JUNE QUARTER 2017 RESULTS PRESENTATION

14 August 2017

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AGENDA

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HIGHLIGHTS

Performance in line with expectations

- Revenue and EBITDA for the quarter of S$83.1 million and S$50.0 million
- Distribution of 1.625 cents per unit for the quarter ended 31 March 2017 paid on 23 June 2017
- Distribution of 1.625 cents per unit declared for the quarter ended 30 June 2017
- Reaffirmed distribution guidance of 6.5 cents per unit for the year ending 31 December 2017
- Sale of Trustee-Manager to Dynami completed on 13 April 2017. Following the completion of the sale, interest margin has further decreased by 30 basis points starting from 30 June 2017

KEY OPERATIONAL METRICS

Higher RGUs[1], ARPU[2] lower but stabilising

RGUs ('000)	As at 30 June 2017	As at 31 March 2017	
Basic cable TV	762	762	⇔
Premium digital cable TV	195	185	⇧
Broadband	201	201	⇔

ARPU (NT$ per month)	Quarter ended 30 June 2017	Quarter ended 31 March 2017	
Basic cable TV	522	525	⇩
Premium digital cable TV	145	151	⇩
Broadband	453	457	⇩

- **RGUs and ARPU:**
  - **Basic cable TV:** RGUs were flat with ARPU lower due to a marginally lower Basic cable TV rate in one of TBC's[3] five franchise areas
  - **Premium digital cable TV:** RGUs increased to c.195,000 with ARPU lower due to promotions and discounted bundled packages
    - TBC remains at the forefront of digitisation in Taiwan and is well positioned to provide subscribers with the opportunity to watch the latest TV offerings in high definition digital format
  - **Broadband:** RGUs were flat with ARPU lower due to promotions and discounted bundled packages. Broadband RGUs and ARPU expected to increase during the remainder of 2017

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

Higher revenue across each of TBC's service offerings

Group[1]	Quarter ended 30 June 2017 S$'000	Quarter ended 30 June 2016 S$'000	Variance[2] %	Half-year ended 30 June 2017 S$'000	Half-year ended 30 June 2016 S$'000	Variance[2] %
Revenue						
Basic cable TV	66,179	62,257	6.3	131,929	123,960	6.4
Premium digital cable TV	4,010	3,647	10.0	7,985	7,297	9.4
Broadband	12,890	12,304	4.8	25,751	24,783	3.9
Total revenue	**83,079**	**78,208**	**6.2**	**165,665**	**156,040**	**6.2**
Total operating expenses[3]	**(33,086)**	**(31,493)**	**(5.1)**	**(66,786)**	**(63,311)**	**(5.5)**
EBITDA	**49,993**	**46,715**	**7.0**	**98,879**	**92,729**	**6.6**
EBITDA margin	60.2%	59.7%		59.7%	59.4%	

- **Revenue:** Total revenue was S$83.1 million and EBITDA was S$50.0 million for the quarter ended 30 June 2017
  - **Basic cable TV:** Revenue of S$66.2 million, was 6.3% higher than pcp, mainly due to foreign exchange
  - **Premium digital cable TV:** Revenue of S$4.0 million, was 10.0% higher than pcp. This was generated predominantly from TBC's 195,000 Premium digital cable TV RGUs each contributing an ARPU of NT$145 per month in the second quarter for Premium digital cable TV packages, bundled DVR or DVR-only services
  - **Broadband:** Revenue of S$12.9 million was 4.8% higher than pcp. This was generated predominantly from TBC's 201,000 Broadband RGUs each contributing an ARPU of NT$453 per month in the second quarter for high speed Broadband services
- **Operating expenses:** Total operating expenses of S$33.1 million for the quarter ended 30 June 2017 were 5.1% higher than pcp, mainly due to foreign exchange

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

FINANCIAL POSITION

Strong balance sheet, supportive of ongoing cash flow and future growth

Group	As at 30 June 2017 S$'000	As at 31 December 2016 S$'000
Assets		
Current assets		
Cash and cash equivalents	72,847	59,088
Trade and other receivables	10,378	14,802
Other assets	4,402	3,495
	87,627	**77,385**
Non-current assets		
Property, plant and equipment	310,852	291,350
Intangible assets	2,398,477	2,367,743
Other assets	973	929
	2,710,302	**2,660,022**
Total assets	**2,797,929**	**2,737,407**
Liabilities		
Current liabilities		
Borrowings from financial institutions	10,450	12,236
Trade and other payables	20,897	21,243
Income tax payable	14,317	14,246
Other liabilities	60,885	61,455
	106,549	**109,180**
Non-current liabilities		
Borrowings from financial institutions	1,358,633	1,294,731
Deferred tax liabilities	65,465	61,807
Other liabilities	42,201	41,133
	1,466,299	**1,397,671**
Total liabilities	**1,572,848**	**1,506,851**
Net assets	**1,225,081**	**1,230,556**

- **Cash and cash equivalents:** Cash balance of S$72.8 million
- **Depreciation/amortisation:** Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:
  - Buildings: 2-50 years
  - Leasehold improvements: 3-10 years
  - Network equipment: 2-10 years
  - Transport equipment: 5-7 years
  - Plant and equipment: 2-6 years
  - Leased equipment: 3 years

BORROWINGS

Sufficient capacity to fund future organic and inorganic growth initiatives

Debt as at 30 June 2017	
Total size available	S$1,518.8 million
Total outstanding	S$1,418.3 million
YTD effective interest rate	4.3% per annum
Total net debt / EBITDA[1]	6.9x
Gearing[2]	48.9%
Interest cover	c.3.4 times

- Interest rate swaps have been entered into which fix a significant portion of the interest rate exposure
- Effective interest rate of 4.3% p.a. for the quarter ended 30 June 2017
- Approximately S$100.4 million of revolving facilities are available to fund future initiatives
- Arrangement fees on the Onshore Facilities[3] were agreed at 1.6% which is substantially lower than the arrangement fees on the Previous Facilities[3] of 2.4%
- Interest margin on the Onshore Facilities were agreed at 2.6% p.a. which is substantially lower than the interest margin of 2.9% to 3.1% p.a. on the Previous Facilities
- Following the completion of the sale of the Trustee-Manager, interest margin on the Onshore Facilities has further decreased by 30 basis points starting from 30 June 2017, to 2.3% p.a.

Notes: (1) Calculated in accordance with the New Facilities agreement
(2) Total debt / total assets
(3) TBC completed the refinancing of its NT$32.0 billion borrowing facilities ("Previous Facilities") with seven-year facilities of NT$28.0 billion ("Onshore Facilities") in October 2016

CAPITAL EXPENDITURE

Capital expenditure to position TBC for future growth

S$ million	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Forecast
Premium digital cable TV	<15[1]	19	53	49	50 - 55
Network expansion	<10	33	10	<1	-

- Capital expenditure related to Premium digital cable TV during the second quarter of 2017 amounted to S$10.2 million and is expected to be S$50-S$55 million for full year 2017
  - Analogue broadcasting switch-off will be completed in 2017 and there is no expected capital expenditure related to this project beyond 2017
- No capital expenditure related to the network expansion was incurred in 2017 and none is expected to be incurred in the remainder of 2017
  - TBC will defer any significant capital expenditure in the expansion area until TBC is able to secure the necessary content rights on mutually acceptable commercial terms with the content owners
  - These negotiations for the expansion area do not impact content in TBC's existing five franchise areas or the distribution guidance for 2017
  - A content agreement on mutually acceptable commercial terms for the expansion area could represent a growth opportunity for APTT in the future
- Capital expenditure related to network expansion, Premium digital cable TV and other growth purposes will be funded from borrowing facilities

Notes: (1) Actual full year 2013 included to facilitate a like-for-like comparison. APTT's ownership of TBC commenced from 29 May 2013

OUTLOOK

TBC is a stable business that is well positioned for future growth

- The focus in 2017 remains on driving growth in cash flows through up-selling and cross-selling of services across TBC's subscriber base
- Total revenue for 2017 is anticipated to be influenced by a number of factors including the continued weakness in the Taiwanese economy and a marginally lower Basic cable TV rate in one of TBC's five franchise areas
- Broadband RGUs are expected to increase in the remainder of 2017 and Broadband ARPU is expected to stabilise and then increase during the remainder of 2017
- Overall EBITDA for the full year 2017, ignoring the impact of foreign exchange, is expected to be in line with 2016
- APTT distribution of 1.625 cents per unit for the quarter ended 30 June 2017 will be paid on 27 September 2017
- APTT distribution guidance of 6.5 cents per unit reaffirmed for the year ending 31 December 2017, subject to no material changes in planning assumptions