



ASIAN PAY TELEVISION TRUST

May 2018

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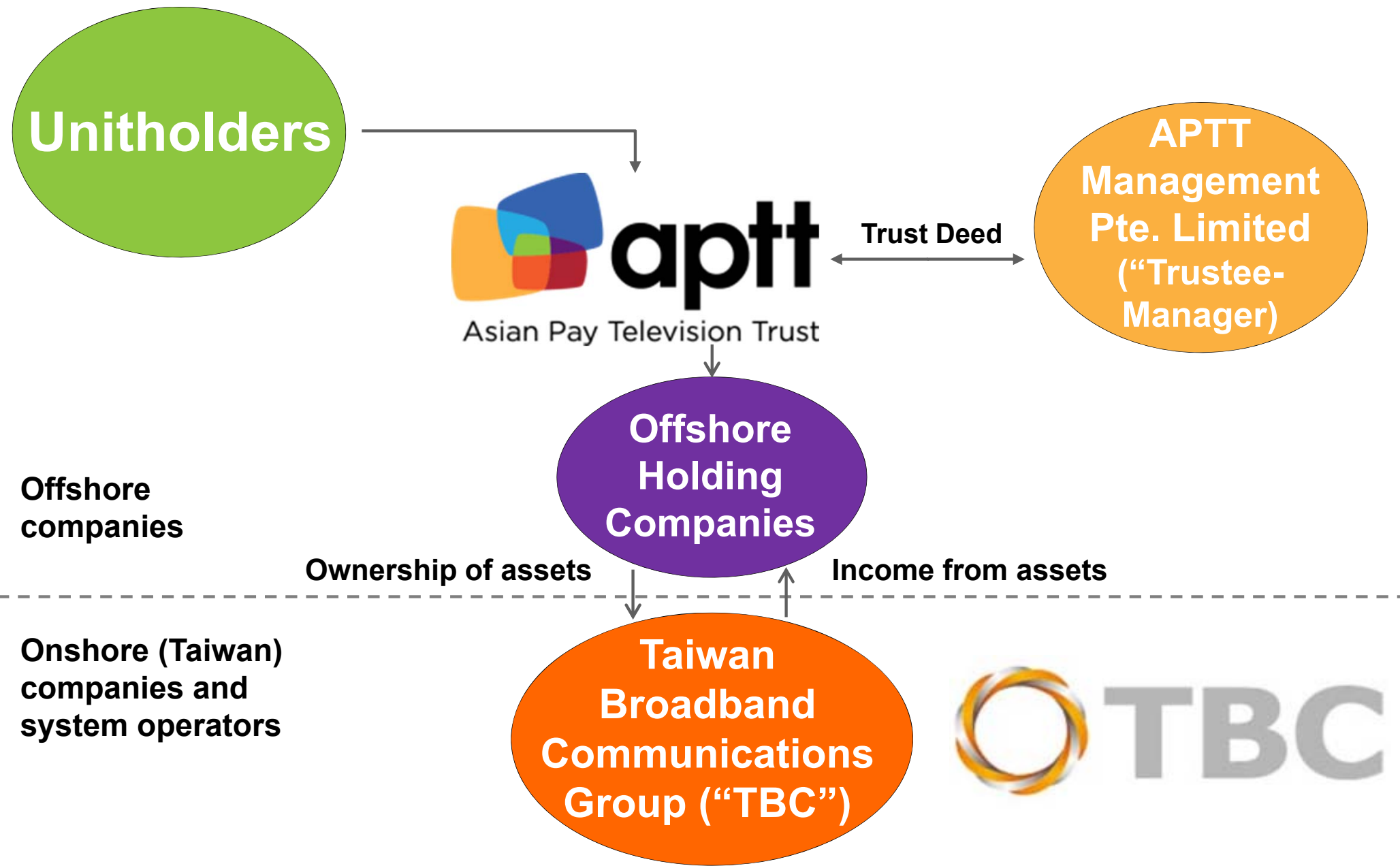
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BUSINESS OVERVIEW



TRUST STRUCTURE



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

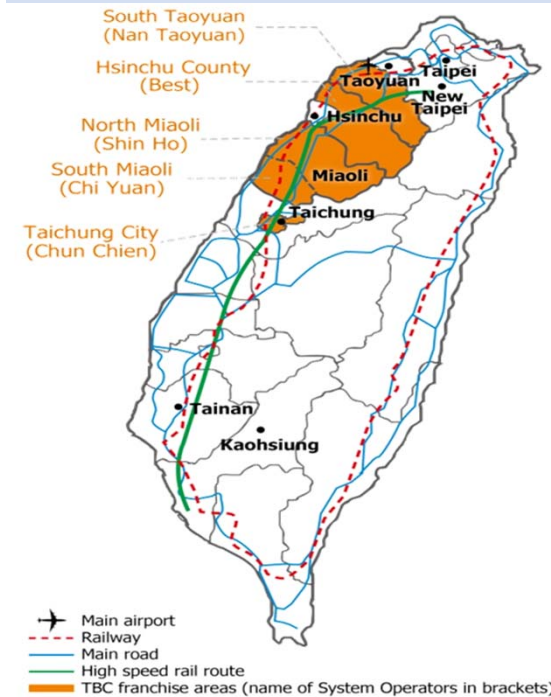
PRODUCT OFFERINGS

Approx. 85% 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 content not available on any other platform	Up to 79 additional channels including 41 HD channels, through MPEG4 platform 25% Premium digital cable TV penetration ¹ with large addressable market of 100% digital set-top box penetration	27% 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 300 Mbps

Note: (1) As at 31 March 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 0.7%¹ for Basic cable TV (761K¹ 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

BUSINESS DRIVERS

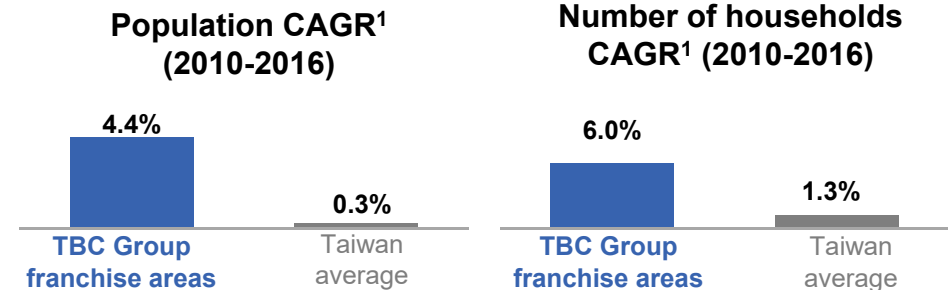


TAIWAN MARKET – HIGHLY ATTRACTIVE FRANCHISE AREAS



Approx. 1.3 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 km² 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 Taiwan²
- Approx. 187K 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



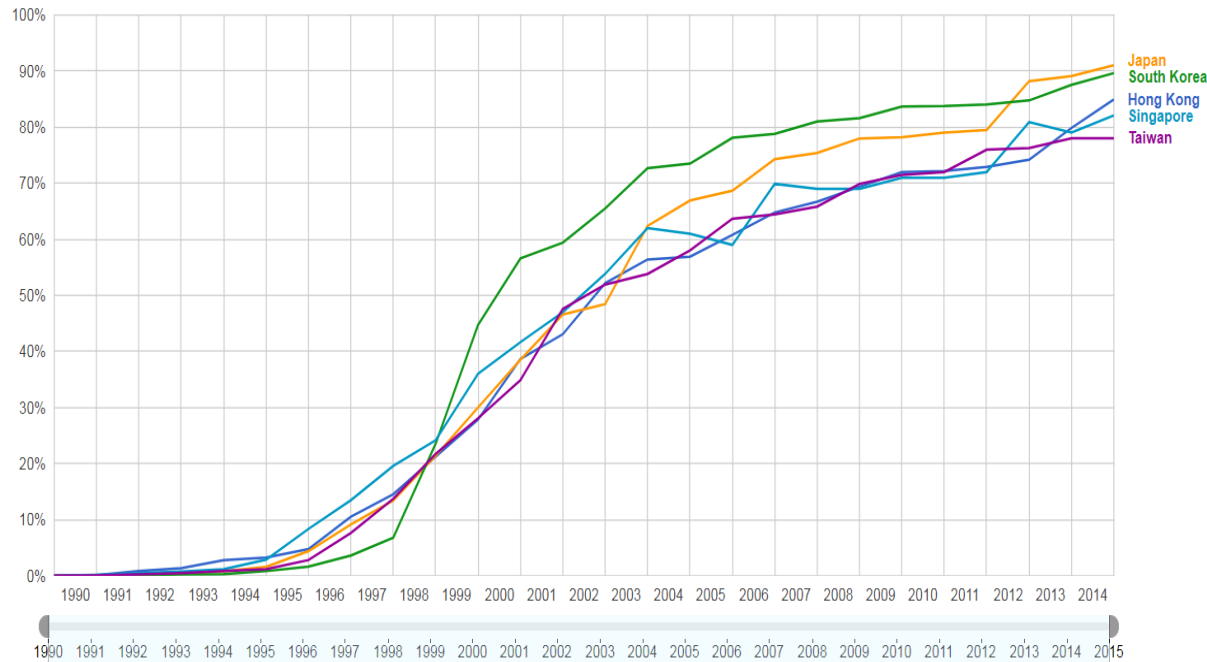
- Second largest city in Taiwan, approx. 2.8 million population; home to Taiwan's third airport - Taichung International Airport
- Vibrant, diverse economy: large industrial areas and a thriving commercial sector that incorporates traditional businesses, small family-run shops & factories
- Approx. 580K households

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

TAIWAN MARKET – POTENTIAL IN BROADBAND



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



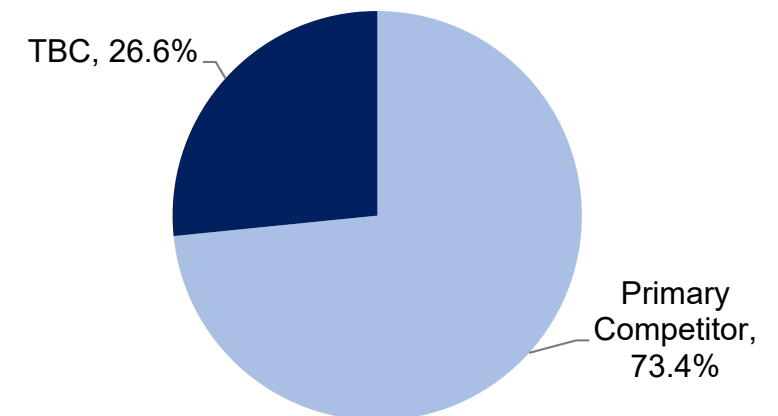
International Telecommunications Union

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

- 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
- TBC has approx. 26.6% of the market share in its five franchise areas

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

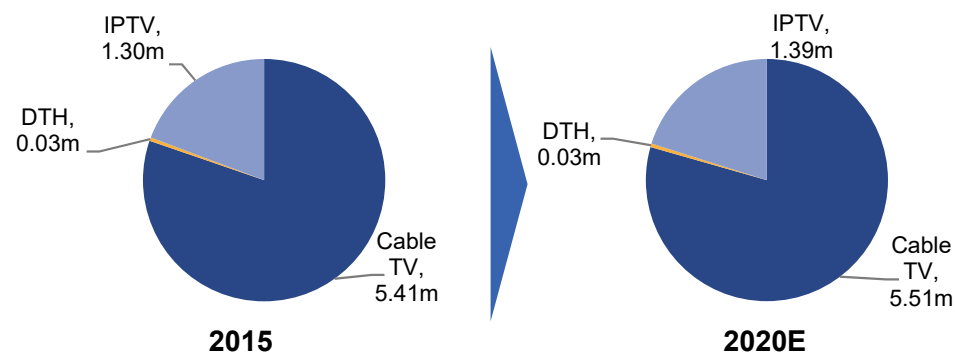


HIGH BARRIERS TO ENTRY AGAINST CABLE ENTRANTS IN TAIWAN

Cable TV continues to be the dominant TV platform

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

Pay-TV subscriptions share by platform¹



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

Top 20 channels in Taiwan (2017)

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

Note: (1) Source: Media Partners Asia 2016

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



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

- Ownership of HFC network and fiber 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 300 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

RESILIENT BUSINESS MODEL WITH EFFICIENT COST STRUCTURE



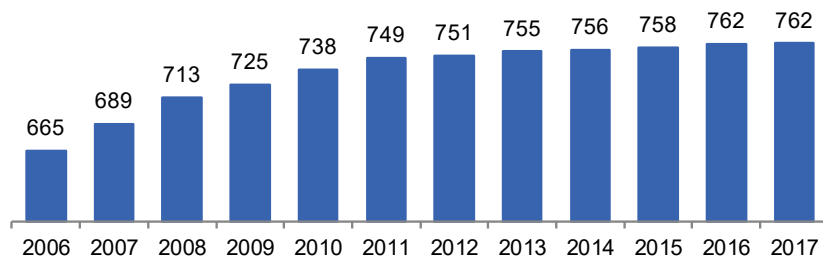
Utility-like, subscription-based business model with majority of payments made in advance

Consistent growth, competing effectively against alternative pay-TV platforms & withstanding economic downturns

Resilient business with stable Basic cable TV RGUs

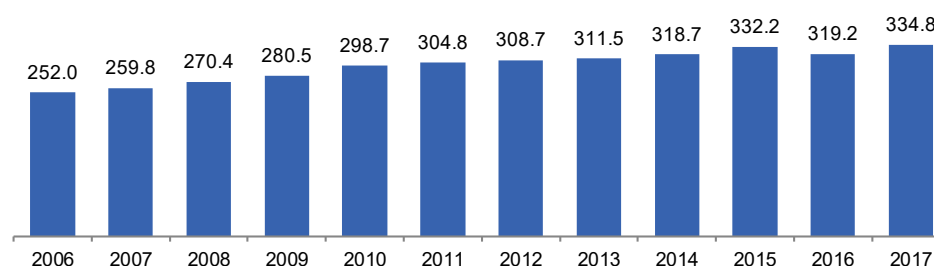
Basic cable TV RGUs ('000)

2006-17 Basic cable TV RGU CAGR: 1.2%



Revenue (\$)

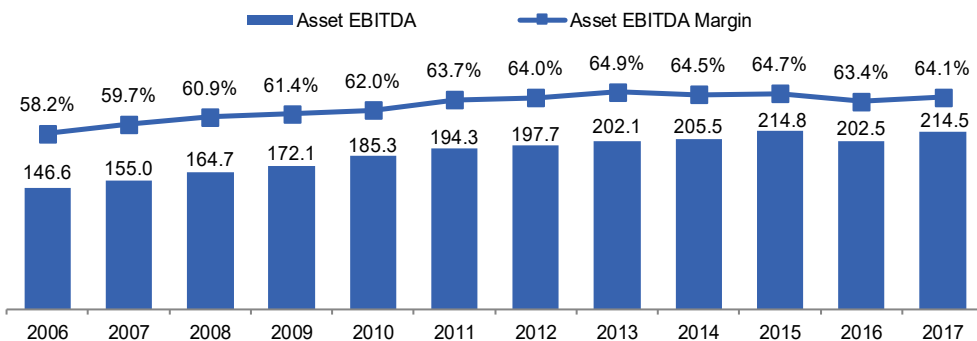
2006-17 Revenue CAGR: 2.6%



Growing EBITDA due to scalable & efficient cost structure

Asset EBITDA (\$\$) and Asset EBITDA margin¹

2006-17 EBITDA CAGR: 2.9%



Key operating drivers supporting cost efficiency

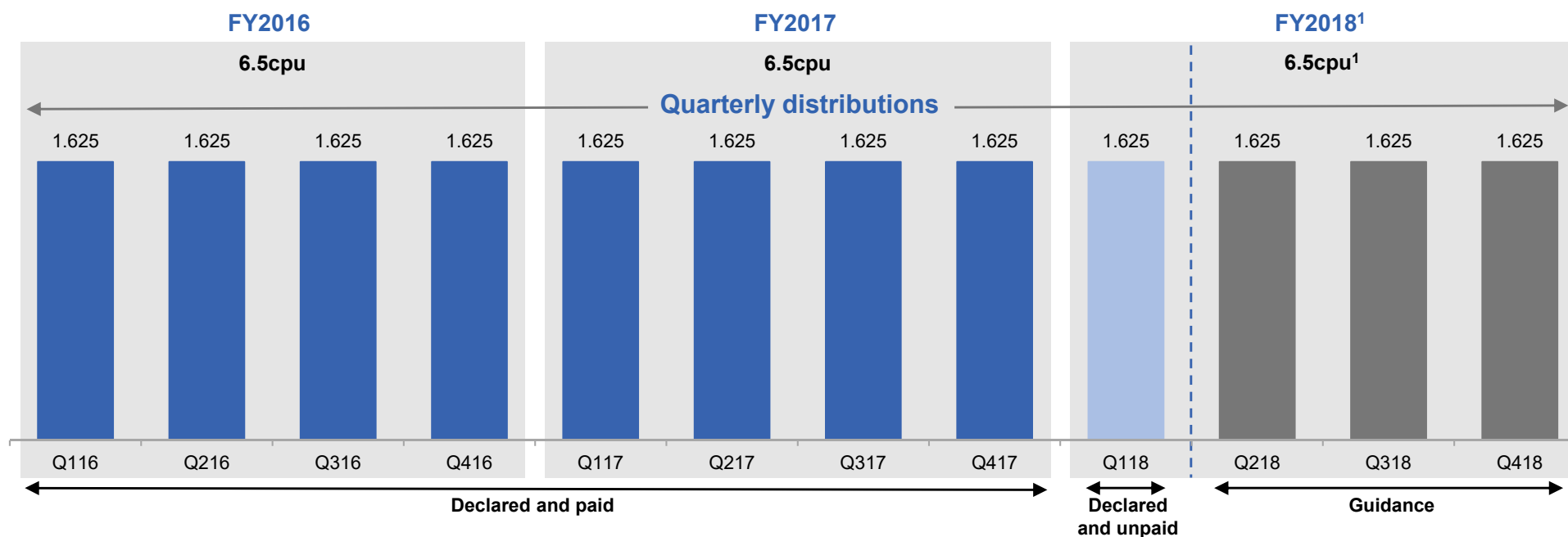
- Majority of popular channels are local, inexpensive content
- Lack of “killer content” resulting in strong negotiating position
- Headroom in network capacity allowing provision of additional services at limited incremental cost
- Low churn rate from enhanced customer experience and strong customer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

DISTRIBUTIONS

Distributions underpinned by the operations and strong cash flows of TBC

- Distribution policy to distribute 100% of Distributable Free Cash Flows
- Quarterly distribution policy implemented since 3Q 2014
- 17 distributions paid to date totalling 38.43cpu (S\$552.2m)
- Guidance of 6.5 cpu for the year 2018¹



Note: (1) Distribution guidance is subject to no material changes in planning assumptions

31 MARCH 2018 RESULTS



Slow start to 2018 but Broadband showing promise



Q1 2018 EBITDA below expectations; full year EBITDA still expected at same level as 2017

- Q1 2018 performance was below expectations in the face of challenging operating and economic conditions in Taiwan
- Revenue for the quarter at S\$77.0 million
- EBITDA for the quarter at S\$45.5 million



Broadband

- Unbundling of promotions with Premium digital cable TV given the competitive pressures from the unlimited wireless data offerings from mobile operators
- Focus on providing best available discounts for Broadband only offerings
- Focus on Broadband RGU growth, in the face of competitive market conditions, showed reasonable progress given the increase in RGUs and a stable ARPU



Distributions

- Distribution of 1.625 cents per unit paid for 31 December 2017 quarter; totalling 6.5 cents per unit paid for FY2017, in line with guidance
- Distribution of 1.625 cents per unit declared for Q1 2018
- Distribution guidance for FY2018 reaffirmed at 6.5 cents per unit, unchanged from 2017, subject to no material changes in planning assumptions

KEY OPERATIONAL METRICS

ARPUs stabilising, Broadband showing promise while Premium disappoints

RGUs ('000)	As at		
	31 Mar 2018	31 Dec 2017	
Basic cable TV	761	762	↓
Premium digital cable TV	187	193	↓
Broadband	204	203	↑

ARPU (NT\$ per month)	Quarter ended		
	31 Mar 2018	31 Dec 2017	
Basic cable TV	506	511	↓
Premium digital cable TV	135	138	↓
Broadband	443	444	↓

RGUs¹ and ARPU²:

- **BASIC CABLE TV:** RGUs expected to remain stable in 2018. ARPU stabilising as 2018 regulated rates remain unchanged over 2017.
- **PREMIUM DIGITAL CABLE TV:** RGUs decreased mainly due to the unbundling of promotions with Broadband given the competitive pressures in Broadband from the unlimited wireless data offerings from mobile operators. Focused on providing the best available discounts for Broadband only offerings. ARPU lower due to promotions and discounted bundled packages that were offered to generate new RGUs and to retain existing RGUs
- **BROADBAND:** RGUs increased to c.204,000 with ARPU almost unchanged. The focus on Broadband RGU growth, in the face of competitive market conditions from unlimited wireless data offerings from mobile operators, showed reasonable progress in the quarter given the increase in RGUs and a stable ARPU. Remain focused on providing the best available discounts for Broadband only offerings.

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

FINANCIAL RESULTS



EBITDA in Q1 below expectations; full-year 2018 expected to be at same level as 2017

Group ¹ (S\$'000)	Quarter ended 31 Mar		
	2018	2017	Variance ² %
Revenue			
Basic cable TV	60,691	65,750	↓ (7.7)
Premium digital cable TV	3,613	3,975	↓ (9.1)
Broadband	12,704	12,861	↓ (1.2)
Total revenue	77,008	82,586	(6.8)
Total operating expenses³	(31,543)	(33,700)	6.4
EBITDA	45,465	48,886	(7.0)
EBITDA margin	59.0%	59.2%	

REVENUE DOWN 6.8%, EBITDA DOWN 7.0%

In constant Taiwan dollars (“NT\$”), revenue down 5.6% as foreign exchange contributed 1.2% negative variance

- **BASIC CABLE TV:** Down 6.5% in constant NT\$ terms mainly due to lower subscription revenue driven by marginally lower number of subscribers and ARPU in the quarter and lower revenue generated from channel leasing partially offset by higher airtime advertising sales
- **PREMIUM DIGITAL CABLE:** Down 7.9% in constant NT\$ terms. Generated predominantly from TBC’s average Premium digital cable TV RGUs each contributing an ARPU of NT\$135 per month during the quarter for Premium digital cable TV packages, bundled DVR or DVR-only services
- **BROADBAND:** Remained unchanged in constant NT\$ terms. Generated predominantly from TBC’s average Broadband RGUs each contributing an ARPU of NT\$443 per month during the quarter for high-speed Broadband services

TOTAL OPERATING EXPENSES: Lower operating expenses, mainly due to lower broadcast and production costs and staff costs in constant Taiwan dollar terms

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

FINANCIAL POSITION



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

Group (S\$'000)	As at	
	31 Mar 2018	31 Dec 2017
Assets		
Current assets		
Cash and cash equivalents	69,790	66,835
Trade and other receivables	11,519	11,845
Other assets	2,337	1,278
	83,646	79,958
Non-current assets		
Property, plant and equipment	322,599	320,852
Intangible assets	2,387,053	2,391,052
Other assets	1,135	1,058
	2,710,787	2,712,962
Total assets	2,794,433	2,792,920
Liabilities		
Current liabilities		
Borrowings from financial institutions	18,322	14,677
Trade and other payables	18,499	21,692
Income tax payable	14,719	13,182
Other liabilities	57,921	59,566
	109,461	109,117
Non-current liabilities		
Borrowings from financial institutions	1,399,979	1,379,888
Deferred tax liabilities	86,695	73,323
Other liabilities	37,444	40,791
	1,524,118	1,494,002
Total liabilities	1,633,579	1,603,119
Net assets	1,160,854	1,189,801

- **Cash and cash equivalents:** Cash balance of S\$69.8 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: 2-10 years
 - Transport equipment: 5-7 years
 - Plant and equipment: 2-6 years
 - Leased equipment: 3 years

Sufficient capacity to fund future growth initiatives

Group debt		As at	
		31 Mar 2018	31 Dec 2017
Total size available	S\$ million	1,546	1,552
Total outstanding	S\$ million	1,462	1,439
YTD effective interest rate - constant dollar	% per annum ("p.a.")	3.3	3.9
YTD effective interest rate - SGD	% p.a.	3.7	4.2
Total net debt / EBITDA ¹	Multiple	6.9	6.8
Interest cover ¹	Multiple	3.4	3.4
Gearing ²	%	50.8	49.9

- Interest rate swaps have been entered into which fix a significant portion of the interest rate exposure
- Approximately S\$84.3 million of revolving facilities are available to fund future initiatives
- Effective interest rate in constant dollar terms of 3.3% p.a. for the quarter ended 31 March 2018 compared to 3.9% p.a. for 2017
 - Actual effective interest rate in SGD was 3.7% p.a. for the quarter ended 31 March 2018 compared to 4.2% p.a. for 2017
- On 29 December 2017, TBC secured an incremental NT\$1.0 billion to its existing seven-year facilities of NT\$28.0 billion, totaling to NT\$29.0 billion
 - The borrowing facilities will enable TBC to fund necessary capital expenditure

Notes: (1) Calculated in accordance with the borrowing facilities agreement
 (2) Total debt / total assets

OUTLOOK



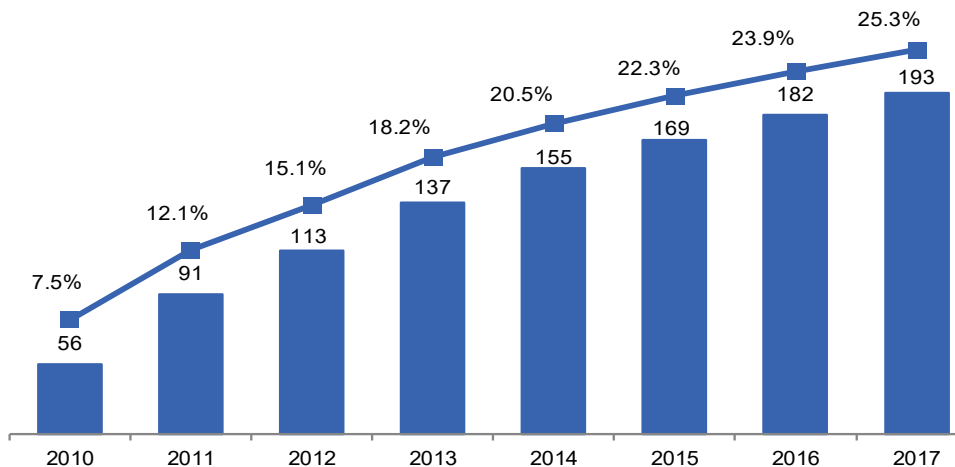
ORGANIC GROWTH POTENTIAL: PREMIUM DIGITAL CABLE TV



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

Premium digital cable TV RGUs ('000) and penetration

2010-17 Premium digital cable TV RGU CAGR: 19.4%



- 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

- 13 free channels, including 1 HD channel
- Better video quality across channels
- Incentivises customers to get Premium digital cable TV to access up to 79 additional channels, including 41 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

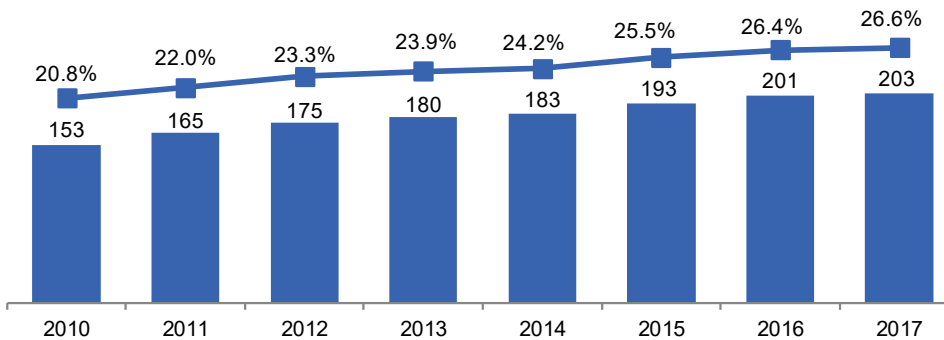
ORGANIC GROWTH POTENTIAL: BROADBAND



Focused on growing market share for Broadband business

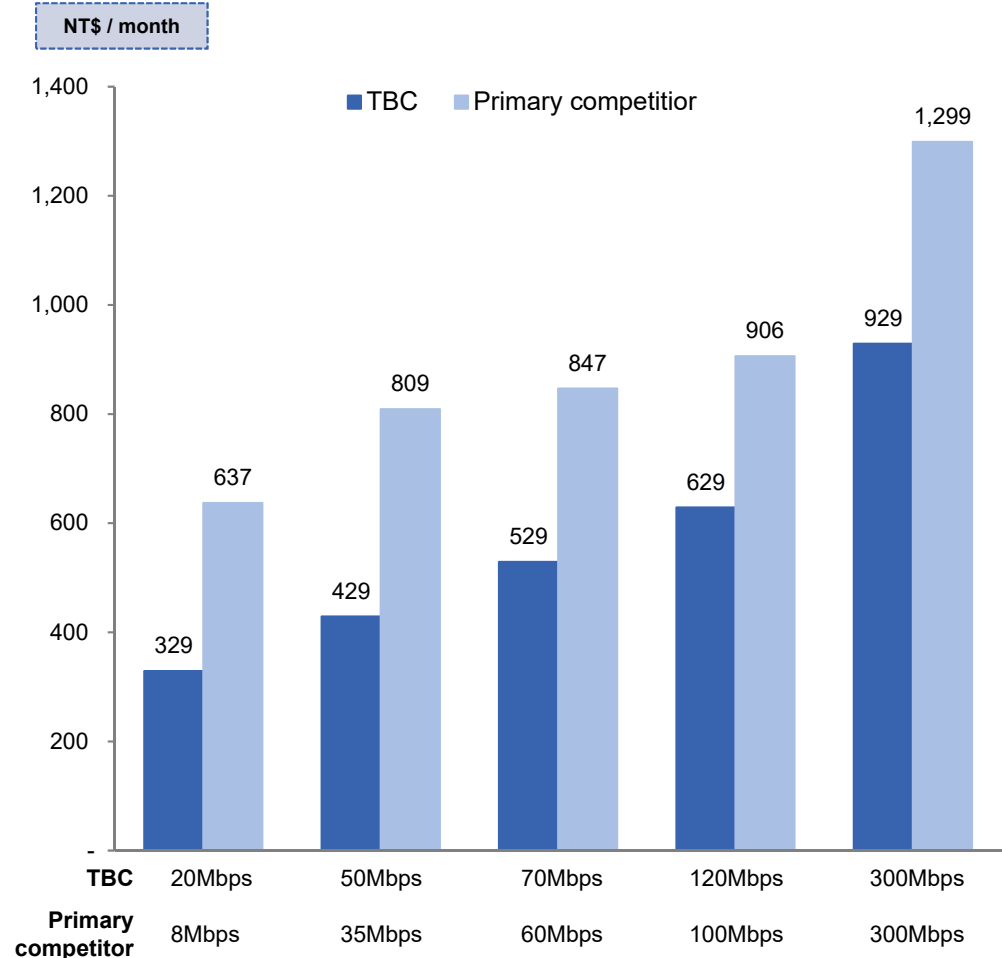
Broadband RGUs ('000) and penetration

2010-17 Broadband RGU CAGR: 4.1%



- 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
- Competitive pricing and optional bundling with digital TV
- DOCSIS 3.1 enabled network that meets consumer demand for high-speed internet; 500Mbps launched in 2018
- Launch of value-added services including android OTT smart box and karaoke singing box

TBC Group offers competitive prices¹ with reliable services



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

With stable, resilient cash flow, APTT is a defensive business that is positioned to grow in a measured way

GROWTH DRIVERS



UP-SELL & CROSS SELL

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



BROADBAND RGU GROWTH

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



SCALABLE & EFFICIENT COST STRUCTURE

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

OPERATING ENVIRONMENT



CHALLENGING ENVIRONMENT

- Growth in RGUs is anticipated across all three of TBC's service offerings in the remainder of 2018
- However, total revenue for 2018 is anticipated to be influenced by a number of factors including the continued challenges in the economic and operating environment



HIGHLY REGULATED

- Announced by the local authorities before the end of 2017: Basic cable TV rates for 2018 across all five franchise areas have been maintained at the same rates as 2017

FY2018 EBITDA is expected to be at the same level as FY2017, excluding FOREX impact

Distribution guidance maintained at 6.5 cents per unit in FY2018, consistent with FY2017

THANK YOU

