yes, there is and it is included in Letter to Unitholders.
Question 64 **Unitholder 11**	:	Can you elaborate briefly?
Answer **CEO**	:	It's in the report. It depends on whether on-market or off-market. There is a procedure in place.
Question 65 **Unitholder 16**	:	What are you going to do with these shares that you are going to buy back?
Answer **CEO**	:	They will be cancelled.
Answer **CEO**	:	The Letter to Unitholders / the buyback mandate, is a standard mandate provided to us by our lawyers. It is the same mandate that will be presented by any company. We haven't modified it. Everything will be according to market rules.
Question 66 **Unitholder 11**	:	On the buyback price, what I was asking is the determination of what point to buy and not the average price. What is the trigger?
Answer **CEO**	:	A lot of things go into it which will also be the use of operational cash flows, what our capex requirements are, how the business is performing, and debt repayments that are coming up, so if this will be the best use of cash at the time and so we will come back to you and let you know when we do it. But as I said, in line with the strategic review, it's something that we will let that take its course for a little while first.