



ASIAN PAY TELEVISION TRUST

30 JUNE 2021

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AGENDA

1. 30 JUNE 2021 RESULTS
2. OUTLOOK & STRATEGY
3. BUSINESS OVERVIEW
4. BUSINESS DRIVERS

30 JUNE 2021 RESULTS



Continued strong performance from Broadband which recorded growth in both revenue and subscribers in Q2 2021; Premium digital cable TV and Broadband driving growth in total subscriber base; capital expenditure to continue trending down; focused debt management programme



Higher Q2 2021 EBITDA and EBITDA margin

- Revenue and EBITDA at S\$73.7 million and S\$45.2 million;
- EBITDA margin improved by 2.4 percentage points to 61.4%
- ARPU continues to be under pressure due to a saturated cable TV market, video piracy issues, heightened competition from IPTV and from mobile operators offering unlimited wireless data



Growing total subscriber base due to momentum from Broadband and Premium digital cable TV

- Premium digital cable TV and Broadband subscribers have been steadily increasing over the past 13 quarters
- Added c.7,000 Premium digital cable TV and c.9,000 Broadband subscribers in the quarter, which more than offset Basic cable TV churn; total subscriber base increased to c.1,219,000



Broadband growth strategy is showing results

- Recorded growth in both Broadband subscribers and ARPU in Q2 2021
- Broadband subscribers increased 22% over the last 30 months
- Broadband revenue, which includes revenue from data backhaul, has improved in S\$ and NT\$ for four consecutive quarters compared to the pcp;
- Continue to focus on Broadband only segment, drive higher speed plans and capitalise on data backhaul opportunities



Capital expenditure to continue trending down

- Capital expenditure decreased by 43.9% for the quarter and 39.8% for the half-year
- Aim to use excess cash generated from operations to make debt repayments, subject to operating conditions



Distributions

- Distribution of 0.25 cents per unit declared for Q2 2021
- Re-affirmed distribution guidance for 2021; the distribution is expected to be 1.0 cent per unit for 2021, to be paid in quarterly instalments of 0.25 cents per unit, subject to no material changes in planning assumptions

KEY OPERATING METRICS

Broadband ARPU improved by NT\$3 per month alongside 9,000 more subscribers, reflecting the success of TBC's marketing outreach to target Broadband only segment and offer higher speed plans at competitive prices

	RGUs ¹ ('000)			ARPU ² (NT\$ per month)		
	As at			Quarter ended		
	30 Jun 2021	31 Mar 2021		30 Jun 2021	31 Mar 2021	
Basic cable TV	698	703	↓	480	489	↓
Premium digital cable TV	257	250	↑	84	86	↓
Broadband	264	255	↑	358	355	↑

- **Basic cable TV:** RGUs decreased by c 5,000 to c.698,000 as at 30 June 2021 due to i) a saturated cable TV market, ii) video piracy issues, iii) competition from aggressively priced IPTV, iv) growing popularity of online video and v) expectations from consumers for discounts as they compare with the lower cable TV pricing outside of TBC's³ five franchise areas, particularly in the Taipei region
- **Premium digital cable TV:** RGUs increased by c 7,000 to c.257,000. 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 have also impacted ARPU, which decreased marginally by NT\$2 per month
- **Broadband:** Despite the competitive conditions from unlimited wireless data offerings from mobile operators, TBC's focused broadband growth strategy led to RGUs increasing by c 9,000 to c.264,000, while ARPU improved by NT\$3 per month. The availability of low-cost unlimited data offerings from mobile operators is necessitating fixed-line operators to offer higher speeds at competitive prices to acquire new RGUs and re-contract existing RGUs. Broadband churn rates remained very low, averaging around 0.7% in Q2 2021

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

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

(3) TBC refers to Taiwan Broadband Communications group

FINANCIAL RESULTS



Broadband revenue, which includes revenue from data backhaul, recorded growth in S\$ and NT\$ for four consecutive quarters compared to the pcp; lowered operating expenses

Group ¹ (S\$'000)	Quarter ended 30 Jun			Half-year ended 30 Jun		
	2021	2020	Variance ² (%)	2021	2020	Variance ² (%)
Revenue						
Basic cable TV	56,738	59,602	(4.8)	114,215	123,271	(7.3)
Premium digital cable TV	3,160	3,300	(4.2)	6,513	6,554	(0.6)
Broadband	13,752	12,745	7.9	27,313	25,126	8.7
Total revenue	73,650	75,647	(2.6)	148,041	154,951	(4.5)
Total operating expenses³	(28,407)	(30,994)	8.3	(57,413)	(62,038)	7.5
EBITDA	45,243	44,653	1.3	90,628	92,913	(2.5)
EBITDA margin	61.4%	59.0%		61.2%	60.0%	

In constant Taiwan dollars (“NT\$”), total revenue down 3.5% for the quarter and 6.5% for the half-year; foreign exchange contributed to a positive variance of 0.9% for the quarter and 2.0% for the half-year compared to the pcp

- **Basic cable TV:** Down 5.7% for the quarter and 9.3% for the half-year in constant NT\$ mainly due to lower subscription and non-subscription revenue compared to the pcp. Non-subscription revenue for the quarter was lower mainly due to lower revenue generated from channel leasing. Non-subscription revenue for the half-year was lower mainly due i) the absence of one-off revenue arising from the sale of certain in-house content to channel providers recorded in Q1 2020; and ii) lower revenue generated from channel leasing and airtime advertising sales in Q1 2021
- **Premium digital cable TV:** Down 5.1% for the quarter and 2.6% for the half-year in constant NT\$. Generated predominantly from TBC’s Premium digital cable TV RGUs each contributing an ARPU of NT\$84 per month during the quarter for Premium digital cable TV packages and bundled DVR or DVR-only services
- **Broadband:** Up 7.0% for the quarter and 6.7% for the half-year in constant NT\$. Generated predominantly from TBC’s Broadband RGUs each contributing an ARPU of NT\$358 per month during the quarter for high-speed Broadband services

Total operating expenses: Lower operating expenses for the quarter and half-year mainly due to lower staff costs and other operating expenses

Notes: (1) Group refers to APTT and its subsidiaries taken as a whole; (2) A positive variance is favourable to the Group and a negative variance is unfavourable to the Group
(3) Total operating expenses exclude one-time settlement of programming fees, depreciation and amortisation expense, net foreign exchange gain/loss and mark to market movements on foreign exchange contracts, in order to arrive at EBITDA and EBITDA margin

NET PROFIT



Net profit includes non-cash items such as depreciation and amortisation expense, foreign exchange, mark to market movements and deferred taxes

Group ¹ (S\$'000)	Quarter ended 30 Jun			Half-year ended 30 Jun		
	2021	2020	Variance ² (%)	2021	2020	Variance ² (%)
Total revenue	73,650	75,647	(2.6)	148,041	154,951	(4.5)
Operating expenses						
Broadcast and production costs	(14,126)	(14,222)	0.7	(28,243)	(27,935)	(1.1)
Staff costs	(6,807)	(7,316)	7.0	(13,128)	(15,590)	15.8
Trustee-Manager fees	(1,835)	(1,829)	(0.3)	(3,649)	(3,659)	0.3
Other operating expenses	(5,639)	(7,627)	26.1	(12,393)	(14,854)	16.6
Total operating expenses	(28,407)	(30,994)	8.3	(57,413)	(62,038)	7.5
EBITDA	45,243	44,653	1.3	90,628	92,913	(2.5)
Other expenses						
Settlement of programming fees	-	(5,360)	100	-	(5,360)	100
Depreciation and amortisation expense	(23,122)	(22,048)	(4.9)	(46,504)	(43,602)	(6.7)
Net foreign exchange (loss)/gain	(443)	(332)	(33.4)	485	836	(42.0)
Mark to market (loss)/gain on derivative financial instruments	(1,035)	43	(>100)	(553)	(2,691)	79.5
Amortisation of deferred arrangement fees	(888)	(911)	2.5	(2,025)	(1,775)	(14.1)
Interest and other finance costs	(11,293)	(12,358)	8.6	(22,394)	(24,834)	9.8
Income tax (expense)/benefit	(697)	1,129	(>100)	(4,510)	(4,564)	1.2
Total other expenses	(37,478)	(39,837)	5.9	(75,501)	(81,990)	7.9
Net profit	7,765	4,816	61.2	15,127	10,923	38.5

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

SELECTED FINANCIAL INFORMATION



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

Group ² (S\$'000)	Quarter ended 30 Jun			Half-year ended 30 Jun		
	2021	2020	Variance ³ (%)	2021	2020	Variance ³ (%)
Revenue						
Basic cable TV	56,738	59,602	(4.8)	114,215	123,271	(7.3)
Premium digital cable TV	3,160	3,300	(4.2)	6,513	6,554	(0.6)
Broadband	13,752	12,745	7.9	27,313	25,126	8.7
Total revenue	73,650	75,647	(2.6)	148,041	154,951	(4.5)
Total operating expenses⁴	(28,407)	(30,994)	8.3	(57,413)	(62,038)	7.5
EBITDA	45,243	44,653	1.3	90,628	92,913	(2.5)
EBITDA margin ⁵	61.4%	59.0%		61.2%	60.0%	
Capital expenditure						
Maintenance	3,523	4,234	16.8	8,520	8,546	0.3
Network, Broadband and other	5,526	11,910	53.6	7,879	18,710	57.9
Total capital expenditure	9,049	16,144	43.9	16,399	27,256	39.8
Income tax paid, net of refunds	(2,352)	(2,532)	7.1	(3,602)	(3,649)	1.3
Interest and other finance costs paid	(11,195)	(12,644)	11.5	(22,253)	(25,104)	11.4

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

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

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

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

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

FINANCIAL POSITION

Strengthening balance sheet and managing debt levels remain a key focus

Group (S\$'000)	As at	
	30 Jun 2021	31 Dec 2020
Assets		
Current assets		
Cash and cash equivalents	132,859	96,996
Trade and other receivables	15,151	14,434
Other assets	3,955	2,845
	151,965	114,275
Non-current assets		
Property, plant and equipment	313,188	330,490
Intangible assets	2,559,351	2,509,476
Other assets	1,546	1,572
	2,874,085	2,841,538
Total assets	3,026,050	2,955,813
Liabilities		
Current liabilities		
Borrowings from financial institutions	41,820	190,874
Trade and other payables	30,216	23,550
Income tax payable	4,377	6,109
Other liabilities	64,241	68,604
	140,654	289,137
Non-current liabilities		
Borrowings from financial institutions	1,514,548	1,337,314
Deferred tax liabilities	102,878	97,948
Other liabilities	37,789	39,521
	1,655,215	1,474,783
Total liabilities	1,795,869	1,763,920
Net assets	1,230,181	1,191,893

- **Cash and cash equivalents:** Cash balance of S\$132.9 million
- **Intangible assets:** Comprise mainly cable TV licences and includes value of goodwill, franchise rights and customer relationships
- **Borrowings:** increase is mostly attributable to exchange rate movements, and also working capital movements, see the next slide for additional details on borrowings
- **Depreciation/amortisation:** Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:
 - Buildings: 3-50 years
 - Leasehold improvements: 3-10 years
 - Network equipment: 2-10 years
 - Transport equipment: 5 years
 - Plant and equipment: 2-5 years
 - Right-of-use assets: Lease period

BORROWINGS

Successfully extended maturity date of Offshore Facilities by two years; discussions underway to refinance Onshore Facilities ahead of maturity

Group debt		As at	
		30 Jun 2021	31 Dec 2020
Total size available	S\$ million	1,650	1,676
Total outstanding	S\$ million	1,571	1,543
Effective interest rate - constant dollar	% p.a.	Q2 - 2.6; YTD - 2.6%	Full year - 2.6
Effective interest rate - SGD	% p.a.	Q2 - 2.9; YTD - 2.9%	Full year - 3.1
Net debt / EBITDA ¹	Multiple	8.0	8.0
Interest cover ²	Multiple	4.0	3.8
Gearing ³	%	51.4	51.7

- Interest rate swaps in place to hedge approx. 97% of outstanding Onshore Facilities through to end of 2021. The average fixed rate on TAIBOR swaps is approx. 0.82%
- Lowered gearing as Offshore Facilities were pared down by S\$45.0 million from the Rights Issue in June 2020, deriving annual interest cost savings of approx. S\$2.9 million
- Successfully extended maturity date of Offshore Facilities by two years in March 2021, to July 2023, on the same major terms
- Effective interest rate in constant dollar terms of 2.6% p.a. for the quarter and half-year, unchanged from 2020. Actual effective interest rate in SGD was 2.9% p.a. for the quarter and half-year, compared to 3.1% p.a. for 2020
- Approx. S\$79 million of revolving facilities are available to fund working capital and future initiatives, if required
- Discussions underway to refinance Onshore Facilities ahead of maturity
- With capital expenditure trending down, the Trustee-Manager aims is to use excess cash generated from operations to gradually pay down debt

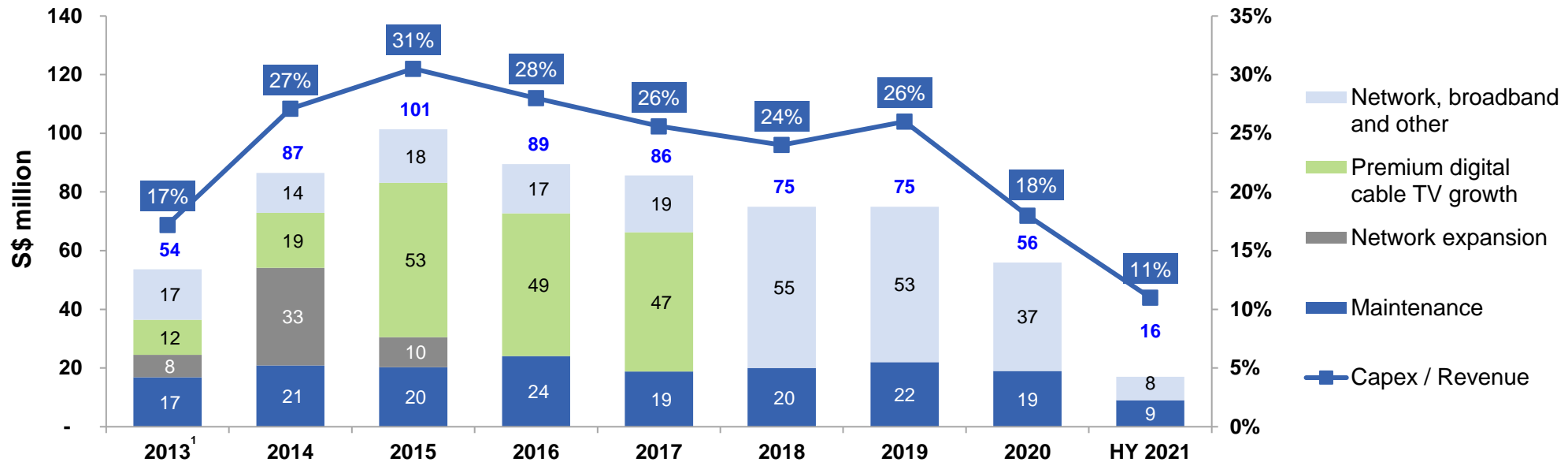
Notes: (1) Total debt outstanding less cash divided by LTM EBITDA

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

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

CAPITAL EXPENDITURE

As TBC's dense fibre network can now comfortably deliver higher speed plans and support wireless operators in the build out of their 5G networks, TBC's network investments projected to be lower compared to the last 3 years



- Capital expenditure was higher from 2015 to 2017 due to the regulatory requirement to switch-off analogue broadcasting and complete the digitisation of TBC's subscriber base by 2017
- The deployment of fibre deeper into the network continues to be a key investment initiative, to drive 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
- Total capital expenditure has been trending down since 2016; more cash generated from operations may be available to make debt repayments, subject to operating conditions
- Focus will continue to be on areas that have the best potential in generating growth and sustainability for the long-term

Capital expenditure in 2021 comprised the following:

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

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

OUTLOOK & STRATEGY



POSITIONED FOR THE MID TO LONG-TERM

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

Capital Management

- Interest rate swaps covering ~97% of outstanding onshore facilities hedged through to the end 2021
- Average fixed rate on TAIBOR swaps is ~0.82%
- Gearing stood at 51.4% as at 30 Jun 2021 (2020: 51.7%)
- Successfully extended the maturity date of Offshore Facilities by two years, on the same major terms
- Discussions underway to refinance Onshore Facilities ahead of maturity
- Aim to eliminate offshore debt and bring debt back to onshore to save on interest costs over the long term.

Key Investments

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

Strengthen Balance Sheet

- Cash generated from operations to continue funding capital expenditure; stopped using bank borrowings to fund capital expenditure since 2019
- Capital expenditure is trending down; more cash generated from operations may then be available to make debt repayments, subject to operating conditions
- Data backhaul investments are past the peak; network investments expected to trend lower
- Limit capital expenditure to only what is necessary, and especially on areas that can support Broadband growth

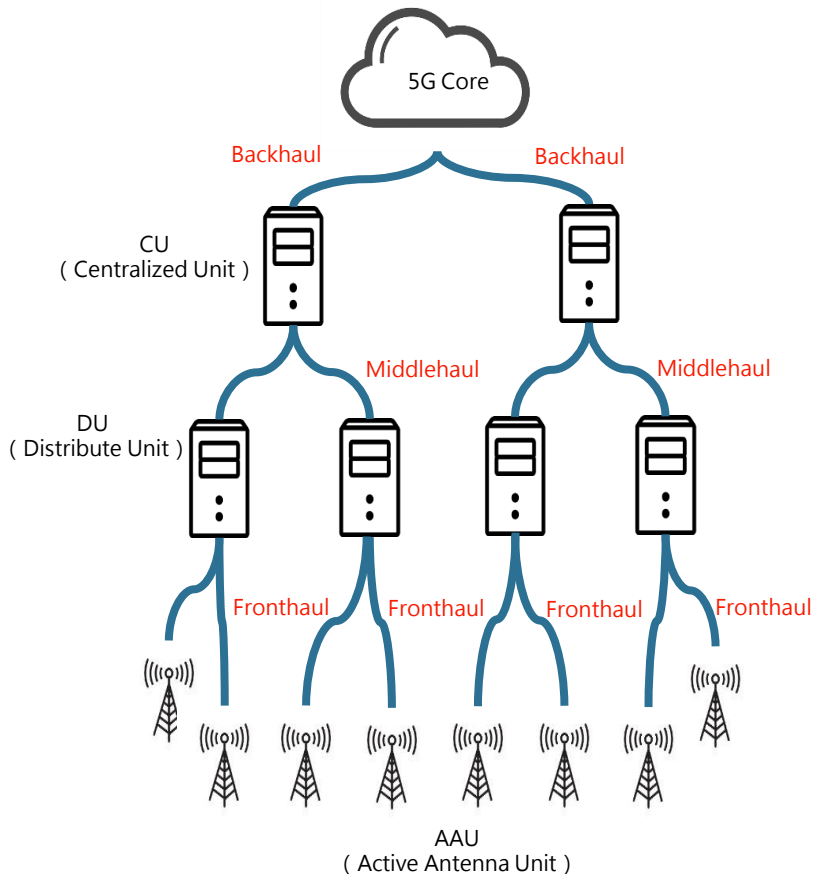
Broadband Growth Strategy

- Be data-backhaul ready; as wireless carriers tap into TBC's network for their network rollout; contributions from data backhaul is growing and is expected to add a meaningful income stream to the Broadband business within the next few years; multi-year investment for wireless operators
- Develop new market segments, including enterprise clients
- Increase value-added solutions (e.g. IoT, smart home devices) that leverage the Android gateway

5G DATA BACKHAUL OPPORTUNITIES

HOW DATA BACKHAUL WORKS?

For data to move from one point to another on the internet, there needs to be fibre nodes that allow these points to interface with each other.



WHY WIRELESS OPERATORS IN TBC'S FIVE FRANCHISE AREAS NEED DATA BACKHAUL SERVICES?



Demand for higher speed continues to increase



Spectrum is expensive, while wireless competition is intense. CAPEX and OPEX for 5G infrastructure are costly for a wireless operator

- TBC is one of two players in its five franchise areas that owns a dense and distributed underground fibre network; TBC does not compete in the wireless space
- More efficient for 5G wireless operators to work with a 5G data backhaul partner (via 10GPON or DOCSIS3.1) to deliver higher speed/lower loss and lower interference end-to-end 5G network transmission
- TBC has been increasing fibre density from an average of over 750 end-homes per fibre node 3 years ago to less than 250 end-homes per fibre node today; Broadband speeds ranging up to 1 Gbps
- TBC's increased fibre density can adequately support wireless operators, removing network congestion and allowing data to be transmitted at high speed; allows 5G wireless operators who are building their small cell stations to tap into TBC's high speed fibre data backhaul
- As a proof-of-concept, TBC has been providing data backhaul for 4G networks to a few wireless operators; although its contribution is still not significant, revenue from data backhaul over the last two years has been gradually increasing
- TBC is positioned to benefit from wireless operators' multi-year investments in the build out of their 5G networks

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

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

APTT is positioned to grow in a measured way

GROWTH DRIVERS



UP-SELL & CROSS-SELL

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



BROADBAND RGU GROWTH

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



PREMIUM DIGITAL TV

- Continue to ride on the growth momentum for Premium digital TV RGUs by stepping up marketing efforts to attract new RGUs
- Consumer preference for better quality video and interactive services
- Growing number of HD television sets in Taiwan



SCALABLE & EFFICIENT COST STRUCTURE

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

OPERATING ENVIRONMENT



CHALLENGING ENVIRONMENT

- Total RGUs expected to increase in 2021
- ARPUs continue to remain under pressure due to growing popularity of online TV, challenges from video piracy issues, aggressively priced IPTV and competition from mobile operators offering unlimited wireless data
- Decline in demand for home shopping and competition from internet retailing negatively impacting channel leasing revenue for cable industry



HIGHLY REGULATED

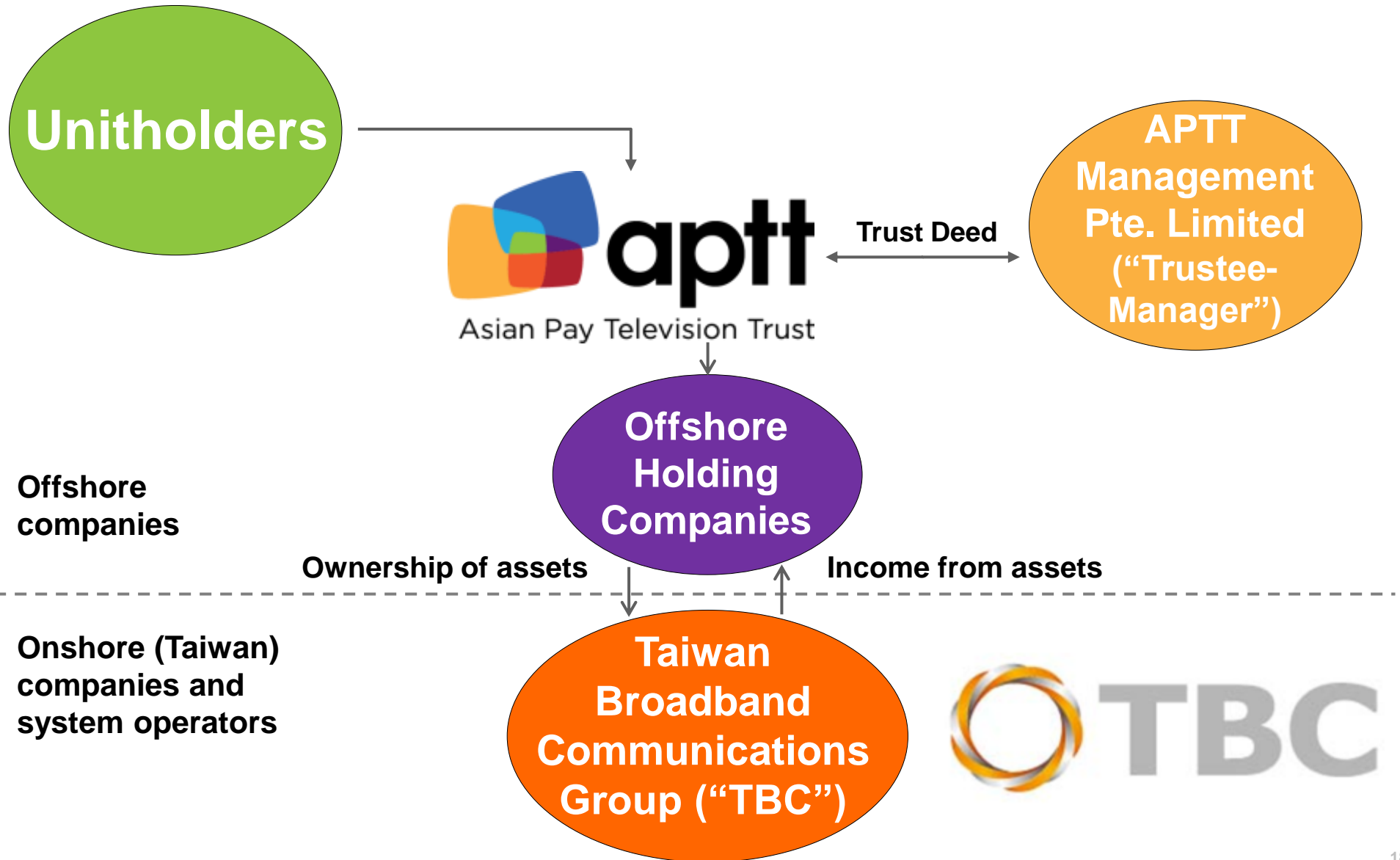
- Basic cable TV rates for 2021 across all five franchise areas have been maintained at the same rates as 2020¹
- 3 licences due for renewal in 2021: 2 already renewed until 2030; submitted renewal application and corresponding business plan for the remaining 1; approval expected before expiry date

While Premium digital cable TV and Broadband RGUs are expected to grow, total revenue will be influenced by the ability to maintain ARPUs which will remain under pressure; total operating expenses in 2021 expected to be lower than 2020

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 7)
- **Sole investment in Taiwan Broadband Communications (“TBC”) – Taiwan’s third largest cable TV operator**



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

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

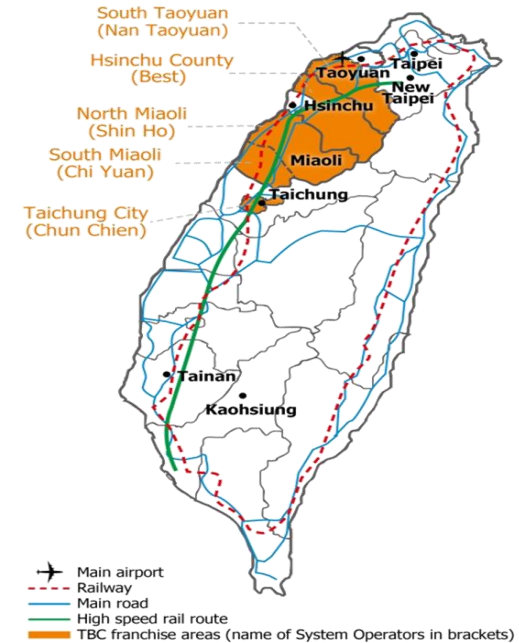
PRODUCT OFFERINGS

Approx. 87% of revenue is subscription-based from the three product offerings¹

BASIC CABLE TV	PREMIUM DIGITAL CABLE TV	BROADBAND
Over 100 channels on Basic cable TV, most of the popular channels are only available on cable TV	Up to 71 additional channels including 70 HD channels, through MPEG4 platform 38% Premium digital cable TV penetration ¹ with large addressable market of 100% digital set-top box penetration	38% Broadband penetration ¹ with ability to cross-sell to remaining market on 100% DOCSIS 3.1 enabled HFC network and current speed offerings up to 1 Gbps

Note: (1) As at 30 June 2021

FRANCHISE AREAS IN NORTHERN & CENTRAL TAIWAN



- Low churn rate of 0.6%¹ for Basic cable TV (698K¹ Revenue Generating Units)
- Up-sell Premium digital cable TV and cross-sell Broadband to large Basic cable TV subscriber base

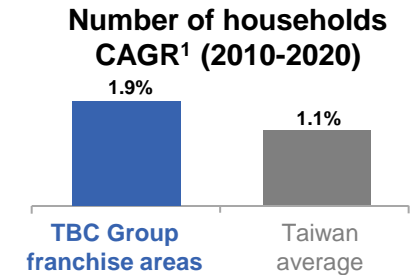
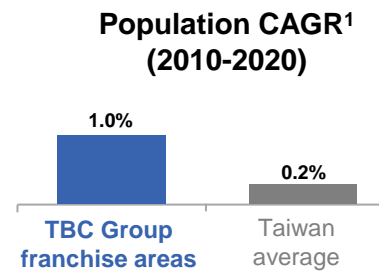
BUSINESS DRIVERS



TBC'S FRANCHISE AREAS

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

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



South Taoyuan

- Home to Taiwan Taoyuan International Airport and close proximity to Taipei
- Service area covers 918 square km and constitutes over 75% of the total area in Taoyuan County
- Approx. 430K households and population of close to 1.2 million



Hsinchu

- Hsinchu Science Park is home to high tech companies, the city has one of the highest income levels in Taiwan
- Approx. 206K households and population of 571K



Miaoli (North & South)

- Suburban mountainous region geographically located between Hsinchu and Taichung
- Well connected via major railway and road transportation systems
- Approx. 193K households and population of 545K



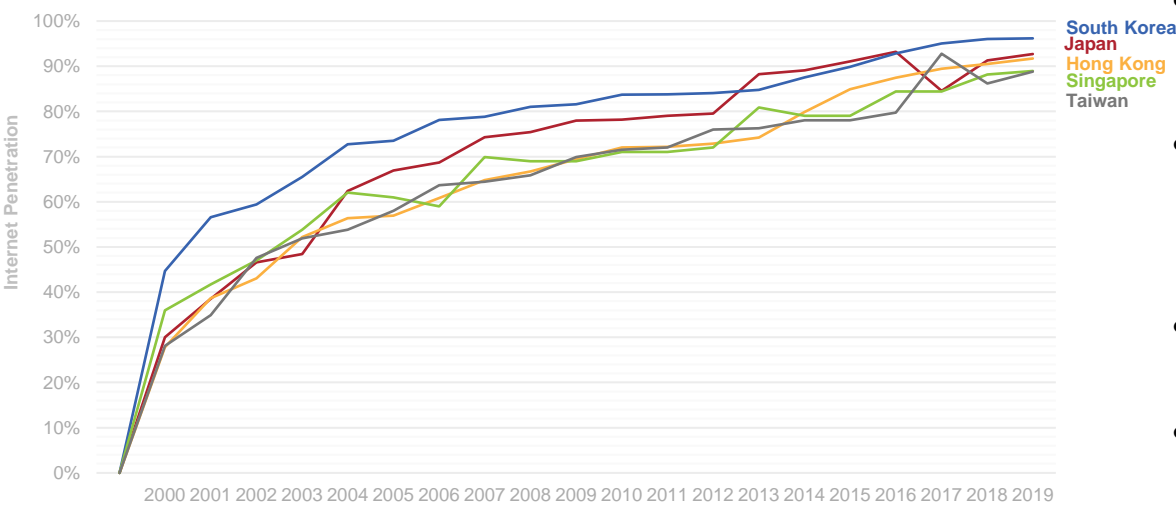
Taichung City

- One of the most populous cities in Taiwan; home to Taichung International Airport
- Vibrant, diverse economy: large industrial areas and a thriving commercial sector that incorporates traditional businesses, small family-run shops & factories
- Approx. 460K households and population of 1.2 million

TAIWAN MARKET – POTENTIAL IN BROADBAND



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



- Internet penetration has increased significantly in South Korea, Japan, Hong Kong, Singapore and Taiwan; but remains lowest in Taiwan, compared to the four markets
- While Taiwan’s average internet speed has improved, it is ranked last among the developed APAC markets at approx. 142.69 Mbps; there is room for Taiwan subscribers to further increase internet speed
- TBC’s Broadband penetration in its five franchise areas is approx. 38% as at 30 June 2021
- Opportunity for TBC to gain more market share and meet rising demand for higher-speed broadband plans due to rapidly growing demand for data

International Telecommunications Union

Region	Number of Internet users (million)	Average speed of fixed internet connections (Mbps)	Year-on-year change in average speed of fixed internet connections
Asia-Pacific			
Taiwan	21.45	142.69	+3.5%
South Korea	49.75	171.33	+18.6%
Japan	117.4	150.27	+43.7%
Singapore	5.29	245.31	+22.6%
Hong Kong	6.92	226.80	+37.6%

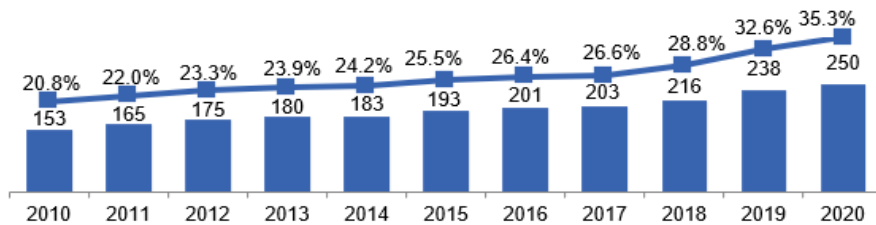
GROWING BROADBAND MARKET PENETRATION



TBC's broadband market penetration in its franchise areas: 38% in Q2 2021 vs 35% in 2020

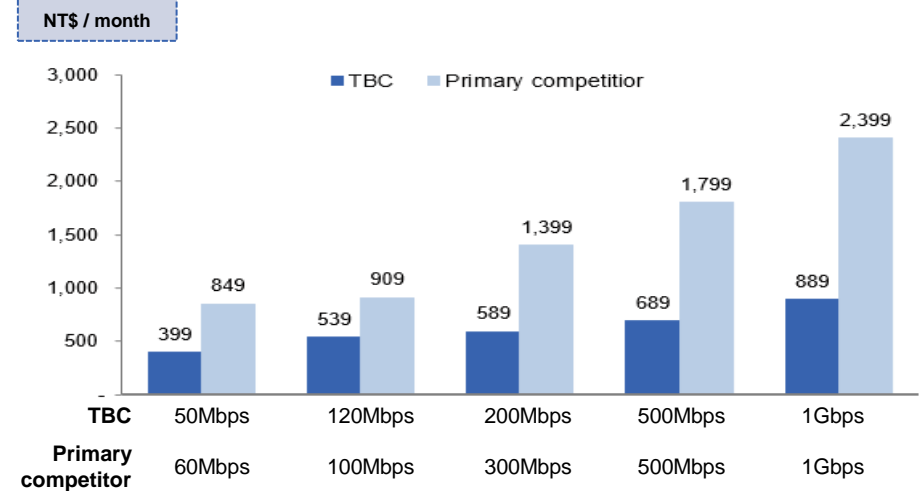
Broadband RGUs ('000) and penetration

2010-20 Broadband RGU CAGR: 5.0%



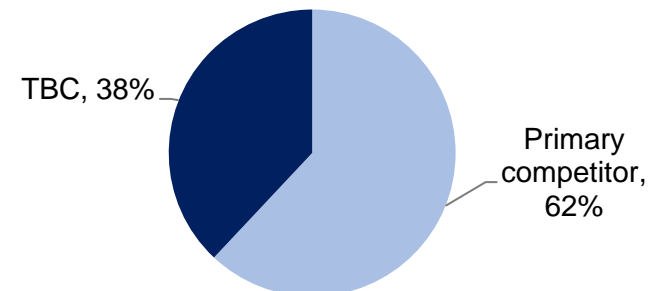
- DOCSIS 3.1 enabled network that meets consumer demand for high-speed internet; 1 Gbps launched in Q4 2019
- Competitive pricing and optional bundling with digital TV
- Launch of value-added services including Android OTT gateway and karaoke singing box. Will continue to introduce value-added solutions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

TBC Group offers competitive prices¹ with reliable services



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

Approx. market penetration 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

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

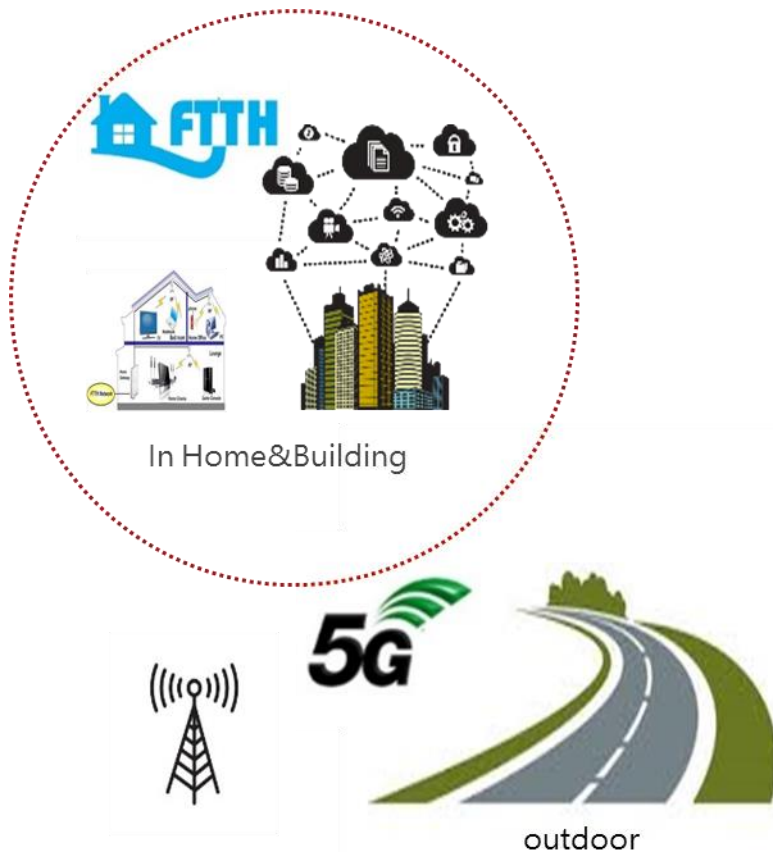
Top 20 channels in Taiwan (2020)

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

5G DATA BACKHAUL OPPORTUNITIES

OPPORTUNITIES FOR TBC AS 5G DATA BACKHAUL PROVIDER

TBC's advanced hybrid fibre coaxial network supports both indoor and outdoor coverage



- Taiwan government's push for faster build up of 5G networks
 - National Communications Commissions is providing substantial subsidies to telco operators with a goal of building 39,000 5G base stations in 2.5 years
- 5G network investment is a multi-year investment for wireless operators; flexibility to add fibre circuits from TBC as their wireless networks expand over time
- Explore partnerships with wireless 5G operators to tender for government projects
 - 10GPON and DOCSIS3.1 are used as heterogeneous network backup in private 5G networks
- Explore a packaged suite of hybrid network environment and office applications to target the business community

END

