

ASIAN PAY TELEVISION TRUST (APTT) UNITHOLDER QUESTIONS AND ANSWERS

1. What is the status of the Trustee Manager sale?

The sale of the Trustee Manager is still being reviewed by the NCC and an outcome is expected in the first quarter of 2017. We will ensure unitholders are kept informed of any further developments.



2. Is there a reason behind the recent decline in APTT's unit price?

We are not aware of any specific reason for the decline in APTT's unit price.

3. Have the basic cable TV rates in TBC's franchise areas been determined for 2017?

Yes, the Basic cable TV rates in TBC's franchise areas have been determined.

The 2017 Basic cable TV rate review for all of TBC's franchise areas was challenging due to ongoing weak economic conditions in Taiwan. However, given TBC's commitment to switch-off analogue broadcasting/digitisation and strong subscriber service delivery, rates in four of TBC's five franchise areas were set at the same level as 2016. One franchise area, in Taoyuan, received a small reduction of NT\$20 per month compared to the prior year. As a result, the Basic cable TV rates set for 2017 are expected to lead to an immaterial decrease in TBC's overall Basic cable TV ARPU and revenue. Despite the reduction, TBC's Basic cable TV rates across its five franchise areas continue to be at the upper end of the basic cable TV rate range in Taiwan.

4. What is APTT's distribution policy?

Distributions will be declared in Singapore dollars. Any Proposed distributions by the Trust will be paid from its residual cash flows, called the Distributable Free Cash Flows. This consists of cash flows from dividends, and principal and interest payments (net of applicable taxes and expenses) received by the Trust from the entities held in the Trust, and any other cash received by the Trust from the entities held in the Trust. This is after such cash flows have been used to:

- pay the operating expenses of the Trust, including the Trustee-Manager's fees;
- repay principal amounts (including any premium or fee) under any debt or financing arrangement of the Trust;
- pay interest or any other financing expense on any debt or financing arrangement of the Trust;
- provide for the cash flow needs of the Trust or to ensure that the Trust has sufficient funds and/or financing resources to meet the short-term liquidity needs of the Trust; and
- provide for the cash needs of the Trust for capital expenditure purposes.

The Trust's distribution policy is to distribute 100% of the Trust's Distributable Free Cash Flows to unitholders.

None of the entities noted in this document is an authorised deposit-taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia). The obligations of these entities do not represent deposits or other liabilities of Macquarie Bank Limited ABN 46 008 583 542 (MBL). MBL does not guarantee or otherwise provide assurance in respect of the obligations of these entities.

Restrictions apply in relation to PRC Nationals holding APTT units. Please refer to the APTT website (www.aptt.com.sg) and the APTT Prospectus dated 16 May 2013 for further information.

Distributions will be paid to unitholders on a quarterly basis, with the amount calculated as at 31 March, 30 June, 30 September and 31 December each year for the three-month period ending on each of these dates.

5. Is APTT's reported accounting profit and loss relevant when determining APTT's distribution?

No, APTT's accounting profit and loss is not relevant when determining APTT's distribution.

Any proposed distributions by APTT will be paid from its residual cash flows, called the Distributable Free Cash Flows. These cash flows are derived from dividends, and principal and interest payments (net of applicable taxes and expenses) received by the Trust from the entities held within the Group.

In addition, any other cash received by the Trust from the entities held within the Group also contribute towards its Distributable Free Cash Flows. As explained in APTT's distribution policy, APTT intends to distribute 100% of the Trust's Distributable Free Cash Flows to unitholders.

6. When will APTT provide distribution guidance for 2017?

This will be provided as part of the 2016 year-end result to be announced on 27 February 2017.

7. How will APTT fund the growth capital expenditure for analogue switch-off and digitalisation, along with the residual network expansion in the greater Taichung region?

APTT secured a new borrowing facility of SGD250.0 million in July 2016 (the "New Facilities"). In October 2016, TBC completed the refinancing of its existing NTD32.0 billion borrowing facilities (the "Previous Facilities") with new seven year facilities of NTD28.0 billion (the "Revised Facilities").

The New and Revised Facilities will primarily be used to fund the switch-off of analogue broadcasting/digitisation and the residual network expansion in the greater Taichung region.

The New Facilities provide long term funding certainty and diversify APTT's funding sources. Overall borrowing margins and arrangement fees have decreased, and the New and Revised Facilities provide long term funding certainty, with attractive terms and pricing.

8. Will APTT need to reduce its distribution to fund the growth capital expenditure for analogue switch-off and digitalisation, along with the residual network expansion in the greater Taichung region?

No. APTT intends to use the New and Revised Facilities to fund this activity.

9. Is APTT's debt level appropriate?

APTT's debt level is within the debt covenants set by the lending banks.

10. What impact would rising interest rates have on APTT?

APTT uses interest rate swaps to fix the interest rate on the majority of outstanding debt. This lessens the risk of rising interest rates. The majority of the debt is fixed until the end of 2017 and APTT will look to extend the interest rate swaps through to 2019 at the appropriate time.

11. Is APTT subject to refinancing risk?

The New and Revised Facilities secured in 2016 will enable TBC to fund the digitisation of TBC's five franchise areas and satisfy its borrowing needs through to 2019.

The New Facilities provide long term funding certainty and diversify APTT's funding sources. Overall borrowing margins and arrangement fees have decreased, and the New and Revised Facilities provide long term funding certainty, with attractive terms and pricing.

12. Will TBC's CATV license be renewed?

Under the provisions of the Cable Radio and Television Law (Taiwan) (the "CRTL"), the National Communications Commission ("NCC") is responsible for renewing cable TV licences. Along with the new requirement announced in 2016 to switch off analogue, the cable law has been amended to extend the license period from nine to 12 years. Consequently, TBC's licenses will be due for renewal in 2020 and 2021.

The cable TV licences are subject to renewal at no significant additional cost. Unless there is a significant risk of a violation of the CRTL or a breach of the conditions of any of the licences, there is no reason to believe that licences will not be renewed.

In addition, the lives of the cable TV licences are not limited by any technical, legal, commercial or other factors, either known or anticipated. Taking these factors into consideration, it is the judgment of the Trustee-Manager that the cable TV licences have useful lives of an indefinite duration.

13. APTT's intangible assets are high, what does this mean?

Intangible asset is an accounting term used to describe assets that are not physical in nature. APTT's high intangible assets mainly represent the value attributed to TBC's cable TV licenses at the time of the acquisition at IPO. When it comes to physical assets, TBC owns 100% of the physical hybrid fibre-coaxial network and other fixed assets it uses to deliver the cable TV and broadband services in its five franchise areas.