ASIAN PAY TELEVISION TRUST

30 JUNE 2022

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AGENDA

1. 30 JUNE 2022 RESULTS
2. OUTLOOK & STRATEGY
3. BUSINESS OVERVIEW
4. BUSINESS DRIVERS

30 JUNE 2022 RESULTS

HIGHLIGHTS

Broadband recorded continued improvements on all fronts in Q2 2022; made debt repayment of $35 million in 1H 2022 and lowered gearing to 48.8%

Lower Q2 2022 EBITDA and EBITDA margin on higher operating expenses

- Revenue and EBITDA at S$71.8 million and S$42.4 million; EBITDA margin stood at 59.1%
- Decline in EBITDA was primarily due to higher pole rental expenses

Growing total subscriber base

- Premium digital cable TV and Broadband subscribers have been steadily increasing over the past 17 quarters
- Added c.8,000 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.1,271,000

Continued Broadband growth momentum

- Growth in Broadband subscribers and higher ARPU led to higher revenue in S$ and NT$ for eight consecutive quarters compared to the pcp

Higher capital expenditure due to network investments to improve network speed and future proof TBC's network

- Capital expenditure increased by 17.6% for the quarter and 5.4% for the half-year compared to pcp
- As a percentage of revenue, capital expenditure was 14.8% for the quarter and 11.9% for the half-year – within industry norms

Debt management

- Made debt repayments of $35 million in 1H 2022; lowered gearing to 48.8%
- As at 30 June 2022, TAIBOR interest rate swaps hedged almost 80% of the outstanding Onshore Facilities through to 30 June 2025
- Additional TAIBOR swaps were entered after 30 June 2022; approx. 93% of outstanding Onshore Facilities are now hedged through to 30 June 2025; average fixed rate of 0.94%

Distribution

- Distribution of 0.25 cents per unit declared for Q2 2022
- Re-affirmed 2022 full year guidance of 1.0 cent per unit, to be paid in quarterly instalments of 0.25 cents per unit, subject to no material changes in planning assumptions
- There may be some flexibility with respect to distributions after 2022, subject to operating conditions

KEY OPERATING METRICS

Broadband ARPU improved by NT$4 per month alongside c.9,000 more subscribers, reflecting the success of TBC's Broadband strategy to target broadband-only segment and offer higher speed plans at competitive prices. Growing Broadband subscriber base is now nearly 25% of total of subscriber base

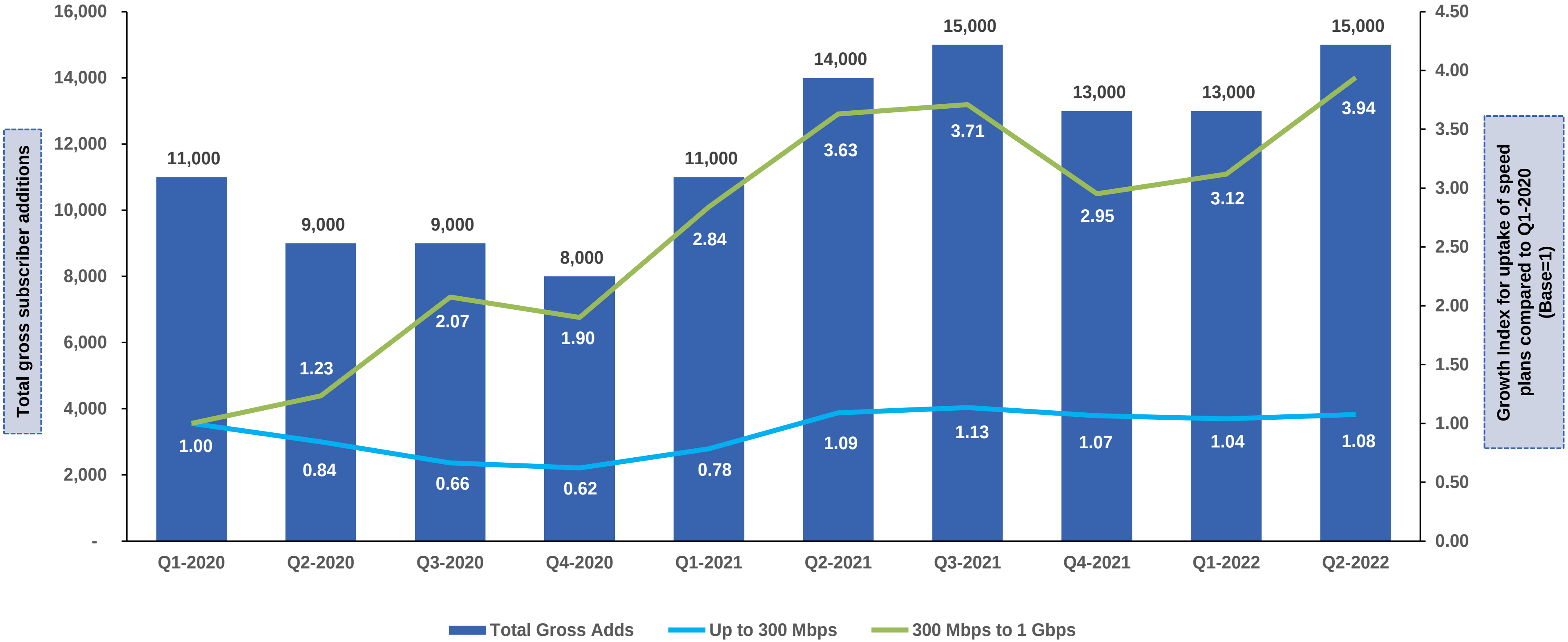
	RGUs[1] ('000)			ARPU[2] (NT$ per month)		
	As at			Quarter ended		
	30 Jun 2022	31 Mar 2022		30 Jun 2022	31 Mar 2022	
Basic cable TV	684	688	⬇	469	472	⬇
Premium digital cable TV	289	281	⬆	70	73	⬇
Broadband	298	289	⬆	377	373	⬆

- **Basic cable TV:** RGUs decreased by c.4,000 in the quarter to c.684,000 as at 30 June 2022 due to (i) a saturated cable TV market, (ii) competition from aggressively priced IPTV, (iii) growing popularity of online video and (iv) expectations from consumers for discounts as they compare with the lower cable TV pricing outside of TBC's[3] five franchise areas, particularly in the Taipei region
- **Premium digital cable TV:** RGUs increased by c.8,000 in the quarter to c.289,000. 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 by NT$3 per month in the quarter
- **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 in the quarter to c.298,000, while ARPU improved by NT$4 per month in the quarter. Growth driven by partnership programs with mobile operators to drive fixed-line broadband-only segment, and higher speed plans at competitive prices. Broadband churn rates remained very low, averaging around 0.6% in Q2 2022

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

BROADBAND ARPU IMPROVEMENT: UPTAKE OF HIGHER SPEED PLANS

Increase in take-up rate of higher speed plans since Q1 2020 contributing to Broadband ARPU improvement; validates the strength of our Broadband growth strategy



Interpretation of Growth Index from the chart above:

For e.g., in Q1-2020 if there was 1 subscriber taking up higher speed plan with speed ranging from 300 Mbps to 1 Gbps, then in Q2-2022, there were 3.94 subscribers taking up the higher speed plans.

FINANCIAL RESULTS

Aim is to grow cash flows from Broadband business to a level that more than offsets the decline in Basic cable TV business

Group[1] (S$'000)	Quarter ended 30 Jun			Half-year ended 30 Jun		
	2022	2021	Variance[2] (%)	2022	2021	Variance[2] (%)
Revenue						
Basic cable TV	52,875	56,738	(6.8)	107,574	114,215	(5.8)
Premium digital cable TV	2,913	3,160	(7.8)	5,980	6,513	(8.2)
Broadband	16,006	13,752	16.4	31,806	27,313	16.5
Total revenue	**71,794**	**73,650**	**(2.5)**	**145,360**	**148,041**	**(1.8)**
Total operating expenses[3]	**(29,357)**	**(28,407)**	**(3.3)**	**(59,734)**	**(57,413)**	**(4.0)**
EBITDA	**42,437**	**45,243**	**(6.2)**	**85,626**	**90,628**	**(5.5)**
EBITDA margin	59.1%	61.4%		58.9%	61.2%	

In constant Taiwan dollars ("NT$"), total revenue was down 0.7% for the quarter and 1.8% for the half-year; foreign exchange contributed to a negative variance of 1.8% for the quarter and less than 0.1% for the half-year compared to the pcp

- **Basic cable TV:** Down 5.0% for the quarter and 5.8% for the half-year in constant NT$ mainly due to lower subscription revenue resulting from the decline in the number of subscribers and lower ARPU as well as lower non-subscription revenue resulting from lower revenue generated from channel leasing and airtime advertising sales
- **Premium digital cable TV:** Down 6.0% for the quarter and 8.2% for the half-year in constant NT$. Generated predominantly from TBC's Premium digital cable TV RGUs each contributing an ARPU of NT$70 per month in the quarter for Premium digital cable TV packages and bundled DVR or DVR-only services
- **Broadband:** Up 18.2% for the quarter and 16.5% for the half-year in constant NT$. Generated predominantly from TBC's Broadband RGUs each contributing an ARPU of NT$377 per month in the quarter for high-speed Broadband services

Total operating expenses: Higher operating expenses for the quarter and half-year were mainly due to higher pole rental 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 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		
	2022	2021	Variance[2] (%)	2022	2021	Variance[2] (%)
Total revenue	**71,794**	**73,650**	**(2.5)**	**145,360**	**148,041**	**(1.8)**
Operating expenses						
Broadcast and production costs	(14,128)	(14,126)	(0.0)	(28,414)	(28,243)	(0.6)
Staff costs	(6,482)	(6,807)	4.8	(13,450)	(13,128)	(2.5)
Trustee-Manager fees	(1,835)	(1,835)	-	(3,649)	(3,649)	-
Other operating expenses	(6,912)	(5,639)	(22.6)	(14,221)	(12,393)	(14.8)
Total operating expenses	**(29,357)**	**(28,407)**	**(3.3)**	**(59,734)**	**(57,413)**	**(4.0)**
EBITDA	**42,437**	**45,243**	**(6.2)**	**85,626**	**90,628**	**(5.5)**
Other expenses						
Depreciation and amortisation expense	(17,946)	(23,122)	22.4	(36,723)	(46,504)	21.0
Net foreign exchange gain/(loss)	961	(443)	>100	1,125	485	>100
Mark to market gain/(loss) on derivative financial instruments	620	(1,035)	>100	3,061	(553)	>100
Amortisation of deferred arrangement fees	(823)	(888)	7.3	(1,667)	(2,025)	17.7
Interest and other finance costs	(10,789)	(11,293)	4.5	(20,404)	(22,394)	8.9
Income tax expense	(2,917)	(697)	(>100)	(7,239)	(4,510)	(60.5)
Total other expenses	**(30,894)**	**(37,478)**	**17.6**	**(61,847)**	**(75,501)**	**18.1**
Profit after income tax	**11,543**	**7,765**	**48.7**	**23,779**	**15,127**	**57.2**

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 information[1] are key financial metrics of APTT's business

Group[2] (S$'000)	Quarter ended 30 Jun			Half-year ended 30 Jun		
	2022	2021	Variance[3] (%)	2022	2021	Variance[3] (%)
Revenue						
Basic cable TV	52,875	56,738	(6.8)	107,574	114,215	(5.8)
Premium digital cable TV	2,913	3,160	(7.8)	5,980	6,513	(8.2)
Broadband	16,006	13,752	16.4	31,806	27,313	16.5
Total revenue	**71,794**	**73,650**	**(2.5)**	**145,360**	**148,041**	**(1.8)**
Total operating expenses[4]	**(29,357)**	**(28,407)**	**(3.3)**	**(59,734)**	**(57,413)**	**(4.0)**
EBITDA	**42,437**	**45,243**	**(6.2)**	**85,626**	**90,628**	**(5.5)**
EBITDA margin[5]	59.1%	61.4%		58.9%	61.2%	
Capital expenditure						
Maintenance	3,699	3,523	(5.0)	7,200	8,520	15.5
Network, broadband and other	6,947	5,526	(25.7)	10,081	7,879	(27.9)
Total capital expenditure	**10,646**	**9,049**	**(17.6)**	**17,281**	**16,399**	**(5.4)**
Income tax paid, net of refunds	(5,004)	(2,352)	(>100)	(6,457)	(3,602)	(79.3)
Interest and other finance costs paid	(10,538)	(11,195)	5.9	(20,313)	(22,253)	8.7

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 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 2022	31 Dec 2021
Assets		
Current assets		
Cash and cash equivalents	117,557	124,664
Trade and other receivables	17,114	16,089
Other assets	29,195	2,591
	163,866	**143,344**
Non-current assets		
Property, plant and equipment	264,445	292,493
Intangible assets	2,481,509	2,584,991
Other assets	17,393	1,744
	2,763,347	**2,879,228**
Total assets	**2,927,213**	**3,022,572**
Liabilities		
Current liabilities		
Borrowings from financial institutions	68,359	58,395
Trade and other payables	75,097	53,510
Income tax payable	5,645	5,970
Other liabilities	62,100	63,076
	211,201	**180,951**
Non-current liabilities		
Borrowings from financial institutions	1,360,790	1,455,097
Deferred tax liabilities	106,965	107,194
Other liabilities	34,499	36,528
	1,502,254	**1,598,819**
Total liabilities	**1,713,455**	**1,779,770**
Net assets	**1,213,758**	**1,242,802**

- **Cash and cash equivalents:** Cash balance of S$117.6 million; approx. S$32 million needed for onshore and offshore debt repayments in the next six months
- **Intangible assets:** Comprise mainly cable TV licences and includes value of goodwill, franchise rights and customer relationships
- **Borrowings:** Decrease is mostly attributable to repayments of Onshore and Offshore Facilities and exchange rate movement. Refer to 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: 1-30 years

BORROWINGS

Target to repay S$32 million in onshore and offshore debts in the next six months; additional TAIBOR swaps were entered into immediately after 1H 2022, approx. 93% of outstanding Onshore Facilities are now hedged through to 30 June 2025 at average fixed rate of 0.94%

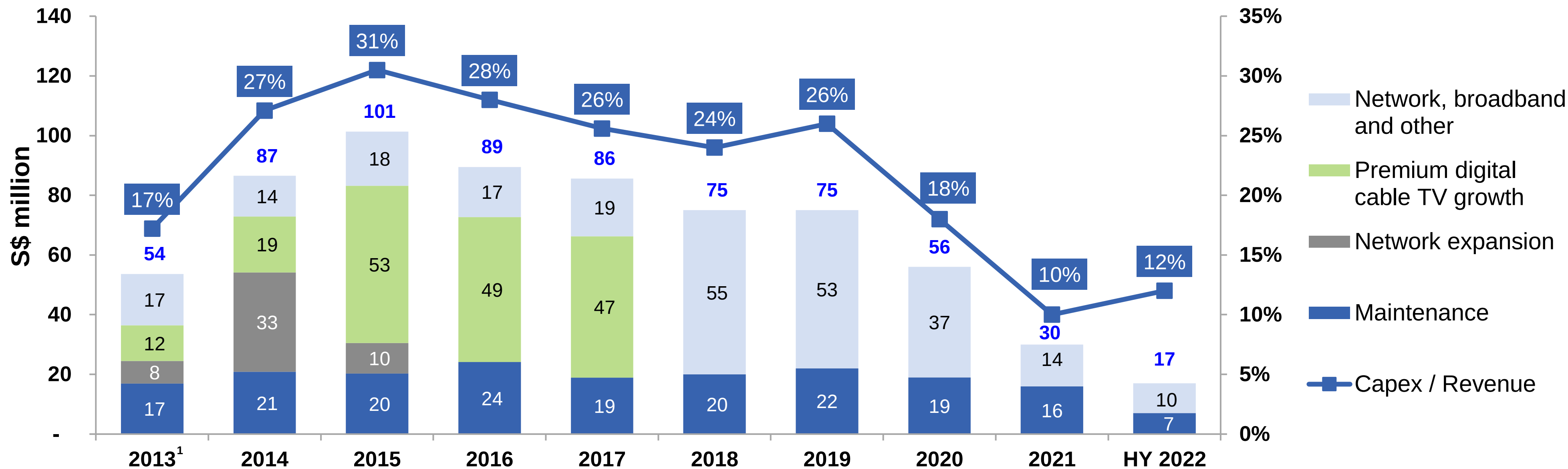
Group debt		As at	
		30 Jun 2022	31 Dec 2021
Total size available	S$ million	1,535	1,619
Total outstanding	S$ million	1,448	1,535
Effective interest rate - constant dollar	% p.a.	Q2 - 2.7; YTD - 2.4	Full year - 2.7
Effective interest rate - SGD	% p.a.	Q2 - 3.0; YTD - 2.7	Full year - 3.0
Net debt / EBITDA[1]	Multiple	7.5	7.7
Interest cover[2]	Multiple	4.0	3.9
Gearing[3]	%	48.8	50.1

- Borrowings comprised NT$ and S$ denominated loans - NT$27.7 billion (2021: NT$28.0 billion) and S$154.4 million (2021: S$171.9 million)
- Extended maturity date of Offshore Facilities by two years to Jul 2023 and Onshore Facilities by three years to Nov 2028, on the same major terms; pared down NT$0.8 billion (approx. S$40 million) as part of Onshore Facilities' extension, using cash on the balance sheet
- Commenced discussion with lenders in 2022 to further extend Offshore Facilities to at least 2025
- TAIBOR swaps were entered into during the half-year to hedge approx. 80% of the outstanding Onshore Facilities through to 30 June 2025. Additional TAIBOR swaps were entered into after 30 June 2022. Together with the existing interest rate swaps, TAIBOR swaps now hedge approx. 93% of the outstanding Onshore Facilities through to 30 June 2025. The average fixed rate on all TAIBOR swaps is 0.94%
- Effective interest rate in constant dollar terms of 2.7% p.a. for the quarter and 2.4% p.a. for the half-year compared to 2.7% p.a. for full year 2021. Actual effective interest rate in SGD was 3.0% p.a. for the quarter and 2.7% p.a. for the half-year compared to 3.0% p.a. for full year 2021
- Approx. S$87 million of revolving facilities are available to fund working capital and future initiatives, if required

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

Higher network investments in HY 2022 to improve speed and future proof TBC's network to support TBC's growing Broadband business; capital expenditure will be within industry norms



- 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
- Network investments remain key to future-proof TBC's network; continue increasing fibre density by bringing down the number of homes served per fibre node, beyond the current level of less than 250 homes, to (i) meet the growing demand for data and high-speed broadband services; and (ii) support mobile operators in their 5G network rollouts – multi-year investments that present opportunities for the Trust
- Aggressive targets have been set to tighten capital expenditure; to invest within industry norms
- With lower capital expenditure, the Trustee-Manager aims to use excess cash generated from operations to gradually pay down debt

Capital expenditure in 2022 comprised the following:

- Maintenance capital expenditure to support TBC's existing infrastructure and business
- Network, broadband and other capital expenditure include 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

Broadband Growth Strategy

- Be data-backhaul ready; the contribution from data backhaul is growing and expected to add a meaningful income stream to the Broadband business within the next few years; multi-year investments for mobile operators
- Step up partnership programs with mobile operators to drive fixed-line broadband-only segment
- Develop new market segments and increase value-added solutions that leverage Android gateway

Capital Management

- Interest rate swaps covering 93% of outstanding Onshore Facilities hedged through to 30 June 2025
- Average fixed rate on TAIBOR swaps is 0.94%
- Gearing stood at 48.8% as at 30 Jun 2022 (2021: 50.1%)
- In 2021, successfully extended the maturity date of Offshore Facilities to 2023, on the same major terms; aim to further extend maturity date to at least 2025
- In 2021, successfully extended the maturity date of Onshore Facilities to 2028, on the same major terms
- Aim to eliminate offshore debt and bring debt back to onshore to save on interest costs over the long term

Strengthen Balance Sheet

- Cash generated from operations to continue funding capital expenditure; and not to use bank borrowings
- Aim to use excess cash generated from operations to accelerate debt repayments, subject to operating conditions
- Monitor capital expenditure to focus on areas that can generate Broadband growth and sustainability for 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

IMPACT OF COVID-19

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, manage its operational and capital expenditure and strengthen 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.

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

- Intensify marketing efforts by stepping up partnership programs with mobile operators to focus on fixed-line broadband-only segment, and by offering higher speed plans at competitive prices
- 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

- 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 stronger competition from internet retailing to continue impacting channel leasing revenue

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

- 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

HIGHLY REGULATED

- Basic cable TV rates for 2022 across all five franchise areas were maintained at the same rates as 2021
- All five licences that were due for renewal in 2020 and 2021 have been successfully renewed until 2029 and 2030

Broadband and Premium digital cable TV RGUs to continue increasing in 2022; total revenue will be influenced by the ability to manage ARPUs which will remain under pressure; total operating expenses in 2022 expected to be higher than 2021 due to the benefit in 2021 from the reversal of pole rental provisions

Q&A

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Asian Pay Television Trust

Asian Pay Television Trust
Q2 2022 Results Briefing via Zoom on 12 August 2022 at 8am
Question & Answer Session

Singapore – 17 August 2022

Summarised questions and answers:

Question: **On pole rental expenses, reversals were recorded last year and for 1H 2022, there was an increase in expenses. Please provide more colour. Also, was there any cashflow impact?**

Answer: Pole rental expenses for 2022 look more expensive, but it is because of the benefit of expense reversals in 2021.

A few years ago, an audit on Taipower raised questions if it was undercharging (cable operators, telephone operators, etc) for pole rentals. There was speculation in the industry that pole rental expenses could increase significantly. As such, we accrued additional pole rental expenses over the last couple of years in anticipation of higher costs.

By the end of last year, it was clear what our pole rental expenses would be and the anticipated higher expenses did not materialise. Those extra accruals that we had been accumulating over the past few years were reversed in 2021, which explained our lower pole rental expenses last year.

This year, we will not have the benefit of this one-time expense reversal. It is important to note that our underlying pole rental expenses for this year are similar to the past two years, and we expect pole rental expenses to remain stable going forward.

There was no cashflow impact for the accruals and reversal.

Question: **In relation to the above-mentioned question, was there any impact on EBITDA calculation?**

Answer: Yes, as pole rental expenses are part of our operating expenses, there was an impact on EBITDA. It was a negative impact in 2019 and 2020 when additional pole rental expenses were accrued, and a positive impact in 2021 when the accruals were reversed. In 2022, there is no impact to EBITDA, other than appearing negative relative to 2021 due to the benefit of the expense reversal in 2021. There was no cashflow impact to any of the years.

Question: **On 5G, approximately S$1.1 million was recorded in 1H 2022. What does this comprise of? How much more 5G data backhaul could be rolled out?**

Answer: We have recently started disclosing revenue for data backhaul, from nil in 2018, to S$1.1 million in 2019, S$1.3 million in 2020 and S$1.6 million in 2021. For the first half of 2022, data backhaul revenue was around S$1.1 million, representing around 3.5% of Broadband revenue. This revenue is recurring and subscription-based in nature, as TBC leases fibre circuits to mobile operators and charges for every fibre circuit that is being leased out.

We will aim to provide more information in the future, perhaps in terms of the number of fibre circuits being leased out and the number of locations etc.

Question: **Was there any incremental costs on the 5G rollout for the S$1.1 million revenue generated in the H1 2022?**

Answer: There are some hardware costs such as switches and other end-point equipment, but these costs are success-based and not material relative to fibre cost – which is the biggest cost component.

Question: **What is the progress on the lawsuits?**

Answer: TBC received a court judgement for one of the four lawsuits against a programming vendor (Plaintiff) claiming certain programming costs. We have filed an appeal against it to keep the process going.

To recap, for 2020 and 2021, we used a programming agent to acquire content. TBC has already paid all the programming costs for 2020 under its contract with the programming agent. However, the programming agent has not made payment to the programming vendors, due to a dispute. In the meantime, the programming vendors have sued TBC as we are the licence user.

In one of the lawsuits, the court has found that the Plaintiff should receive the licensing fees it has claimed. TBC does not contest that the Plaintiff should be paid for its programming. However, TBC's stance is that it has already paid all the programming costs for 2020 to the programming agent.

We continue to view the dispute as a matter between the programming agent and the Plaintiff. We believe that the three parties will work towards reaching an agreement and that no material loss will accrue to the Group.

As mentioned, we have made all of our payments for content throughout 2020 and we have expensed it through our financial statements. From a cash position, as well as from a profit and loss perspective, we do not expect any material negative outcomes.

However, the lawsuits may continue a while longer. We will proactively work towards reaching an agreement between the three parties.

Question: **On the lawsuits, will there be any longer term implications such as higher content costs?**

Answer: Our agreement with the programming agent ended at the end of 2021. In 2022, we started to negotiate content directly with programming vendors. This change is not a result of the lawsuits; it is due to an industry change required by the National Communications Commissions (NCC), which felt that there was too much concentration of power with the programming agents. We are now allowed to use agents for only a small part of our content. For most of our content, we have to negotiate directly with programming vendors.

Our accounts payable have gone up because we have not yet paid for much content this year since we are still negotiating the content fees for 2022. In terms of the implications on costs, we do not expect any material change at the moment. There is a bit of buffer as we no longer have to pay commission to programming agents, but we may have to pay higher costs to the programming vendors. At the end of the day, however, basic cable TV revenue is under pressure from a lower ARPU and subscriber base. We need to manage content costs against this backdrop.

Question: **When you negotiate with programming vendors, would the lower subscriber base be an indication of local content losing its appeal?**

Answer: The younger generation will appreciate international content a little bit more. But when you look at our top 20 channels, most of them are local content, such as the variety shows and the news channels.

Overall, it is inexpensive to get over 100 channels of the most popular content for just over S$21 per month. However, as the cable TV business is fully penetrated for a long time, the negative churn will most likely continue, but we hope it will reach a plateau.

Question: **On debt, you have repaid S$35 million in the first half of 2022 and will be repaying another S$32 million in the second half. Are you repaying mainly the more expensive offshore debt? Is this the priority?**

Answer: Considering 10% of our debt is offshore, proportionately yes, we are paying more to our offshore debt. Almost half of our debt repayments this year are going to be offshore. We are trying to pay down more of our offshore debt as it is more expensive.

But at the same time, our onshore lenders want to be repaid too; we have agreed on a certain principal amortisation profile with them. But certainly, our debt repayment is skewed towards reducing the offshore balance.

Question: **Based on slide 11, cost of offshore debt is just slightly more expensive (0.3%) than onshore debt. The outstanding onshore facilities have an average fixed rate of 0.94%, but yet its effective interest rate is 2.4% to 2.7%. Can you explain?**

BORROWINGS

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Target to repay S$32 million in onshore and offshore debts in the next six months; additional TAIBOR swaps were entered into immediately after 1H 2022, approx. 93% of outstanding Onshore Facilities are now hedged through to 30 June 2025 at average fixed rate of 0.94%

Group debt		As at	
		30 Jun 2022	31 Dec 2021
Total size available	S$ million	1,535	1,619
Total outstanding	S$ million	1,448	1,535
Effective interest rate - constant dollar	% p.a.	Q2 - 2.7; YTD - 2.4	Full year - 2.7
Effective interest rate - SGD	% p.a.	Q2 - 3.0; YTD - 2.7	Full year - 3.0
Net debt / EBITDA[1]	Multiple	7.5	7.7
Interest cover[2]	Multiple	4.0	3.9
Gearing[3]	%	48.8	50.1

- Borrowings comprised NT$ and S$ denominated loans - NT$27.7 billion (2021: NT$28.0 billion) and S$154.4 million (2021: S$171.9 million)
- Extended maturity date of Offshore Facilities by two years to Jul 2023 and Onshore Facilities by three years to Nov 2028, on the same major terms; pared down NT$0.8 billion (approx. S$40 million) as part of Onshore Facilities' extension, using cash on the balance sheet
- Commenced discussion with lenders in 2022 to further extend Offshore Facilities to at least 2025
- TAIBOR swaps were entered into during the half-year to hedge approx. 80% of the outstanding Onshore Facilities through to 30 June 2025. Additional TAIBOR swaps were entered into after 30 June 2022. Together with the existing interest rate swaps, TAIBOR swaps now hedge approx. 93% of the outstanding Onshore Facilities through to 30 June 2025. The average fixed rate on all TAIBOR swaps is 0.94%
- Effective interest rate in constant dollar terms of 2.7% p.a. for the quarter and 2.4% p.a. for the half-year compared to 2.7% p.a. for full year 2021. Actual effective interest rate in SGD was 3.0% p.a. for the quarter and 2.7% p.a. for the half-year compared to 3.0% p.a. for full year 2021
- Approx. S$87 million of revolving facilities are available to fund working capital and future initiatives, if required

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

11

Answer: Our onshore debt interest cost is based on a base rate, TAIBOR, plus an interest margin between 1.6% and 1.9%. We have now hedged 93% of our TAIBOR exposure at 0.94%. So, the total interest cost for onshore is 0.94% plus 1.6% to 1.9%, or 2.5% to 2.8%.

For our offshore debt, the base rate is SIBOR (which will be moving to SORA) plus an interest margin of 4.75% to 4.90%. So, the offshore interest margin is approximately 300 basis points more than the onshore debt, and SIBOR is currently more than TAIBOR. As approximately 90% of our debt is onshore, the average interest cost works out to be just a little more than the onshore interest cost of 2.5% to 2.8%.

Question: **On the interest margin of between 1.6% and 1.9%, is there any room for it to come off as you start to repay?**

Answer: The interest margin charged is based on net debt to EBITDA ratio. The leverage level is unlikely to be low enough in the medium term for the interest margin to go lower than the 1.6% interest margin bracket. Interest margin will probably continue to be in the range of 1.6% to 1.9%.

Question: **Based on slide 11, the effective interest rate in Q2 is higher than year to date. This seems to suggest that the margin in the second quarter has widened. You mentioned that this margin is a function of the net debt to EBITDA and other ratios that the lenders are watching. Does this mean that if the operating environment is not getting better, the margin might continue to stay at this level or even go beyond 1.9%?**

Answer: In future quarters, we will look to provide more colour around the interest margin that we pay. The interest margin charged is based on net debt to EBITDA ratio and it is pretty stable at around the 1.6% to 1.9% range and will probably continue to be in the same range.

The biggest impact in the second quarter was actually the base rate. SIBOR was more expensive, which explains why our Singapore base rate was higher in Q2 relative to Q1.

We do not hedge SIBOR because it is too volatile and expensive. We will have to end up having to pay as much as a full percentage point above the floating rate of SIBOR in order to hedge it. So, we allow SIBOR to float. It is not that big of a risk given the relative size of the offshore debt balance but nonetheless, it does contribute to an increase in the effective interest rate.

The higher TAIBOR rate was also felt on 20% of our onshore debt in Q2 because we only managed to hedge up to 93% of our onshore debt, from 80%, slightly after Q2.

Overall, the impact of higher interest costs in Q2 was due mostly to the higher base rates from SIBOR and TAIBOR, and not from the interest margin.

Question: **Please elaborate on the agreements signed with programming vendors in April 2022 to pay NT$252 million each for 2020 and 2021 on unpaid programming costs?**

Answer: These payments are related to the lawsuits.

Although we have made programming cost payments to the programming agent for all of 2020, the agent has not paid the programming vendors. So, in 2021, we stopped paying the agent because we didn't want this to continue and we wanted to manage our risks. The agent is not fulfilling its part in the contract by properly licensing the content from the programming vendors.

For 11 out of 12 months of 2021, we did not pay the programming agent. We have withheld almost a full year of payments from the programming agent and this amount more than covers, almost double of the amount that has been paid to the programming vendors in April 2022. By withholding payments to the agent, we have completely managed our cashflow risks for 2020 and 2021. There are no lawsuits outstanding for 2021.

Keeping in mind that the programming vendors have not been paid by the agent for two years (2020 and 2021), we reached an agreement with them to make temporary payments totalling NT$504 million (almost S$24 million). This is to avoid potential unnecessary interest costs on any settlements.

As we have already withheld more than that amount from the programming agent, we are well covered on cash flow risk. We are still looking to reach an agreement between the three parties.

Question: **When do you expect the offshore facility extension agreement to be completed? Would it be Q3 or before the end of 2022?**

Answer: We target to complete the offshore facility extension before the end of 2022. When this is concluded, we will make the necessary announcements.

ABOUT APTT

APTT is the first listed business trust in Asia focused on pay-TV and broadband businesses. APTT has an investment mandate to acquire controlling interests in and to own, operate and maintain mature, cash generative pay-TV and broadband businesses in Taiwan, Hong Kong, Japan and Singapore. APTT is managed by its Trustee-Manager, APTT Management Pte. Limited. The Trustee-Manager has the dual responsibility of safeguarding the interests of Unitholders and managing the business conducted by APTT. The Trustee-Manager manages APTT's business with an objective of providing Unitholders with stable and sustainable distributions.

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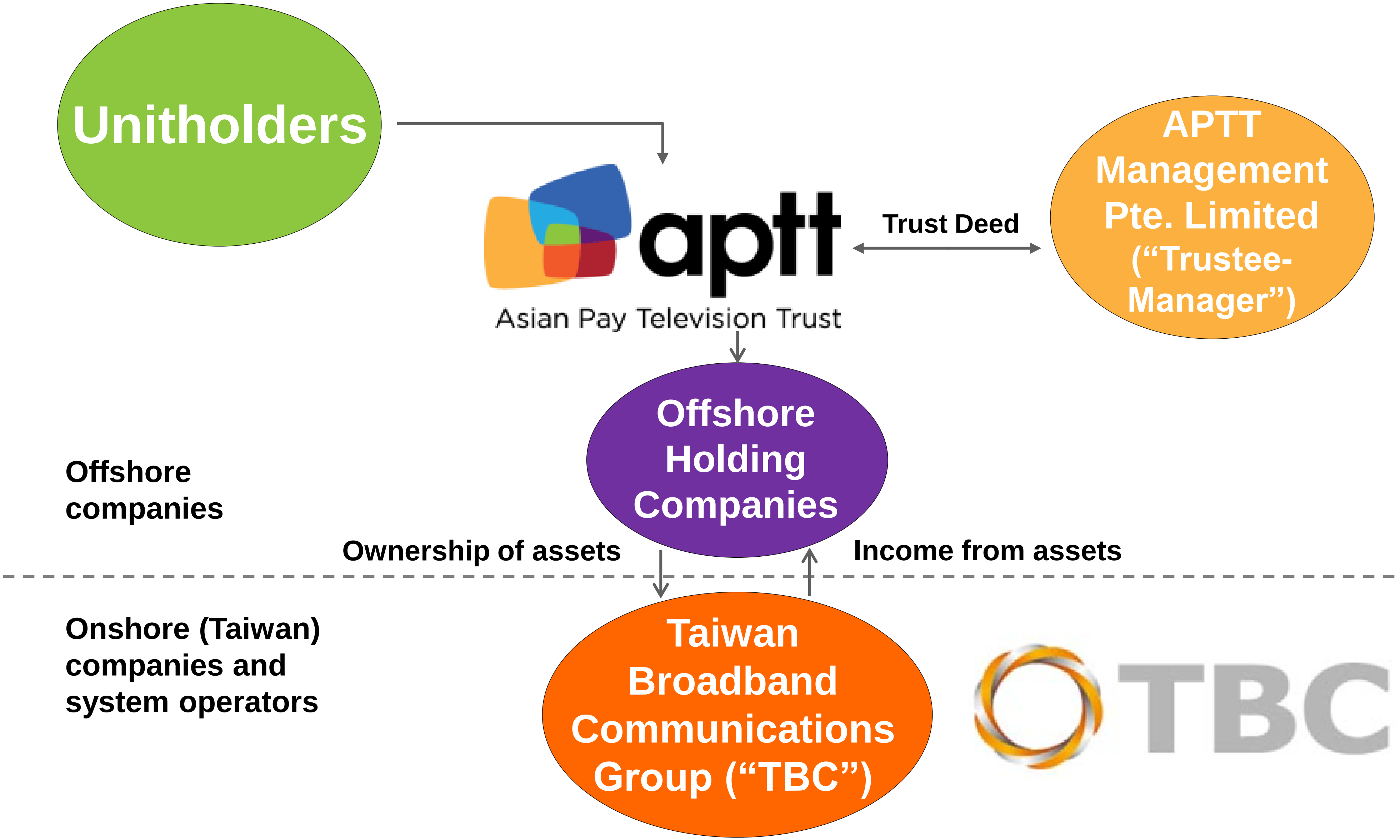
APPENDIX

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 1.3 million homes

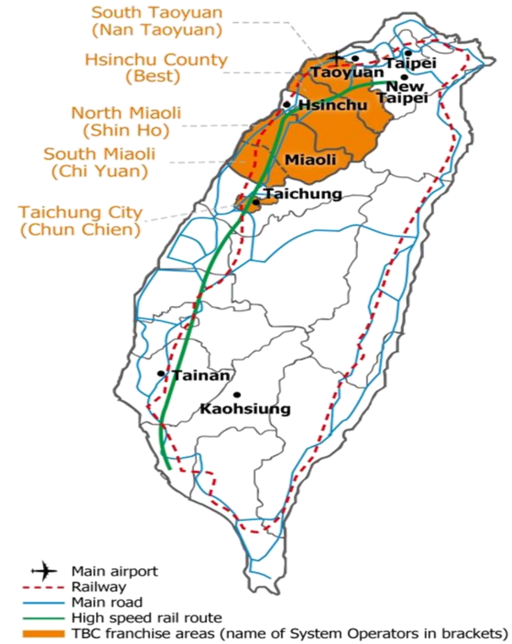
- Owns 100% of the advanced hybrid fibre coaxial cable network in the five franchise areas
- Resilient business with high barriers of entry due to high network roll out requirements
- Large customer base makes TBC attractive to local content providers
- Long standing relationship with subscribers; deep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

PRODUCT OFFERINGS

Approx. 89% of revenue is subscription-based from the three product offerings[1]

BASIC CABLE TV	PREMIUM DIGITAL CABLE TV	BROADBAND
Over 100 channels on Basic cable TV, majority of the popular channels are only available on cable TV	Up to 68 additional channels including 67 HD channels, through MPEG4 platform. 42%[1] of TBC's Basic cable TV subscribers are also Premium digital cable TV subscribers; opportunity to upsell to the remaining 58%	Growing market share, with ability to cross-sell to non-customers on DOCSIS 3.1 enabled HFC network and current speed offerings up to 1 Gbps

FRANCHISE AREAS IN NORTHERN & CENTRAL TAIWAN



- Low churn rate of 0.5%[1] for Basic cable TV (684K[1] Revenue Generating Units)
- Up-sell Premium digital cable TV and cross-sell Broadband to large Basic cable TV subscriber base

Note: (1) As at 30 June 2022

BUSINESS DRIVERS

TBC'S FRANCHISE AREAS

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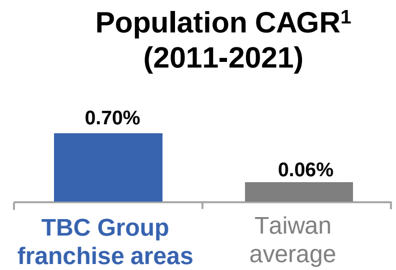
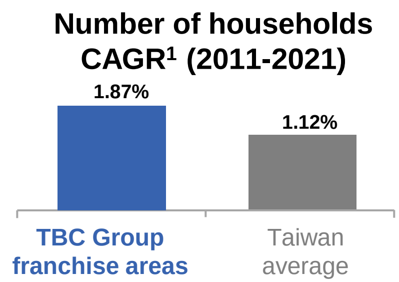
Network coverage of more than 1.3 million households across five franchise areas in four counties of Taiwan

- 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 (0.70%) outstrips national average (0.06%); 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. 439K 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. 211K households and population of 576K

Miaoli (North & South)

- Suburban mountainous region geographically located between Hsinchu and Taichung
- Well connected via major railway and road transportation systems
- Approx. 196K households and population of 537K

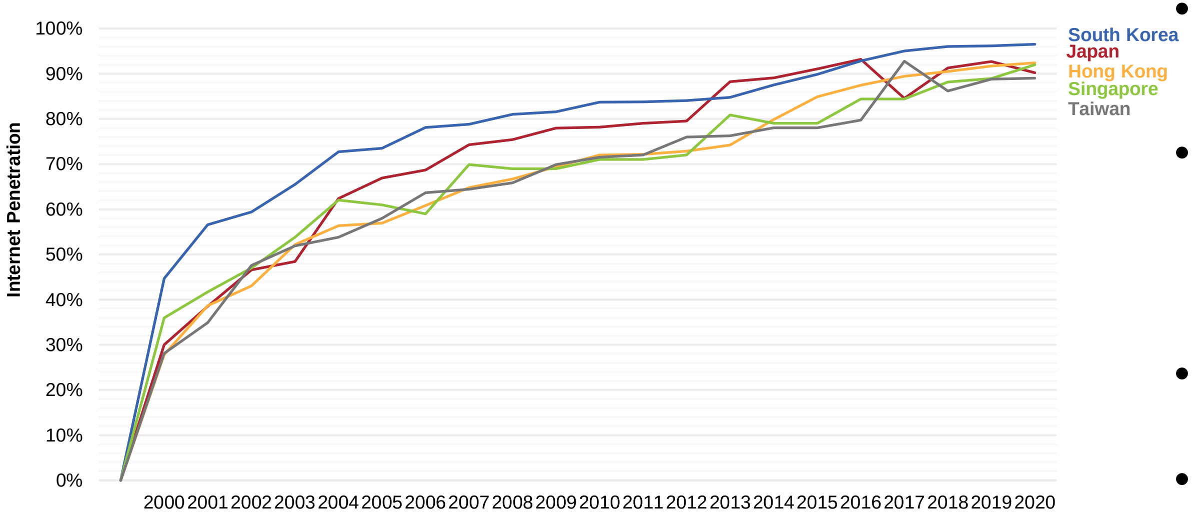
Taichung City

- 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. 467K households and population of 1.2 million

Note: (1) National Statistics, R.O.C. (Taiwan) 2021

TAIWAN MARKET – POTENTIAL IN BROADBAND

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



International Telecommunications Union

- Internet penetration is lowest in Taiwan at 91.0% at the start of 2022, compared to South Korea, Japan, Singapore and Hong Kong
- Taiwan's average download speed of fixed internet connections is ranked second last among the five developed APAC markets at approx. 94.63 Mbps; there is room for Taiwan subscribers to further increase internet speed
- TBC's Broadband market share in its five franchise areas is increasing year-on-year
- Opportunity for TBC to gain more market share and meet rising demand for higher-speed broadband plans due to rapidly growing demand for data

Region	Internet penetration rate	Number of Internet users (million)	Average download speed of fixed internet connections (Mbps)	Year-on-year change in average speed of fixed internet connections
Asia-Pacific				
Taiwan	91.0%	21.72	94.63	+21.7%
South Korea	98.0%	50.29	98.86	+7.8%
Japan	94.0%	118.3	93.26	+23.9%
Singapore	92.0%	5.45	184.65	+15.2%
Hong Kong	93.0%	7.05	158.19	+31.3%

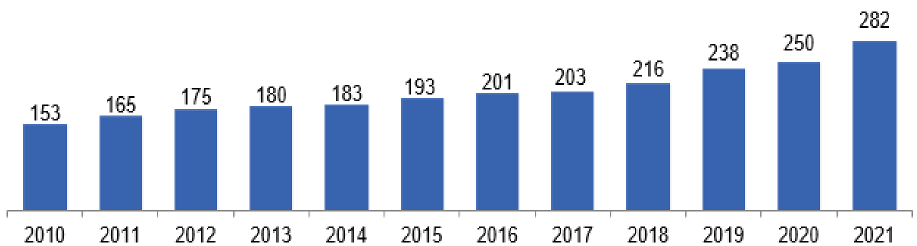
Datareportal, Digital 2022

IMPROVING BROADBAND MARKET SHARE

TBC's broadband market share improving in its franchise areas year-on-year

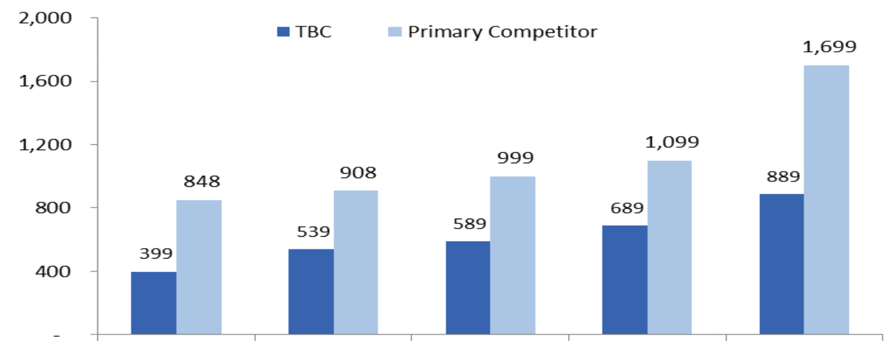
Broadband RGUs ('000)

2010-21 Broadband RGU CAGR: 5.7%



TBC Group offers competitive prices[1] with reliable services

NT$ / month



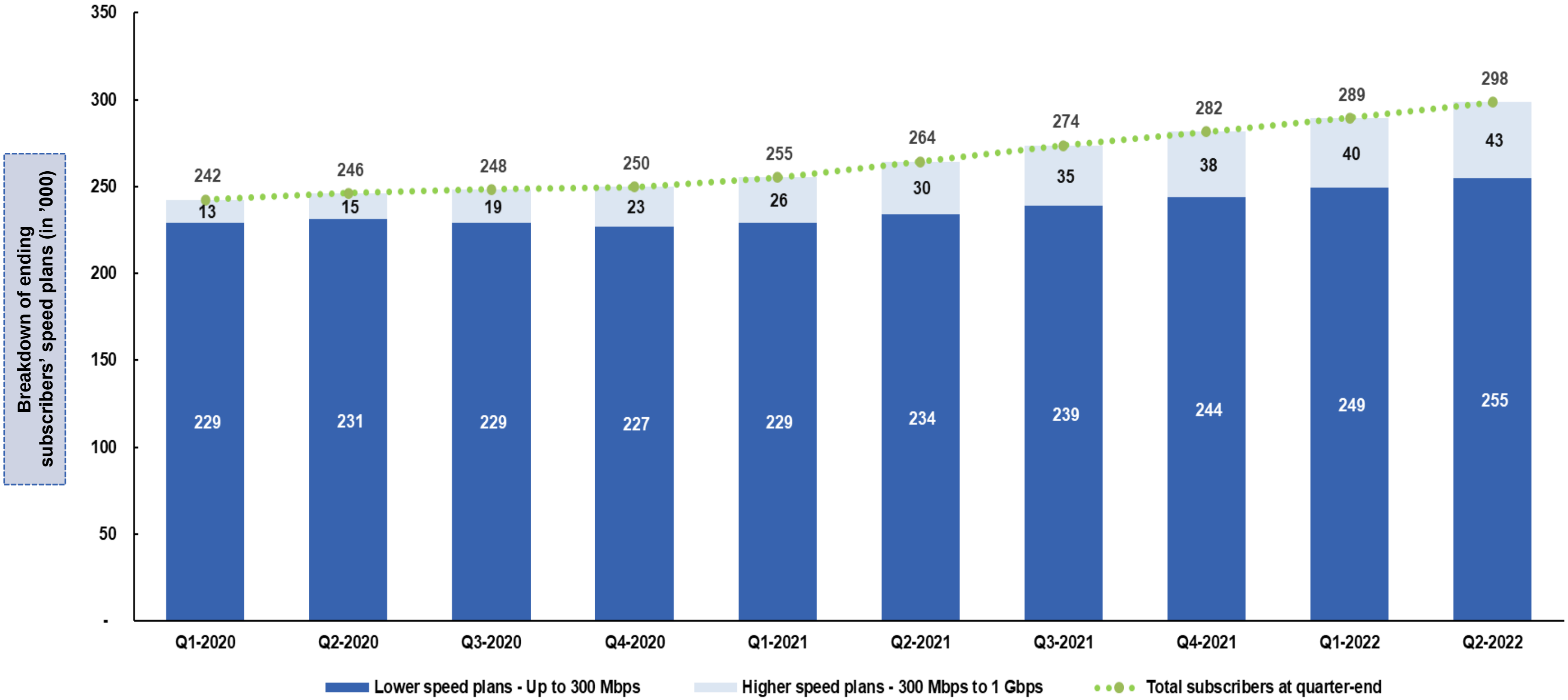
TBC	50Mbps	120Mbps	200Mbps	500Mbps	1Gbps
Primary competitor	60Mbps	120Mbps	300Mbps	500Mbps	1Gbps

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

- DOCSIS 3.1 and GPON enabled network that meets consumer demand for high-speed internet; 1 Gbps launched since 2019
- Competitive pricing and optional bundling with digital TV
- Offering value-added services including Android OTT gateway and karaoke singing box, among others. Will continue to introduce value-added solutions that leverage the Android gateway
- Developing new market segments, including enterprise clients
- Supporting mobile operators with their network development by leveraging TBC network for data backhaul

BREAKDOWN OF BROADBAND SUBSCRIBERS: OPPORTUNITY TO UPSELL HIGHER SPEED PLANS

Runway for broadband growth - Still a lot of TBC's subscribers are in the speed plans of below 300 Mbps, presenting an opportunity for TBC to move them up to higher speed plans



Interpretation of the subscriber breakdown from the chart above:

For e.g., out of total 298,000 broadband subscribers as at the end of Q2-2022, 255,000 subscribers are still in the lower speed plans of below 300 Mbps and only 43,000 subscribers are in the higher speed plans above 300 Mbps. So, there is a lot of opportunity to move these lower speed plans subscribers up to higher speed plans.

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
- 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 subscribers' viewing preferences

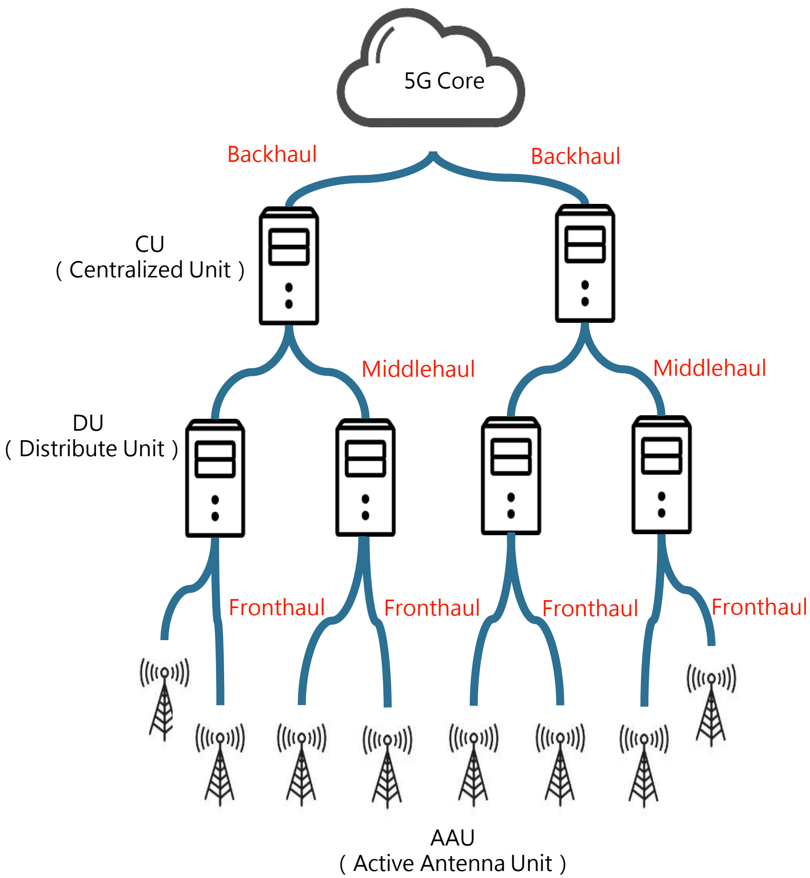
Top 20 channels in Taiwan (2021)

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

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

Demand for higher speed continues to increase

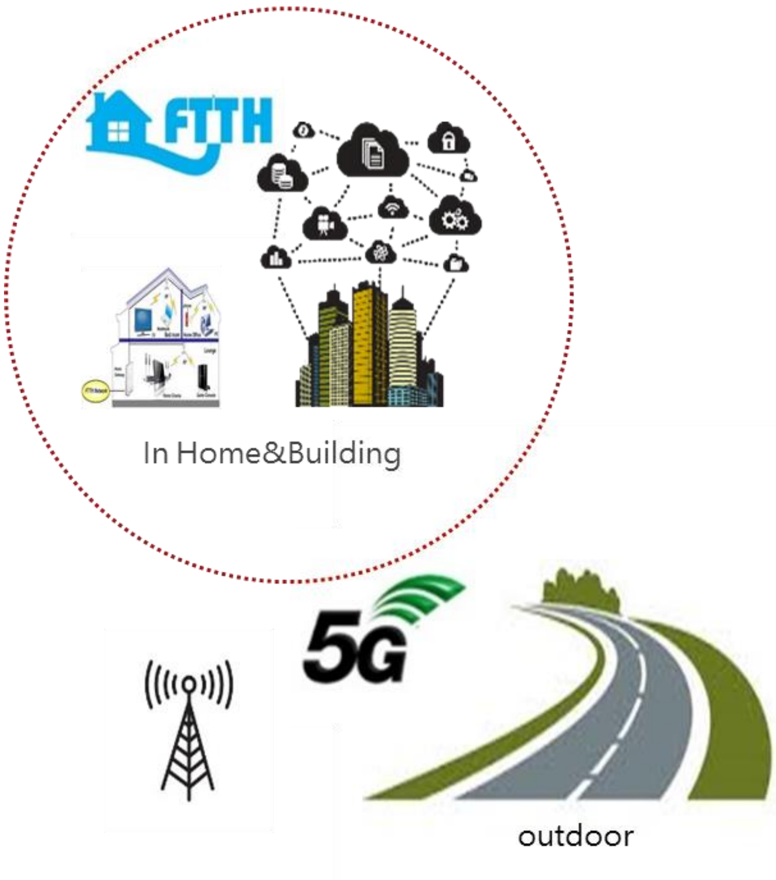
Spectrum is expensive, while wireless competition is intense. CAPEX and OPEX for 5G infrastructure are costly for a mobile operator

- 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 mobile 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 three years ago to less than 250 end-homes per fibre node on average today; Broadband speeds ranging up to 1 Gbps
- TBC's increased fibre density can adequately support mobile operators, removing network congestion and allowing data to be transmitted at high speed; allows 5G mobile 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 mobile operators; although its contribution is still not significant, revenue from data backhaul over the last three years has been gradually increasing
- TBC is positioned to benefit from mobile operators' multi-year investments in the build out of their 5G networks

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 mobile operators; flexibility to add fibre circuits from TBC as their wireless networks expand over time
- Explore partnerships with mobile 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