



ASIAN PAY TELEVISION TRUST

31 DECEMBER 2023

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AGENDA

1. 31 DECEMBER 2023 RESULTS
2. OUTLOOK & STRATEGY
3. BUSINESS OVERVIEW
4. BUSINESS DRIVERS

31 DECEMBER 2023 RESULTS



Double-digit NT\$ revenue growth in Broadband continues: 10.7% for Q4 and 11.8% for the year



Lower revenue and EBITDA mostly due to unfavourable foreign exchange rate movements

- Revenue and EBITDA at S\$65.4 million and S\$38.1 million for Q4 and S\$266.4 million and S\$154.2 million for the year
- EBITDA margin at 58.3% for Q4 and 57.9% for the year
- Modest increase in real total revenue in 2023, reflecting the higher contribution from Broadband



Continued Broadband growth momentum

- Growth in Broadband subscribers and higher ARPU led to higher revenue in S\$ and NT\$ for over three years, cushioning the impact of the decline in Basic cable TV business
- Over 25% of total revenue is now generated from Broadband, compared to 22% a year ago
- The number of Broadband subscribers has now surpassed 50% of our Basic cable TV subscriber base



YoY growth in total subscriber base: added c.14,000 in net subscribers

- Despite the removal of all non-paying subscribers (greater than 90 days) across all three service offerings in 2H, the continued growth in Premium digital cable TV and Broadband subscribers in 2023 increased total subscriber base to c.1,312,000 as at 31 December 2023, from c.1,298,000 a year ago



Capital expenditure within industry norms

- As a percentage of revenue, capital expenditure was 18.3% for Q4 and 12.9% for the year – within industry norms
- Capital expenditure increased by 27.4% for Q4 due to higher network investments, but decreased by 1.2% for the year due to lower expenditure on maintenance

Disciplined approach to debt repayment; 83% of total debt is protected against the risk of rising interest rates through to 2025



Focused debt management has lowered total debt by 18% over the last 4 years

- Made net debt repayments of S\$49 million in 2023; S\$65 million to be set aside for principal repayments in 2024
- Hedged 90% of outstanding Onshore Facilities through to 30 June 2025 at an average fixed rate of 0.94%; as Onshore Facilities constitute approximately 92% of the Group's total outstanding debt, the net exposure to rising interest rates is contained to only 17% of total debt



Credit of Trustee-Manager's fee

- The Trustee-Manager has approved a credit of S\$494 thousand for the 2024 Trustee-Manager fees, comprising 100% credit of 2023 CPI increase (S\$383.4 thousand) and the extension of 2023 credit (S\$110.6 thousand) to 2024
- Underscores the Trustee-Manager's commitment to cost management and its direct contribution to it
- 2024 Trustee-Manager's net fees will remain unchanged at S\$7.88 million



Impairment loss of S\$440 million (non-cash item)

- Due to decline in cable TV business amidst higher interest rates and a weaker Taiwan dollar
- This non-cash item has no impact on operations, cash flows, distributions or financial covenants

Re-affirmed distribution guidance of 1.05 cents per unit



Distribution guidance

- Distribution of 0.525 cents per unit declared for the half-year, bringing total 2023 distribution to 1.05 cents per unit
- Re-affirmed distribution guidance of 1.05 cents per unit for full year 2024; to be paid in half-yearly instalments of 0.525 cents per unit each, subject to no material changes in planning assumptions
- Takes into account various factors, including the elevated interest rates, a weaker NT\$ against S\$, ARPU pressure and a declining Basic cable TV business
- At this guided distribution level, disciplined debt repayments can still continue, while capital expenditure can be at a level to support our Broadband growth strategy

KEY OPERATING METRICS



Broadband ARPU improved by NT\$3 per month alongside c.5,000 more subscribers, reflecting the success of TBC's strategy to target the broadband-only segment and offer higher speed plans at competitive prices; removal of all non-paying subscribers across all three offerings led to a c.2,000 decline in total subscribers in Q4 (with minimal impact to revenue)

	RGUs ¹ ('000)			ARPU ² (NT\$ per month)			
	As at			Quarter ended		Year ended	
	31 Dec 2023	30 Sep 2023	31 Dec 2022	31 Dec 2023	30 Sep 2023	31 Dec 2023	31 Dec 2022
Basic cable TV	649	659	675	444	448	454	468
Premium digital cable TV	323	320	308	60	61	62	69
Broadband	340	335	315	392	389	389	378

- **Basic cable TV:** RGUs decreased by c.10,000 in the quarter to c.649,000 as at 31 December 2023 due to (i) removal of c.3,800 non-paying subscribers, (ii) a saturated cable TV market, (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 franchise areas, particularly in the Taipei region
- **Premium digital cable TV:** RGUs increased by c.3,000 in the quarter to c.323,000 despite the removal of c.2,100 non-paying subscribers. ARPU was marginally 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\$1 per month in the quarter
- **Broadband:** TBC's focused broadband growth strategy led to RGUs increasing by c.5,000 in the quarter to c.340,000 despite the removal of c.3,000 non-paying subscribers. ARPU improved by NT\$3 per month in the quarter. Growth driven by partnership programs with mobile operators to drive the fixed-line broadband-only segment, and by offering higher speed plans at competitive prices

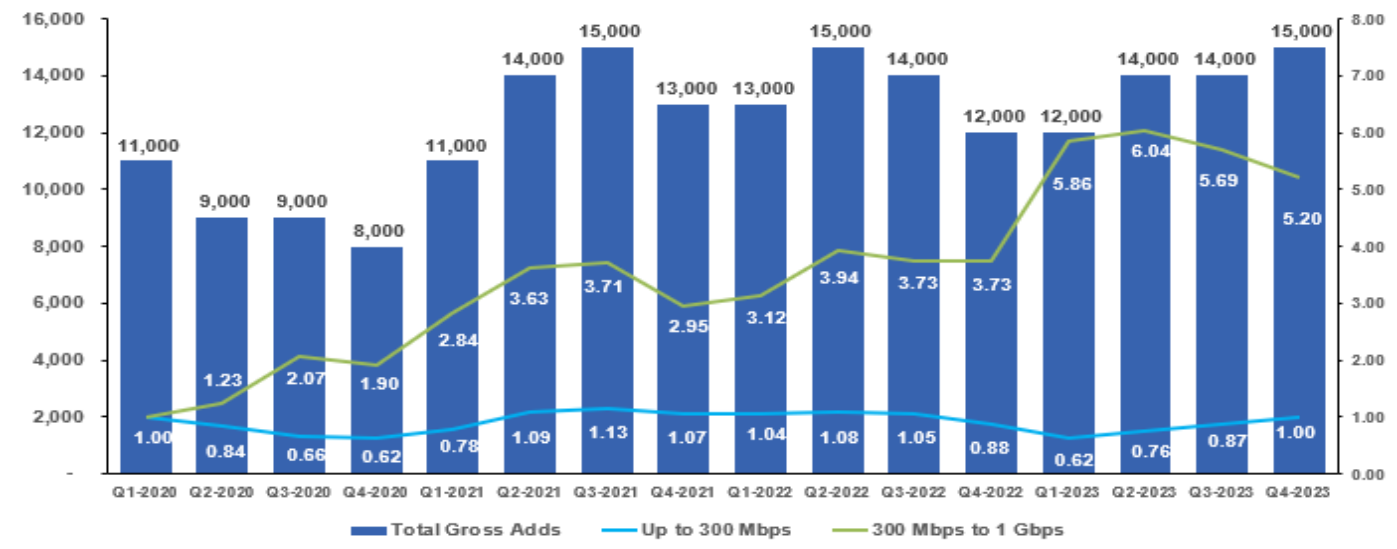
Notes: (1) RGUs refer to Revenue Generating Units, another term for subscribers or subscriptions; the terms are used interchangeably

(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 GROWTH MOMENTUM

Total gross subscriber addition

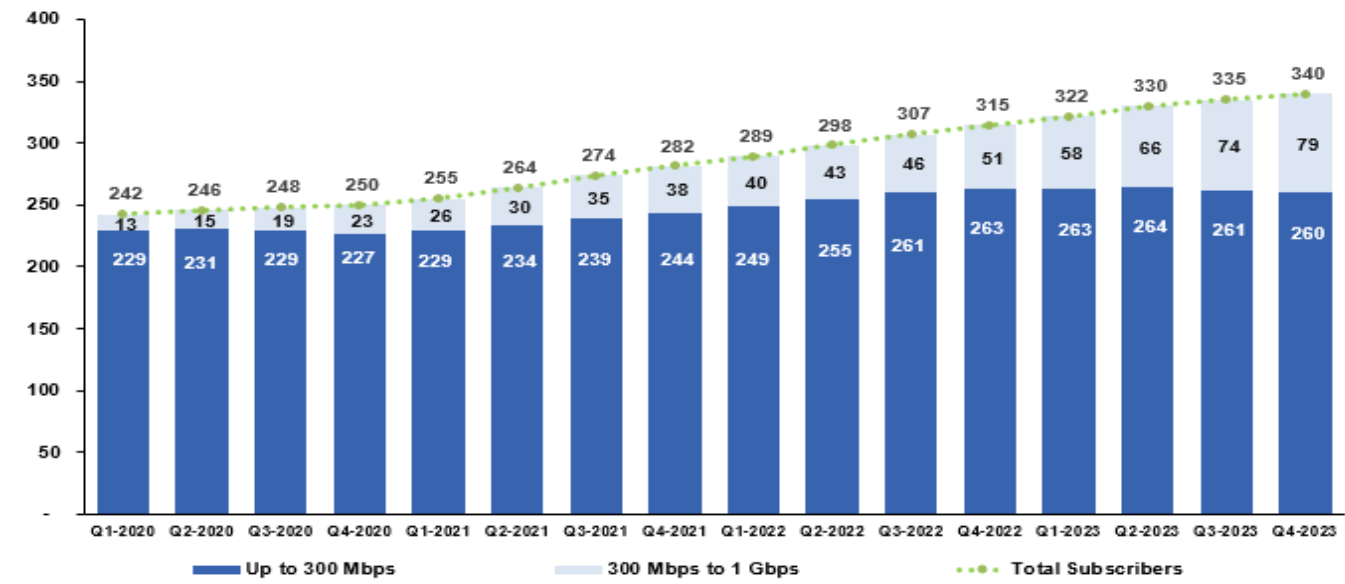


Growth Index for uptake of speed plans compared to Q1-2020 (Base=1)

Increase in take-up rate of higher speed plans since Q1 2020 contributes to continued Broadband ARPU and revenue improvement; validates the strength of Broadband growth strategy

Interpretation of Growth Index from the chart:
For example, in Q1-2020 if there was 1 subscriber taking up higher speed plan with speed ranging from 300 Mbps to 1 Gbps, then in Q4-2023, there were 5.20 times more subscribers taking up higher speed plans.

Breakdown of ending subscribers' speed plans (in '000)



Runway for broadband growth – Most of TBC's subscribers are still in the speed plans below 300 Mbps, presenting an opportunity for TBC to move them up to higher speed plans

Interpretation of the subscriber breakdown from the chart:
Out of total 340,000 broadband subscribers as at the end of Q4-2023, 260,000 subscribers are still in the lower speed plans of below 300 Mbps and only 79,000 subscribers are in the higher speed plans above 300 Mbps. So, there is a lot of opportunity to move these lower speed plan subscribers to higher speed plans.

FINANCIAL RESULTS



Broadband is starting to cushion the impact of the decline in Basic cable TV business; aim is to grow cash flows from Broadband business to a level that consistently more than offsets the decline in Basic cable TV

Group ¹ (S\$'000)	Quarter ended 31 Dec			Year ended 31 Dec		
	2023	2022	Variance ² (%)	2023	2022	Variance ² (%)
Revenue						
Basic cable TV	45,586	50,532	(9.8)	188,033	210,007	(10.5)
Premium digital cable TV	2,591	2,745	(5.6)	10,852	11,607	(6.5)
Broadband	17,217	16,148	6.6	67,510	64,350	4.9
Total revenue	65,394	69,425	(5.8)	266,395	285,964	(6.8)
Total operating expenses³	(27,248)	(28,275)	3.6	(112,194)	(117,287)	4.3
EBITDA	38,146	41,150	(7.3)	154,201	168,677	(8.6)
EBITDA margin	58.3%	59.3%		57.9%	59.0%	

In constant Taiwan dollars (“NT\$”), total revenue was down 1.7% for the quarter and up 0.1% for the year; foreign exchange contributed to a negative variance of 4.1% for the quarter and 6.9% for the year compared to the pcg

- **Basic cable TV:** Down 5.7% for the quarter and 3.6% for the year in constant NT\$ mainly due to lower subscription revenue resulting from the decline in the number of subscribers and lower ARPU
- **Premium digital cable TV:** Down 1.5% for the quarter and up 0.4% for the year in constant NT\$. Generated predominantly from TBC’s Premium digital cable TV RGUs each contributing an ARPU of NT\$60 per month during the quarter for Premium digital cable TV packages and bundled DVR or DVR-only services
- **Broadband:** Double digit revenue growth in NT\$, up 10.7% for the quarter and 11.8% for the year. Generated predominantly from TBC’s Broadband RGUs each contributing an ARPU of NT\$392 per month during the quarter for high-speed Broadband services. Data backhaul generated 3.6% of Broadband revenue for the year. Broadband now constitutes over 25% of total revenue

Total operating expenses: Lower operating expenses for the quarter were mainly due to lower marketing and selling expenses. Lower operating expenses for the year were mainly due to lower staff costs and marketing and selling 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, impairment loss, 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, impairment loss, foreign exchange, mark to market movements and deferred taxes

Group ¹ (S\$'000)	Quarter ended 31 Dec			Year ended 31 Dec		
	2023	2022	Variance ² (%)	2023	2022	Variance ² (%)
Total revenue	65,394	69,425	(5.8)	266,395	285,964	(6.8)
Operating expenses						
Broadcast and production costs	(13,401)	(13,004)	(3.1)	(55,059)	(55,628)	1.0
Staff costs	(6,095)	(6,049)	(0.8)	(23,870)	(25,822)	7.6
Trustee-Manager fees	(1,987)	(1,855)	(7.1)	(7,882)	(7,359)	(7.1)
Other operating expenses	(5,765)	(7,367)	21.7	(25,383)	(28,478)	10.9
Total operating expenses	(27,248)	(28,275)	3.6	(112,194)	(117,287)	4.3
EBITDA	38,146	41,150	(7.3)	154,201	168,677	(8.6)
Other expenses						
Depreciation and amortisation expense	(13,278)	(15,911)	16.5	(57,009)	(69,812)	18.3
Net foreign exchange loss	(1,972)	(1,942)	(1.5)	(79)	(949)	91.7
Mark to market (loss)/gain on derivative financial instruments	(1,454)	2,263	(>100)	2,013	8,695	(76.8)
Exceptional item - Impairment loss	(440,000)	-	(100)	(440,000)	-	(100)
Amortisation of deferred arrangement fees	(831)	(785)	(5.9)	(3,205)	(3,263)	1.8
Interest and other finance costs	(10,419)	(11,286)	7.7	(42,695)	(42,664)	(0.1)
Income tax expense	(6,428)	(5,291)	(21.5)	(19,629)	(15,181)	(29.3)
Total other expenses	(474,382)	(32,952)	(>100)	(560,604)	(123,174)	(>100)
Profit after income tax	(436,236)	8,198	(>100)	(406,403)	45,503	(>100)

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 31 Dec			Year ended 31 Dec		
	2023	2022	Variance ³ (%)	2023	2022	Variance ³ (%)
Revenue						
Basic cable TV	45,586	50,532	(9.8)	188,033	210,007	(10.5)
Premium digital cable TV	2,591	2,745	(5.6)	10,852	11,607	(6.5)
Broadband	17,217	16,148	6.6	67,510	64,350	4.9
Total revenue	65,394	69,425	(5.8)	266,395	285,964	(6.8)
Total operating expenses⁴	(27,248)	(28,275)	3.6	(112,194)	(117,287)	4.3
EBITDA	38,146	41,150	(7.3)	154,201	168,677	(8.6)
EBITDA margin ⁵	58.3%	59.3%		57.9%	59.0%	
Capital expenditure						
Maintenance	4,402	5,491	19.8	14,892	17,923	16.9
Network, broadband and other	7,583	3,916	(93.6)	19,597	16,973	(15.5)
Total capital expenditure	11,985	9,407	(27.4)	34,489	34,896	1.2
Income tax paid, net of refunds	(2,121)	(1,563)	(35.7)	(12,190)	(11,011)	(10.7)
Interest and other finance costs paid	(10,341)	(11,113)	6.9	(43,878)	(43,737)	(0.3)

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, impairment loss, 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 31 Dec	
	2023	2022
Assets		
Current assets		
Cash and cash equivalents	91,940	118,860
Trade and other receivables	11,355	13,180
Other assets	5,091	6,540
	108,386	138,580
Non-current assets		
Property, plant and equipment	176,962	234,274
Intangible assets	1,868,200	2,315,258
Other assets	8,664	12,801
	2,053,826	2,562,333
Total assets	2,162,212	2,700,913
Liabilities		
Current liabilities		
Borrowings from financial institutions	62,131	72,974
Trade and other payables	22,429	51,269
Income tax payable	7,032	6,179
Other liabilities	54,871	57,918
	146,463	188,340
Non-current liabilities		
Borrowings from financial institutions	1,186,807	1,243,397
Deferred tax liabilities	106,967	102,348
Other liabilities	26,282	27,924
	1,320,056	1,373,669
Total liabilities	1,466,519	1,562,009
Net assets	695,693	1,138,904

- **Cash and cash equivalents:** Cash balance of S\$91.9 million; S\$65 million to be set aside for onshore and offshore debt repayments in 2024
- **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. 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: 3-5 years
 - Right-of-use assets: 1-30 years

BORROWINGS



Lowered total debt by 18% over the last 4 years; net exposure to rising interest rates is contained: approx. 83% of total debt is protected against the risk of rising interest rates through to 2025

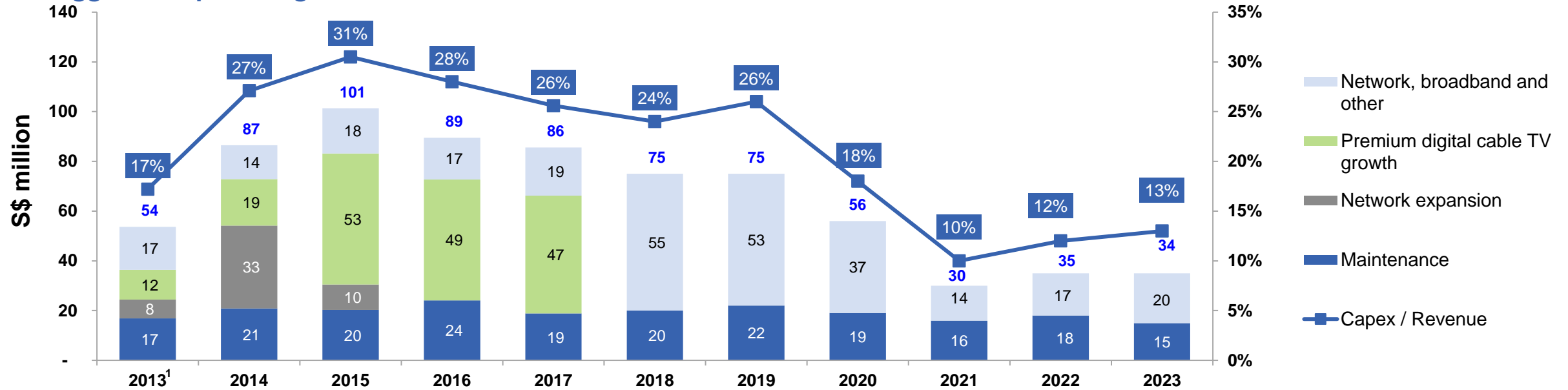
Group debt		As at 31 Dec	
		2023	2022
Total size available	S\$ million	1,312	1,413
Total outstanding	S\$ million	1,264	1,333
Effective interest rate - constant dollar	% p.a.	Q4 - 2.8; YTD - 2.8	Full year - 2.6
Effective interest rate - SGD	% p.a.	Q4 - 3.3; YTD - 3.3	Full year - 3.0
Net debt / EBITDA ¹	Multiple	7.6	7.2
Interest cover ²	Multiple	3.6	4.0

- Borrowings comprised NT\$ and S\$ denominated loans - NT\$27.0 billion (2022: NT\$27.4 billion) and S\$105.6 million (2022: S\$136.9 million)
- Refinanced Offshore Facilities for 30-month period on the same major terms. New Offshore Facilities (S\$46.6 million term loan facility and a S\$75 million revolving loan facility) is S\$83.4 million lower than the previous Offshore Facilities; bear a floating interest rate based on SORA, plus the applicable adjustment spread as per the agreement and an interest margin ranging from 4.1% to 4.9% per annum, based on the leverage ratio of the Group
- As at 31 December 2023, TAIBOR swaps hedged approx. 90% of outstanding Onshore Facilities through to 30 June 2025. The average fixed rate on all TAIBOR swaps is 0.94% which is currently lower than the prevailing three-month TAIBOR. As Onshore Facilities constitute approximately 92% of the Group's total outstanding debt, the net exposure to rising interest rates is contained to the remaining 17% of total outstanding debt that remains unhedged
- Effective interest rate in constant dollar terms of 2.8% p.a. for the quarter and full year (Full year 2022: 2.6% p.a.). Actual effective interest rate in SGD was 3.3% p.a. for the quarter and full year (Full year 2022: 3.0% p.a.)
- As at 31 December 2023, approx. S\$48 million of revolving facilities are available to fund working capital and future initiatives, if required

CAPITAL EXPENDITURE



Capital expenditure to continue to be within industry norms; investments will be limited to areas that can support our aggressive push to grow the Broadband business



- 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 Group
- Capital expenditure to continue to be 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 2023 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



POTENTIAL IMPACT OF RISING INTEREST RATES ON DEBT



Changes in interest rates expected to affect interest costs on 17% of total outstanding debt that remains unhedged

- 83% of total outstanding debt is hedged and protected against rising interest rates through to 2025
- 17% of total outstanding debt is unhedged:
 - 9% exposed to TAIBOR
 - 8% new Offshore Facilities exposed to SORA (previous Offshore Facilities were exposed to SIBOR)
- While TAIBOR rates have not increased significantly, SORA/SIBOR rates have increased substantially in the last two years and have recently started to show signs of stabilising
- Total interest costs in 2024 are expected to be affected by the changes in interest rates on the remaining 17% of total outstanding debt that remains unhedged

IMPAIRMENT ASSESSMENT FOR GOODWILL AND INTANGIBLE ASSETS



Recorded impairment loss of S\$440 million (non-cash item), following the annual impairment assessment exercise; no impact on operations, cash flows, distributions or financial covenants

- Rising interest rates affect the calculation of APTT's Weighted Average Cost of Capital ("WACC") used in the annual impairment assessment of goodwill, cable TV licences with indefinite useful lives and property, plant and equipment.
- Interest rates have remained elevated and the business environment continues to be challenging. Declining Basic cable TV RGUs has been a trend since 2018 and is expected to continue in the future. Including the performance in 2023, Basic cable TV churn and revenue have declined for five consecutive years. The growth of data backhaul services through TBC's network has been lower than originally expected as operators have delayed their network rollouts, as they manage their capital expenditure and rely on core 5G coverage by updating their headends, without rolling out as much network infrastructure
- Given current exchange rates, elevated interest rates and the challenging business environment noted above, the recoverable amount of TBC's cable TV licences has reduced and as a result, an impairment loss of S\$440 million was recorded by the Group in the consolidated statement of profit or loss for the year ended 31 December 2023. The impairment loss was allocated in the following manner: i) S\$7.5 million to goodwill, ii) S\$35.8 million to property, plant and equipment and iii) S\$396.7 million to other intangible assets
- The impairment loss recorded in APTT's separate statement of profit or loss is S\$611 million, S\$171 million higher than that of the Group's impairment loss mainly because the carrying value of "Investment in subsidiaries" in APTT's books exceeded the carrying value of the Group's CGU by S\$171 million
- The impairment loss is a non-cash item and will not impact the Group's operations, nor financial covenants for the onshore and offshore borrowing facilities; lenders focus on the Group's cash, cash profile, credit quality, and debt repayment capability
- There will be no change to the 2024 distribution guidance of 1.05 cents per unit

POSITIONED FOR THE MID TO LONG-TERM



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

Broadband Growth Strategy

- 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
- Be data-backhaul ready; the contribution from data backhaul is growing and expected to gradually add a meaningful income stream to the Broadband business; multi-year investments for mobile operators

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

Capital Management

- Interest rate swaps covering 90% of outstanding Onshore Facilities hedged through to 30 June 2025
- Average fixed rate on TAIBOR swaps is 0.94%
- Financial close of the new 30-month Offshore Facilities on the same major terms successfully completed on 14 July 2023, at the maturity of the previous Offshore Facilities

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

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

- 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

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 drive growth 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 since analog TV signal only switched off in 2017

OPERATING ENVIRONMENT

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 inexpensive unlimited data
- Decline in demand for home shopping and stronger competition from internet retailing to continue impacting channel leasing revenue

HIGHLY REGULATED

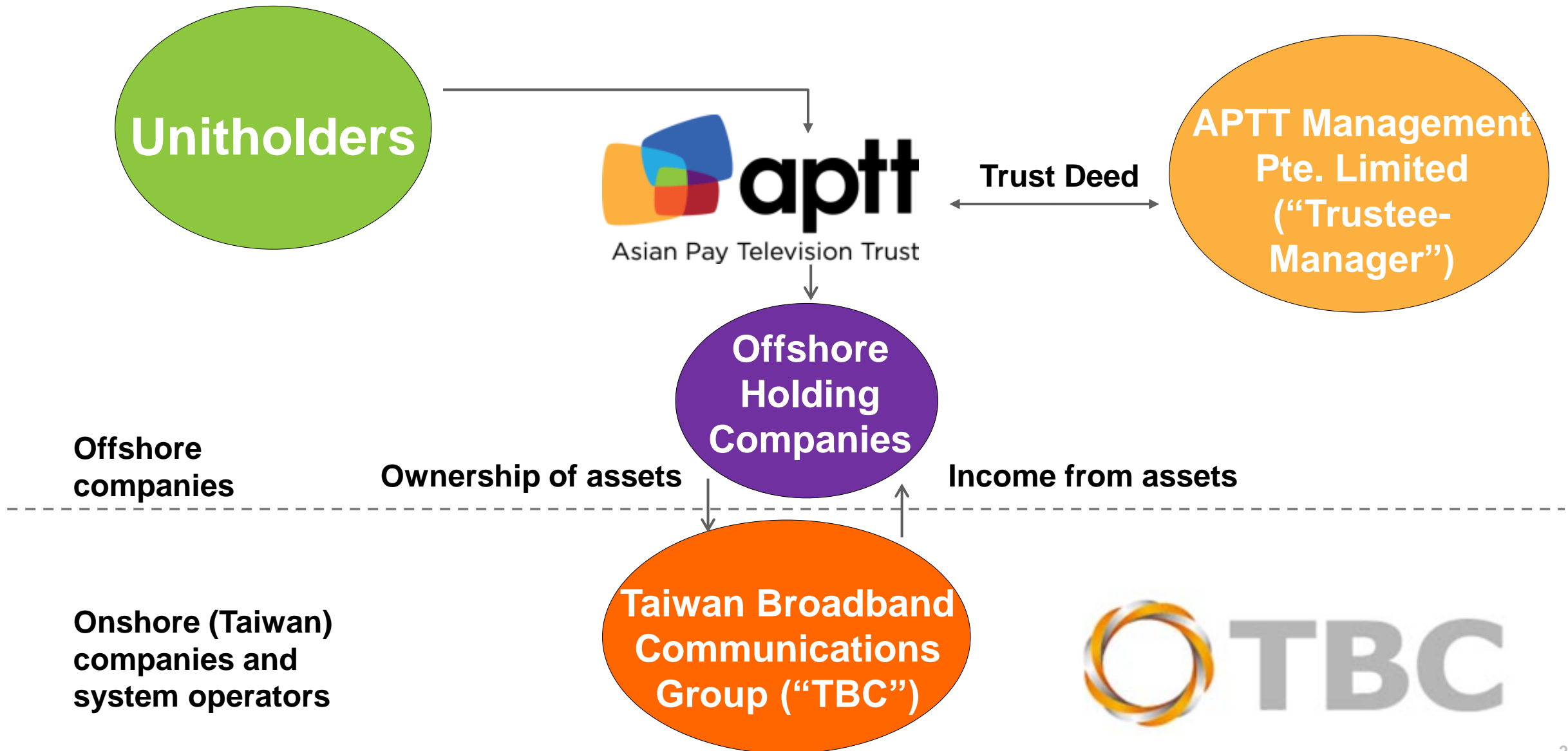
- Basic cable TV rates for 2024 across all five operating franchise areas were maintained at the same rates as 2023
- All five operating licences have most recently been renewed in 2020 and 2021 and will be due for next renewal in 2029 or 2030

Broadband & Premium digital cable TV RGUs expected to continue increasing in 2024; total revenue will be influenced by the ability to manage ARPUs which will remain under pressure; total operating expenses in 2024 expected to be in line with 2023

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

Asian Pay Television Trust

- Independent Directors comprise majority of the Board of Directors (4 out of 7)
- Sole investment in Taiwan Broadband Communications (“TBC”) – A leading cable TV and high-speed broadband operator in Taiwan



Cable TV operator in five operating 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 operating 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

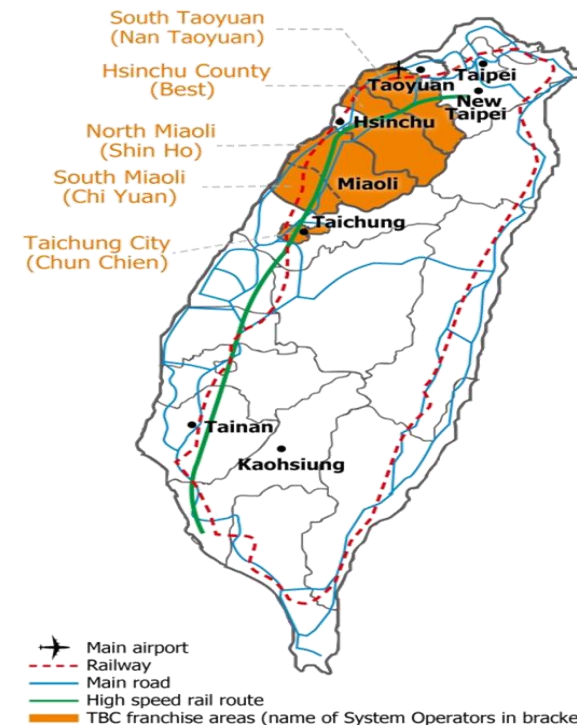
PRODUCT OFFERINGS

Approx. 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, majority of the popular channels are only available on cable TV	Up to 62 additional channels including 61 HD channels, through MPEG4 platform. 37% ¹ of TBC’s Basic cable TV subscribers are also Premium digital cable TV subscribers; opportunity to upsell to the remaining 63%	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

Note: (1) As at 31 December 2023

OPERATING FRANCHISE AREAS IN NORTHERN & CENTRAL TAIWAN



- Low churn rate of 0.8% for Basic cable TV in Q4 (649K¹ Revenue Generating Units)
- Up-sell Premium digital cable TV and cross-sell Broadband to large Basic cable TV subscriber base

BUSINESS DRIVERS

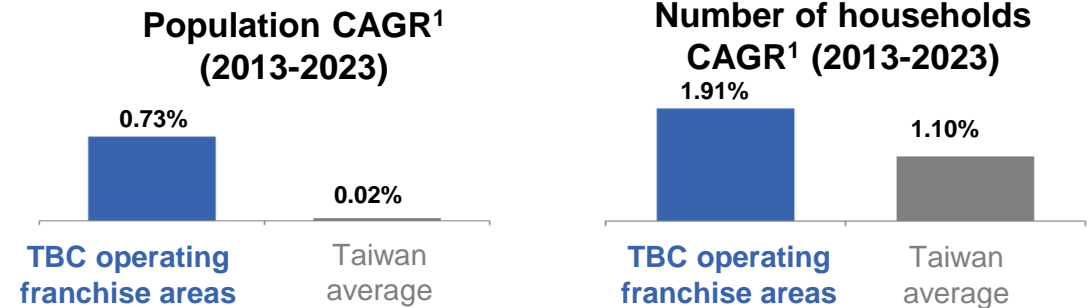


TBC'S OPERATING FRANCHISE AREAS



Network coverage of more than 1.3 million households across five operating 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 operating franchise areas
- Population growth in the five operating franchise areas (0.73%) outstrips national average (0.02%); 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. 457K 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. 221K households and population of 589K

Miaoli (North & South)



- Suburban mountainous region geographically located between Hsinchu and Taichung
- Well connected via major railway and road transportation systems
- Approx. 200K households and population of 535K

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. 488K households and population of 1.2 million

TAIWAN MARKET – POTENTIAL IN FIXED-LINE BROADBAND



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

	Internet penetration rate	Number of Internet users (million)	Median fixed internet connection speed (Mbps)	Year-on-year change in median fixed internet connection speed
Asia-Pacific				
Taiwan	90.7%	21.68	124.14	+26.0%
South Korea	97.6%	50.56	95.34	+13.1%
Japan	82.9%	102.5	150.32	+61.2%
Singapore	96.9%	5.81	214.23	+16.0%
Hong Kong	93.1%	6.97	194.35	+26.2%

DataReportal, Digital 2023

- Internet penetration in Taiwan is the second lowest at 90.7%, after Japan
- Taiwan’s median fixed internet connection speed is the second slowest at 124.14 Mbps, after South Korea; there is room for Taiwan subscribers to further increase internet speed
- TBC’s Broadband market share in its 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

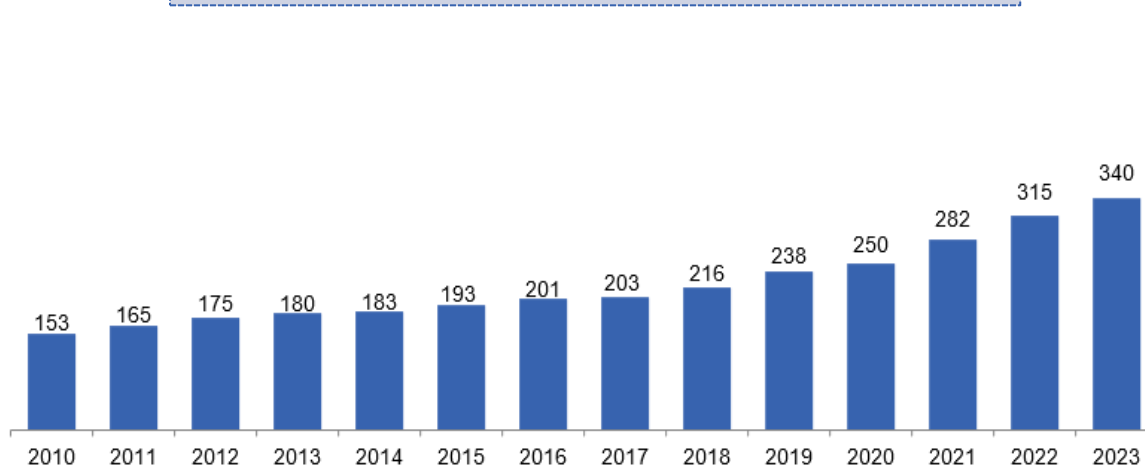
IMPROVING BROADBAND MARKET SHARE



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

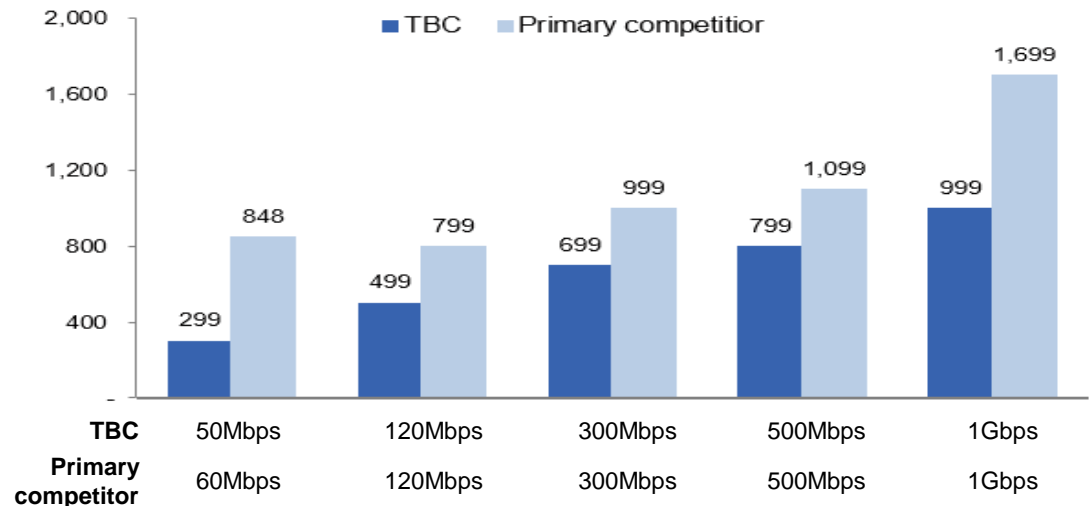
Broadband RGUs ('000)

2010-23 Broadband RGU CAGR: 6.3%



TBC Group offers competitive prices¹ with reliable services

NT\$ / month



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

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

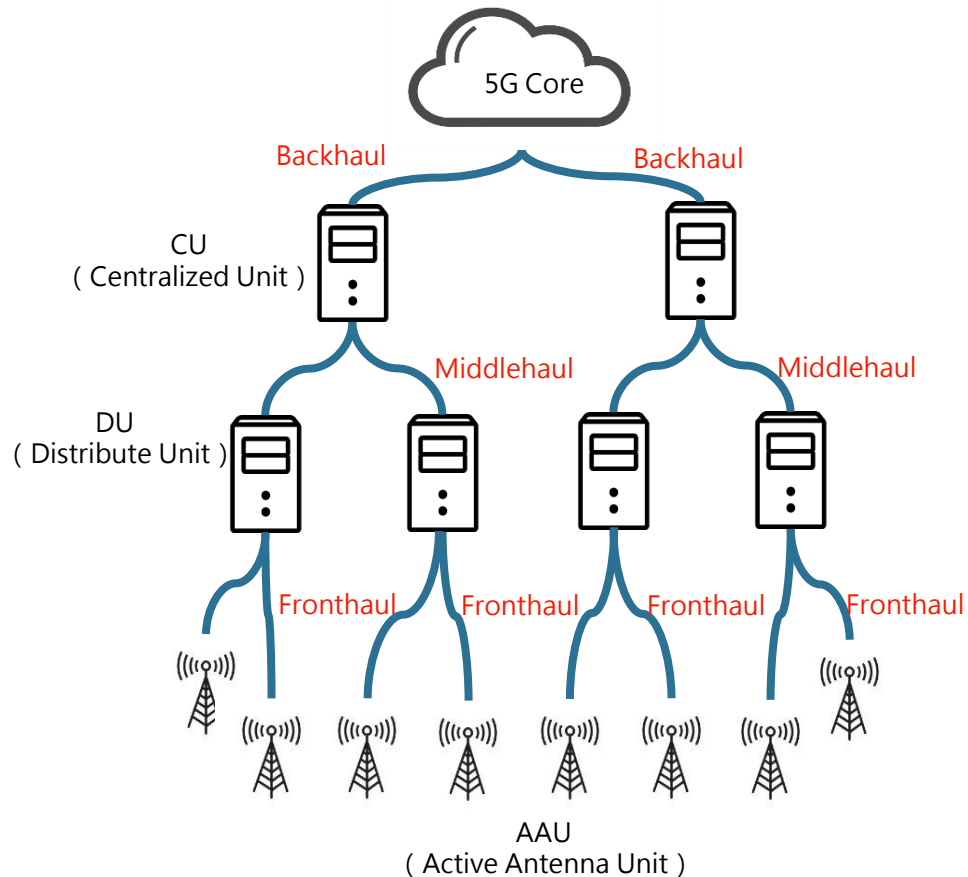
Top 20 channels in Taiwan (2023)

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

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 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 is costly for a mobile operator

- TBC is one of two players in its 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 increased fibre density from an average of over 750 end-homes per fibre node few 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

END

