ASIAN PAY TELEVISION TRUST

SGX QUARTERLY REPORT
FOR THE QUARTER AND YEAR ENDED
31 DECEMBER 2016

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REPORT SUMMARY

REPORT SUMMARY

KEY HIGHLIGHTS

- Revenue for the year of $319.2 million[1]
- EBITDA for the year of $189.3 million
- Distribution of 1.625 cents per unit declared for the quarter ended 31 December 2016; distributions declared totalling 6.5 cents per unit for the year ended 31 December 2016
- Distribution guidance of 6.5 cents per unit for the year ending 31 December 2017[2]

Asian Pay Television Trust ("APTT"[3]) reported total revenue of $83.9 million and EBITDA of $50.0 million for the quarter ended 31 December 2016. Total revenue was $319.2 million and EBITDA was $189.3 million for the year ended 31 December 2016, which were within expectations. Total revenue for the quarter and year ended 31 December 2016 was 2.0% and 3.9% lower than the prior corresponding period ("pcp"), however in constant Taiwan dollars ("NT$") terms revenue for the year ended 31 December 2016 was only 2.9% lower than the pcp. Foreign exchange contributed to 1.0% of the negative variance for the year ended 31 December 2016 compared to pcp.

The key financial highlights are set out below:

	Quarter ended 31 December 2016 $'000	Quarter ended 31 December 2015 $'000	Variance[4] %	Year ended 31 December 2016 $'000	Year ended 31 December 2015 $'000	Variance[4] %
Revenue						
Basic cable TV	67,261	68,688	(2.1)	254,395	264,962	(4.0)
Premium digital cable TV	3,948	4,081	(3.3)	14,982	15,366	(2.5)
Broadband	12,705	12,846	(1.1)	49,852	51,824	(3.8)
Total revenue	**83,914**	**85,615**	**(2.0)**	**319,229**	**332,152**	**(3.9)**
Total operating expenses	**(33,953)**	**(32,678)**	**(3.9)**	**(129,931)**	**(131,107)**	**0.9**
EBITDA	**49,961**	**52,937**	**(5.6)**	**189,298**	**201,045**	**(5.8)**
EBITDA margin	59.5%	61.8%		59.3%	60.5%	

1 All figures, unless otherwise stated, are presented in Singapore dollars ("$").
2 Subject to no material changes in planning assumptions.
3 APTT refers to APTT and its subsidiaries taken as a whole.
4 A positive variance is favourable to the Group and a negative variance is unfavourable to the Group.

OPERATIONAL PERFORMANCE

Operational highlights for TBC[5] for the quarter and year ended 31 December 2016 are as follows:

- **Basic cable TV:** Revenue of $67.3 million for the quarter ended 31 December 2016 was down 2.1% on pcp. This comprised subscription revenue of $53.7 million and non-subscription revenue of $13.6 million. Revenue of $254.4 million for the year ended 31 December 2016 was down 4.0% on pcp. This comprised subscription revenue of $206.7 million and non-subscription revenue of $47.7 million. TBC's c.762,000 Basic cable TV subscribers paid an ARPU of NT$528 per month in the fourth quarter to access over 100 cable TV channels. Subscription revenue was lower than pcp because of marginally lower Basic cable TV rates in three of TBC's five franchise areas. Non-subscription revenue generated from the leasing of television channels to third parties, sale of airtime advertising and fees for the installation of set-top boxes was lower than pcp due to lower channel leasing revenue.
- **Premium digital cable TV[6]:** Revenue of $3.9 million for the quarter ended 31 December 2016 was down 3.3% on pcp. Revenue of $15.0 million for the year ended 31 December 2016 was down 2.5% on pcp. This was generated predominantly from TBC's c.182,000 Premium digital cable TV subscribers paying an ARPU of NT$154 per month in the fourth quarter for Premium digital cable TV packages, bundled DVR or DVR-only services. Premium digital cable TV subscribers increased by c.4,000 and ARPU was lower compared to the previous quarter ended 30 September 2016 (Subscribers: c.178,000; ARPU: NT$156 per month). The lower ARPU was due to promotions and discounted bundled packages that were offered to generate new subscriptions and to retain existing subscribers.

5 TBC refers to Taiwan Broadband Communications group.
6 Premium digital cable TV subscribers and ARPU have been updated to reflect the number of subscribers contributing incremental subscription revenue for additional video content and/or DTV-related services, such as DVR. This can result in more than one subscription, i.e. revenue generating unit ("RGU"), per home. The pcp figures for Premium digital cable TV subscribers and ARPU have been restated to conform to the new presentation.

- **Broadband:** Revenue of $12.7 million for the quarter ended 31 December 2016 was down 1.1% on pcp. Revenue of $49.9 million for the year ended 31 December 2016 was down 3.8% on pcp. This was generated predominantly from TBC's c.201,000 Broadband subscribers paying an ARPU of NT$461 per month in the fourth quarter for high speed Broadband services. Broadband subscribers remained unchanged and ARPU was lower compared to the previous quarter ended 30 September 2016 (Subscribers: c.201,000 and ARPU: NT$470 per month). The lower ARPU was due to promotions and discounted bundled packages that were offered to generate new subscriptions and to retain existing subscribers.
- **Greater Taichung expansion:** TBC's core network has been expanded to cover the majority of the greater Taichung region and this has enabled the requisite regulatory licences to operate in the new coverage areas to be secured. Consequently, TBC started marketing Broadband services in the new expansion area in the fourth quarter of 2014. However, full commercial operations have been delayed as a result of the delay in securing content rights to deliver cable TV services in the greater Taichung region. TBC will continue to market and sell Broadband services in the expansion area and defer any significant capital expenditure in the expansion area until TBC is able to secure the necessary content rights on mutually acceptable commercial terms with the content owners. These negotiations for the expansion area do not impact TBC's existing five franchise areas.
- **Capital expenditure:** Capital expenditure of $35.3 million for the quarter ended 31 December 2016 was 4.7% lower than pcp. Capital expenditure of $91.8 million for the year ended 31 December 2016 was 9.4% lower than pcp. Capital expenditure for the quarter and year ended 31 December 2016 was lower because of lower capital expenditure being incurred on the network expansion into greater Taichung and premium digital cable TV growth compared to pcp. This lower expenditure offset the higher maintenance expenditure being incurred when compared to pcp.

BORROWING FACILITIES

As announced in July 2016, APTT has secured a new multicurrency term loan facility in an aggregate amount of $125.0 million and a multicurrency revolving loan facility in an aggregate amount of $125.0 million (the "New Facilities"). Separately, in October 2016, TBC completed the refinancing of its existing NT$32.0 billion borrowing facilities (the "Previous Facilities") with new seven year facilities of NT$28.0 billion (the "Revised Facilities").

The New and Revised Facilities will enable TBC to fund the necessary capital expenditure to digitise all of TBC's franchise areas, satisfy TBC's borrowing needs through to 2019 and remove the need for any significant principal amortisation of the Facilities for the next three years. The New Facilities diversify APTT's funding sources and the successful refinancing of the Previous Facilities demonstrate the strong support and confidence of the banks in APTT's business as overall borrowing margins and arrangement fees have decreased compared to the Previous Facilities. The New and Revised Facilities provide funding certainty, with attractive terms and pricing.

OUTLOOK

The focus in 2017 remains on driving growth in cash flows through up-selling and cross-selling of services across TBC's subscriber base.

Whilst growth in subscriber numbers is anticipated across TBC's service offerings, total revenue for 2017 is anticipated to be influenced by a number of factors. These factors include the continued weakness in the Taiwanese economy and a marginally lower Basic cable TV rate in one of TBC's five franchise areas. Consequently, TBC's overall EBITDA for the full year 2017 is expected to be in line with 2016.

DISTRIBUTIONS

The Board of directors of the Trustee-Manager (the “Board”) has declared an ordinary distribution of 1.625 cents per unit for the quarter ended 31 December 2016. This brings total distributions declared to 6.5 cents per unit for the year ended 31 December 2016 which is in line with the distribution guidance provided. The books closure date will be on 17 March 2017 and the distribution will be paid on 24 March 2017. Ordinary distributions of 1.625 cents per unit were paid for the quarters ended 31 March 2016, 30 June 2016 and 30 September 2016.

APTT’s distribution policy is to distribute 100 percent of Distributable Free Cash Flows to APTT unitholders. The distribution for the year ending 31 December 2017 is expected to be consistent with 2016 at 6.5 cents per unit. It is anticipated that the distribution will be paid in quarterly instalments of 1.625 cents per unit. The distribution guidance is subject to no material changes in planning assumptions.

PROPOSED SALE OF THE TRUSTEE-MANAGER

On 25 January 2016, Macquarie APTT Management Pte. Limited, as trustee manager of APTT (the “Trustee-Manager”), announced that it had been informed by its sole shareholder, Macquarie Group Holdings (Singapore) Pte. Limited (“Macquarie Singapore”) that it had entered into a sale and purchase agreement with Dynami Vision Pte. Ltd. (the “Purchaser”) whereby Macquarie Singapore will divest its entire interest in the Trustee-Manager to the Purchaser (the “Proposed Transaction”).

On 23 February 2017, the Trustee-Manager announced that the National Communications Commission of Taiwan (“NCC”) has approved the Proposed Transaction. Details of the approval will be included in the official minutes of the NCC’s meeting which are expected to be released after the date of this report.

The Trustee-Manager understands that the completion of the Proposed Transaction is still subject to approval by the Investment Commission of the Ministry of Economic Affairs of Taiwan, which could occur within the next 60 days. All other approvals have been obtained including from the Fair Trade Commission of Taiwan and the lenders to TBC. For more details refer to APTT’s website or the SGX website.

The Trustee-Manager will make further announcements via SGXNet as and when it is made aware of material developments on the Proposed Transaction.

PERFORMANCE REVIEW OF ASIAN PAY TELEVISION TRUST

INTRODUCTION

ABOUT APTT

Asian Pay Television Trust ("APTT" or the "Trust") is a business trust constituted on 30 April 2013 under the laws of the Republic of Singapore and registered under Chapter 31A of the Business Trusts Act ("BTA"). APTT is managed by Macquarie APTT Management Pte. Limited (the "Trustee-Manager"), a wholly owned subsidiary of Macquarie Group Holdings (Singapore) Pte. Limited ("Macquarie Singapore") which is an indirect wholly owned subsidiary of Macquarie Corporate Holdings Pty Limited (formerly Macquarie Capital Group Limited) (the "Sponsor").

APTT was admitted to the main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") and was listed on the SGX-ST on 29 May 2013. APTT is the first listed business trust in Asia focused on pay-TV businesses. APTT has approximately 10,900 unitholders, including retail investors and some of the world's foremost institutional investors.

APTT's investment mandate is to acquire controlling interests and to own, operate and maintain mature, cash generative pay-TV and broadband businesses in Taiwan, Hong Kong, Japan and Singapore.

SOLE ASSET

As at 31 December 2016, APTT's portfolio comprised its sole investment, TBC. TBC is a leading provider of pay-TV and Broadband services in Taiwan. It owns the cable network in five franchise areas across Taiwan that pass over 1.1 million homes. Through this network TBC delivers Basic cable TV, Premium digital cable TV and high speed Broadband services to these homes.

DISTRIBUTION POLICY (REVISED TO QUARTERLY BASIS AS OF 12 AUGUST 2014)

Distributions will be declared and paid in Singapore dollars. Any proposed distributions by the Trust will be paid from its residual cash flows ("distributable free cash flows"). These cash flows are derived from dividends and principal and interest payments (net of applicable taxes and expenses) received by the Trust from the entities held within the Group. In addition, any other cash received by the Trust from the entities held within the Group also contribute towards distributable free cash flows.

The distributable free cash flows available to the Trust are after any cash required to: (i) pay the operating expenses of the Trust, including the Trustee-Manager's fees, (ii) repay principal amounts (including any premium or fee) under any debt or financing arrangement of the Trust, (iii) pay interest or any other financing expense on any debt or financing arrangement of the Trust, (iv) provide for the cash flow needs of the Trust or to ensure that the Trust has sufficient funds and/or financing resources to meet the short-term liquidity needs of the Trust and (v) provide for the cash needs of the Trust for capital expenditure purposes.

The Trust intends to distribute 100% of its distributable free cash flows.

Distributions will be made on a quarterly basis, with the amount calculated as at 31 March, 30 June, 30 September and 31 December each year for the three-month period ending on each of the said dates. The Trustee-Manager will pay the distributions no later than 90 days after the end of each distribution period.

DISTRIBUTIONS

The Board of directors of the Trustee-Manager (the "Board") has declared an ordinary distribution of 1.625 cents per unit for the quarter ended 31 December 2016.

	Three months ended 31 December 2016	Three months ended 31 December 2015
Ordinary distribution	1.625 cents per unit	2.25 cents per unit
Announcement date	27 February 2017	23 February 2016
Ex-distribution date	15 March 2017	15 March 2016
Books closure date	17 March 2017	17 March 2016
Date payable	24 March 2017	24 March 2016

The distribution for the year ending 31 December 2017 is expected to be consistent with 2016 at 6.5 cents per unit. It is anticipated that the distribution will be paid in quarterly instalments of 1.625 cents per unit. The distribution guidance is subject to no material changes in planning assumptions.

Breakdown of total annual distribution

	Year ended 31 December 2016 $'000	Year ended 31 December 2015 $'000
Ordinary	93,392[1]	118,536[2]
Special	-	-
Total	**93,392**	**118,536**

[1] Includes an amount of $23.3 million which is to be paid on 24 March 2017.

[2] Included an amount of $32.3 million which was paid on 24 March 2016.

Historical distributions

The table below provides details of APTT's historical distributions:

Distribution period	Cents per unit
Six months ended:	
30 June 2013[1]	4.80
31 December 2013	4.13
30 June 2014	4.12
Three months ended:	
30 September 2014	2.00
31 December 2014	2.13
31 March 2015	2.00
30 June 2015	2.00
30 September 2015	2.00
31 December 2015	2.25
31 March 2016	1.625
30 June 2016	1.625
30 September 2016	1.625
31 December 2016 (to be paid on 24 March 2017)	1.625
Total	**31.930**

[1] The first distribution period was from the APTT listing date, 29 May 2013, to 30 June 2013 and included a non-recurring payment of 1.64 cents per unit as excess cash at TBC at the time of APTT's listing that was only available for distribution as part of the first APTT distribution payment.

TAXATION

Taxation of the Trust

The Trust is a business trust registered with the Monetary Authority of Singapore ("MAS") under the BTA. The Trust is liable to Singapore income tax on income accruing in or derived from Singapore (i.e. Singapore sourced income) and unless otherwise exempt, income derived from outside Singapore which is received or deemed to have been received in Singapore (i.e. foreign sourced income). Foreign sourced dividends received by the Trust would only be subject to Singapore income tax when received in Singapore or deemed received in Singapore, subject to certain exemptions. Subject to meeting certain stipulated conditions and reporting obligations, the Trust has obtained an exemption under Section 13(12) of the Income Tax Act, Chapter 134 of Singapore ("Income Tax Act") on dividend income received by the Trust from the Bermuda holding companies after its listing on the SGX-ST. Specifically, the Trust will be exempt from tax on dividends from the Bermuda holding companies that originate from dividends and interest paid out of underlying profits from substantive cable broadband business activities carried out in Taiwan.

Taxation of the unitholders

Pursuant to Section 13(1)(zg) of the Income Tax Act, distributions by the Trust are tax-exempt and are therefore not subject to Singapore income tax in the hands of unitholders. The distributions are also not subject to Singapore withholding tax. The tax exemption is given to all unitholders, regardless of their nationality, corporate identity or tax residence status. Unitholders are not entitled to tax credits for any taxes paid by the Trustee-Manager.

The Trust does not give tax advice and recommends that all unitholders obtain their own tax advice in relation to the distribution payment.

SELECTED FINANCIAL INFORMATION AND OPERATING DATA

The selected financial information and operating data presented on pages 11 and 12 supports the distributions to unitholders and therefore are key financial and operating metrics that the Trustee-Manager focuses on to review the amount of distributions that will be paid to unitholders. Some of the selected financial information includes non-IFRS measures.

Non-IFRS measures

EBITDA and EBITDA margin are supplemental financial measures of the Trust's performance and liquidity and are not required by, or presented in accordance with International Financial Reporting Standards ("IFRS") or any other generally accepted accounting principles. Furthermore, EBITDA and EBITDA margin are not measures of financial performance or liquidity under IFRS or any other generally accepted accounting principles and should not be considered as alternatives to net income, operating income or any other performance measures derived in accordance with IFRS or any other generally accepted accounting principles. EBITDA and EBITDA margin may not reflect all of the financial and operating results and requirements of the Trust. In particular, EBITDA and EBITDA margin do not reflect the Trust's needs for capital expenditures, debt servicing or additional capital that may be required to replace assets that are fully depreciated or amortised. Other companies may calculate EBITDA and EBITDA margin differently, limiting their usefulness as comparative measures.

The Trustee-Manager believes that these supplemental financial measures facilitate operating performance comparisons for the Trust from period to period by eliminating potential differences caused by variations in capital structures (affecting interest expense), tax positions (such as the impact on periods of changes in effective tax rates or net operating losses) and the age and book depreciation of tangible assets (affecting relative depreciation expense). In particular, EBITDA eliminates the non-cash depreciation expense that arises from the capital-intensive nature of the Trust's businesses and intangible assets recognised in business combinations. The Trustee-Manager presents these supplemental financial measures because it believes these measures are frequently used by securities analysts and investors in evaluating similar issuers.

SELECTED FINANCIAL INFORMATION

	Note[1]	Group[2] Quarter ended 31 December 2016 $'000	Group Quarter ended 31 December 2015 $'000	Variance[3] %	Group Year ended 31 December 2016 $'000	Group Year ended 31 December 2015 $'000	Variance[3] %
Revenue							
Basic cable TV	A(i)	67,261	68,688	(2.1)	254,395	264,962	(4.0)
Premium digital cable TV	A(ii)	3,948	4,081	(3.3)	14,982	15,366	(2.5)
Broadband	A(iii)	12,705	12,846	(1.1)	49,852	51,824	(3.8)
Total revenue		**83,914**	**85,615**	**(2.0)**	**319,229**	**332,152**	**(3.9)**
Operating expenses[4]							
Broadcast and production costs	B(i)	(16,168)	(15,714)	(2.9)	(61,723)	(62,486)	1.2
Staff costs	B(ii)	(8,055)	(7,464)	(7.9)	(30,455)	(29,663)	(2.7)
Trustee-Manager fees	B(iv)	(1,820)	(1,825)	0.3	(7,241)	(7,241)	-
Other operating expenses	B(viii)	(7,910)	(7,675)	(3.1)	(30,512)	(31,717)	3.8
Total operating expenses		**(33,953)**	**(32,678)**	**(3.9)**	**(129,931)**	**(131,107)**	**0.9**
EBITDA		**49,961**	**52,937**	**(5.6)**	**189,298**	**201,045**	**(5.8)**
EBITDA margin		59.5%	61.8%		59.3%	60.5%	
Capital expenditure							
Maintenance[5]		8,966	6,585	(36.2)	24,109	20,283	(18.9)
Network expansion growth		293	763	61.6	871	10,248	91.5
Premium digital cable TV growth		17,186	20,257	15.2	48,623	52,626	7.6
Other capital expenditure[5]		8,842	9,423	6.2	18,216	18,202	(0.1)
Total capital expenditure		**35,287**	**37,028**	**4.7**	**91,819**	**101,359**	**9.4**
Total maintenance capital expenditure as % of revenue		**10.7**	**7.7**		**7.6**	**6.1**	
Total capital expenditure as % of revenue		**42.1**	**43.2**		**28.8**	**30.5**	
Income taxes paid, net of refunds[6]		3,782	1,506	(>100)	13,164	25,906	49.2
Interest and other finance costs paid		12,003	14,512	17.3	52,250	49,695	(5.1)

1 Notes can be found on pages 27 to 31.

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 Operating expenses presented here exclude depreciation and amortisation expense, net foreign exchange gain/(loss), mark to market movements on foreign exchange contracts and one-time debt advisory fee paid to Macquarie Capital (Hong Kong) Limited for services provided in relation to refinancing the debt facilities appearing in the consolidated statements of profit or loss on page 17, in order to arrive at EBITDA and EBITDA margin presented here.

5 Other capital expenditure has been updated to include items such as cable line extensions for new buildings and communities and shared signal pipe construction which were previously classified under maintenance capital expenditure. The pcp figures for maintenance and other capital expenditure have been restated to conform to the new presentation.

6 Income taxes paid, net of refunds, for the year ended 31 December 2016 presented here exclude amounts paid in relation to settlement of outstanding tax disputes of $0.01 million (31 December 2015: $1.2 million).

SELECTED OPERATING DATA

	Group Quarter ended 31 December 2016	Group Quarter ended 30 September 2016	Group Quarter ended 30 June 2016	Group Quarter ended 31 March 2016	Group Quarter ended 31 December 2015
ARPU[1] (NT$ per month)					
Basic cable TV	528	529	530	528	537
Premium digital cable TV[2]	154	156	159	162	164
Broadband	461	470	484	493	502
AMCR[3] (%)					
Basic cable TV	(0.8)	(0.8)	(0.8)	(0.7)	(0.7)
Premium digital cable TV	(3.9)	(4.6)	(2.9)	(1.7)	(1.7)
Broadband	(1.7)	(1.5)	(1.4)	(1.3)	(1.4)

	Group as at 31 December 2016	Group as at 30 September 2016	Group as at 30 June 2016	Group as at 31 March 2016	Group as at 31 December 2015
Subscribers ('000)					
Basic cable TV	762	761	760	759	758
Premium digital cable TV[2]	182	178	176	172	169
Broadband	201	201	197	195	193

The table below sets out TBC's monthly Basic cable TV rates for its franchise areas from 2011 to 2017:

Franchise area	2011 (NT$)	2012 (NT$)	2013 (NT$)	2014 (NT$)	2015 (NT$)	2016 (NT$)	2017 (NT$)
South Taoyuan	540	540	530	530	530	530	510
Hsinchu County	570	570	570	570	570	570	570
North Miaoli	580	580	570	570	570	560	560
South Miaoli	580	580	570	570	570	560	560
Taichung City	580	580	565	565	565	550	550

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

2 Premium digital cable TV subscribers and ARPU have been updated to reflect the number of subscribers contributing incremental subscription revenue for additional video content and/or DTV-related services, such as DVR. This can result in more than one subscription, i.e. RGU, per home. The pcp figures for Premium digital cable TV subscribers and ARPU have been restated to conform to the new presentation.

3 Average Monthly Churn Rate ("AMCR") is calculated by dividing the total number of churned subscribers for a particular service during a period by the number of subscribers for that service as at the beginning of that period and further dividing the result by the number of months in that period. The total number of churned subscribers for a particular service for a period is calculated by adding together all deactivated subscriptions, including deactivations caused by failure to make payments for that service from the billing system for the period.

REVIEW OF SELECTED FINANCIAL INFORMATION AND OPERATING DATA

(i) Total revenue

Total revenue for the quarter ended 31 December 2016 was $83.9 million (31 December 2015: $85.6 million). Total revenue for the year ended 31 December 2016 was $319.2 million (31 December 2015: $332.2 million). Total revenue for the quarter and year ended 31 December 2016 was 2.0% and 3.9% lower than the pcp, however in constant NT$ terms revenue for the year ended 31 December 2016 was only 2.9% lower than the pcp. Foreign exchange contributed to 1.0% of the negative variance for the year ended 31 December 2016 compared to pcp. Total revenue was influenced by a number of factors including the continued weakness in the Taiwanese economy, marginally lower Basic cable TV rates in three of TBC's five franchise areas and the non-recurrence of revenue generated in 2015 as a result of one-off items including higher airtime advertising sales generated in the lead-up to the Presidential and Legislative Yuan election.

(ii) Total operating expenses

Total operating expenses of $34.0 million for the quarter ended 31 December 2016 were 3.9% higher than pcp (31 December 2015: $32.7 million). Total operating expenses of $129.9 million for the year ended 31 December 2016 were 0.9% lower than pcp (31 December 2015: $131.1 million). The decrease in total operating expenses for the year ended 31 December 2016 was mainly due to lower broadcast and production costs and other operating expenses, partially offset by higher staff costs.

(iii) EBITDA and EBITDA Margin

EBITDA of $50.0 million for the quarter ended 31 December 2016 was 5.6% lower than pcp (31 December 2015: $52.9 million). EBITDA margin for the quarter ended 31 December 2016 of 59.5% was lower than pcp (31 December 2015: 61.8%).

EBITDA of $189.3 million for the year ended 31 December 2016 was 5.8% lower than pcp (31 December 2015: $201.0 million) and EBITDA margin for the year ended 31 December 2016 of 59.3% was lower than pcp (31 December 2015: 60.5%).

(iv) Total capital expenditure

Total capital expenditure of $35.3 million for the quarter ended 31 December 2016 was 4.7% lower than pcp (31 December 2015: $37.0 million) and $91.8 million for the year ended 31 December 2016 was 9.4% lower than pcp (31 December 2015: $101.4 million). As a result, total capital expenditure as a percentage of revenue was 42.1% for the quarter ended 31 December 2016 (31 December 2015: 43.2%) and 28.8% for the year ended 31 December 2016 (31 December 2015: 30.5%). Total capital expenditure was lower because of lower capital expenditure being incurred on the network expansion into greater Taichung and premium digital cable TV growth compared to pcp. This lower expenditure offset the higher maintenance expenditure being incurred when compared to pcp. Total capital expenditure comprised the following:

- Maintenance capital expenditure to support TBC's existing infrastructure and business was predominantly funded from the operating cash flows of TBC. Such capital expenditure included items such as network maintenance and network reliability improvements.
- Network expansion capital expenditure to expand TBC's network into the greater Taichung region including the cost of extending the core network and building in selected neighbourhoods. Such capital expenditure was predominantly funded from debt facilities.
- Premium digital cable TV capital expenditure to acquire digital set-top boxes to support TBC's digitisation program, installation related expenditure and digital head-end upgrades. Such capital expenditure was predominantly funded from debt facilities.
- Other capital expenditure included items such as high-speed broadband modems and cable line extensions for new buildings. Such capital expenditure was predominantly funded from debt facilities.

Capital expenditure relating to the network expansion and Premium digital cable TV is set out below:

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

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

ASIAN PAY TELEVISION TRUST

FINANCIAL STATEMENTS FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2016

STATEMENTS OF FINANCIAL POSITION

Financial statements of the Trust include the results and balances of the parent only, i.e. APTT. Financial statements of the Group include balances from all entities that are controlled by APTT. The material additional balances are in respect of TBC.

	Note[1]	Group as at 31 December 2016 $'000	Group as at 31 December 2015 $'000	Trust as at 31 December 2016 $'000	Trust as at 31 December 2015 $'000
Assets					
Current assets					
Cash and cash equivalents	C(i)	59,088	60,926	7,983	7,458
Trade and other receivables	C(ii)	14,802	17,650	-	32
Derivative financial instruments	C(vii)	6	150	6	150
Other assets	C(viii)	3,489	1,079	268	266
		77,385	**79,805**	**8,257**	**7,906**
Non-current assets					
Investment in subsidiaries	C(iii)	-	-	1,342,351	1,342,351
Property, plant and equipment	C(iv)	291,350	242,751	-	-
Intangible assets	C(v)	2,367,743	2,283,440	-	-
Income tax refund receivable	C(vi)	15	938	-	-
Derivative financial instruments	C(vii)	-	4	-	4
Other assets	C(viii)	914	862	-	-
		2,660,022	**2,527,995**	**1,342,351**	**1,342,355**
Total assets		**2,737,407**	**2,607,800**	**1,350,608**	**1,350,261**
Liabilities					
Current liabilities					
Borrowings from financial institutions	D(i)	12,236	8,617	-	-
Retirement benefit obligations	D(iv)	1,416	1,328	-	-
Derivative financial instruments	D(ii)	1,818	1,308	1,818	1,308
Trade and other payables	D(iii)	21,243	20,486	10,867	9,997
Income tax payable	D(v)	14,246	9,672	2	4
Other liabilities	D(vii)	58,221	62,800	197	156
		109,180	**104,211**	**12,884**	**11,465**
Non-current liabilities					
Borrowings from financial institutions	D(i)	1,294,731	1,183,231	-	-
Retirement benefit obligations	D(iv)	19,365	15,640	-	-
Derivative financial instruments	D(ii)	5,455	9,346	396	294
Deferred tax liabilities	D(vi)	61,807	52,501	-	-
Other liabilities	D(vii)	16,313	11,754	-	-
		1,397,671	**1,272,472**	**396**	**294**
Total liabilities		**1,506,851**	**1,376,683**	**13,280**	**11,759**
Net assets		**1,230,556**	**1,231,117**	**1,337,328**	**1,338,502**
Equity					
Unitholders' funds		1,342,851	1,342,851	1,342,851	1,342,851
Reserves	D(viii)	74,217	28,386	-	-
Accumulated deficit		(188,839)	(142,439)	(5,523)	(4,349)
Equity attributable to unitholders of APTT		**1,228,229**	**1,228,798**	**1,337,328**	**1,338,502**
Non-controlling interests	D(ix)	2,327	2,319	-	-
Total equity		**1,230,556**	**1,231,117**	**1,337,328**	**1,338,502**

[1] Notes to the statements of financial position can be found on pages 32 to 40.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Note[1]	Group Quarter ended 31 December 2016 $'000	Group Quarter ended 31 December 2015 $'000	Variance[2] %	Group Year ended 31 December 2016 $'000	Group Year ended 31 December 2015 $'000	Variance[2] %
Revenue							
Basic cable TV	A(i)	67,261	68,688	(2.1)	254,395	264,962	(4.0)
Premium digital cable TV	A(ii)	3,948	4,081	(3.3)	14,982	15,366	(2.5)
Broadband	A(iii)	12,705	12,846	(1.1)	49,852	51,824	(3.8)
Total revenue		**83,914**	**85,615**	**(2.0)**	**319,229**	**332,152**	**(3.9)**
Operating expenses							
Broadcast and production costs	B(i)	(16,168)	(15,714)	(2.9)	(61,723)	(62,486)	1.2
Staff costs	B(ii)	(8,055)	(7,464)	(7.9)	(30,455)	(29,663)	(2.7)
Depreciation and amortisation expense[3]	B(iii)	(19,133)	(12,831)	(49.1)	(55,652)	(44,609)	(24.8)
Trustee-Manager fees	B(iv)	(1,820)	(1,825)	0.3	(7,241)	(7,241)	-
Net foreign exchange gain/(loss)	B(v)	6,579	(516)	>100	10,603	(2,459)	>100
Mark to market (loss)/gain on derivative financial instruments[4]	B(vi)	(1,315)	456	(>100)	(759)	(1,475)	48.5
Debt advisory fee[5]	B(vii)	-	-	-	-	(5,521)	100
Other operating expenses	B(viii)	(7,910)	(7,675)	(3.1)	(30,512)	(31,717)	3.8
Total operating expenses		**(47,822)**	**(45,569)**	**(4.9)**	**(175,739)**	**(185,171)**	**5.1**
Operating profit		**36,092**	**40,046**	**(9.9)**	**143,490**	**146,981**	**(2.4)**
Amortisation of deferred arrangement fees[6]	B(ix)	(2,202)	(1,183)	(86.1)	(5,927)	(26,033)	77.2
Interest and other finance costs	B(x)	(13,967)	(12,655)	(10.4)	(54,015)	(49,711)	(8.7)
Profit before income tax		**19,923**	**26,208**	**(24.0)**	**83,548**	**71,237**	**17.3**
Income tax expense	B(xi)	(3,485)	(9,928)	64.9	(23,548)	(25,787)	8.7
Profit after income tax		**16,438**	**16,280**	**1.0**	**60,000**	**45,450**	**32.0**
Profit after income tax attributable to:							
Unitholders of APTT		16,341	16,206	0.8	59,658	45,156	32.1
Non-controlling interests		97	74	31.1	342	294	16.3
Profit after income tax		**16,438**	**16,280**	**1.0**	**60,000**	**45,450**	**32.0**
Basic and diluted earnings per unit attributable to unitholders of APTT		**1.14 cents**	**1.13 cents**		**4.15 cents**	**3.14 cents**	

[1] Notes to the consolidated statements of profit or loss can be found on pages 27 to 31.

[2] A positive variance is favourable to the Group and a negative variance is unfavourable to the Group.

[3] Increase in depreciation and amortisation expense was mainly due to higher depreciation expense on network equipment partially offset by lower amortisation expense on programming rights. Depreciation and amortisation expense also included impairment losses of $6.7 million representing damage to property, plant and equipment due to fire of $2.6 million, partially offset by insurance claims of $1.3 million receivable against this damage and obsolete network equipment of $5.4 million. Refer Note B(iii) for more details.

[4] Variance in mark to market (loss)/gain was due to exchange rate movements on foreign exchange contracts.

[5] Represents a one-time debt advisory fee paid to Macquarie Capital (Hong Kong) Limited for services provided in relation to the refinancing of TBC's debt facilities in the first quarter of 2015.

[6] Higher amortisation of deferred arrangement fees in 2015 was due to the write-off of unamortised arrangement fees of $21.6 million on the previous debt facilities. Refer Note D(i) for more details.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Group Quarter ended 31 December 2016 $'000	Group Quarter ended 31 December 2015 $'000	Variance[1] %	Group Year ended 31 December 2016 $'000	Group Year ended 31 December 2015 $'000	Variance[1] %
Profit after income tax	**16,438**	**16,280**	**1.0**	**60,000**	**45,450**	**32.0**
Other comprehensive income/(loss)						
Items that will not subsequently be reclassified to profit or loss:						
Remeasurement of defined benefit obligations	(3,780)	(4,531)	16.6	(3,780)	(4,531)	16.6
	(3,780)	**(4,531)**	**16.6**	**(3,780)**	**(4,531)**	**16.6**
Items that may subsequently be reclassified to profit or loss:						
Exchange differences on translation of foreign operations	28,666	(2,595)	>100	42,433	38,345	10.7
Unrealised movement in fair value of cash flow hedging financial instruments	1,914	(2,242)	>100	4,207	(8,352)	>100
Deferred tax relating to items that may subsequently be reclassified to profit or loss	(325)	1,499	(>100)	(715)	1,499	(>100)
	30,255	**(3,338)**	**>100**	**45,925**	**31,492**	**45.8**
Other comprehensive income/(loss), net of tax	**26,475**	**(7,869)**	**>100**	**42,145**	**26,961**	**56.3**
Total comprehensive income	**42,913**	**8,411**	**>100**	**102,145**	**72,411**	**41.1**
Total comprehensive income attributable to:						
Unitholders of APTT	42,816	8,337	**>100**	101,803	72,117	41.2
Non-controlling interests	97	74	**31.1**	342	294	16.3
Total comprehensive income	**42,913**	**8,411**	**>100**	**102,145**	**72,411**	**41.1**

[1] A positive variance is favourable to the Group and a negative variance is unfavourable to the Group.

STATEMENTS OF CHANGES IN EQUITY

Group	Unitholders' funds	Reserves	Accumulated deficit	Equity attributable to unitholders of APTT	Non-controlling interests	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000
Balance as at 1 January 2016	**1,342,851**	**28,386**	**(142,439)**	**1,228,798**	**2,319**	**1,231,117**
Total comprehensive income						
Profit after income tax	-	-	59,658	59,658	342	60,000
Other comprehensive income, net of tax	-	42,145	-	42,145	-	42,145
Total	**-**	**42,145**	**59,658**	**101,803**	**342**	**102,145**
Transactions with unitholders, recognised directly in equity						
Settlement of transactions with non-controlling interests	-	-	-	-	(117)	(117)
Transfer to capital reserves	-	3,686	(3,686)	-	-	-
Distributions paid	-	-	(102,372)	(102,372)	(217)	(102,589)
Total	**-**	**3,686**	**(106,058)**	**(102,372)**	**(334)**	**(102,706)**
Balance as at 31 December 2016	**1,342,851**	**74,217**	**(188,839)**	**1,228,229**	**2,327**	**1,230,556**

Group	Unitholders' funds	Reserves	Accumulated deficit	Equity attributable to unitholders of APTT	Non-controlling interests	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000
Balance as at 1 October 2016	**1,342,851**	**47,742**	**(181,832)**	**1,208,761**	**2,304**	**1,211,065**
Total comprehensive income						
Profit after income tax	-	-	16,341	16,341	97	16,438
Other comprehensive income, net of tax	-	26,475	-	26,475	-	26,475
Total	**-**	**26,475**	**16,341**	**42,816**	**97**	**42,913**
Transactions with unitholders, recognised directly in equity						
Settlement of transactions with non-controlling interests	-	-	-	-	(14)	(14)
Distributions paid	-	-	(23,348)	(23,348)	(60)	(23,408)
Total	**-**	**-**	**(23,348)**	**(23,348)**	**(74)**	**(23,422)**
Balance as at 31 December 2016	**1,342,851**	**74,217**	**(188,839)**	**1,228,229**	**2,327**	**1,230,556**

Group	Unitholders' funds	Reserves	Accumulated deficit	Equity attributable to unitholders of APTT	Non-controlling interests	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000
Balance as at 1 January 2015	**1,342,851**	**(8,428)**	**(60,930)**	**1,273,493**	**2,334**	**1,275,827**
Total comprehensive income						
Profit after income tax	-	-	45,156	45,156	294	45,450
Other comprehensive income, net of tax	-	26,961	-	26,961	-	26,961
Total	**-**	**26,961**	**45,156**	**72,117**	**294**	**72,411**
Transactions with unitholders, recognised directly in equity						
Settlement of transactions with non-controlling interests	-	-	-	-	(126)	(126)
Transfer to capital reserves	-	9,853	(9,853)	-	-	-
Distributions paid	-	-	(116,812)	(116,812)	(183)	(116,995)
Total	**-**	**9,853**	**(126,665)**	**(116,812)**	**(309)**	**(117,121)**
Balance as at 31 December 2015	**1,342,851**	**28,386**	**(142,439)**	**1,228,798**	**2,319**	**1,231,117**

Group	Unitholders' funds	Reserves	Accumulated deficit	Equity attributable to unitholders of APTT	Non-controlling interests	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000
Balance as at 1 October 2015	**1,342,851**	**36,255**	**(129,909)**	**1,249,197**	**2,343**	**1,251,540**
Total comprehensive income						
Profit after income tax	-	-	16,206	16,206	74	16,280
Other comprehensive loss, net of tax	-	(7,869)	-	(7,869)	-	(7,869)
Total	**-**	**(7,869)**	**16,206**	**8,337**	**74**	**8,411**
Transactions with unitholders, recognised directly in equity						
Settlement of transactions with non-controlling interests	-	-	-	-	(67)	(67)
Distributions paid	-	-	(28,736)	(28,736)	(31)	(28,767)
Total	**-**	**-**	**(28,736)**	**(28,736)**	**(98)**	**(28,834)**
Balance as at 31 December 2015	**1,342,851**	**28,386**	**(142,439)**	**1,228,798**	**2,319**	**1,231,117**

Trust	Unitholders' funds $'000	Accumulated deficit $'000	Total equity $'000
Balance as at 1 January 2016	**1,342,851**	**(4,349)**	**1,338,502**
Total comprehensive income			
Profit after income tax	-	101,198	101,198
Total	**-**	**101,198**	**101,198**
Transactions with unitholders, recognised directly in equity			
Distributions paid	-	(102,372)	(102,372)
Total	**-**	**(102,372)**	**(102,372)**
Balance as at 31 December 2016	**1,342,851**	**(5,523)**	**1,337,328**

Trust	Unitholders' funds $'000	Accumulated deficit $'000	Total equity $'000
Balance as at 1 October 2016	**1,342,851**	**(5,736)**	**1,337,115**
Total comprehensive income			
Profit after income tax	-	23,561	23,561
Total	**-**	**23,561**	**23,561**
Transactions with unitholders, recognised directly in equity			
Distributions paid	-	(23,348)	(23,348)
Total	**-**	**(23,348)**	**(23,348)**
Balance as at 31 December 2016	**1,342,851**	**(5,523)**	**1,337,328**

Trust	Unitholders' funds $'000	Accumulated deficit $'000	Total equity $'000
Balance as at 1 January 2015	**1,342,851**	**(1,586)**	**1,341,265**
Total comprehensive income			
Profit after income tax	-	114,049	114,049
Total	**-**	**114,049**	**114,049**
Transactions with unitholders, recognised directly in equity			
Distributions paid	-	(116,812)	(116,812)
Total	**-**	**(116,812)**	**(116,812)**
Balance as at 31 December 2015	**1,342,851**	**(4,349)**	**1,338,502**

Trust	Unitholders' funds $'000	Accumulated deficit $'000	Total equity $'000
Balance as at 1 October 2015	**1,342,851**	**(4,620)**	**1,338,231**
Total comprehensive income			
Profit after income tax	-	29,007	29,007
Total	**-**	**29,007**	**29,007**
Transactions with unitholders, recognised directly in equity			
Distributions paid	-	(28,736)	(28,736)
Total	**-**	**(28,736)**	**(28,736)**
Balance as at 31 December 2015	**1,342,851**	**(4,349)**	**1,338,502**

DETAIL OF CHANGES IN UNITHOLDERS’ FUNDS

Group and Trust	Quarter ended 31 December 2016 Number of units ’000	Quarter ended 31 December 2016 $’000	Year ended 31 December 2016 Number of units ’000	Year ended 31 December 2016 $’000
At beginning and end of the quarter/year	1,436,800	1,342,851	1,436,800	1,342,851

Group and Trust	Quarter ended 31 December 2015 Number of units ’000	Quarter ended 31 December 2015 $’000	Year ended 31 December 2015 Number of units ’000	Year ended 31 December 2015 $’000
At beginning and end of the quarter/year	1,436,800	1,342,851	1,436,800	1,342,851

There were no changes to unitholders’ funds during the quarter and year ended 31 December 2016 and 2015.

With reference to paragraphs 1(d)(ii) and 1(d)(iv) of Appendix 7.2 of the SGX-ST Listing Manual, the Trustee-Manager confirms that for the quarter and year ended 31 December 2016 and 2015, the Trust did not have any convertible securities or treasury units on issue.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Group Quarter ended 31 December 2016 $'000	Group Quarter ended 31 December 2015 $'000	Group Year ended 31 December 2016 $'000	Group Year ended 31 December 2015 $'000
Cash flows from operating activities				
Profit after income tax	**16,438**	**16,280**	**60,000**	**45,450**
Adjustments for:				
Depreciation and amortisation expense	19,133	12,831	55,652	44,609
Net foreign exchange (gain)/loss	(3,484)	477	(9,902)	3,249
Gain on disposal of property, plant and equipment	(39)	-	(39)	-
Mark to market loss/(gain) on derivative financial instruments	1,315	(456)	759	1,475
Amortisation of deferred arrangement fees	2,202	1,183	5,927	26,033
Interest and other finance costs	13,967	12,655	54,015	49,711
Income tax expense	3,485	9,928	23,548	25,787
Operating cash flows before movements in working capital	**53,017**	**52,898**	**189,960**	**196,314**
Trade and other receivables	(924)	(3,060)	2,848	(6,112)
Income tax refund receivable	(137)	(93)	7	72
Trade and other payables	2,335	2,092	757	481
Retirement benefit obligations	496	(20)	33	188
Other assets	(210)	113	(1,212)	(6,384)
Other liabilities	8,806	5,576	5,951	11,112
Cash generated from operations	**63,383**	**57,506**	**198,344**	**195,671**
Income taxes paid, net of refunds	(3,782)	(1,506)	(13,169)	(27,132)
Net cash inflows from operating activities	**59,601**	**56,000**	**185,175**	**168,539**
Cash flows from investing activities				
Acquisition of property, plant and equipment	(37,713)	(31,850)	(98,589)	(88,147)
Proceeds from disposal of property, plant and equipment	43	66	195	66
Acquisition of intangible assets	(1,971)	(4,549)	(2,642)	(6,265)
Net cash used in investing activities	**(39,641)**	**(36,333)**	**(101,036)**	**(94,346)**
Cash flows from financing activities				
Interest and other finance costs paid	(12,003)	(14,512)	(52,250)	(49,695)
Borrowings from financial institutions	33,312	32,339	204,020	1,193,263
Repayment of borrowings to financial institutions	(5,810)	-	(134,733)	(1,111,312)
Settlement of derivative financial instruments	(869)	(510)	(308)	(2,892)
Settlement of transactions with non-controlling interests	(14)	(67)	(117)	(126)
Distributions to non-controlling interests	(60)	(31)	(217)	(183)
Distributions to unitholders	(23,348)	(28,736)	(102,372)	(116,812)
Net cash used in financing activities	**(8,792)**	**(11,517)**	**(85,977)**	**(87,757)**
Net increase/(decrease) in cash and cash equivalents	**11,168**	**8,150**	**(1,838)**	**(13,564)**
Cash and cash equivalents at beginning of quarter/year	47,920	52,776	60,926	74,490
Cash and cash equivalents at end of the year	**59,088**	**60,926**	**59,088**	**60,926**

RECONCILIATION OF NET PROFIT TO EBITDA

	Group Quarter ended 31 December 2016	Group Quarter ended 31 December 2015	Variance[1]	Group Year ended 31 December 2016	Group Year ended 31 December 2015	Variance[1]
	$'000	$'000	%	$'000	$'000	%
Profit after income tax	**16,438**	**16,280**	**1.0**	**60,000**	**45,450**	**32.0**
Add: Depreciation and amortisation expense	19,133	12,831	(49.1)	55,652	44,609	(24.8)
Add: Net foreign exchange (gain)/loss	(6,579)	516	>100	(10,603)	2,459	>100
Add: Mark to market loss/(gain) on derivative financial instruments	1,315	(456)	(>100)	759	1,475	48.5
Add: Debt advisory fee	-	-	-	-	5,521	100
Add: Amortisation of deferred arrangement fees	2,202	1,183	(86.1)	5,927	26,033	77.2
Add: Interest and other finance costs	13,967	12,655	(10.4)	54,015	49,711	(8.7)
Add: Income tax expense	3,485	9,928	64.9	23,548	25,787	8.7
EBITDA	**49,961**	**52,937**	**(5.6)**	**189,298**	**201,045**	**(5.8)**
EBITDA margin[2]	**59.5%**	**61.8%**		**59.3%**	**60.5%**	

[1] A positive variance is favourable to the Group and a negative variance is unfavourable to the Group.

[2] EBITDA margin is a non-IFRS financial measure and is calculated by dividing EBITDA by total revenue.

ASIAN PAY TELEVISION TRUST

MANAGEMENT REVIEW FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2016

REVIEW OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2016

As presented in the consolidated statements of profit or loss disclosed on page 17

A) REVIEW OF REVENUE

Total revenue for the quarter ended 31 December 2016 was $83.9 million (31 December 2015: $85.6 million). Total revenue for the year ended 31 December 2016 was $319.2 million (31 December 2015: $332.2 million). Total revenue for the quarter and year ended 31 December 2016 was 2.0% and 3.9% lower than the pcp, however in constant NT$ terms revenue for the year ended 31 December 2016 was only 2.9% lower than the pcp. Foreign exchange contributed to 1.0% of the negative variance for the year ended 31 December 2016 compared to pcp.

Total revenue comprised: (i) Basic cable TV revenue, (ii) Premium digital cable TV revenue and (iii) Broadband revenue. An analysis of the revenue items is as follows:

(i) Basic cable TV

Basic cable TV revenue of $67.3 million for the quarter ended 31 December 2016 was 2.1% lower than pcp (31 December 2015: $68.7 million). This comprised subscription revenue of $53.7 million (31 December 2015: $52.6 million) and non-subscription revenue of $13.6 million (31 December 2015: $16.1 million). The decrease was mainly due to lower non-subscription revenue because of lower revenue generated from channel leasing.

Basic cable TV revenue of $254.4 million for the year ended 31 December 2016 was 4.0% lower than pcp (31 December 2015: $265.0 million). This comprised subscription revenue of $206.7 million (31 December 2015: $210.8 million) and non-subscription revenue of $47.7 million (31 December 2015: $54.2 million). The decrease was mainly due to foreign exchange, lower subscription revenue because of marginally lower Basic cable TV rates in three of TBC's five franchise areas and lower revenue generated from channel leasing.

Subscription revenue was generated from TBC's c.762,000 Basic cable TV subscribers paying an ARPU of NT$528 per month in the quarter to access over 100 cable TV channels.

Non-subscription revenue was 20.2% of Basic cable TV revenue for the quarter ended 31 December 2016 (31 December 2015: 23.4%) and 18.8% of Basic cable TV revenue for the year ended 31 December 2016 (31 December 2015: 20.5%). This was generated from the leasing of television channels to third parties, sale of airtime advertising and fees for the installation of set-top boxes.

(ii) Premium digital cable TV

Premium digital cable TV revenue of $3.9 million for the quarter ended 31 December 2016 was 3.3% lower than pcp (31 December 2015: $4.1 million). This comprised subscription revenue of $3.7 million (31 December 2015: $3.5 million) and non-subscription revenue of $0.3 million (31 December 2015: $0.5 million).

Premium digital cable TV revenue of $15.0 million for the year ended 31 December 2016 was 2.5% lower than pcp (31 December 2015: $15.4 million). This comprised subscription revenue of $14.2 million (31 December 2015: $14.3 million) and non-subscription revenue of $0.8 million (31 December 2015: $1.0 million).

Premium digital cable TV subscribers and ARPU have been updated to reflect the number of subscribers contributing incremental subscription revenue for additional video content and/or DTV-related services, such as DVR. This can result in more than one subscription, i.e. RGU, per home. The pcp figures for Premium digital cable TV subscribers and ARPU have been restated to conform to the new presentation.

Subscription revenue was generated from TBC's c.182,000 Premium digital cable TV subscribers paying an ARPU of NT$154 per month in the quarter for Premium digital cable TV packages, bundled DVR or DVR-only services. Premium digital cable TV subscribers increased by c.4,000 and ARPU was lower compared to the previous quarter ended 30 September 2016 (Subscribers: c.178,000; ARPU: NT$156 per month). The lower ARPU was due to promotions and discounted bundled packages that were offered to generate new subscriptions and to retain existing subscribers.

Non-subscription revenue was predominantly generated from the sale of electronic programme guide data to other system operators.

(iii) Broadband

Broadband revenue of $12.7 million for the quarter ended 31 December 2016 was 1.1% lower than pcp (31 December 2015: $12.8 million). This comprised subscription revenue of $12.3 million (31 December 2015: $12.5 million) and non-subscription revenue of $0.4 million (31 December 2015: $0.4 million).

Broadband revenue of $49.9 million for the year ended 31 December 2016 was 3.8% lower than pcp (31 December 2015: $51.8 million). This comprised subscription revenue of $48.4 million (31 December 2015: $50.3 million) and non-subscription revenue of $1.5 million (31 December 2015: $1.6 million).

Subscription revenue was generated from TBC's c.201,000 Broadband subscribers paying an ARPU of NT$461 per month in the quarter for Broadband services. Broadband subscribers remained unchanged and ARPU was lower compared to the previous quarter ended 30 September 2016 (Subscribers: c.201,000 and ARPU: NT$470 per month). The lower ARPU was due to promotions and discounted bundled packages that were offered to generate new subscriptions and to retain existing subscribers.

Non-subscription revenue was generated from the provision of installation services.

B) REVIEW OF OPERATING EXPENSES

An analysis of the Group's expense items is as follows:

(i) Broadcast and production costs

Broadcast and production costs were $16.2 million for the quarter ended 31 December 2016, up 2.9% on pcp (31 December 2015: $15.7 million) and $61.7 million for the year ended 31 December 2016, down 1.2% on pcp (31 December 2015: $62.5 million). Broadcast and production costs comprised: (i) the cost of acquiring Basic cable TV and Premium digital cable TV content, (ii) the cost of acquiring bandwidth (which consists of the leasing of domestic and international bandwidth capacity from operators to support TBC's Broadband services) and (iii) costs for producing the Group's own programming.

(ii) Staff costs

Staff costs were $8.1 million for the quarter ended 31 December 2016, up 7.9% on pcp (31 December 2015: $7.5 million) and $30.5 million for the year ended 31 December 2016, up 2.7% on pcp (31 December 2015: $29.7 million).The higher staff costs during the quarter and year ended 31 December 2016 were due to salary adjustments, over-time pay and new staff hires to support the delivery of TBC's services.

Staff costs comprised direct employee costs and general and administrative employee costs including salaries, bonuses, long term incentives and benefits.

The Group adopted a long-term incentive plan (the "LTIP") in 2013 for its senior management at TBC, under which TBC senior management are granted notional units of the Trust upon achieving prescribed performance targets. These notional units vest in tranches over a prescribed period of time initially commencing two years after the grant of the notional units. Upon vesting of such notional units under the LTIP, TBC's senior management receive a cash payment equal to the number of vested notional units multiplied by the market price of the units as determined in accordance with the LTIP.

A total of 13.1 million notional units have been granted under the LTIP since inception. Out of the total notional units granted since inception, 0.8 million notional units vested in 2015 and 1.3 million notional units vested in 2016. The remaining 11.0 million notional units remained unvested as at 31 December 2016.

LTIP expense attributable to the quarter and year ended 31 December 2016 has been recognised in the consolidated financial statements to reflect the estimate of the future obligations under the LTIP. As the financial effect of LTIP expense is not material for the quarter and year ended 31 December 2016, the Trustee-Manager is of the view that no further disclosure is required.

(iii) Depreciation and amortisation expense

Depreciation and amortisation expense was $19.1 million for the quarter ended 31 December 2016, up 49.1% on pcp (31 December 2015: $12.8 million) and $55.7 million for the year ended 31 December 2016, up 24.8% on pcp (31 December 2015: $44.6 million). The increase was mainly due to higher depreciation expense on network equipment partially offset by lower amortisation expense on programming rights. Depreciation and amortisation expense included impairment losses of $8.0 million (31 December 2015: nil) representing obsolete network equipment of $5.4 million and damage to property, plant and equipment due to fire of $2.6 million, partially offset by insurance claims of $1.3 million receivable against this damage. Refer Note C(iv) for more details.

Depreciation and amortisation expense comprised depreciation and amortisation of the Group's capital expenditures in relation to network equipment, set-top boxes, other plant and equipment, programming rights and software.

(iv) Trustee-Manager fees

The Trustee-Manager is entitled to base fees and performance fees as specified under the Trust Deed.

The Trustee-Manager base fees were $1.8 million for the quarter ended 31 December 2016 (31 December 2015: $1.8 million) and $7.2 million for the year ended 31 December 2016 (31 December 2015: $7.2 million). There were no performance fees payable to the Trustee-Manager for the quarter and year ended 31 December 2016 (31 December 2015: nil).

The base fees are payable semi-annually in arrears for every six months ending 30 June and 31 December of each year. Payment of the base fees, whether in the form of cash and/or units, shall be made out of the Trust property within 30 days of the last day of every six months (or such other period as may be determined by the Trustee-Manager at its discretion).

(v) Net foreign exchange gain/(loss)

Net foreign exchange gain was $6.6 million for the quarter ended 31 December 2016 (31 December 2015: loss of $0.5 million) and $10.6 million for the year ended 31 December 2016 (31 December 2015: loss of $2.5 million).

(vi) Mark to market (loss)/gain on derivative financial instruments

The Group uses foreign exchange contracts to manage its exposure to foreign exchange movements as discussed in Note C(vii). For the quarter ended 31 December 2016, the period end mark to market loss on foreign currency contracts was $1.3 million (31 December 2015: gain of $0.5 million) and for the year ended 31 December 2016, the period end mark to market loss on foreign currency contracts was $0.8 million (31 December 2015: $1.5 million).

(vii) Debt advisory fee

Debt advisory fee represents advisory fee paid to Macquarie Capital (Hong Kong) Limited for services provided in relation to the refinancing of TBC's debt facilities in the first quarter of 2015 amounting to $5.5 million. There was no such fee for the quarter ended 31 December 2016 (31 December 2015: nil) and for the year ended 31 December 2016.

(viii) Other operating expenses

Other operating expenses were $7.9 million for the quarter ended 31 December 2016, up 3.1% on pcp (31 December 2015: $7.7 million) and $30.5 million for the year ended 31 December 2016, down 3.8% on pcp (31 December 2015: $31.7 million).

Other operating expenses include Trust expenses, comprising administrative expenses, corporate services fees, audit fees, annual filing fees, occupancy fees, legal costs, other professional fees, insurance and other miscellaneous expenses and other Group expenses, comprising rent for office buildings, fibres and utility poles, installation costs, local and National Communications Commission of Taiwan ("NCC") taxes, billing expenses, utility expenses, marketing expenses as well as offshore administrative expenses.

(ix) Amortisation of deferred arrangement fees

The Group pays financing fees to the lenders when entering into new debt facilities. At inception, the financing fees are recorded as unamortised arrangement fees. The fees are amortised over the period of the debt facilities as an expense to the consolidated statements of profit or loss. Amortisation of deferred arrangement fees was $2.2 million for the quarter ended 31 December 2016, up 86.1% on pcp (31 December 2015: $1.2 million) and $5.9 million for the year ended 31 December 2016, down 77.2% on pcp (31 December 2015: $26.0 million). Amortisation of deferred arrangement fees in 2015 was higher due to the write-off of unamortised arrangement fees of $21.6 million on the previous debt facilities of NT$27.0 billion which were refinanced with NT$32.0 billion facilities in 2015. Refer Note D(i) for more details.

(x) Interest and other finance costs

Interest and other finance costs were $14.0 million for the quarter ended 31 December 2016, up 10.4% on pcp (31 December 2015: $12.7 million) and $54.0 million for the year ended 31 December 2016, up 8.7% on pcp (31 December 2015: $49.7 million). These comprised interest expense and commitment fees on the Group's debt facilities.

(xi) Income tax expense

The Group is subject to income tax in several jurisdictions. Significant judgment is required in determining provisions for income tax, including a judgment on whether tax positions are probable of being sustained in income tax assessments. There are certain transactions and calculations for which the ultimate income tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated income tax issues based on estimates of whether additional taxes will be due. Where the final income tax outcome of these matters is different from the amounts that were initially recorded, these differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

The Trustee-Manager evaluates positions taken in income tax returns with respect to situations in which applicable income tax regulations are subject to interpretation. The income tax liabilities are recognised when it is more likely than not that certain tax positions may be changed upon review by income tax authorities. The Group believes that the final tax outcome of these positions can differ from those initially recognised when reviews or audits by tax authorities of tax returns are completed. Benefits from tax positions are measured at the single best estimate of the most likely outcome. At each statement of financial position date, the tax positions are reviewed and to the extent that new information becomes available that causes the Trustee-Manager to change their judgment regarding the adequacy of existing income tax liabilities, these changes to income tax liabilities are duly recognised as income tax expense in the year in which the determination is made.

Income tax expense recognised in the consolidated statements of profit or loss was as follows:

	Group Quarter ended 31 December 2016 $'000	Group Quarter ended 31 December 2015 $'000	Group Year ended 31 December 2016 $'000	Group Year ended 31 December 2015 $'000
Current income tax	(3,596)	(4,073)	(9,609)	(10,920)
Over/(under) provision for tax for current year	771	(362)	143	(362)
Deferred income tax	339	(3,169)	(6,224)	1,287
Withholding tax	(999)	(2,324)	(7,858)	(15,792)
Total	**(3,485)**	**(9,928)**	**(23,548)**	**(25,787)**

REVIEW OF STATEMENTS OF FINANCIAL POSITION AND NET ASSETS AS AT 31 DECEMBER 2016

As presented in the statements of financial position disclosed on page 16

C) ASSETS

(i) Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks and are subject to an insignificant risk of changes in value.

Cash and cash equivalents at the Trust level increased from $7.5 million as at 31 December 2015 to $8.0 million as at 31 December 2016. The increase was primarily due to the receipt of distributions from TBC net of payment of distributions to unitholders during the year ended 31 December 2016.

Cash and cash equivalents at the Group level decreased from $60.9 million as at 31 December 2015 to $59.1 million as at 31 December 2016. The decrease was primarily driven by the payment of distributions to unitholders and capital expenditures, partially offset by operating cash flows.

(ii) Trade and other receivables

Trade receivables are initially recognised at fair value plus transaction costs, and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

Trade and other receivables at the Trust level were nil as at 31 December 2016, compared to $0.03 million as at 31 December 2015, which represented amounts paid on behalf of subsidiaries.

Trade and other receivables at the Group level decreased from $17.7 million as at 31 December 2015 to $14.8 million as at 31 December 2016 due to decrease in the amounts due from trade debtors for channel leasing and advertising revenue.

(iii) Investment in subsidiaries

The Trust invested in TBC through the acquisition of two Bermudian investment holding companies.

Held by the Trust	Principal activities	Country of incorporation	Equity holding		Cost of investments	
			2016	2015	2016	2015
Name of subsidiary			%	%	$'000	$'000
APTT Holdings 1 Limited	Investment holding company	Bermuda	100	100	704,734	704,734
APTT Holdings 2 Limited	Investment holding company	Bermuda	100	100	637,617	637,617
Total cost					**1,342,351**	**1,342,351**

(iv) **Property, plant and equipment**

All items of property, plant and equipment ("PPE") are initially recorded at cost, subsequently measured at cost less accumulated depreciation and any accumulated impairment losses.

The amounts recognised in the statements of financial position were determined as follows:

Group Carrying value	As at 1 January 2016	Additions	Transfer within PPE	Transfer to intangible assets	Disposals/ write-offs	Depreciation and impairment	Foreign exchange effect	As at 31 December 2016
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Land	2,822	-	667	-	-	200	147	3,836
Buildings	2,778	-	1,234	-	-	(459)	157	3,710
Leasehold improvements	162	7	2,030	-	-	(256)	79	2,022
Network equipment	227,091	2,550	76,459	-	-	(48,493)	9,905	267,512
Plant and equipment	2,981	7	1,538	-	-	(1,489)	119	3,156
Transport equipment	1,562	-	97	-	(4)	(510)	38	1,183
Leased equipment	292	235	-	-	(152)	(72)	10	313
Assets under construction	5,063	86,690	(82,025)	-	-	(341)	231	9,618
Total	**242,751**	**89,489**	**-**	**-**	**(156)**	**(51,420)**	**10,686**	**291,350**

Group Carrying value	As at 1 October 2016	Additions	Transfer within PPE	Transfer to intangible assets	Disposals/ write-offs	Depreciation and impairment	Foreign exchange effect	As at 31 December 2016
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Land	3,540	-	-	-	-	200	96	3,836
Buildings	3,733	-	15	-	-	(137)	99	3,710
Leasehold improvements	1,434	7	646	-	-	(107)	42	2,022
Network equipment	249,717	-	28,088	-	-	(17,020)	6,727	267,512
Plant and equipment	3,082	-	348	-	-	(357)	83	3,156
Transport equipment	1,190	-	93	-	(4)	(127)	31	1,183
Leased equipment	246	82	-	-	-	(22)	7	313
Assets under construction	5,524	33,224	(29,190)	-	-	(116)	176	9,618
Total	**268,466**	**33,313**	**-**	**-**	**(4)**	**(17,686)**	**7,261**	**291,350**

Group Carrying value	As at 1 January 2015	Additions	Transfer within PPE	Transfer to intangible assets	Disposals/ write-offs	Depreciation and impairment	Foreign exchange effect	As at 31 December 2015
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Land	2,741	-	-	-	-	-	81	2,822
Buildings	3,018	39	10	-	-	(380)	91	2,778
Leasehold improvements	220	78	-	-	(55)	(86)	5	162
Network equipment	156,364	29,852	65,956	-	(2)	(29,408)	4,329	227,091
Plant and equipment	2,840	649	1,023	-	(9)	(1,610)	88	2,981
Transport equipment	1,978	155	15	-	-	(648)	62	1,562
Leased equipment	299	37	-	-	-	(52)	8	292
Assets under construction	8,289	63,839	(67,004)	(322)	-	-	261	5,063
Total	**175,749**	**94,649**	**-**	**(322)**	**(66)**	**(32,184)**	**4,925**	**242,751**

One of the engineering offices located in Pingzhen District of Taoyuan City suffered a fire during the year ended 31 December 2016. As at the date of this report, the Group has completed its assessment of net loss from the fire. Property, plant and equipment with carrying value of $2.6 million were damaged in this fire (31 December 2015: nil). The damaged property, plant and equipment mainly comprised set-top boxes and cable modems. During the year ended 31 December 2016, the Group additionally impaired obsolete network equipment of $5.4 million (31 December 2015: nil). Depreciation and impairment expenses during the year ended 31 December 2016 and carrying value of property, plant and equipment as at 31 December 2016 presented in the table above included the impairment losses of $8.0 million.

The Group is in the process of claiming against insurance for the fire damage. As at 31 December 2016, the value of such claims is estimated to be $1.3 million. This amount is included in current other assets in the statements of financial position. The net losses of $6.7 million are included in depreciation and amortisation expense in the consolidated statements of profit or loss.

During the quarter and year ended 31 December 2016, the Group acquired property, plant and equipment with an aggregate cost of $33.3 million (31 December 2015: $32.5 million) and $89.5 million (31 December 2015: $94.6 million) of which $3.2 million remained unpaid as at 31 December 2016 (31 December 2015: $12.3 million). In addition, property, plant and equipment with an aggregate cost of $7.6 million, unpaid as at 30 September 2016 (30 September 2015: $11.8 million), was paid during the quarter ended 31 December 2016.

(v) Intangible assets

Cable TV licences
Costs incurred in acquiring cable TV licences are brought to account as intangible assets. The assets are assessed as having indefinite useful lives and therefore there is no amortisation charge booked against the carrying value. Consequently, no deferred tax liabilities have been provided on the temporary differences relating to the cable TV licences as at acquisition date.

Software
Costs incurred in acquiring software are brought to account as intangible assets. Software is carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is recognised on a straight-line basis over the estimated useful life of the software.

Programming rights
Costs incurred in acquiring programming rights, with broadcasting periods spanning more than one year, are brought to account as intangible assets. Programming rights are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is recognised on a straight-line basis over the estimated useful life of the programming rights.

Goodwill

Goodwill arising on acquisition represents the excess of the cost of acquisition over the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities of the acquiree. Goodwill is stated at cost less any impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment.

The amounts recognised in the statements of financial position were determined as follows:

Group Carrying value	As at 1 January 2016 $'000	Additions $'000	Transfer from PPE $'000	Amortisation $'000	Foreign exchange effect $'000	As at 31 December 2016 $'000
Cable TV licences	2,268,869	-	-	-	87,101	2,355,970
Software	3,540	2,330	-	(1,974)	86	3,982
Programming rights	3,528	-	-	(3,508)	(20)	-
Goodwill	7,503	-	-	-	288	7,791
Total	**2,283,440**	**2,330**	**-**	**(5,482)**	**87,455**	**2,367,743**

Group Carrying value	As at 1 October 2016 $'000	Additions $'000	Transfer from PPE $'000	Amortisation $'000	Foreign exchange effect $'000	As at 31 December 2016 $'000
Cable TV licences	2,294,917	-	-	-	61,053	2,355,970
Software	2,468	1,974	-	(538)	78	3,982
Programming rights	892	-	-	(909)	17	-
Goodwill	7,589	-	-	-	202	7,791
Total	**2,305,866**	**1,974**	**-**	**(1,447)**	**61,350**	**2,367,743**

Group Carrying value	As at 1 January 2015 $'000	Additions $'000	Transfer from PPE $'000	Amortisation $'000	Foreign exchange effect $'000	As at 31 December 2015 $'000
Cable TV licences	2,204,073	-	-	-	64,796	2,268,869
Software	2,451	2,591	322	(1,897)	73	3,540
Programming rights	9,612	4,119	-	(10,528)	325	3,528
Goodwill	7,288	-	-	-	215	7,503
Total	**2,223,424**	**6,710**	**322**	**(12,425)**	**65,409**	**2,283,440**

During the quarter and year ended 31 December 2016, the Group acquired intangible assets with an aggregate cost of $2.0 million (31 December 2015: $4.6 million) and $2.3 million (31 December 2015: $6.7 million) of which $0.3 million remained unpaid as at 31 December 2016 (31 December 2015: $0.6 million). In addition, intangible assets with an aggregate cost of $0.3 million, unpaid as at 30 September 2016 (30 September 2015: $0.6 million), was paid during the quarter ended 31 December 2016.

(vi) Income tax refund receivable

As at 31 December 2016, the Group had an aggregate income tax refund receivable of $0.02 million (31 December 2015: $0.9 million), which consisted of the income tax withheld with respect to interest payments on shareholder loans amongst the onshore affiliates in Taiwan. According to the tax laws in Taiwan, 10% income tax must be withheld on the interest payments made locally. The withholding taxes, similar to prepaid tax, can be used as tax credits or be refunded when filing the relevant onshore affiliate's income tax return.

(vii) Derivative financial instruments

The Group uses foreign exchange contracts to manage its exposure to foreign exchange movements of future estimated cash flows from dividends and principal and interest payments received by the Trust from the entities held within the Group. The Group employs a 24-month rolling hedging program that swaps from 25% of forecast cash flows receivable up to 24 months away, to 100% of cash flows on amounts receivable within three months. As at 31 December 2016, mark to market movements, classified as current and non-current assets, on such contracts were $0.01 million (31 December 2015: $0.2 million) and nil (31 December 2015: $0.004 million) both at the Group and Trust level.

(viii) Other assets

As at 31 December 2016, the Group and the Trust had other current assets of $3.5 million (31 December 2015: $1.1 million) and $0.3 million (31 December 2015: $0.3 million). These comprised GST recoverable, expense prepayments and insurance claims as discussed in Note C(iv).

Other non-current assets at the Group level of $0.9 million as at 31 December 2016 (31 December 2015: $0.9 million) predominantly comprised refundable deposits.

D) LIABILITIES

(i) Borrowings from financial institutions

	Group as at 31 December 2016 $'000	Group as at 31 December 2015 $'000
Current portion	12,236	8,617
	12,236	**8,617**
Non-current portion	1,347,779	1,212,773
Less: Unamortised arrangement fees	(53,048)	(29,542)
	1,294,731	**1,183,231**
Total[1]	**1,306,967**	**1,191,848**

[1] Comprised outstanding NT$ denominated borrowings of $1,179.2 million (31 December 2015: $1,191.8 million) at TBC level and multicurrency borrowings of $127.8 million (31 December 2015: nil) at Bermuda holdings companies level.

Revised Facilities

In October 2016, the Previous Facilities of NT$32.0 billion were refinanced with Revised Facilities of NT$28.0 billion. The Revised Facilities reached financial close on 26 October 2016.

The NT$ denominated borrowings are repayable in tranches by 2023 and are secured by certain land, buildings, network equipment and plant and equipment held by TBC as well as by pledges over shares in onshore entities of TBC and over the shares in TBC Holdings B.V. and Harvest Cable Holdings B.V. held by Cable TV S.A. The onshore affiliates of TBC are jointly liable under the debt facilities. As at 31 December 2016, the total carrying value of property, plant and equipment pledged for Revised Facilities was $264.5 million (31 December 2015: $226.6 million). In addition, guarantees in favour of the lenders under the debt facilities are provided by TBC Holdings B.V. and Harvest Cable Holdings B.V.

The NT$ denominated borrowings bear a floating interest rate of Taiwan's three-month Taipei Interbank Offered Rate ("TAIBOR") plus an interest margin of 2.6% per annum based on the leverage ratio of the Group. As discussed in Note D(ii), the Group uses interest rate swaps to swap a portion of its borrowings from floating rate to fixed rate. As at 31 December 2016, the notional amount swapped was NT$25.5 billion (31 December 2015: NT$25.5 billion).

Arrangement fees on the Revised Facilities were agreed at 1.6%, payable upon the financial close, which is substantially lower than the arrangement fees on the Previous Facilities of 2.4%. At inception, the arrangement fees are recorded as unamortised arrangement fees. The fees are amortised over the period of the debt facilities as an expense to the consolidated statements of profit or loss.

However, the refinancing of Previous Facilities with Revised Facilities did not lead to recording an extinguishment of the original facility and recognising a new one, because the change in financial covenants and interest rate did not constitute a substantial modification of the terms of the original facility. As a result, in accordance with IAS 39 *Financial Instruments: Recognition and Measurement*, the unamortised arrangement fees associated with the Previous Facilities of $27.0 million, as at 26 October 2016, were not written-off and were carried forward to be amortised along with new arrangement fees on the Revised Facilities over the tenure of the Revised Facilities of 7 years.

New Facilities

As announced on 11 July 2016, APTT has secured a new multicurrency term loan facility in an aggregate amount of $125.0 million and a multicurrency revolving loan facility in an aggregate amount of $125.0 million through its wholly-owned subsidiaries APTT Holdings 1 Limited and APTT Holdings 2 Limited. The New Facilities, denominated in Singapore dollars, are repayable in tranches by 2019 and are secured by a first priority pledge of all of the assets of APTT Holdings 1 Limited, APTT Holdings 2 Limited, Cable TV S.A. and Macquarie APTT Management Pte. Limited, in its capacity as Trustee-Manager of APTT including bank accounts and 100% of the total outstanding shares of APTT Holdings 1 Limited, APTT Holdings 2

Limited and Cable TV S.A. As at 31 December 2016, the total carrying value of assets pledged for New Facilities was $1,115 million. In addition, guarantees in favour of lenders under the debt facilities are provided by Macquarie APTT Management Pte. Limited, in its capacity as Trustee-Manager of APTT, and Cable TV S.A.

Arrangement fees on the New Facilities were agreed at 2.0%, payable 50% on financial close and 50% on the first anniversary of the financial close. At inception, the arrangement fees are recorded as unamortised arrangement fees. The fees are amortised over the period of the debt facilities as an expense to the consolidated statements of profit or loss. The New Facilities bear a floating interest rate of Singapore Interbank Offered Rate ("SIBOR") plus an interest margin of 4.5% per annum.

(ii) Derivative financial instruments

The Group uses foreign exchange contracts to manage its exposure to foreign exchange movements as discussed in Note C(vii). As at 31 December 2016, mark to market movements, classified as current and non-current liabilities, on such contracts were $1.8 million (31 December 2015: $1.3 million) and $0.4 million (31 December 2015: $0.3 million) both at the Group and Trust level.

The Group uses interest rate swaps to manage its exposure to interest rate movements on its NT$ denominated borrowings from financial institutions by swapping a portion of those borrowings from floating rate to fixed rate. All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges in order to reduce the Group's cash flow exposure resulting from variable interest rates on borrowings. The interest rate swaps and the interest payments on the loan occur simultaneously and the amount deferred in equity is recognised in profit or loss over the period that the floating rate interest payments on debt impact profit or loss. As at 31 December 2016, mark to market movements, classified as non-current liabilities, on such swaps were $5.1 million (31 December 2015: $9.1 million) at the Group level on notional amounts swapped of NT$25.5 billion (31 December 2015: NT$25.5 billion).

(iii) Trade and other payables

	Group as at 31 December 2016 $'000	Group as at 31 December 2015 $'000	Trust as at 31 December 2016 $'000	Trust as at 31 December 2015 $'000
Trade payables due to outside parties	17,310	16,550	-	-
Base fees payable to the Trustee-Manager	3,895	3,906	3,895	3,906
Other payables due to subsidiaries	-	-	6,934	6,061
Other payables due to the Trustee-Manager	38	30	38	30
Total	**21,243**	**20,486**	**10,867**	**9,997**

The Group's trade and other payables as at 31 December 2016 comprised mainly broadcast and production costs payable of $17.3 million (31 December 2015: $16.6 million) and base fees payable to the Trustee-Manager of $3.9 million (31 December 2015: $3.9 million).

The Trust's trade and other payables as at 31 December 2016 comprised mainly base fees payable to the Trustee-Manager of $3.9 million (31 December 2015: $3.9 million) and cash held by the Trust on behalf of its subsidiaries of $6.9 million (31 December 2015: $6.1 million).

(iv) Retirement benefit obligations

The Group operates both a defined benefit scheme and a defined contribution scheme. Eligibility for participation in each of the schemes is governed by employment and related laws in the country of employment for employees of the Group. As at 31 December 2016, the Group's retirement benefit obligations, classified as current and non-current liabilities, were $1.4 million (31 December 2015: $1.3 million) and $19.4 million (31 December 2015: $15.6 million) respectively.

(v) Income tax payable

The Group is not required to and does not prepare combined consolidated income tax returns. The following information represents the combined income tax data of the combined consolidated entities. Provision for income tax and the reconciliation of income tax payable were as follows:

	Group as at 31 December 2016 $'000	Group as at 31 December 2015 $'000
Balance at the beginning of the year	**9,672**	**10,609**
Current income tax provision	9,609	10,920
(Over)/under provision for tax for current year	(377)	362
Income tax payment	(2,289)	(7,838)
Prepaid and withheld income tax	(2,853)	(4,722)
Foreign exchange effect	484	341
Balance at the end of the year	**14,246**	**9,672**

(vi) Deferred tax liabilities

The tax effects of temporary differences that give rise to deferred tax liabilities were as follows:

	Group as at 31 December 2016 $'000	Group as at 31 December 2015 $'000
Impairment loss	(1,649)	(551)
Cash flow hedging reserves	(860)	(1,539)
Intangible assets that are partially deductible for tax purposes[1]	58,029	50,562
Accelerated tax depreciation	1,004	1,250
Undistributed earnings of subsidiaries	6,070	3,582
Others	(266)	-
Unrealised exchange differences	(521)	(803)
Deferred tax liabilities, net	**61,807**	**52,501**

[1] Following the settlement principles agreed between the Group and the Taiwan tax authorities in 2014, deferred tax liabilities of $58.0 million were recorded by the Group for the partial tax deductions in respect of the amortisation of intangible assets claimed by the Group as at 31 December 2016 (31 December 2015: $50.6 million).

(vii) Other liabilities

The Group's current other liabilities as at 31 December 2016 of $58.2 million (31 December 2015: $62.8 million) predominantly comprised collections received in advance from subscribers amounting to $35.9 million (31 December 2015: $34.9 million), accrued expenses of $14.3 million (31 December 2015: $24.0 million), withholding tax and other taxes payable of $4.4 million (31 December 2015: $2.3 million), interest and other finance costs payable of $1.9 million (31 December 2015: $0.1 million) and amounts accrued under the Group's long-term incentive plan of $1.6 million (31 December 2015: $1.3 million).

The Trust's current other liabilities as at 31 December 2016 of $0.2 million (31 December 2015: $0.2 million) comprised accruals for regular operating expenses.

The Group's non-current other liabilities as at 31 December 2016 of $16.3 million (31 December 2015: $11.8 million) predominantly comprised subscriber deposits received of $13.8 million (31 December 2015: $9.4 million) and amounts accrued under the Group's long-term incentive plan of $1.4 million (31 December 2015: $1.4 million).

(viii) Reserves

The Group's reserves comprised foreign currency translation reserves, cash flow hedging reserves, capital reserves and retirement benefit obligations reserves as follows:

	Foreign currency translation reserves	Cash flow hedging reserves	Capital reserves	Retirement benefit obligations reserves	Total
	$'000	$'000	$'000	$'000	$'000
Balance as at 1 January 2016	**29,285**	**(7,069)**	**14,008**	**(7,838)**	**28,386**
Exchange differences on translation of foreign operations	42,433		-	-	42,433
Unrealised gain on change in fair value of cash flow hedging financial instruments:					
Interest rate swaps	-	4,207	-	-	4,207
Deferred tax relating to items that may subsequently be reclassified to profit or loss	-	(715)	-	-	(715)
Transfer from accumulated profits[1]	-	-	3,686	-	3,686
Remeasurement of defined benefit obligations	-	-	-	(3,780)	(3,780)
Balance as at 31 December 2016	**71,718**	**(3,577)**	**17,694**	**(11,618)**	**74,217**
Balance as at 1 October 2016	**43,052**	**(5,166)**	**17,694**	**(7,838)**	**47,742**
Exchange differences on translation of foreign operations	28,666	-	-	-	28,666
Unrealised gain on change in fair value of cash flow hedging financial instruments:					
Interest rate swaps	-	1,914	-	-	1,914
Deferred tax relating to items that may subsequently be reclassified to profit or loss	-	(325)	-	-	(325)
Remeasurement of defined benefit obligations	-	-	-	(3,780)	(3,780)
Balance as at 31 December 2016	**71,718**	**(3,577)**	**17,694**	**(11,618)**	**74,217**
Balance as at 1 January 2015	**(9,060)**	**(216)**	**4,155**	**(3,307)**	**(8,428)**
Exchange differences on translation of foreign operations	38,345	-	-	-	38,345
Unrealised loss on change in fair value of cash flow hedging financial instruments:					
Interest rate swaps	-	(8,352)	-	-	(8,352)
Deferred tax relating to items that may subsequently be reclassified to profit or loss	-	1,499	-	-	1,499
Transfer from accumulated profits[1]	-	-	9,853	-	9,853
Remeasurement of defined benefit obligations	-	-	-	(4,531)	(4,531)
Balance as at 31 December 2015	**29,285**	**(7,069)**	**14,008**	**(7,838)**	**28,386**

[1] As per articles of incorporation of Jie Guang Co., Ltd. and Tai Luo Tze Co., Ltd., the current year's earnings, after paying all taxes and offsetting prior years' operating losses, if any, should be appropriated and distributed 10% as capital reserve before dividend declaration.

(ix) Non-controlling interests

In order to comply with Taiwan cable TV regulations regarding foreign ownership, the entities held within the Group have issued preferred shares to third parties in Taiwan and the Netherlands. Non-controlling interests represent the preferred shares issued to external investors and their interests in the net assets of the Group are identified separately from the Group's equity therein.

E) NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS

	Group as at 31 December 2016	Group as at 31 December 2015	Trust as at 31 December 2016	Trust as at 31 December 2015
Net asset value attributable to unitholders				
Total net asset value attributable to unitholders ($'000)	1,228,229	1,228,798	1,337,328	1,338,502
Total number of units in issue used in calculation of net asset value per unit attributable to unitholders ('000)	1,436,800	1,436,800	1,436,800	1,436,800
Net asset value per unit attributable to unitholders ($)	**0.85**	**0.86**	**0.93**	**0.93**

As at 31 December 2016, the Group had negative working capital of $31.8 million (31 December 2015: $24.4 million). This included $35.9 million of collections received in advance from subscribers which do not require any future cash outflow from the Group (31 December 2015: $34.9 million).

After adjusting for this amount, the Group would have positive working capital of $4.1 million (31 December 2015: $10.5 million). The Group has undrawn debt facilities of $143.5 million (31 December 2015: $157.3 million) which can be drawn to address any shortfall in working capital requirements.

The Group believes that it has adequate working capital for its present requirements and that its existing debt facilities, together with cash and cash equivalents, will provide sufficient funds to satisfy its working capital requirements and anticipated capital expenditures and other payment obligations for the next 12 months, after taking into consideration the following factors:

- The Group has five cable TV system operators, with their nine-year cable TV licences renewed in either 2008 or 2009, that serve approximately 762,000 cable TV subscribers as at 31 December 2016, with more than 100 channels of local and international content on its cable TV platforms in Taiwan. For the next renewal periods in 2017 and 2018, a further three-year extension has been given to the existing cable TV licences along with the requirement to complete analogue broadcasting switch-off and consequently digitise all franchise areas. Hence, it is expected that the Group's core business, i.e. cable TV system operators and their related businesses, will continue generating sufficient and stable cash inflows. This is consistent with the positive operating cash flows generated by the Group of $185.2 million for the year ended 31 December 2016 (31 December 2015: $168.5 million).
- In view of the steady operating cash flows generated, good credibility over the past years and full compliance with the requirements as stipulated in the debt facilities, the Trustee-Manager is confident it can refinance such debt facilities when required; and
- The Trustee-Manager has carefully monitored and managed its cash flows. Management and operation reports are prepared and reviewed on a monthly basis and cash flow forecasts are prepared on a quarterly basis to project cash flow requirements of the Group using various general and operational assumptions.

F) RELATED PARTY/INTERESTED PERSON TRANSACTIONS

(i) The Trustee-Manager

The Trustee-Manager, Macquarie APTT Management Pte. Limited, was incorporated in Singapore under the Singapore Companies Act on 17 April 2013. The Trustee-Manager is a wholly-owned subsidiary of Macquarie Singapore.

The Trustee-Manager has the dual responsibility of safeguarding the interests of unitholders and managing the business conducted by the Trust. The Trustee-Manager has powers of management over the business and assets of the Trust and its main responsibility is to manage the Trust's assets and liabilities for the benefit of unitholders as a whole.

The following transactions occurred between APTT and the Trustee-Manager, which included the cost of key management personnel:

	Quarter ended 31 December 2016 $'000	Quarter ended 31 December 2015 $'000	Year ended 31 December 2016 $'000	Year ended 31 December 2015 $'000
Trustee-Manager fees	1,820	1,825	7,241	7,241

The following significant balances remained outstanding between APTT and the Trustee-Manager:

	As at 31 December 2016 $'000	As at 31 December 2015 $'000
Base fees payable to the Trustee-Manager[1]	3,895	3,906

[1] Amounts include GST @7%.

(ii) Macquarie Group ("Macquarie")

a) There were no fees paid to Macquarie in respect of transactions related services during the quarter and year ended 31 December 2016. Debt advisory fee of $5.5 million was paid to Macquarie Capital (Hong Kong) Limited for services provided in relation to the refinancing of TBC's debt facilities in the first quarter of 2015.

b) As per the Resources Agreement between the Trustee-Manager and Macquarie Infrastructure and Real Assets (Singapore) Pte. Limited ("MIRA Singapore") in relation to the provision of resource services by MIRA Singapore to the Trustee-Manager, all fees payable in respect of ancillary services are borne by the Trust. For the quarter ended 31 December 2016, such fees charged by the Trustee-Manager were less than $0.1 million (31 December 2015: less than $0.1 million) and for the year ended 31 December 2016, such fees charged by the Trustee-Manager were $0.3 million (31 December 2015: $0.3 million).

c) The Group utilises Macquarie Bank Limited Singapore Branch's foreign exchange department to hedge some of its foreign currency risk. Macquarie Bank Limited Singapore Branch is regulated by MAS and Rule 915(6) of the SGX-ST Listing Manual exempts the need to disclose transactions with a MAS-regulated entity, on normal commercial terms and in the ordinary course of business. Therefore no further interested person disclosures have been made.

The Group has not obtained a general mandate from unitholders for IPTs.

G) ADDITIONAL INFORMATION

(i) Announcement of financial statements

Pursuant to Rule 705(1) of the SGX-ST Listing Manual, the financial statements for the quarter and year ended 31 December 2016 have been disclosed within 60 days after the end of the relevant financial period.

(ii) Disclosure of person occupying a managerial position

Pursuant to Rule 704(13) of the SGX-ST Listing Manual, the Trustee-Manager confirms that for the quarter and year ended 31 December 2016 no person occupied managerial positions in the Trust or in any of its subsidiaries who were a relative of a director, chief executive officer and/or substantial unitholder.

(iii) Segment information

The Group is principally engaged in providing cable TV and broadband services in Taiwan and therefore the Trustee-Manager considers that the Group operates in one single business and geographical segment.

(iv) Confirmation on undertakings from directors and executive officers

Pursuant to Rule 720(1) of the SGX-ST Listing Manual, the Trustee-Manager confirms that the Trust has procured undertakings from all its directors and executive officers in the form set out in Appendix 7.7.

(v) Review of the provisions of non-audit services by the auditors

The Audit Committee has undertaken a review of non-audit services provided by the auditor and they would not, in the opinion of the Audit committee, affect their independence.

(vi) Review by independent auditor

The financial statements for the quarter and year ended 31 December 2016 have not been audited or reviewed by the Group's auditors, Deloitte & Touche LLP, however they form the basis of the Financial Report within the APTT 2016 Annual Report, which will be audited by Deloitte & Touche LLP and will be available publicly in due course.

(vii) Basis of preparation

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current year as specified in the audited financial statements of the Group for the year ended 31 December 2015. There were no substantial changes to the Group's accounting policies.

The financial statements have been prepared in accordance with IFRS. The preparation of the financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires the Trustee-Manager to exercise judgement in the process of applying the accounting estimates. Estimates and judgements are continually evaluated and are based on historic experience and other factors, including reasonable expectations of future events. The Trustee-Manager believes that the estimates used in the preparation of the financial statements are reasonable. Actual results in the future, however, may differ from those reported.

(viii) Functional and presentation currency

All figures, unless otherwise stated, are presented in Singapore dollars, which is APTT's functional and presentation currency.

(ix) Rounding of amounts in the financial statements

Amounts in the financial statements have been rounded to the nearest thousand dollars, unless otherwise indicated.

(x) Group accounting - subsidiaries

Subsidiaries are all entities (including special purpose entities) over which control is achieved when the Trust (i) has power over the investee; (ii) is exposed, or has rights, to variable returns from its involvement with the investee; and (iii) has the ability to use its power to affect its returns. Consolidation of a subsidiary begins when the Trust obtains control over the subsidiary and ceases when the Trust loses control of the subsidiary.

(xi) Breakdown of Group's total revenue and profit after income tax before deducting non-controlling interests

	Year ended 31 December 2016 $'000	Year ended 31 December 2015 $'000	Variance[1] %
Total revenue			
1st half year	156,040	164,972	(5.4)
2nd half year	163,189	167,180	(2.4)
	319,229	**332,152**	**(3.9)**
Profit after income tax before deducting non-controlling interests			
1st half year	32,902	14,635	>100
2nd half year	27,098	30,815	(12.1)
	60,000	**45,450**	**32.0**

[1] A positive variance is favourable to the Group and a negative variance is unfavourable to the Group

CONFIRMATION OF THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

On behalf of the Board of directors of Macquarie APTT Management Pte. Limited, as Trustee-Manager of APTT, we, the undersigned hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of directors which may render the financial statements for the quarter and year ended 31 December 2016 to be false or misleading in any material aspect.

On behalf of the Board of directors of
Macquarie APTT Management Pte. Limited
(Company Registration No. 201310241D)
As Trustee-Manager of APTT

Yong Lum Sung
Director

Cheong Wei Yue
Director

Singapore
27 February 2017

DISCLAIMERS

Asian Pay Television Trust ("APTT") is a business trust listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"). Macquarie APTT Management Pte. Limited ("Trustee-Manager") is the Trustee-Manager of APTT. The Trustee-Manager is a wholly owned subsidiary of Macquarie Group Holdings (Singapore) Pte. Limited ("Macquarie Singapore") which is an indirect wholly owned subsidiary of Macquarie Corporate Holdings Pty Limited (formerly Macquarie Capital Group Limited) (the "Sponsor").

None of the entities noted in this document is an authorised deposit-taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia). The obligations of these entities do not represent deposits or other liabilities of Macquarie Bank Limited (ABN 46 008 583 542) ("MBL"). MBL does not guarantee or otherwise provide assurance in respect of the obligations of these entities.

This report is not an offer or invitation for subscription or purchase, or a recommendation of securities. It does not take into account the investment objectives, financial situation and particular needs of the investor. Before making an investment in APTT, the investor or prospective investor should consider whether such an investment is appropriate to their particular investment needs, objectives and financial circumstances and consult an investment adviser if necessary.

In particular, no representation or warranty is given as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects or returns contained in the information. Such forecasts, prospects or returns are by their nature subject to significant uncertainties and contingencies. Each recipient of the information should make its own independent assessment of the information and take its own independent professional advice in relation to the information and any action taken on the basis of the information.

Investors should note that there are limitations on the right of certain investors to own units in APTT under applicable Taiwan laws and regulations (the "Relevant Restrictions"). Such investors include PRC individuals and corporate entities, the Taiwan government and political entities and other restricted entities and restricted persons (collectively, the "Restricted Persons"). Investors should note that the Deed of Trust constituting APTT dated 30 April 2013 (the "Trust Deed") provides that the Trustee-Manager may, in the case of a breach of the Relevant Restrictions, take all steps and do all things as it may in its absolute discretion deem necessary to ensure that the Relevant Restrictions are complied with. In particular, the Trust Deed provides that the Trustee-Manager has the power to require the relevant Restricted Person to dispose of their units in APTT and, if such request is not complied with within 21 days after such request (or such shorter period as the Trustee-Manager shall consider reasonable), to arrange for the sale of the units. The Trustee-Manager is not required to provide any reason for, and is not liable or responsible for any losses incurred as a result of, exercising such power. For further information, investors should refer to the prospectus dated 16 May 2013 issued by APTT and the Trust Deed.