Asian Pay Television Trust

ANNUAL REPORT 2016

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PRC Investor Notice

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.

TRUST PROFILE

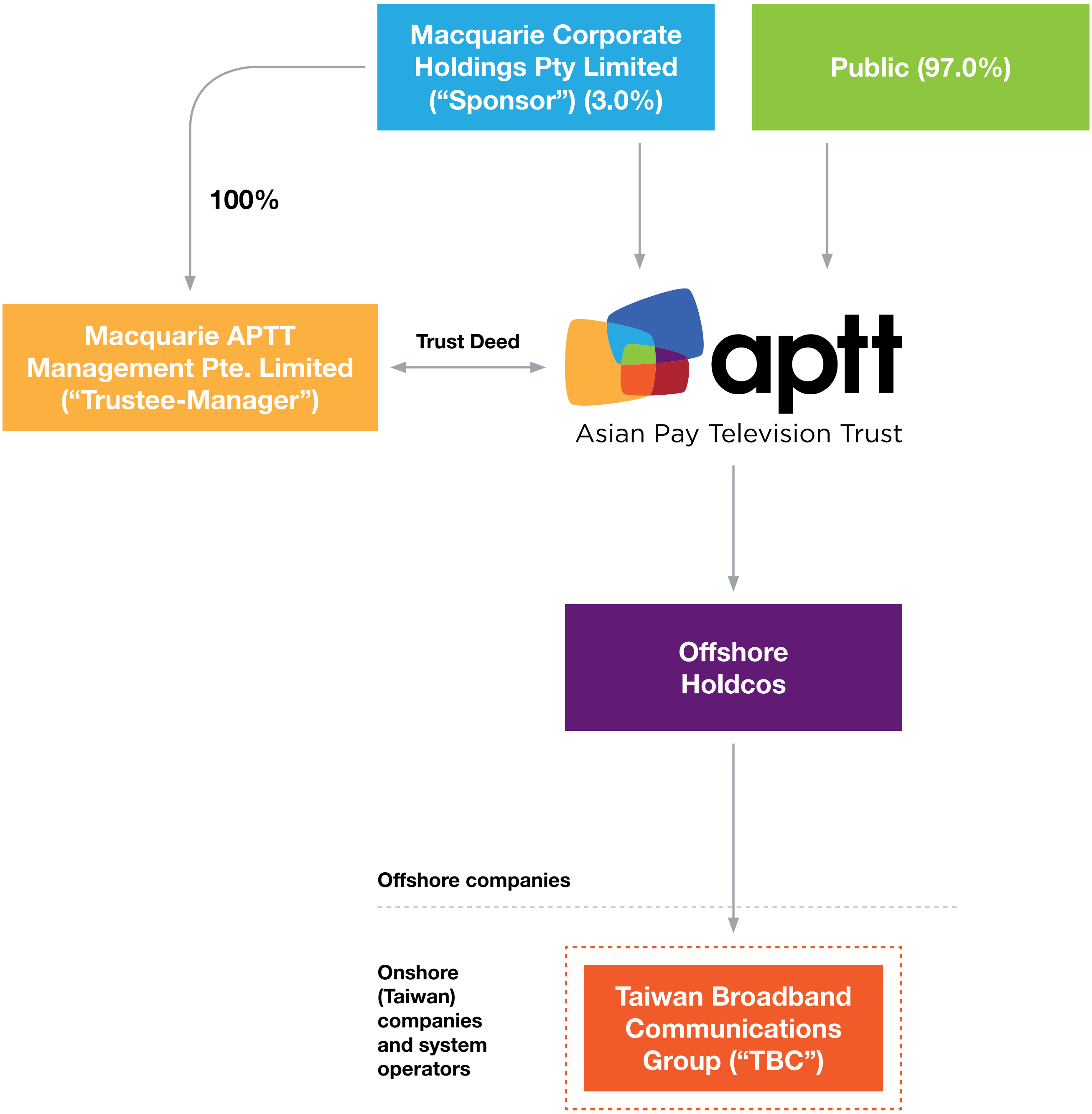
Asian Pay Television Trust ("APTT" or the "Trust") is the first listed business trust in Asia focused on pay-TV businesses. APTT intends to distribute 100% of its distributable free cash flows, and has an investment mandate to acquire controlling interests in and to own, operate and maintain mature, cash generative pay-TV and broadband businesses in Taiwan, Hong Kong, Japan and Singapore.

APTT's sole investment, Taiwan Broadband Communications Group ("TBC"), is Taiwan's third-largest cable TV operator and has been owned and managed by Macquarie Group entities since 2006.

APTT is managed by Macquarie APTT Management Pte. Limited (the "Trustee-Manager") which operates within Macquarie Infrastructure and Real Assets ("MIRA"), a division of Macquarie Group and a global alternative asset manager with approximately A$136 billion[1] in assets under management through specialised funds focused on real estate, infrastructure and related sectors. The Trustee-Manager is led by an executive management team that has extensive experience in the pay-TV and broadband industries and complementary skill sets in acquisition, asset and capital management.

[1] As at 30 September 2016.

CORPORATE STRUCTURE



FINANCIAL HIGHLIGHTS

Total Revenue (S$)

319.2 million

Total Assets (S$)

2,737.4 million

EBITDA Margin (%)

59.3

Net Profit (S$)

60.0 million

Distributions per Unit (Singapore Cents)

6.5

CHAIR'S STATEMENT

TBC continued to lead the pay-TV markets and remained a significant broadband player in its five franchise areas across Taiwan, which underscores the resilient nature of its business.

Dear Unitholders,

I am pleased to report the steady performance of the Asian Pay Television Trust ("APTT" or the "Trust") for the year ended 31 December 2016.

APTT's sole investment, Taiwan Broadband Communications ("TBC"), performed in line with expectations despite challenging economic conditions in Taiwan. TBC continued to lead the pay-TV markets and remained a significant broadband player in its five franchise areas across Taiwan, which underscores the resilient nature of its business. TBC owns the cable network that passes over 1.2 million homes, through which it delivers Basic cable TV, Premium digital cable TV and high-speed Broadband services.

Given the stable performance of APTT in 2016, it declared distributions of 6.5 Singapore cents per unit, which was consistent with the guidance provided to unitholders in our last annual report.

OPERATIONAL PERFORMANCE

APTT reported total revenue and EBITDA on a consolidated basis of S$319.2 million and S$189.3 million respectively for the year ended 31 December 2016.

Operational highlights of TBC include:

- There were more subscribers across TBC's three service offerings in 2016 than in the previous year. Basic cable TV, Premium digital cable TV and Broadband subscribers as at 31 December 2016 totalled 762,000 (2015: 758,000), 182,000 (2015:169,000) and 201,000 (2015: 193,000) respectively.

- TBC remains at the forefront of digitisation in Taiwan and is well positioned to provide subscribers with the opportunity to watch the latest TV offerings in high definition digital format.

- TBC continued to market Broadband services in the greater Taichung expansion area, where it has secured the requisite regulatory licences to operate. However, full commercial operation has been delayed as a result of the delay in securing content rights to deliver cable TV services in the greater Taichung region. Consequently, TBC will continue to market and sell Broadband services in the expansion area and defer any residual capital expenditure in the expansion area until it can secure the necessary content rights on mutually acceptable commercial terms from the content owners. These negotiations for the expansion area do not impact TBC's existing five franchise areas.

DISTRIBUTIONS

APTT declared and paid total distributions of 6.5 Singapore cents per unit for 2016. The distributions were underpinned by the cash flows from APTT's investment in TBC and it is expected that these will continue to form the basis of APTT's future distributions to unitholders. The Trust intends to continue to distribute 100% of its distributable free cash flows on a quarterly basis.

Distributions for 2017 are anticipated to be consistent with 2016 at 6.5 Singapore cents per unit to be paid in quarterly instalments of 1.625 Singapore cents per unit. The 2017 distribution guidance is subject to no material changes in planning assumptions.

KEY DEVELOPMENTS

Recent developments regarding TBC's business are as follows:

- In July 2016, APTT secured a new multicurrency term loan facility in an aggregate amount of S$125.0 million and a multicurrency revolving loan facility in an aggregate amount of S$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.

- 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") had 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 Annual 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, please 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.

CHAIR'S STATEMENT

OUTLOOK

In 2016, the Brexit decision and the election outcome in the United States took many by surprise. These developments could have far-reaching implications on a global scale, both politically and economically, and have created additional uncertainties on economic recovery and global growth. While there was some stabilisation of the Taiwanese economy in the second half of 2016, it remains to be seen whether this recovery can be sustained.

In 2017, we will continue to build on the initiatives to up-sell and cross-sell services across TBC's subscriber base to drive growth in future cash flows. We remain cautiously optimistic regarding progress throughout 2017 and will continue to monitor market dynamics, along with enhancing our product and service offerings to drive growth.

ACKNOWLEDGEMENTS

I would like to acknowledge my fellow directors on the Board of the Trustee-Manager for their dedicated service and support, and also the management team for their hard work in the past year.

Finally, on behalf of the Trustee-Manager Board, I would like to thank you, our unitholders and other stakeholders, for your continued support for APTT.

Yong Lum Sung
Chair

ASSET PORTFOLIO

TAIWAN BROADBAND COMMUNICATIONS GROUP ("TBC")

Asset description

TBC is a leading, integrated cable operator in Taiwan that generates stable cash flows and has an attractive growth profile. Established in 1999, TBC is a provider of Cable TV and Broadband services in closely clustered franchise areas in northern and central Taiwan.

With network coverage of approximately 1.2 million homes, TBC offers Basic cable TV, Premium digital cable TV and high-speed Broadband services to households in these areas.

SUSTAINABILITY

Macquarie APTT Management Pte. Limited, the Trustee-Manager of APTT ("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 (the "Sponsor") and operates in accordance with the policies and procedures of Macquarie Group Limited ("Macquarie"), which has made a public statement on corporate citizenship which is available on its website at www.macquarie.com.

The commitment is based on Macquarie taking a long-term view of its business activities and acknowledging the importance of good custodianship to the communities in which it operates. As set out on Macquarie's website, this commitment is underpinned by:

- A clear expectation of ethical behaviour from all Macquarie staff, which has been adopted by the Board of the Trustee-Manager (in its capacity as the Trustee-Manager of APTT) and which is set out in the Trustee-Manager's code of conduct (available on request); and
- A robust framework of policies including those relevant to environmental, social and governance responsibilities.

All Macquarie staff, including those working on behalf of APTT, have a collective responsibility to ensure that Macquarie continues to be a good corporate citizen. The Trustee-Manager is supported by Macquarie's integrity officers and risk management group.

Macquarie staff may also contribute their time, expertise and/or finances to community organisations through the Macquarie Group Foundation. Macquarie is committed to supporting the charitable, sponsorship and volunteer work of the Macquarie Group Foundation and Macquarie staff in the communities in which Macquarie operates.

POLICIES ADOPTED BY APTT

APTT is committed to operating within the laws of any jurisdiction in which it does business and rejects absolutely the use of any form of bribery or corruption either directly or indirectly on its behalf to advance its business interests or those of its associates. The Trustee-Manager has adopted a code of conduct, which includes anti-bribery, anti-corruption and anti-money laundering policies, intended to help directors and staff to understand their responsibilities, to uphold the goals and values to which Macquarie aspires and to conduct business in accordance with applicable laws and regulations.

In addition, APTT recognises that its investment in and development and management of operating businesses may have environmental and social impacts. APTT acknowledges that many people are impacted by the activities of its businesses' operations and will work to ensure its operations are conducted in an environmentally and socially responsible manner.

APTT has adopted policies and procedures to manage these risks, which are consistent with Macquarie's policies and reflect the risk specifically associated with APTT's portfolio and the management thereof.

The framework is applied throughout APTT's investment and portfolio management process as follows:

- Asset selection – environmental and social issues are reviewed as part of the acquisition due diligence process;
- Ongoing portfolio management – the environmental and social risk management framework of assets and businesses in APTT's portfolio is assessed to ensure it is appropriate to the level of environmental and social risks. APTT's ability to control or influence such a framework will be determined through its level of ownership/control. Regular reporting to the Board enables compliance with environmental requirements to be monitored and environmental and social responsibility issues to be identified; and
- Stakeholder reporting – policies, social and environmental initiatives, and compliance performance are reported internally and, where appropriate, externally.

ENVIRONMENTAL AND SOCIAL RESPONSIBILITY-RELATED INITIATIVES AT APTT BUSINESSES IN FY2016

APTT understands the importance of sustainable business growth, and APTT and its businesses adopt practices and cooperative measures that ensure sustainability.

Taiwan Broadband Communications ("TBC"), the sole asset of APTT, is an active member of its community and plays an integral role in the wide range of social, cultural and environmental activities in its operating areas. Examples of notable environmental and social responsibility-related initiatives undertaken during 2016 include the following initiatives by the TBC system operators:

- Nan Tao Yuan Cable Television Co., Ltd's ("Nan Tao Yuan") community contributions in 2016 included sponsorship of the national Taiwan Lantern Festival held in Taoyuan and a range of local charitable events for elder and children causes. It also sponsored the Taoyuan County Orchestra Festival and the Taoyuan County Dragon Boat Competition among others.

- Best Cable Television Co., Ltd's ("Best") community initiatives in 2016 included the continued sponsorship of the Hsinchu Hakka Tong Blossom Festival and Hsinchu Hakka Yimin Festival. In addition, Best contributed to a range of local charitable events including the Hsinchu Bike Carnival and Children's Folkgame Festival in the county.

- Shin Ho Cable Television Co., Ltd ("Shin Ho") and Chi Yuan Cable Television Co., Ltd ("Chi Yuan"), both operating in Miaoli County, contributed to local community activities in 2016 through sponsorship of the Miaoli Exhibition Hall for the 2016 Central Taiwan Agriculture Expo. Moreover, to promote art education, they sponsored the 2016 Asia Weekend Theatre Festival. Both operators also supported charities through donations to local orphanage and nursing homes, and social welfare foundations.

- Chun Chien Cable TV Co., Ltd's ("Chun Chien") community contributions in 2016 included sponsorship of electronics equipment and advertising to the visually impaired association and massage industry. To promote digitisation and education, Chun Chien also held the Digital Experience Camp and Anchor Summer Camp.

- TBC continued to provide airtime and financial support for community announcements that promote public welfare issues and provide subscription subsidies for low-income community members. Additionally, it continued to support local government on charity events for causes such as anti-cancer and anti-violence at home and on campus. TBC also sponsored the Get Fresh Contest held by Industrial Development Bureau, Ministry of Economic Affairs and donated rescue equipment to the Taiwan Fire Department.

OPERATIONAL AND FINANCIAL REVIEW

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 Group'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 Group. In particular, EBITDA and EBITDA margin do not reflect the Group'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 Group 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 Group'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

	Group[1, 2] Year ended 31 December 2016 $'000	Group Year ended 31 December 2015 $'000
Revenue		
Basic cable TV	254,395	264,962
Premium digital cable TV	14,982	15,366
Broadband	49,852	51,824
Total revenue	**319,229**	**332,152**
Operating expenses[3]		
Broadcast and production costs	(61,723)	(62,486)
Staff costs	(30,455)	(29,663)
Trustee-Manager fees	(7,241)	(7,241)
Other operating expenses	(30,512)	(31,717)
Total operating expenses	**(129,931)**	**(131,107)**
EBITDA	**189,298**	**201,045**
EBITDA margin	59.3%	60.5%
Capital expenditure		
Maintenance[4]	24,109	20,283
Network expansion growth	871	10,248
Premium digital cable TV growth	48,623	52,626
Other capital expenditure[4]	18,216	18,202
Total capital expenditure	**91,819**	**101,359**
Total maintenance capital expenditure as % of revenue	**7.6**	**6.1**
Total capital expenditure as % of revenue	**28.8**	**30.5**
Income taxes paid, net of refunds[5]	13,164	25,906
Interest and other finance costs paid	52,250	49,695

1 All figures, unless otherwise stated, are presented in Singapore dollars ("$").

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

3 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 48, in order to arrive at EBITDA and EBITDA margin presented here.

4 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 prior corresponding period ("pcp") figures for maintenance and other capital expenditure have been restated to conform to the new presentation.

5 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).

OPERATIONAL AND FINANCIAL REVIEW

SELECTED OPERATING DATA

	Group Year ended 31 December 2016	Group Year ended 31 December 2015
ARPU[1] (NT$ per month)		
Basic cable TV	529	536
Premium digital cable TV[2]	157	171
Broadband	478	515
AMCR[3] (%)		
Basic cable TV	(0.8)	(0.8)
Premium digital cable TV[2]	(3.4)	(1.8)
Broadband	(1.5)	(1.5)

	Group as at 31 December 2016	Group as at 31 December 2015
Subscribers ('000)		
Basic cable TV	762	758
Premium digital cable TV[2]	182	169
Broadband	201	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 revenue generating units ("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

Total revenue for the year ended 31 December 2016 of $319.2 million comprised: (i) Basic cable TV revenue of $254.4 million, (ii) Premium digital cable TV revenue of $15.0 million and (iii) Broadband revenue of $49.9 million.

Total revenue for the year ended 31 December 2016 was 3.9% lower than the pcp, however in constant Taiwan dollar ("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 the 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.

Total operating expenses of $129.9 million for the year ended 31 December 2016 comprised: (i) Broadcast and production costs of $61.7 million, (ii) Staff costs of $30.5 million, (iii) Trustee-Manager fees of $7.2 million and (iv) Other operating expenses of $30.5 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.

For the year ended 31 December 2016, EBITDA and EBITDA margin were lower than the pcp at $189.3 million and 59.3%.

Basic cable TV subscribers of 762 thousand, Premium digital cable TV subscribers of 182 thousand and Broadband subscribers of 201 thousand as at 31 December 2016 were higher than the pcp. However, Basic cable TV ARPU of NT$529 per month, Premium digital cable TV ARPU of NT$157 per month and Broadband ARPU of NT$478 per month during 2016 were lower than the pcp.

Total capital expenditure of $91.8 million as a percentage of revenue for the year ended 31 December 2016 was 28.8%. Total capital expenditure was lower because of lower capital expenditure being incurred on network expansion growth into greater Taichung and Premium digital cable TV growth compared to the pcp. This lower expenditure offset the higher maintenance capital expenditure being incurred when compared to the 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.

OPERATIONAL AND FINANCIAL REVIEW

RECONCILIATION OF NET PROFIT TO EBITDA

	Group Year ended 31 December 2016 $'000	Group Year ended 31 December 2015 $'000
Profit after income tax	**60,000**	**45,450**
Add: Depreciation and amortisation expense	55,652	44,609
Add: Net foreign exchange (gain)/loss	(10,603)	2,459
Add: Mark to market loss on derivative financial instruments	759	1,475
Add: Debt advisory fee	-	5,521
Add: Amortisation of deferred arrangement fees	5,927	26,033
Add: Interest and other finance costs	54,015	49,711
Add: Income tax expense	23,548	25,787
EBITDA	**189,298**	**201,045**
EBITDA margin[1]	**59.3%**	**60.5%**

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

(A) REVIEW OF REVENUE

For the year ended 31 December 2016, APTT reported total revenue of $319.2 million (31 December 2015: $332.2 million). Total revenue comprised: (i) Basic cable TV revenue of $254.4 million (31 December 2015: $265.0 million), (ii) Premium digital cable TV revenue of $15.0 million (31 December 2015: $15.4 million) and (iii) Broadband revenue of $49.9 million (31 December 2015: $51.8 million). Total revenue for the year ended 31 December 2016 was 3.9% lower than the pcp, however in constant NT$ 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 the pcp.

(i) Basic cable TV

Basic cable TV revenue of $254.4 million for the year ended 31 December 2016 (31 December 2015: $265.0 million) 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$529 per month in the year to access over 100 cable TV channels.

Non-subscription revenue was 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 $15.0 million for the year ended 31 December 2016 (31 December 2015: $15.4 million) 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$157 per month in the year for Premium digital cable TV packages, bundled DVR or DVR-only services. Premium digital cable TV subscribers increased by c.13,000 and ARPU was lower compared to the previous year ended 31 December 2015 (Subscribers: c.169,000; ARPU: NT$171 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 $49.9 million for the year ended 31 December 2016 (31 December 2015: $51.8 million) 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$478 per month in the year for Broadband services. Broadband subscribers increased by c.8,000 and ARPU was lower compared to the previous year ended 31 December 2015 (Subscribers: c.193,000 and ARPU: NT$515 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 $61.7 million for the year ended 31 December 2016 (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 $30.5 million for the year ended 31 December 2016 (31 December 2015: $29.7 million). The higher staff costs during the year ended 31 December 2016 were due to salary adjustments, overtime 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 were 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 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 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 $55.7 million for the year ended 31 December 2016 (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 net impairment losses of $6.7 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 to Note 7 of the Consolidated Financial Statements on pages 71 to 74 of this Annual Report 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 $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 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 $10.6 million for the year ended 31 December 2016 (31 December 2015: loss of $2.5 million).

(vi) Mark to market loss on derivative financial instruments

The Group uses foreign exchange contracts to manage its exposure to foreign exchange movements as discussed in Note 10 of the Consolidated Financial Statements on page 76 of this Annual Report. 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 2015 amounting to $5.5 million. There was no such fee for the year ended 31 December 2016.

(viii) Other operating expenses

Other operating expenses were $30.5 million for the year ended 31 December 2016 (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 $5.9 million for the year ended 31 December 2016 (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 to Note 12 of the Consolidated Financial Statements on pages 77 to 78 of this Annual Report for more details.

(x) Interest and other finance costs

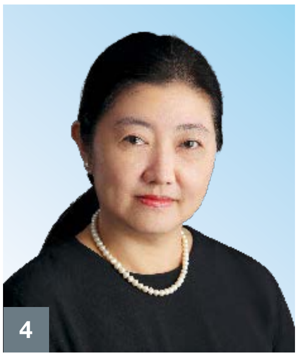
Interest and other finance costs were $54.0 million for the year ended 31 December 2016 (31 December 2015: $49.7 million). These comprised interest expense and commitment fees on the Group's debt facilities.

(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.

BOARD OF DIRECTORS AND EXECUTIVE OFFICERS OF THE TRUSTEE-MANAGER



YONG LUM SUNG 1

Chair and Independent Director

Yong Lum Sung is an independent director and chair of the Board of the Trustee-Manager. He was appointed on 29 April 2013. Mr Yong was formerly the chief operating officer of StarHub Ltd from 2002 to 2006, and President of Singapore Cable Vision Ltd from 1998 to 2002. Since 2007, he has served as a Board member of several companies. Mr Yong holds a Master of Engineering degree from the University of Singapore and a Certified Diploma in Accounting and Finance from the Chartered Association of Certified Accountants, United Kingdom. He has also attended the Advanced Management Program at Harvard Business School.

TAN CHUNG YAW, RICHARD 2

Independent Director

Tan Chung Yaw, Richard is an independent director of the Trustee-Manager. He was appointed on 29 April 2013. Mr Tan has since 2008 held various senior leadership positions in PT Smartfren Telekom Tbk, and is currently responsible for corporate strategy. From 2011 to 2016, Mr Tan also served as the chairman and an independent director of Polaris Ltd. In 2008, Mr Tan held the post of director of commerce at PT Telekomunikasi, Indonesia ("Telkomsel") where he was responsible for sales and marketing. From 2001 to 2007, Mr Tan was Vice President (Wholesale) at SingTel Ltd., where he was responsible for the wholesale of voice and data products. Mr Tan holds a Bachelor of Science in Electrical Engineering (Honours) and Master of Science in Electrical Engineering from the National University of Singapore.

LEONG SHIN LOONG 3

Independent Director

Leong Shin Loong is an independent director of the Trustee-Manager. He was appointed on 29 April 2013. He is currently Director of Decat Pte Ltd. He was an executive officer of New Asurion Singapore Pte. Ltd from 2015 to 2016. From 2011 to 2014, he was chief executive officer of PT Berca Global Access. From 1997 to 2011, Mr Leong was a Vice President at Singapore Telecommunications. From 2002 to 2004 and 2008 to 2011, he was seconded to PT Telkomsel, Indonesia, where he was director of commerce, responsible for sales and marketing. From 2005 to 2006, he was seconded to AIS, Thailand where he was executive vice-chair responsible for investment monitoring. Mr Leong is also a member of the Singapore Institute of Directors. Mr Leong holds a Bachelor of Science in Electrical and Electronic Engineering from Northwestern University and a Master of Engineering (Computer and Systems Engineering) from Rensselaer Polytechnic Institute. He has also attended the Advanced Management Program at Harvard Business School.

ONG JOO MIEN, JOANNA 4

Independent Director

Ong Joo Mien, Joanna is an independent director of the Trustee-Manager. She was appointed on 1 July 2015. From 2010, she started her corporate services business which provides a wide range of finance and management consultancy services to SMEs. From 2002 to 2006, she was the Vice President Finance of StarHub Limited and responsible for all finance matters under a division that managed top major product groups and services including pay-TV, Broadband internet, the consumer marketing department and all sales streams within the consumer market. Ms Ong holds a Bachelor of Accountancy from National University of Singapore and is a Chartered Accountant of the Institute of Singapore Chartered Accountants.

BOARD OF DIRECTORS AND EXECUTIVE OFFICERS OF THE TRUSTEE-MANAGER

BENJAMIN IAN WAY 5

Vice-Chair and Non-Executive Director

Benjamin Ian Way is a non-executive director and vice-chair of the Trustee-Manager. He was appointed on 17 April 2013.

Mr Way is the Chief Executive Officer of Macquarie Group Asia. Macquarie Group has more than 3,400 people across 13 offices in 11 locations in Asia. Since joining Macquarie in 2006, Mr Way, who also co-heads MIRA in Asia-Pacific, has led the establishment of funds across the region with investments in the utilities, renewable, communication, transport and water sectors.

A director of several non-profit and professional organisations, Mr Way is vice-chair of the Hong Kong-ASEAN Economic Cooperation Foundation, a member of the Australia-Guangdong Business Council, the Chairman's Council of the Australia-China Relations Institute and the Hong Kong Trade Development Council Financial Services Advisory Committee. He also participates in the Australia India Leadership Dialogue.

He is a board member of the Macquarie Group Foundation and HAGAR International. Mr Way is also a member of The Women's Foundation 'Male Allies' in Hong Kong and a signatory to the 30% Club and #HeForShe.

Mr Way has been based in Asia for over 16 years. He was previously the Chief Executive Officer of Taiwan Broadband Communications, where he continues to serve as Chairman, and a management consultant with Bain & Company.

CHEONG WEI YUE 6

Chief Executive Officer and Executive Director

Cheong Wei Yue is an executive director and the Chief Executive Officer of the Trustee-Manager. He was appointed on 15 October 2014. He joined Macquarie Group Limited in 2006 and had responsibilities within the SGX-listed Macquarie International Infrastructure Fund Limited ("MIIF"), which included fund and asset management. Mr Cheong also served on the Board of a number of investee companies in transportation, renewable energy and storage infrastructure. In addition, Mr Cheong served concurrently as Head of Investor Solutions Group in South East Asia, Hong Kong and Taiwan for MIRA. Prior to joining Macquarie, Mr Cheong worked in venture capital, corporate banking and debt advisory. Mr Cheong holds a Bachelor of Commerce from Curtin University and a Master of Business Administration from the University of Western Australia.

BRIAN MCKINLEY 7

Chief Financial Officer

Brian McKinley is the Chief Financial Officer ("CFO") of the Trustee-Manager. Mr McKinley rejoined Macquarie in 2012 and has been the CFO of the Trustee-Manager since the listing of Asian Pay Television Trust in May 2013. From 2011 to 2012, Mr McKinley was CFO of Chandler Corporation, where he provided overall financial leadership to the company. From 2009 to 2011, he was CFO of the Banking and Financial Services Group, North America, of Macquarie Group Limited and from 2006 to 2009, he was Head of Finance of Macquarie Group Limited's MIRA division in Canada. In both roles he provided overall financial leadership to the respective divisions. Mr McKinley began his professional career in 1995 with PricewaterhouseCoopers where he worked for three years prior to moving to the telecommunications industry and into financial services. Mr McKinley holds a Bachelor of Commerce (High Honours) from Carleton University, Canada and is a Chartered Accountant of the Institute of Chartered Accountants of Ontario, Canada.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Yong Lum Sung
Chair and Independent Director

Tan Chung Yaw, Richard
Independent Director

Leong Shin Loong
Independent Director

Ong Joo Mien, Joanna
Independent Director

Benjamin Ian Way
Vice-Chair and Non-Executive Director

Cheong Wei Yue
Chief Executive Officer and Executive Director

AUDIT COMMITTEE

Ong Joo Mien, Joanna
Chair and Independent Director

Yong Lum Sung
Independent Director

Tan Chung Yaw, Richard
Independent Director

COMPANY SECRETARY

Lee Wai Sum

REGISTERED OFFICE

Macquarie APTT Management Pte. Limited
10 Marina Boulevard
#17-01, Marina Bay Financial Centre Tower 2
Singapore 018983
Telephone: +65 6601 0888
Facsimile: +65 6601 0653
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Web: www.aptt.com.sg

TRUSTEE-MANAGER

Macquarie APTT Management Pte. Limited
10 Marina Boulevard
#17-01, Marina Bay Financial Centre Tower 2
Singapore 018983
Company Registration Number: 201310241D

UNIT REGISTRAR AND UNIT TRANSFER OFFICE

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623
Telephone: +65 6536 5355
Facsimile: +65 6536 1360

AUDITORS

Deloitte & Touche LLP
6 Shenton Way, OUE Downtown 2
#33-00
Singapore 068809
Partner in charge: Loi Chee Keong
(Appointment with effect from financial year 2014)
Telephone: +65 6224 8288
Facsimile: +65 6538 6166

STOCK INFORMATION

SGX ID: S7OU
Bloomberg: APTT SP
Reuters: ASIA SI
WPK Number: A1WZBD
SEDOL1: B6VG8G0 SG
ISIN: SG2F77993036

MEDIA AND INVESTOR RELATIONS

Laura Bramwell
Corporate Communications, Australia
Telephone: +61 2 8232 3835
Email: laura.bramwell@macquarie.com

LEGAL STATEMENT

APTT is a business trust constituted on 30 April 2013 under the laws of the Republic of Singapore by a declaration of trust by Macquarie APTT Management Pte. Limited, as Trustee-Manager of APTT ("Trustee-Manager"), under the trust deed dated 30 April 2013 ("Trust Deed"). APTT is registered under the Business Trusts Act, Chapter 31A of Singapore ("BTA") and was listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") on 29 May 2013.

The Trustee-Manager is incorporated in Singapore and is a wholly owned subsidiary of Macquarie Corporate Holdings Pty Limited (the "Sponsor"). The Trustee-Manager is responsible for managing the business conducted by APTT.

SINGAPORE CODE OF CORPORATE GOVERNANCE

In conjunction with the Singapore Code of Corporate Governance 2012 (the "Code"), the SGX-ST requires all listed issuers to describe their corporate governance practices with specific reference to the principles of the Code in their annual report, as part of their continuing obligations under the SGX-ST Listing Rules.

APTT's corporate governance practices conform largely to the principles and guidelines of the Code, as well as the BTA and the Business Trusts Regulations 2005. Deviations from the Code are noted and explained in the following statement, which outlines APTT's main corporate governance practices as at 31 December 2016.

The Trustee-Manager operates in accordance with the policies and procedures of Macquarie Group Limited.

APTT CORPORATE GOVERNANCE STATEMENT

Principle 1: The Board's conduct of affairs

Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with management to achieve this objective and management remains accountable to the Board.

Responsibility for corporate governance and oversight of the internal workings of APTT rests with the Board of Directors of the Trustee-Manager ("Board").

The Board is responsible for the overall corporate governance of the Trustee-Manager including establishing goals for management and monitoring the achievement of these goals. The Board is also responsible for the strategic business direction and risk management of APTT. All directors participate in matters relating to corporate governance, business operations and risks, financial performance and the nomination and review of directors.

Board meetings are held quarterly and more frequently as required. To facilitate the Board's decision-making processes, the Constitution of the Trustee-Manager provides for directors to participate in Board meetings by teleconference or videoconference, and for Board resolutions to be passed in writing including by electronic means.

The Board meets to review the key activities and business strategies of the Trustee-Manager, to deliberate on the strategic policies of APTT, approve the budgets and review the performance of APTT. The Board also reviews APTT's key financial risk areas. Having conducted a review of APTT's key financial risk areas, the Board has concluded that there are no findings that are relevant and material to APTT's operations.

The Board has established a separate Audit Committee, Nominating Committee and Remuneration Committee, each comprising independent directors only and subject to formalised terms of reference. Certain functions of the Board have been delegated to these Committees, including the following key terms of reference for the respective Committees:

CORPORATE GOVERNANCE STATEMENT

Audit Committee ("AC")

(i) to review with the auditor of the Trust:
- the audit plan of the Trust;
- the auditor's evaluation of the system of internal accounting controls of the Trustee-Manager;
- the auditor's audit report for the Trust; and
- the auditor's management letter and management's response;

(ii) to review:
- the assistance given by the officers of the Trustee-Manager to the auditor of the Trust;
- the scope and results of the internal audit procedures of the Trustee-Manager;
- the policies and practices put in place by the Trustee-Manager to ensure compliance with the BTA and the Trust Deed;
- the procedures put in place by the Trustee-Manager for managing any conflict that may arise between the interests of the unitholders and the interests of the Trustee-Manager, including interested person transactions, the indemnification of expenses or liabilities incurred by the Trustee-Manager and the setting of fees or charges payable out of the Trust property;
- interested person transactions for potential conflicts of interest;
- risk management policies and guidelines and monitor compliance therewith; and
- the statement of financial position and statement of profit or loss of the Trustee-Manager and statements of financial position, statements of profit or loss and statements of cash flows of the Trust submitted to it by the Trustee-Manager, and thereafter to submit them to the Board;

(iii) to review significant reporting issues and judgments to ensure the integrity of the financial statements and any announcements relating to financial performance;

(iv) to report to the Board:
- any inadequacies, deficiencies or matters of concern of which the AC becomes aware or that it suspects arising from its review of the items referred to in sub-paragraphs (i), (ii) and (iii); and
- any breach of the BTA or any breach of the provisions of the Trust Deed, of which the AC becomes aware or that it suspects;

(v) to report to the Monetary Authority of Singapore ("MAS") if the AC is of the view that the Board has not taken, or does not propose to take, appropriate action to deal with a matter reported under sub-paragraph (iv);

(vi) to nominate a person or persons as auditor of the Trust, notwithstanding anything contained in the Trust Deed;

(vii) to approve and review all hedging policies and instruments to be implemented by the Trust, if any;

(viii) to monitor the implementation of outstanding internal control recommendations highlighted by the auditors in the course of their audit of the financial statements of the Trust, the Trustee-Manager and their subsidiaries taken as a whole; and

(ix) to meet with external and internal auditors, without the presence of the chief executive officer and the chief financial officer, at least on an annual basis.

Nominating Committee ("NC")

(i) to review the composition of the Board annually to ensure an appropriate balance of expertise, skills, attributes and abilities among the directors;

(ii) to establish procedures for and making recommendations to the Board on all Board nominations and renominations;

(iii) to recommend to the Board on relevant matters relating to the review of Board succession plans for directors, the development of a process for evaluating the performance of the Board, its Board Committees and directors, the review of training and professional development programs for the Board, and the appointment and reappointment of directors;

(iv) to review and determine annually if a director is independent of management and business relationships with the Trustee-Manager and independent from every substantial shareholder of the Trustee-Manager; and

(v) where a director has multiple Board representations, to decide whether the director is able to and has been adequately carrying out his duties as director, taking into consideration the director's number of listed company Board representations and other principal commitments.

Remuneration Committee ("RC")

(i) to review and recommend to the Board, in consultation with the chair of the Board ("Board chair"), a comprehensive remuneration policy, and general framework and guidelines for remuneration of the directors;

(ii) within the terms of the agreed policy, to recommend to the Board, the total individual remuneration packages for each of the directors;

(iii) to review the Trustee-Manager's obligations arising in the event of termination of the directors' contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous, with a view to be fair and avoid rewarding poor performance and to recognise the duty to mitigate loss;

(iv) to approve performance targets for assessing the performance of each of the directors and recommending such targets as well as employee-specific remuneration packages for each director for endorsement by the Board; and

(v) to administer and review all unit incentive plans (if any), including those pertaining to directors (if any) in accordance with the rules of such unit.

The Board and management have also put in place formal delegations for, among other things, financial authorisation and approval limits for capital and operating expenditure, bank borrowings and cheque signatories. Transactions requiring Board approval include:

- Investment due diligence budgets above $500,000;
- Appointment of financial advisers;
- Investment or divestment decisions (infrastructure assets);
- Related party transactions – controlled assets, significant stake in Macquarie-sponsored consortium bidding or negotiating for an asset;
- Additional equity raisings and underwriting;
- Adoption of Board and Committee charters and key policies, including significant changes to them; and
- APTT's quarterly and full year financial results for release to the SGX-ST.

Each director has received a formal letter of appointment that details the key terms of their appointment, including their duties and obligations. They are also given access to the Trustee-Manager's and APTT's constitutional documents, Board and Committee charters, minutes of Board and Committee meetings and other pertinent information for reference.

Incoming directors participate in a formal induction program, including presentations by members of management, to ensure that they are familiar with the Trustee-Manager's and APTT's business and governance practices, as well as directors' duties and how to discharge them, and the SGX-ST Listing Rules.

The directors are also provided with continuing education in areas such as directors' duties and responsibilities, corporate governance, changes in the Companies Act, Chapter 50 of Singapore, the BTA and the SGX-ST Listing Rules and changing commercial risks, so as to update and refresh them on matters that may affect and/or enhance their performance as directors.

The Board has adopted a code of conduct (including whistleblowing arrangements), which sets out principles and standards necessary to maintain confidence in the Trustee-Manager's integrity and the responsibility and accountability of individuals for reporting and investigating reports of unethical behaviour.

Board and Committee meetings held in the year ended 31 December 2016

	Regular Board meetings		Ad-hoc Board meetings[1]		Audit Committee meetings (Chair: Ong Joo Mien, Joanna)		Remuneration Committee meetings (Chair: Tan Chung Yaw, Richard)		Nominating Committee meetings (Chair: Leong Shin Loong)	
	Number of meetings		Number of meetings		Number of meetings		Number of meetings		Number of meetings	
	held	attended	held	attended	held	attended	held	attended	held	attended
Yong Lum Sung – Chair and Independent Director	4	4	1	1	4	4	1	1	N/A	N/A
Tan Chung Yaw, Richard – Independent Director	4	4	1	1	4	4	1	1	1	1
Leong Shin Loong – Independent Director	4	4	1	1	N/A	N/A	1	1	1	1
Ong Joo Mien, Joanna – Independent Director	4	4	1	1	4	4	N/A	N/A	1	1
Benjamin Ian Way – Vice-Chair and Non-Executive Director	4	4	1	0	N/A	N/A	N/A	N/A	N/A	N/A
Cheong Wei Yue – Chief Executive Officer and Executive Director	4	4	1	1	N/A	N/A	N/A	N/A	N/A	N/A

1 Ad-hoc or independent directors only Board meetings.

Principle 2: Board composition and guidance

There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The BTA, read with Regulation 12 of the Business Trusts Regulations 2005, provides that the board of the trustee-manager of a registered business trust must consist of:

- at least a majority of directors who are independent from management and business relationships with the trustee-manager;
- at least one-third of directors who are independent from management and business relationships with the trustee-manager and from every substantial shareholder of the trustee-manager; and
- at least a majority of directors who are independent from any single substantial shareholder of the trustee-manager.

In addition to compliance with requirements under the BTA, the composition of the Board is determined using the following principles:

- the chair of the Board should be a non-executive director; and
- the Board should consist of directors with a broad range of commercial experience including expertise in the pay-TV and broadband industries.

The Board comprises six directors of whom four are independent. The Board has reviewed the independence of the independent directors and deemed them to be independent for the purposes of the Code, the BTA and Regulation 12 of the Business Trusts Regulations 2005. This enables management to benefit from the external, diverse and objective perspective of these independent directors, on issues that are brought before the Board.

It also enables the Board to interact and work with management through a robust exchange of ideas and views to help shape the strategic process. This, together with a clear separation of the roles of the Board chair and the chief executive officer, provides a healthy professional relationship between the Board and management, with clarity of roles and robust oversight as they deliberate on the business activities of the Trustee-Manager.

In respect of matters in which the Sponsor and/or its subsidiaries have an interest, direct or indirect, any nominees appointed by the Sponsor and/or its subsidiaries to the Board to represent its/their interests will abstain from voting. In such matters, the quorum must comprise a majority of the independent directors and must exclude any nominee directors of the Sponsor and/or its subsidiaries.

Information on the directors is provided in the Board of Directors and Executive Officers of the Trustee-Manager section on page 18 of this Annual Report. None of the directors has served beyond nine years from the date of their first appointment.

The current directors have the necessary core competencies set out in the Code and who, as a group, provide an appropriate balance and diversity of skills, experience, gender and knowledge of APTT. Core competencies include accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge. Gender diversity is also taken into account in relation to the composition of the Board. Out of the six directors, one is female. Ong Joo Mien, Joanna was appointed to the Board on 1 July 2015, adding to the balance and gender diversity of the Board. The Board is of an appropriate size to facilitate effective decision making, taking into account the nature and scope of operations of APTT and the resources agreement dated 30 April 2013 ("Resources Agreement") with Macquarie Infrastructure and Real Assets (Singapore) Pte. Limited pursuant to which Macquarie Infrastructure and Real Assets (Singapore) Pte. Limited provides the chief executive officer and chief financial officer and other staff and services to the Trustee-Manager to enable the Trustee-Manager to perform its duties as Trustee-Manager of APTT.

Principle 3: Chair and chief executive officer

There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

The positions of Board chair and chief executive officer are separately held by two persons in order to maintain effective checks and balances. The Board chair is Yong Lum Sung, an independent director. The chief executive officer is Cheong Wei Yue, who is an executive director. The Board chair and chief executive officer are not related to each other.

There is a clear separation of the roles and responsibilities between the Board chair and the chief executive officer. The Board chair is responsible for the overall management of the Board as well as ensuring that the members of the Board and management work together with integrity and competency, and that the Board engages management in constructive debate on strategy, business operations, enterprise risk and other plans. The chief executive officer has full executive responsibilities over the business directions and operational decisions in the day-to-day management of the Trustee-Manager.

In addition to the independent Board chair, three of the other five directors, Tan Chung Yaw, Richard, Leong Shin Loong and Ong Joo Mien, Joanna, are non-executive and independent, to provide balance within the workings of the Board and oversight of unitholders' interests.

CORPORATE GOVERNANCE STATEMENT

Principle 4: Board membership

There should be a formal and transparent process for the appointment and reappointment of directors to the Board.

The NC oversees Board composition and processes to ensure the effectiveness of the Board. It also monitors compliance with the Trustee-Manager's code of conduct (including whistleblowing arrangements) and developments in the laws, regulations and practices relating to corporate governance.

In addition, it annually assesses the performance of the Board, the Board Committees and the individual directors. It has adopted a formal charter which outlines written terms of reference. The NC for the year comprised independent directors only, being Leong Shin Loong (chair), Ong Joo Mien, Joanna and Tan Chung Yaw, Richard.

The appointment of the directors will continue until such time as they resign, are required to vacate their office as directors, or are removed by way of an ordinary resolution of the shareholder(s) of the Trustee-Manager, in each case, in accordance with the Constitution of the Trustee-Manager.

The NC reviews the existing attributes and competencies of the Board in order to determine the desired expertise or experience required to strengthen or supplement the Board, and recommends the number of directors that shall comprise the Board in compliance with the Constitution of the Trustee-Manager. Such reviews assist the NC in identifying and nominating suitable candidates for appointment to the Board.

The NC identifies and nominates for the approval of the Board, candidates to fill Board vacancies as and when they arise.

The NC may seek assistance from external search consultants for the selection of potential candidates. Directors and management may also put forward potential candidates for consideration. The NC, together with the Board chair, then meet with the shortlisted candidates to assess their suitability, before submitting the appropriate recommendations as to the appointment of any candidate to the Board for its approval.

Candidates will be considered against objective criteria, having due regard for the benefits of diversity (including gender diversity) on the Board. The following guidelines apply to director selection and nomination:

- Integrity;
- Particular expertise (sector and functional) and the degree to which they complement the skill set of the existing Board members;
- Reputation and standing in the market; and
- In the case of prospective independent directors, actual and perceived independence from the Macquarie Group and substantial unitholders.

Although the directors are not evaluated individually, the factors taken into consideration for the renomination of the directors at the AGM are based on the directors' attendance at meetings held during the year and the contribution made by the directors at the meetings. When considering the incumbent directors, the NC will review on an annual basis the current composition of the Board, taking into account criteria such as independence, age, skills, experience and availability of service to the Board, its members and of anticipated needs and will make an annual recommendation to the Board as to whether the composition of the Board and the individual Committees should be maintained.

The NC has not made a determination as to the maximum limit on the number of directorships a director can hold as the NC believes that prescribing such a maximum limit is arbitrary, given that the time requirements for each directorship vary. When reviewing the composition and number of directors on the Board, and in deciding whether the directors have the capacity to carry out their duties, the NC will consider whether it believes that the directors have sufficient time and ability to perform their Board duties to the required standards, having regard to all their other commitments and directorships as disclosed.

All directors had confirmed that notwithstanding the number of listed company Board representations and other principal commitments which they held, they were able to devote sufficient time and attention to the affairs of APTT.

Principle 5: Board performance

There should be a formal annual assessment of the effectiveness of the Board as a whole and its Board Committees and the contribution by each director to the effectiveness of the Board.

The NC will decide how the Board's performance is to be evaluated and propose objective performance criteria which allow for comparison with industry peers and address how the Board has enhanced long-term unitholder value.

The NC has appointed an external party to assist the Board in conducting the Board evaluation and appraisal process for the Board to ensure objectivity and transparency in the process. The Board assessment will be conducted on an annual basis. The NC was satisfied that the external party has no connection with the Trustee-Manager or any of the directors, except in providing its corporate services to the Trustee-Manager.

The Board assessment will be conducted by way of a questionnaire (the "Questionnaire"), which will be sent to the directors to secure their feedback on the effectiveness of the Board as a whole. Feedback and comments received from the directors would then be reviewed by the NC. The Questionnaire covers areas such as Board composition, information management, Board processes, investor relations, managing APTT's performance, strategic review, Board Committee effectiveness, directors' development and management and risk assessment.

The procedure for evaluation of the performance of the Board and Board Committees is that the Board discusses the performance of each Board Committee with a view to identifying any issues that need to be addressed or desirable initiatives in respect of both the operation of the Board and the Board Committees.

The assessment examines the Board's role, composition, and its operation against a number of defined criteria.

Reviews of the individual directors are carried out on an informal basis. The Trustee-Manager believes that the performance of individual directors are better reflected in, and evidenced by, their proper guidance, diligent oversight and able leadership, and the support that they lend to the Trustee-Manager in steering APTT in the appropriate direction, and the long-term performance of APTT whether under favourable or challenging market conditions.

Based on NC's review, the Board and the various Board Committees operate effectively and are contributing to the overall effectiveness of the Board. The Board has also met its performance objectives for the year.

Principle 6: Access to information

In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to Board meetings and on an ongoing basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

The non-executive directors are routinely briefed by senior management at Board meetings or separate sessions, and provided with all necessary updates on regulatory and policy changes as well as developments affecting APTT. All directors may request additional information from senior management and/or the company secretary to familiarise themselves with APTT's business, and also where such information is necessary to make informed decisions. The Board has separate and independent access to senior management and the company secretary at all times. Management provides the Board with complete and adequate information in a timely manner through regular updates on financial results, market trends and business developments. The Board also has access to independent professional advice, where appropriate.

In addition, the Board is provided with detailed papers and reports in advance of Board meetings. The papers contain sufficient information to enable informed discussion of all agenda items.

CORPORATE GOVERNANCE STATEMENT

The company secretary attends all Board meetings and, together with the Board chair, ensures proper information flows within the Board and its Committees and between senior management and non-executive directors. The appointment and removal of the company secretary is a matter for the Board as a whole.

Principle 7: Procedures for developing remuneration policies

There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

Principle 8: Level and mix of remuneration

The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

Principle 9: Disclosure on remuneration

Every company should provide clear disclosure of its remuneration policy, level and mix of remuneration, and the procedure for setting remuneration, in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

The Board has appointed a RC, which comprises only independent and non-executive directors, which for the year were Tan Chung Yaw, Richard (chair), Yong Lum Sung and Leong Shin Loong. The RC has adopted a formal charter which sets out written terms of reference.

The role of the RC is to recommend to the Board the framework for remuneration of the directors. The RC periodically considers and reviews remuneration packages in order to maintain their attractiveness, to retain and motivate the directors and to align the interests of management with the Trustee-Manager and unitholders.

Benjamin Ian Way, as a nominee of the Sponsor, does not receive any remuneration in connection with his role as vice-chair and a non-executive director of the Trustee-Manager.

Cheong Wei Yue, the chief executive officer, also does not receive any remuneration in connection with his role as an executive director of the Trustee-Manager.

The chief executive officer and the chief financial officer are seconded to the Trustee-Manager pursuant to the Resources Agreement. They are employed by affiliates of Macquarie Group Limited under employment agreements, which stipulate remuneration terms, entitlement to leave and other benefits consistent with Macquarie Group Limited prevailing policies.

All remuneration and compensation payable to the independent directors, the chief executive officer and the chief financial officer in respect of services rendered to the Trustee-Manager are and will be paid by the Trustee-Manager and not reimbursed out of Trust property. As APTT does not bear the remuneration of the directors, the chief executive officer and the chief financial officer, the Trustee-Manager does not consider it necessary to include information on their remuneration in this Annual Report. The Trustee-Manager has no key management personnel aside from the chief executive officer and the chief financial officer.

None of the directors has any service contracts with the Trustee-Manager. The independent directors receive a fixed annual fee payable quarterly, which was arrived at after taking into account the industry practices and norms. It is considered that the remuneration of the independent directors is appropriate for the level of contribution, taking into account their responsibilities and the effort and time spent. No remuneration consultants were engaged in respect of the remuneration of directors during the year.

The directors, chief executive officer and chief financial officer are not entitled to any options, nor units, nor any termination, retirement or post-employment benefits as part of their remuneration package from the Trustee-Manager or out of Trust property. In addition, none of the directors, chief executive officer and chief financial officer is entitled to any variable or performance-related income or bonuses, or benefits in kind from the Trustee-Manager or out of Trust property.

The Trustee-Manager is entitled under the Trust Deed to a base fee, a performance fee, an acquisition fee and a divestment fee based on pre-agreed mechanisms in the Trust Deed, in respect of its services to APTT. Fees paid to the Trustee-Manager for the year ended 31 December 2016 are set out on page 104 of this Annual Report. In addition, if the Trustee-Manager is removed as Trustee-Manager by way of an extraordinary resolution within five years from 29 May 2013, the Trustee-Manager is entitled under the Trust Deed to a termination fee.

There are no employee option schemes or long-term incentives currently in place in relation to APTT except for the long-term incentive plan as disclosed in Note 25(ii) of the Consolidated Financial Statements set out on page 90 of this Annual Report.

Pursuant to Rule 704(13) of the Listing Manual, the Trustee-Manager confirms that there is no person occupying a managerial position in the Trust or in any of its subsidiaries who is a relative of a director, chief executive officer or substantial unitholders.

No employee of the Trustee-Manager was an immediate family member of a director or the chief executive officer and whose remuneration exceeded $50,000 during the year ended 31 December 2016.

Principle 10: Accountability

The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Board provides APTT's unitholders with a balanced and understandable assessment of APTT's performance, position and prospects via APTT's SGX-ST quarterly reports, which are prepared in accordance with relevant accounting standards. These quarterly reports will contain, among other things, (i) the financial statements of APTT for the relevant quarter, (ii) the earnings per unit (calculated in accordance with the requirements of the SGX-ST) and (iii) a review of the performance of APTT that contains significant factors affecting turnover, costs, and earnings of APTT for the financial period reported on, and any material factors that affected the cash flows, working capital, assets or liabilities of APTT during the financial period reported on.

Principle 11: Risk management and internal controls

The Board is responsible for the governance of risk. The Board should ensure that management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Trustee-Manager has formal risk management policies in place which are monitored by the AC. The AC also reviews and reports to the Board on the adequacy and effectiveness of the Trustee-Manager and APTT's internal controls. Please refer to "Principle 1: The Board's conduct of affairs", "Principle 12: Audit Committee" and "Principle 13: Internal audit".

For the year ended 31 December 2016, the Board has received assurance from the chief executive officer, chief financial officer and Macquarie's Internal Audit Division ("IAD") (a) that the financial records have been properly maintained and the financial statements give a true and fair view of APTT's operations and finances, and (b) that APTT's risk management and internal control systems are effective.

Principle 12: Audit Committee

The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The Trustee-Manager has established an AC which comprises only independent and non-executive directors and the composition of which complies with the Code, the BTA and Regulation 15 of the Business Trusts Regulations 2005. The AC members for the year were Ong Joo Mien, Joanna (chair), Yong Lum Sung and Tan Chung Yaw, Richard. The AC members have recent and appropriate accounting or related financial management expertise to discharge their responsibilities. The AC charter sets out the specific responsibilities delegated by the Board to the AC and details the manner in which the AC will operate, as set out under Principle 1.

The role of the AC is to develop, maintain and monitor an effective system of internal controls. The AC also reviews the quality and reliability of information prepared for inclusion in financial reports, and is responsible for the nomination of an external auditor and reviewing the adequacy of external audits in respect of cost, scope and performance. The AC met four times during the year under review. The chair of the AC reported formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and appraised and reported to the Board on the audits undertaken by the external auditors, the adequacy of disclosure of information, and the appropriateness and quality of the system of management and internal controls. The Committee also made recommendations to the Board as it deemed appropriate on any area within its remit where action or improvement is needed.

The AC reviews annually the scope and results of the external audit and its cost effectiveness, as well as the independence and objectivity of the external auditors. The AC has reviewed all non-audit services provided by the external auditors during the year to determine if such non-audit services would, in the AC's opinion, affect the independence of the external auditors. In assessing the independence of the external auditors, the AC considered several factors, including the nature and extent of the non-audit services provided. Based on the above reviews, in the AC's opinion, the volume of non-audit services provided in 2016 was not substantial, and would not affect the independence of the external auditors.

Please refer to page 92 of this Annual Report for the aggregate amount of fees paid to the external auditors for the year ended 31 December 2016.

The AC meets with the external and internal auditors without the presence of the chief executive officer and the chief financial officer at least annually, and also conducts an annual performance self-evaluation, and reports to the Board the results of the self-evaluation. The AC also monitors and reviews the independence of the internal audit team at least annually.

The external auditors update and keep the AC informed about relevant changes to accounting standards and issues that have a direct impact on financial statements. Changes to regulations and accounting standards will be monitored closely by the members of the AC. To keep pace with regulatory changes, where these changes have an important bearing on the Trustee-Manager's or directors' disclosure obligations, the directors will be briefed either during Board meetings or at specially convened sessions involving the relevant professionals.

Financial matters

In the review of the financial statements, the AC discussed with the Trustee-Manager the accounting principles that were applied and the judgment of items that might affect the integrity of the financial statements. The following significant matters impacting the financial statements were discussed with the Trustee-Manager and the Group's external auditors and were reviewed by the AC:

Significant matters	How the AC reviewed these matters and what decisions were made
Revenue recognition	The AC considered the scope of accounting standards relevant to revenue recognition by the Group and the Group's revenue recognition practices. The Group's external auditors shared their approach to the audit of revenue recognition in their detailed audit plan, which included the evaluation of the relevant IT systems, the design and effectiveness of internal controls over the capture, recording, authorisation and calculation of revenue transactions. The AC reviewed management's assessment of the internal controls that exist over revenue recognition, and the assessment of those controls by the Group's internal audit. The AC also considered the appropriateness of the Group's operating systems that maintain customer data, billing and receipts, operating controls over the calculation and recording of revenue transactions and accounting treatment applied by the Trustee-Manager in relation to revenue recognition. The AC believes that there is no significant issue in the Group's revenue recognition.
Indefinite useful lives of cable TV licences	The AC considered the appropriateness of the Trustee-Manager's assessment of cable TV licences having indefinite useful lives. The AC considered that: (i) cable TV licences are subject to renewal every nine years; (ii) based on historical experience there is no significant risk of violating licence conditions; (iii) there is no significant additional cost to renew licences; (iv) for the next renewal periods in 2017 and 2018, a further three-year extension has been given to the existing cable TV licences; (v) the lives of cable TV licences are not limited by any other technical, legal or commercial factors, either known or anticipated; (vi) there is a successful history of licence renewals for the Group and the industry as a whole; and (vii) the Trustee-Manager's accounting policy for cable TV licences is consistent with other industry participants in Taiwan. Based on the above, the AC is of the view that the cable TV licences will be renewed for an indefinite period and the Trustee-Manager's assessment of indefinite useful lives of cable TV licences is reasonable.
Impairment assessment of goodwill and intangible asset with indefinite useful life and property, plant and equipment	The AC considered the approach and methodology applied to the impairment assessment process. The impairment assessment of property, plant and equipment is performed together with the annual impairment assessment of goodwill and intangible assets with indefinite useful lives. The AC reviewed the long-term strategy of the Group including (i) capital expenditure plans for intangible assets and property, plant and equipment; and (ii) cash flow forecasts based on the Trustee-Manager's latest business plans. The AC challenged, among others, the appropriateness of the assumptions made for (i), (ii) and long-term growth rates. The cash flow forecasts along with relevant market discount rates and average long-term growth rates are used to derive value-in-use of the Group's single CGU which supports the impairment assessment. The impairment assessment of goodwill, intangible assets with indefinite useful lives and property, plant and equipment remains an audit focus. The Group's external auditors perform their independent assessment and provided detailed reporting on these matters to the AC. Based on the above assessments and discussions with the Trustee-Manager and the Group's external auditors, the AC believes that the carrying amounts of goodwill, intangible assets with indefinite useful lives and property, plant and equipment are not in excess of their respective recoverable amounts.

The Group's external auditors have included these items as key audit matters in the Independent Auditors' Report for the year ended 31 December 2016, as set out on pages 42 to 46 of this Annual Report.

Following the reviews and discussions, the AC recommended to the Board to approve the financial statements for the year ended 31 December 2016.

APTT has a whistleblowing policy in place which enables employees to voice genuine concerns in relation to (among others) malpractices and misconduct in the workplace. Once raised, all reported concerns will be investigated to the extent permitted by law. The proposed information disclosed and the general investigation process will be discussed with the person raising the concern. APTT will treat all disclosures and concerns in a sensitive manner, and no action will be taken against the person raising the concern if made in good faith, even if the concern was not confirmed by subsequent investigation. APTT is committed to protect employees from victimisation for raising a concern.

Principle 13: Internal audit

The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The Trustee-Manager has formal risk management policies in place which are monitored by the AC. In particular, the AC reviews with the internal auditor:

- The internal auditor's evaluation of the system of internal accounting controls of the Trustee-Manager; and
- The internal auditor's management letter and management's response.

The AC reviews risk management policies and guidelines of the Trustee-Manager, and monitors compliance therewith. The AC also reviews and reports to the Board on the adequacy and effectiveness of the Trustee-Manager's and APTT's internal controls, including financial, operational, compliance and information technology controls and risk management policies and systems, at least annually.

The Trustee-Manager does not have a stand-alone internal audit function. However, the Trustee-Manager is part of Macquarie Group Limited within the Macquarie Group, and the IAD conducts periodic internal control reviews of all Macquarie businesses. The IAD has direct access to the Board chair of the Trustee-Manager if required. The AC monitors the scope of any internal audit to be conducted and the independence of any internal audit team. Generally, the IAD meets the standards set by nationally or internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

Please refer to the next page for the Board's assessment of the adequacy and effectiveness of internal controls.

Compliance with APTT's code of conduct (including whistleblowing arrangements) is monitored by the NC.

Principle 14: Unitholder rights

Companies should treat all unitholders fairly and equitably, and should recognise, protect and facilitate the exercise of unitholders' rights, and continually review and update such governance arrangements.

Principle 15: Communication with unitholders

Companies should actively engage their unitholders and put in place an investor regulations policy to promote regular, effective and fair communication with unitholders.

The Trustee-Manager will provide timely, open and accurate information to all stakeholders, including investors, regulators and the wider investment community. The Board has adopted policies and procedures in relation to compliance with the disclosure requirements under the SGX-ST Listing Rules, having regard to the recommendations of the Code.

The Trustee-Manager has developed a unitholder communications policy. The cornerstone of this policy is the delivery of timely and relevant information, including information on corporate developments, to unitholders. Financial and other information (including press releases and SGX-ST announcements) are made available on APTT's website at www.aptt.com.sg.

The Board and senior management has held briefings with analysts and institutional and retail investors upon announcement of APTT's quarterly financial results and presentations are made, as appropriate, to regularly meet and explain APTT's strategy, performance and developments. APTT's investor relations team supports the management team to engage with unitholders, institutional and retail investors and analysts to obtain and understand investor views, concerns and feedback.

Principle 16: Conduct of unitholder meetings

Companies should encourage greater unitholder participation at general meetings of unitholders, and allow unitholders the opportunity to communicate their views on various matters affecting the company.

General meetings of unitholders will be convened at least once a year and unitholders will be allowed to vote in person or via proxy. There will be separate resolutions at general meetings on each distinct issue and the chair of the AC, NC and RC will be present and available to address questions at the AGM. The external auditors are also invited to address queries from the unitholders regarding the audit.

INTERNAL CONTROLS

Based on internal controls and risk management established and maintained by the Group and the Trustee-Manager, work performed by the IAD and external auditors of the Group, and reviews performed by the Audit Committee, the Board and the Trustee-Manager, the Board, with the concurrence of the Audit Committee, is of the opinion that the Group's internal controls including financial, operational, compliance and information technology controls and risk management systems were adequate and effective during 2016 to address financial, operational, compliance and information technology risks, which the Group considers relevant and material to its operations.

The Board notes that the system of internal controls and risk management provides reasonable, but not absolute, assurance that the Group will not be affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. In this regard, the Board also notes that no system can provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, fraud or other irregularities.

SECURITIES TRADING

In line with Listing Rule 1207(19), the Trustee-Manager confirms that APTT has adopted a Securities (Windows) Trading Policy with respect to dealings in securities by directors and officers of the Trustee-Manager. This policy means that trading in both securities and derivatives of APTT can only occur during the four-week window commencing on the day after:

(i) The release of annual or quarterly results;
(ii) The AGM; or
(iii) Lodgement of a disclosure document for capital raising.

The trading window is not to be opened until the day after these events to enable the market to digest the information that has been disclosed.

If the trading window is not opened after these events for any reason, a special trading window may be permitted at a later date in compliance with requirements under Listing Rule 1207(19).

The directors and officers of MIRA and the Trustee-Manager are discouraged from trading on short-term considerations. Additionally, the directors, the directors and officers of MIRA and the Trustee-Manager are reminded not to trade in situations where the insider trading laws and rules would prohibit trading.

CORPORATE GOVERNANCE STATEMENT

STATEMENT OF POLICIES AND PRACTICES

The Trustee-Manager has established the following policies and practices in relation to its management and governance:

(a) The Trust property of APTT is properly accounted for and Trust property is kept distinct from the property of the Trustee-Manager held in its own capacity. Different bank accounts are maintained for the Trustee-Manager in its capacity as Trustee-Manager of APTT and the Trustee-Manager in its own capacity, and regular internal reviews are carried out to ascertain that all Trust property has been fully accounted for.

(b) Management provides regular updates to the Board and the Audit Committee about potential projects that it is looking into on behalf of APTT, and the Board and the Audit Committee ensure that all such projects are within the permitted business scope under the Trust Deed. Prior to the carrying out of any significant business transaction, the Board, the Audit Committee and/or management will have careful regard to the provisions of the Trust Deed and when in doubt seek advice from professional advisers.

(c) The Trustee-Manager is not involved in any other businesses other than managing APTT. All potential conflicts, if arising, will be identified by the Board and management and reviewed. In addition, the majority of the Board are independent directors who do not have management or business relationships with the Trustee-Manager and are independent from any substantial shareholder of the Trustee-Manager and are therefore able to examine independently and objectively, any potential conflicts between the interest of the Trustee-Manager in its own capacity and the interests of all unitholders.

All resolutions in writing of the directors in relation to matters concerning APTT must be approved by a majority of the directors, including at least one independent director. In respect of matters in which the Sponsor and/or its subsidiaries have an interest, direct or indirect, any nominees appointed by the Sponsor and/or its subsidiaries to the Board to represent its/their interests will abstain from voting. In such matters, the quorum must comprise a majority of the independent directors and must exclude any nominee directors of the Sponsor and/or its subsidiaries.

Where matters concerning APTT relate to transactions entered into or to be entered into by the Trustee-Manager for and on behalf of APTT with an interested person, the Board is required to consider the terms of the transactions to satisfy itself that the transactions are conducted on normal commercial terms, are not prejudicial to the interests of APTT and the unitholders and are in compliance with all applicable requirements of the Listing Manual and the BTA relating to the transaction in question. If the Trustee-Manager is to sign any contract with a related party of the Trustee-Manager or APTT, the Trustee-Manager will review the contract to ensure that it complies with the provisions of the Listing Manual and the BTA relating to interested person transactions (as may be amended from time to time).

There is (i) a Non-Compete Undertaking pursuant to which the Sponsor has undertaken that it shall not, and shall procure that none of the existing or future funds managed by MIRA, nor MIRA, will compete with APTT for pay-TV businesses and broadband businesses located in Taiwan, Hong Kong, Japan and Singapore ("Relevant Business"); (ii) a Right of First Refusal pursuant to which the Sponsor has undertaken to procure that the Macquarie Capital business division of the Sponsor ("Macquarie Capital") gives the Trustee-Manager a written notice of any proposed offer of sale or investment opportunity by a third party to Macquarie Capital of any Relevant Business; and (iii) a Right of First Offer pursuant to which the Sponsor has undertaken to procure that Macquarie Capital gives the Trustee-Manager a written notice of any proposed offer of sale by Macquarie Capital of its interests in a Relevant Business.

The Trustee-Manager maintains a register of all opportunities/transactions arising from the implementation of the Non-Compete Undertaking, the Right of First Refusal and the Right of First Offer. Also, the Trustee-Manager incorporates in its internal audit plan, a review of the implementation of the Non-Compete Undertaking, the Right of First Refusal and the Right of First Offer and the Audit Committee reviews the internal audit procedures and function of the Trustee-Manager at least annually, including to ascertain that the terms of the Non-Compete Agreement and the ROFR Agreement have been complied with.

(d) Management identifies interested person transactions in relation to APTT. The Trustee-Manager maintains a register to record all interested person transactions that are entered into by APTT and the basis, including any quotations from unrelated parties obtained to support such basis, on which they are entered into. The Trustee-Manager incorporates into its internal audit plan a review of all interested person transactions entered into by the Trust EAR Group (as defined in the Prospectus) during the year. The Audit Committee reviews at least quarterly in each year the interested person transactions entered into during such quarterly period to ascertain that the guidelines and procedures established to monitor interested person transactions have been complied with. The review includes the examination of the nature of the transaction and its supporting documents or such other data that the Audit Committee deems necessary. If a member of the Audit Committee has an interest in a transaction, he or she is to abstain from participating in the review and approval process in relation to that transaction.

The Trustee-Manager has in place an internal control system to ensure that all future interested person transactions will be undertaken on an arm's-length basis and on normal commercial terms and will not be prejudicial to the interests of APTT and its minority unitholders.

In addition, all such interested person transactions conducted and any contract entered into by the Trustee-Manager on behalf of APTT with a related party of the Trustee-Manager or APTT shall comply with and be in accordance with all applicable requirements of the Listing Manual and the BTA as well as such other guidelines as may from time to time be prescribed to apply to business trusts.

(e) The expenses payable to the Trustee-Manager in its capacity as the Trustee-Manager of APTT out of the Trust property are appropriate and in accordance with the Trust Deed, and regular internal reviews are carried out to ensure such expenses payable are in order. Fees and expenses paid to the Trustee-Manager out of Trust property for the year ended 31 December 2016 are disclosed in Note 25(iv) and Note 30 of the Consolidated Financial Statements on page 90 and pages 104 to 105 of this Annual Report.

(f) The Trustee-Manager has engaged the services of and obtained advice from professional advisers and consultants from time to time, and has complied with the requirements of the BTA and the Listing Manual.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

CONTENTS

REPORT OF THE TRUSTEE-MANAGER

The directors of Macquarie APTT Management Pte. Limited, the Trustee-Manager of Asian Pay Television Trust ("APTT" or the "Trust") and the Trustee-Manager of APTT (the "Trustee-Manager"), present their report to the unitholders of APTT together with the audited financial statements of APTT and its subsidiaries (collectively the "Group") for the year ended 31 December 2016.

DIRECTORS

The directors of the Trustee-Manager ("directors") in office at the date of this Annual Report are as follows:

Mr Yong Lum Sung (Chair and Independent Director)
Mr Tan Chung Yaw, Richard (Independent Director)
Mr Leong Shin Loong (Independent Director)
Ms Ong Joo Mien, Joanna (Independent Director)
Mr Benjamin Ian Way (Vice-Chair and Non-Executive Director)
Mr Cheong Wei Yue (Chief Executive Officer and Executive Director)

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE UNITS

Neither at the end of nor at any time during the year ended 31 December 2016 was the Trustee-Manager a party to any arrangement whose object was to enable the directors to acquire benefits by means of acquisition of units in APTT.

DIRECTORS' INTERESTS IN UNITS

According to the register kept by the Trustee-Manager for the purposes of Sections 13 and 76 of the Business Trusts Act, Chapter 31A of Singapore (the "BTA"), particulars of the interests of directors who held office at the end of the year in units in APTT are as follows:

	Holdings registered in the name of director		Holdings in which a director is deemed to have an interest	
	As at end of the year	**As at beginning of the year**	**As at end of the year**	**As at beginning of the year**
Number of units held by:				
Mr Yong Lum Sung	-	-	-	-
Mr Tan Chung Yaw, Richard[1]	115,000	115,000	100,000	100,000
Mr Leong Shin Loong	-	-	-	-
Ms Ong Joo Mien, Joanna	-	-	-	-
Mr Benjamin Ian Way	150,000	150,000	-	-
Mr Cheong Wei Yue[2]	25,000	25,000	14,000	14,000
Total	**290,000**	**290,000**	**114,000**	**114,000**

1 Deemed interest is held by Mrs Lim Kim Suan, Cynthia (spouse of Mr Tan Chung Yaw, Richard).
2 Deemed interest is held by Mr Cheong Wei Yue through his Supplementary Retirement Scheme Account.

There were no changes in any of the abovementioned interests in APTT between the end of the year and 21 January 2017.

OPTIONS

There were no options granted during the year by the Trustee-Manager to any person to take up unissued units in APTT. No units have been issued during the year by virtue of the exercise of options to take up unissued units of APTT. There were no unissued units of APTT under option at the end of the year.

AUDIT COMMITTEE

The members of the Audit Committee of the Trustee-Manager (the "Audit Committee") during the year, at the end of the year and as at the date of this Annual Report were as follows:

Ms Ong Joo Mien, Joanna (Chair)
Mr Yong Lum Sung
Mr Tan Chung Yaw, Richard

The members of the Audit Committee are independent and non-executive directors with relevant business and financial management experience and skills to understand financial statements and contribute to the financial governance, internal controls and risk management of APTT.

The role of the Audit Committee is to develop, maintain and monitor an effective system of internal controls. The Audit Committee also reviews the quality and reliability of information prepared for inclusion in financial reports, and is responsible for the nomination of an external auditor and reviewing the adequacy of external audits in respect of cost, scope and performance. The Audit Committee's responsibilities also include, but are not limited to, the following:

(i) to review with the auditor of the Trust:

- the audit plan of the Trust;
- the auditor's evaluation of the system of internal accounting controls of the Trustee-Manager;
- the auditor's audit report for the Trust; and
- the auditor's management letter and management's response;

(ii) to review:

- the assistance given by the officers of the Trustee-Manager to the auditor of the Trust;
- the scope and results of the internal audit procedures of the Trustee-Manager;
- the policies and practices put in place by the Trustee-Manager to ensure compliance with the BTA and the Trust Deed;
- the procedures put in place by the Trustee-Manager for managing any conflict that may arise between the interests of the unitholders and the interests of the Trustee-Manager, including interested person transactions, the indemnification of expenses or liabilities incurred by the Trustee-Manager and the setting of fees or charges payable out of the Trust property;
- interested person transactions for potential conflicts of interest;
- risk management policies and guidelines and monitor compliance therewith; and
- the statement of financial position and statement of profit or loss of the Trustee-Manager and statements of financial position, statements of profit or loss and statements of cash flows of the Trust submitted to it by the Trustee-Manager, and thereafter to submit them to the Board;

(iii) to review significant reporting issues and judgments to ensure the integrity of the financial statements and any announcements relating to financial performance;

(iv) to report to the Board:

- any inadequacies, deficiencies or matters of concern of which the Audit Committee becomes aware or that it suspects arising from its review of the items referred to in sub-paragraphs (i), (ii) and (iii); and
- any breach of the BTA or any breach of the provisions of the Trust Deed, of which the Audit Committee becomes aware or that it suspects;

(v) to report to the Monetary Authority of Singapore ("MAS") if the Audit Committee is of the view that the Board has not taken, or does not propose to take, appropriate action to deal with a matter reported under sub-paragraph (iv);

(vi) to nominate a person or persons as auditor of the Trust, notwithstanding anything contained in the Trust Deed;

(vii) to approve and review all hedging policies and instruments to be implemented by the Trust, if any;

(viii) to monitor the implementation of outstanding internal control recommendations highlighted by the auditors in the course of their audit of the financial statements of the Trust, the Trustee-Manager and their subsidiaries taken as a whole; and

(ix) to meet with external and internal auditors, without the presence of the chief executive officer and the chief financial officer, at least on an annual basis.

The Audit Committee has full access to and has the cooperation of the management of the Trustee-Manager and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer of the Trustee-Manager to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the Board that the independent auditors, Deloitte & Touche LLP, be nominated for reappointment as the auditors of APTT at the forthcoming Annual General Meeting of the unitholders.

INDEPENDENT AUDITORS

The independent auditors, Deloitte & Touche LLP, have expressed its willingness to accept reappointment.

On behalf of the Board of Directors
Macquarie APTT Management Pte. Limited
As Trustee-Manager of Asian Pay Television Trust

Cheong Wei Yue
Chief Executive Officer and Executive Director

28 February 2017

Yong Lum Sung
Chair and Independent Director

28 February 2017

STATEMENT BY THE TRUSTEE-MANAGER

In the opinion of the directors of the Trustee-Manager,

(a) the consolidated financial statements of the Group and the statements of financial position and statements of changes in equity of APTT as set out on pages 47 to 105 are drawn up so as to give a true and fair view of the financial position of the Group and of APTT as at 31 December 2016, and of the financial performance, changes in equity and cash flows of the Group and changes in equity of APTT for the year ended on that date in accordance with the provisions of the Business Trusts Act, Chapter 31A of Singapore (the "BTA") and International Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that the Trustee-Manager will be able to pay APTT's debts, out of the Trust property, when they fall due.

In accordance with Section 86(2) of the BTA, Chapter 31A of Singapore, we further certify:

(a) the fees or charges paid or payable out of the Trust property to the Trustee-Manager are in accordance with the Trust Deed dated 30 April 2013 constituting the Trust;

(b) the interested person transactions entered into by the Group during the year ended 31 December 2016 are not detrimental to the interests of all the unitholders of APTT as a whole, based on the circumstances at the time of the relevant transactions; and

(c) the Board of Directors of the Trustee-Manager (the "Board") is not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of APTT or on the interests of all the unitholders of APTT as a whole.

The Board has, on the date of this statement, authorised the above statements and the accounts of the Group as at and for the year ended 31 December 2016 for issue.

On behalf of the Board of Directors
Macquarie APTT Management Pte. Limited
As Trustee-Manager of Asian Pay Television Trust

Cheong Wei Yue
Chief Executive Officer and Executive Director

28 February 2017

Yong Lum Sung
Chair and Independent Director

28 February 2017

STATEMENT BY THE CHIEF EXECUTIVE OFFICER

In accordance with Section 86(3) of the Business Trusts Act, Chapter 31A of Singapore, I certify that I am not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of APTT or on the interests of all the unitholders of APTT as a whole.

Cheong Wei Yue
Chief Executive Officer and Executive Director

28 February 2017

INDEPENDENT AUDITORS' REPORT
TO THE UNITHOLDERS OF ASIAN PAY TELEVISION TRUST

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Asian Pay Television Trust ("APTT" or the "Trust") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Trust as at 31 December 2016, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group, and the statement of changes in equity of the Trust for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, as set out on pages 47 to 105.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Trust are properly drawn up in accordance with the provisions of the Singapore Business Trusts Act, Chapter 31A of Singapore (the "Act") and International Financial Reporting Standards ("IFRS") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Trust as at 31 December 2016, and of the consolidated financial performance, the consolidated changes in equity and the consolidated cash flows of the Group, and the changes in equity of the Trust for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA"). Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How the scope of our audit responded to the key audit matters
Revenue recognition (Note 24)	
The accuracy and completeness of revenue recorded is an inherent industry risk due to complexity of the Group's operating system that maintains customer data and billing, as well as the Group's general ledger accounting system. The systems process large volumes of customer data with a combination of different product subscription packages pricing models offered. The revenue recognition policy is set out in Note 2(f) to the consolidated financial statements.	We evaluated the relevant IT systems and the design and operating effectiveness of controls over the: (a) Capture and recording of revenue transactions; (b) Authorisation and input of information changes to the systems; and (c) Calculation of amounts billed to customers. In doing so, we involved our internal IT specialists to assist in the audit of general IT controls and testing of report data, including testing the accuracy and completeness of collections received in advance. We then tested the manual reconciliation process to recognise revenue from collections received in advance to assess the accuracy and completeness of revenue. We also tested supporting evidence for manual journal entries posted monthly to revenue accounts to identify any unusual items. Based on our work, we noted no significant issues in the accuracy and completeness of revenue recorded during the year.

Key audit matters	How the scope of our audit responded to the key audit matters
Indefinite useful lives of cable TV licences (Note 8)	
The assessment of indefinite useful lives of cable TV licences was significant to our audit due to: (a) The quantitative significance, where the carrying amount of cable TV licences as at 31 December 2016 amounted to $2,356 million, which accounted for 86% of the Group's total assets; and (b) The amount of judgment involved, where Macquarie APTT Management Pte. Limited (the "Trustee-Manager") has exercised judgment in estimating the useful lives of cable TV licences to be of an indefinite duration after taking into consideration all the relevant factors. One key factor considered is that while the cable TV licences are subject to renewal every nine years at no significant additional cost, 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. Other factors considered included the historical renewal experiences of the Group and other major industry players, compliance with the conditions for licence renewal, and any other technical, legal and commercial factors. The accounting policy for cable TV licences is set out in Note 2(o)(ii) to the consolidated financial statements.	Our audit procedures included, among others: (a) We tested the design and implementation of key controls surrounding the Group's intangible assets useful life assessment process; (b) We evaluated the Trustee-Manager's assessment of the indefinite useful lives of the cable TV licences and assessed the appropriateness of the relevant factors, including the Group's progress of analogue broadcasting switch-off in comparison to the rest of Taiwan, historical renewal experiences of the Group and other major industry players, compliance with the conditions for licence renewal, and any other technical, legal and commercial factors; and (c) We compared the Group's useful life policy of cable TV licences for consistency with the policies used by the other major industry players in Taiwan. Based on our procedures, we noted that the Trustee-Manager's assessment of the indefinite useful lives of cable TV licences is appropriate and consistent with policies used by other major industry players in Taiwan. We have also assessed the adequacy of the disclosures made in respect of the significant judgment on the indefinite useful life of cable TV licences in the Group's consolidated financial statements.

Key audit matters	How the scope of our audit responded to the key audit matters
Impairment of goodwill, cable TV licences with indefinite useful lives, and property, plant and equipment (Notes 7 and 8)	
The Group performs the impairment assessment of property, plant and equipment together with the annual impairment assessment of goodwill and cable TV licences. This assessment of impairment was significant to our audit due to: (a) The quantitative significance, where the carrying amount of goodwill, cable TV licences and property, plant and equipment as at 31 December 2016, amounted to \$8 million, \$2,356 million and \$291 million respectively, totalling 97% of the Group's total assets; and (b) The amount of judgment involved, where the Trustee-Manager prepared the forecast cash flows based on the discounted cash flow model that incorporated a number of significant assumptions, in particular, the future cash flows generated from the cable TV business, which is affected by the expected future market or economic conditions in Taiwan. The accounting policy for impairment of goodwill, cable TV licences with indefinite useful lives, and property, plant and equipment is set out in Notes 2(o)(ii), 2(m) and 2(p)(i) to the consolidated financial statements.	Our audit procedures included, among others: (a) We tested the design and implementation of key controls surrounding the Group's impairment assessment process; (b) We challenged assumptions used in the forecasts prepared by the Trustee-Manager, evaluated recent performance, and carried out trend analysis; and (c) We used our internal valuation specialists, who: (i) evaluated the methodology and key management assumptions driving the analysis, in particular those relating to forecast revenue growth, capital expenditure and EBITDA margin, comparing these against those achieved historically; (ii) independently developed expectations of key assumptions such as discount rate and terminal value, comparing the independent expectations to those used by the Trustee-Manager; and (iii) performed the sensitivity analysis by applying a range of discount rates to obtain a range of recoverable amounts for the Group. Based on our procedures, we noted that the key assumptions used in the forecasts were within a reasonable range of our expectations. We have also assessed the adequacy of the disclosures made in respect of those assumptions to which the outcome of the impairment assessment is most sensitive, that is, those that have the most significant effect on the determination of the recoverable amount of goodwill, cable TV licences with indefinite useful lives, and property, plant and equipment, in the Group's consolidated financial statements.

Information other than the consolidated financial statements and auditors' report thereon

The Trustee-Manager is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditors' report thereon. All other information was obtained prior to the date of the auditors' report, other than the Statistics of Unitholdings, which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Statistics of Unitholdings, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Trustee-Manager (the "directors"), and take appropriate actions in accordance with ISA.

Responsibilities of the Trustee-Manager and the directors for the consolidated financial statements

The Trustee-Manager is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with the provisions of the Act and IFRS, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair consolidated financial statements and to maintain accountability of assets.

In preparing the consolidated financial statements, the Trustee-Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee-Manager either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

(a) identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

(b) obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls;

(c) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee-Manager;

(d) conclude on the appropriateness of the Trustee-Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Trust to cease to continue as a going concern;

(e) evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and

(f) obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Trustee-Manager on behalf of the Trust, have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Mr Loi Chee Keong.

Deloitte & Touche LLP

Public Accountants and Chartered Accountants

Singapore, 28 February 2017

STATEMENTS OF FINANCIAL POSITION

	Note	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	4	59,088	60,926	7,983	7,458
Trade and other receivables	5	14,802	17,650	-	32
Derivative financial instruments	10	6	150	6	150
Other assets	11	3,489	1,079	268	266
		77,385	**79,805**	**8,257**	**7,906**
Non-current assets					
Investment in subsidiaries	6	-	-	1,342,351	1,342,351
Property, plant and equipment	7	291,350	242,751	-	-
Intangible assets	8	2,367,743	2,283,440	-	-
Income tax refund receivable	9	15	938	-	-
Derivative financial instruments	10	-	4	-	4
Other assets	11	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	12	12,236	8,617	-	-
Retirement benefit obligations	14(i)	1,416	1,328	-	-
Derivative financial instruments	10	1,818	1,308	1,818	1,308
Trade and other payables	13	21,243	20,486	10,867	9,997
Income tax payable	26	14,246	9,672	2	4
Other liabilities	16	58,221	62,800	197	156
		109,180	**104,211**	**12,884**	**11,465**
Non-current liabilities					
Borrowings from financial institutions	12	1,294,731	1,183,231	-	-
Retirement benefit obligations	14(ii)	19,365	15,640	-	-
Derivative financial instruments	10	5,455	9,346	396	294
Deferred tax liabilities	15	61,807	52,501	-	-
Other liabilities	16	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	17	1,342,851	1,342,851	1,342,851	1,342,851
Reserves	18	74,217	28,386	-	-
Accumulated deficit	19	(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	20	2,327	2,319	-	-
Total equity		**1,230,556**	**1,231,117**	**1,337,328**	**1,338,502**

The above statements of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Note	Group Year ended 31 December 2016 $'000	Group Year ended 31 December 2015 $'000
Revenue			
Basic cable TV	24(i)	254,395	264,962
Premium digital cable TV	24(ii)	14,982	15,366
Broadband	24(iii)	49,852	51,824
Total revenue		**319,229**	**332,152**
Operating expenses			
Broadcast and production costs	25(i)	(61,723)	(62,486)
Staff costs	25(ii)	(30,455)	(29,663)
Depreciation and amortisation expense	25(iii)	(55,652)	(44,609)
Trustee-Manager fees	25(iv)	(7,241)	(7,241)
Net foreign exchange gain/(loss)	25(v)	10,603	(2,459)
Mark to market loss on derivative financial instruments	25(vi)	(759)	(1,475)
Debt advisory fee	25(vii)	-	(5,521)
Other operating expenses	25(viii)	(30,512)	(31,717)
Total operating expenses		**(175,739)**	**(185,171)**
Operating profit		**143,490**	**146,981**
Amortisation of deferred arrangement fees	25(ix)	(5,927)	(26,033)
Interest and other finance costs	25(x)	(54,015)	(49,711)
Profit before income tax		**83,548**	**71,237**
Income tax expense	26	(23,548)	(25,787)
Profit after income tax		**60,000**	**45,450**
Profit after income tax attributable to:			
Unitholders of APTT		59,658	45,156
Non-controlling interests		342	294
Profit after income tax		**60,000**	**45,450**
Basic and diluted earnings per unit attributable to unitholders of APTT	31	**4.15 cents**	**3.14 cents**

The above consolidated statements of profit or loss should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Group Year ended 31 December 2016 $'000	Group Year ended 31 December 2015 $'000
Profit after income tax	**60,000**	**45,450**
Other comprehensive income		
Items that will not subsequently be reclassified to profit or loss:		
Remeasurement of defined benefit obligations	(3,780)	(4,531)
	(3,780)	**(4,531)**
Items that may subsequently be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	42,433	38,345
Unrealised movement in fair value of cash flow hedging financial instruments	4,207	(8,352)
Deferred tax relating to items that may subsequently be reclassified to profit or loss	(715)	1,499
	45,925	**31,492**
Other comprehensive income, net of tax	**42,145**	**26,961**
Total comprehensive income	**102,145**	**72,411**
Total comprehensive income attributable to:		
Unitholders of APTT	101,803	72,117
Non-controlling interests	342	294
Total comprehensive income	**102,145**	**72,411**

The above consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

STATEMENTS OF CHANGES IN EQUITY

Group	Unitholders' funds $'000	Reserves $'000	Accumulated deficit $'000	Equity attributable to unitholders of APTT $'000	Non-controlling interests $'000	Total equity $'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**
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**

The above statements of changes in equity should be read in conjunction with the accompanying notes.

STATEMENTS OF CHANGES IN EQUITY

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**
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**

The above statements of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Group Year ended 31 December 2016 $'000	Group Year ended 31 December 2015 $'000
Cash flows from operating activities		
Profit after income tax	**60,000**	**45,450**
Adjustments for:		
Depreciation and amortisation expense	55,652	44,609
Net foreign exchange (gain)/loss	(9,902)	3,249
Gain on disposal of property, plant and equipment	(39)	-
Mark to market loss on derivative financial instruments	759	1,475
Amortisation of deferred arrangement fees	5,927	26,033
Interest and other finance costs	54,015	49,711
Income tax expense	23,548	25,787
Operating cash flows before movements in working capital	**189,960**	**196,314**
Trade and other receivables	2,848	(6,112)
Income tax refund receivable	7	72
Trade and other payables	757	481
Retirement benefit obligations	33	188
Other assets	(1,212)	(6,384)
Other liabilities	5,951	11,112
Cash generated from operations	**198,344**	**195,671**
Income tax paid, net of refunds	(13,169)	(27,132)
Net cash inflows from operating activities	**185,175**	**168,539**
Cash flows from investing activities		
Acquisition of property, plant and equipment	(98,589)	(88,147)
Proceeds from disposal of property, plant and equipment	195	66
Acquisition of intangible assets	(2,642)	(6,265)
Net cash used in investing activities	**(101,036)**	**(94,346)**
Cash flows from financing activities		
Interest and other finance costs paid	(52,250)	(49,695)
Borrowings from financial institutions	204,020	1,193,263
Repayment of borrowings to financial institutions	(134,733)	(1,111,312)
Settlement of derivative financial instruments	(308)	(2,892)
Settlement of transactions with non-controlling interests	(117)	(126)
Distributions to non-controlling interests	(217)	(183)
Distributions to unitholders	(102,372)	(116,812)
Net cash used in financing activities	**(85,977)**	**(87,757)**
Net decrease in cash and cash equivalents	**(1,838)**	**(13,564)**
Cash and cash equivalents at the beginning of the year	60,926	74,490
Cash and cash equivalents at the end of the year (Note 4)	**59,088**	**60,926**

The above consolidated statements of cash flows should be read in conjunction with the accompanying notes.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

(1) GENERAL INFORMATION

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 Trust acquired the pay-TV and broadband businesses of Taiwan Broadband Communications Group ("TBC") from Macquarie International Infrastructure Fund Limited and MKOF Media Investment Limited on the listing date of 29 May 2013.

APTT was admitted to the mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST") and was listed on the SGX-ST on 29 May 2013.

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

The consolidated financial statements of the Group and the statements of financial position and statements of changes in equity of APTT for the year ended 31 December 2016 were authorised for issue by the Board of Directors of the Trustee-Manager (the "Board") on 28 February 2017.

(2) SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

(a) Basis of preparation

The financial statements of APTT and the Group have been prepared in accordance with the International Financial Reporting Standards ("IFRS"). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods or services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 *Share-based Payment*, leasing transactions that are within the scope of IAS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 *Inventories* or value-in-use in IAS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The financial statements are presented in Singapore dollars ("$"), rounded to the nearest thousand dollar unless otherwise stated.

(2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of preparation (continued)

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and assumptions. It also requires the Trustee-Manager to exercise judgment in the process of applying the Group's accounting policies. Estimates and judgments used in preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

The Group meets its day-to-day working capital requirements through its cash and bank facilities. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current cash and bank facilities. After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future based on the factors and assumptions as disclosed in Note 27(ii)(c). The Group therefore continues to adopt the going concern basis in preparing its financial statements.

Changes in accounting policy and disclosures

(i) New and amended standards adopted by the Group

There are no IFRS or IFRIC interpretations that are effective for the year beginning on or after 1 January 2016 that had a material impact on the Group.

(ii) New standards, amendments and interpretations issued but not yet effective

At the date of authorisation of the financial statements, the following standards and interpretations that are relevant to the Group have been issued but not yet effective:

Amendments to IAS 7	*Disclosure Initiative*[1]
Amendments to IAS 12	*Recognition of Deferred Tax Assets for Unrealised Losses*[1]
Amendments to IFRS	*Annual Improvements to IFRS 2014-2016 Cycle*[1]
IFRS 9	*Financial Instruments*[2]
IFRS 15	*Revenue from Contracts with Customers*[2]
Amendments to IFRS 2	*Classification and Measurement of Share-based Payment Transactions*[2]
IFRIC 22	*Foreign Currency Transactions and Advance Consideration*[2]
IFRS 16	*Leases*[3]

[1] Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.
[2] Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
[3] Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted for entities that have also adopted IFRS 15 *Revenue from Contracts with Customers*.

The Trustee-Manager anticipates that the adoption of the above new or revised standards and amendments to IFRS in future periods will not have a material impact on the accounting policies and financial statements of the Group and of the Trust in the period of their initial adoption except for the following:

IFRS 9 Financial Instruments

IFRS 9 issued in November 2009 introduced new requirements for (i) the classification and measurement of financial assets and financial liabilities, (ii) general hedge accounting and (iii) impairment requirements for financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' ("FVTOCI") measurement category for certain simple debt instruments.

(2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of preparation (continued)

(ii) New standards, amendments and interpretations issued but not yet effective (continued)

IFRS 9 Financial Instruments (continued)

Key requirements of IFRS 9:

- All recognised financial assets that are within the scope of IFRS 9 are now required to be subsequently measured at amortised cost or fair value. Specifically, debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt instruments and equity investments are measured at FVTPL at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies) in other comprehensive income, with only dividend income generally recognised in profit or loss;

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in fair value of such financial liability that is attributable to changes in the credit risk of that liability be presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch to profit or loss. Changes in fair value attributable to the financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss;

- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised; and

- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The Group anticipates that the initial application of the new IFRS 9 will result in changes to the accounting policies relating to financial instruments. Additional disclosures will be made in respect of trade and other receivables, including any significant judgments and estimations made, and enhanced disclosures will be made about the Group's risk management activities. The Group has commenced an assessment of the possible impact of implementing IFRS 9. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group's financial statements in the period of initial application as the Group has yet to complete its detailed assessment. The Group does not plan to early adopt the new IFRS 9.

(2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of preparation (continued)

(ii) New standards, amendments and interpretations issued but not yet effective (continued)

Amendments to IAS 7 Disclosure Initiative

The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The amendments apply prospectively to annual periods beginning on or after 1 January 2017, with earlier application permitted.

The Group anticipates that the initial application of the Amendments to IAS 7 will result in changes to the disclosures relating to changes in liabilities arising from financing activities. The Group has commenced an assessment of the possible impact of implementing the Amendments to IAS 7. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group's financial statements in the period of initial application as the Group has yet to complete its detailed assessment. The Group does not plan to early adopt the Amendments to IAS 7.

IFRS 15 Revenue from Contracts with Customers

In May 2014, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related Interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

The Group anticipates that the initial application of the new IFRS 15 may result in changes to the accounting policies relating to revenue recognition and additional disclosures will be made with respect of revenue and deferred revenue, including information about contracts with customers, contract balances and performance obligation. The Group has commenced an assessment of the possible impact of implementing IFRS 15. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group's financial statements in the period of initial application as the Group has yet to complete its detailed assessment. The Group does not plan to early adopt the new IFRS 15.

(2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of preparation (continued)

(ii) New standards, amendments and interpretations issued but not yet effective (continued)

IFRS 16 Leases

IFRS 16 was issued in January 2016 and it supersedes IAS 17 *Leases* and its associated interpretative guidance.

The standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). The standard maintains substantially the lessor accounting approach under the predecessor IAS 17.

The Group anticipates that the initial application of the new IFRS 16 will result in changes to the Group's lessee accounting policies. The Group has commenced an assessment of the possible impact of implementing IFRS 16. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group's financial statements in the period of initial application as the Group has yet to complete its detailed assessment. The Group does not plan to early adopt the new IFRS 16.

(b) Subsidiary companies

Subsidiaries are all entities (including special purpose entities) over which control is achieved when the Trust:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Trust reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Trust has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Trust considers all relevant facts and circumstances in assessing whether or not the Trust's voting rights in an investee are sufficient to give it power, including:

- the size of the Trust's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Trust, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Trust has, or does not have, the current ability to direct the relevant activities at that time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Trust obtains control over the subsidiary and ceases when the Trust loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statements of profit or loss from the date the Trust gains control until the date when the Trust ceases to control the subsidiary.

(2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Subsidiary companies (continued)

Profit or loss and each component of other comprehensive income are attributed to the unitholders of APTT and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the unitholders of APTT and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The Trust carries investment in subsidiaries at cost less allowance for impairment losses in its separate financial statements.

(c) Business combination

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree.

The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 *Share-based Payment* at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

Acquisition related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 *Financial Instruments: Recognition and Measurement*, in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Intercompany transactions, balances, income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from intercompany transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Group, and are presented separately in the consolidated statements of profit or loss and other comprehensive income and within equity in the consolidated statements of financial position, separately from equity attributable to owners of the Group.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions, i.e. as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of the net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

The Group recognises any non-controlling interests in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

(e) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore dollars, which is the APTT's functional currency.

(ii) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing exchange rates at the reporting date are recognised in the statement of profit or loss.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(iii) Group companies

The results and financial position of the entities within the Group (none of which have the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency of the Group are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing exchange rate at the date of that statement of financial position;
- income and expenses for each statement of profit or loss are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserves. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing exchange rates at the reporting date. Exchange differences arising on such transaction are recognised in other comprehensive income.

(2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods or services supplied, stated net of discounts, returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved.

Revenue comprises subscription fees and other non-subscription revenue earned from Basic cable TV, Premium digital cable TV and Broadband services.

Revenue is recognised in profit or loss as follows:

- revenue from Basic cable TV, Premium digital cable TV and Broadband services is recognised at the time such services are rendered. Revenue billed in advance of the rendering of services is deferred and presented in the statement of financial position as unearned revenue; and
- revenue from bundled products and services is recognised based on values allocated to the individual element of the bundled products and services in accordance to the earning process of each element.

(g) Distributions

Distributions to APTT's unitholders are recognised as a liability in the Group's financial statement in the period in which the distributions are approved by the directors.

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.

(h) Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The activities of the Group expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group uses foreign exchange forward contracts and interest rate swap agreements to hedge these exposures. Those contracts that can also be settled in cash are treated as a financial instrument. The Group does not use derivative financial instruments for speculative purposes. The use of leveraged instruments is not permitted.

(2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Derivative financial instruments (continued)

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedge transactions.

The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

(i) Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in the line of the statement of profit or loss and other comprehensive income relating to the hedged item.

(ii) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognised in profit or loss, in the same line of the statement of profit or loss and other comprehensive income as the recognised hedged item.

Hedge accounting is discontinued when the Group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or it no longer qualifies for hedge accounting. Any gain or loss accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

(i) Financial instruments recognition, measurement and derecognition

Financial assets and liabilities are recognised in the statement of financial position at the date when the Group becomes a party to the contractual provisions of the financial instruments. Regular purchases and sales, if any, of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

(j) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Cash and cash equivalents

For the purpose of presentation in the consolidated statements of cash flows, 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.

(l) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period which are classified as non-current assets. Loans and receivables are recognised initially at fair value plus transaction costs, and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

The Group assesses at each reporting date whether there is objective evidence that loans and receivables are impaired and recognises an allowance for impairment when such evidence exists. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectable, it is written off against the allowance account. Subsequent recoveries of the amounts previously written off are credited against the allowance accounts. Changes in the carrying amount of the allowance account are recognised in profit or loss.

The allowance for impairment loss account is reduced through the consolidated statements of profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

(m) Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost, subsequently measured at cost less accumulated depreciation and any accumulated impairment losses. The cost includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. Freehold land is not depreciated.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

• Buildings	2-50 years
• Leasehold improvements	3-10 years
• Network equipment	2-10 years[1]
• Transport equipment	5-7 years
• Plant and equipment	2-6 years
• Leased equipment	3 years

[1] Includes network equipment acquired in 2016 with useful life of 2 years. The remaining network equipment is depreciated over its estimated useful life of 6-10 years.

(2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Property, plant and equipment (continued)

Depreciation on assets under construction commences when the assets are ready for the intended use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

(n) Leases

The Group as lessee

Leases of property, plant and equipment of which the Group has substantially transferred all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other long-term payables. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The interest element of the finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Property, plant and equipment acquired under finance lease is depreciated over the shorter of the asset's useful life and the lease term. Where there is reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset should be depreciated over its useful life.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating lease (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

(o) Intangible assets

(i) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

(ii) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

(2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Intangible assets (continued)

(ii) Intangible assets acquired in a business combination (continued)

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 life and therefore there is no amortisation charge booked against the carrying value.

Under the provisions of the Taiwan's Cable Radio and Television Law (Taiwan) (the "CRTL"), the National Communications Commission ("NCC") or similarly established regulatory body in accordance with the laws of Taiwan renews a cable TV licence every nine years at no significant cost. 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. Unless there is a significant risk of an offence against the CRTL or a breach of conditions under the licence, there is no reason to believe the licence will not be renewed. Further, the lives of the cable TV licences are not limited by any technical, legal or commercial factors either known or anticipated.

The Trustee-Manager reviews the determination of indefinite life at each reporting date to determine whether events and circumstances continue to support the indefinite useful life assessment. The cable TV licences are subject to an annual impairment test.

Software

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

Programming rights

Costs incurred in acquiring programming rights, with a broadcasting period of 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 its estimated useful life of 15 months.

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the aggregate of the fair value of the consideration transferred and the fair value of non-controlling interests over the net identifiable assets acquired and liabilities assumed.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value-in-use and the fair value less costs-to-sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(iii) Derecognition of intangible assets

An intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

(2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Impairment of intangible assets

(i) Impairment of goodwill and intangible assets with indefinite useful life

Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired. For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's Cash Generating Unit ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. Recoverable amount of a CGU is the higher of the CGU's fair value less costs-to-sell or value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss on goodwill and assets that have an indefinite useful life is recognised directly in profit or loss and is not reversed in a subsequent period.

(ii) Impairment of intangible assets with finite useful life

The carrying values of intangible assets with finite useful lives are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

(q) Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. The amounts are unsecured and are usually paid within a reasonable period of time from their recognition. Trade and other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value net of transaction costs, and subsequently measured at amortised cost using the effective interest method.

(r) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events (it is more likely than not that an outflow of resources will be required to settle the obligation) and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Retirement benefit obligations

The Group operates both a defined benefit scheme and a defined contribution scheme. Eligibility for participation in each of the plans is governed by employment and related law in the country of employment for employees of the Group.

(i) Defined benefit scheme

The defined benefit scheme, for certain eligible employees in Taiwan, provides defined benefits based on years of service and average salary for the six-month period before retirement.

A liability or asset in respect of the defined benefit scheme is recognised in the statements of financial position and is measured at the present value of the defined benefit obligations at the reporting date less the fair value of the plan's assets at that date and any unrecognised past service cost. The present value of the defined benefit obligations is based on expected future payments which arise from membership in the scheme to the reporting date, calculated at least annually by independent actuaries.

Expected future payments are discounted using market yields at the reporting date on high-quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future outflows.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised directly in other comprehensive income.

(ii) Defined contribution scheme

The defined contribution scheme comprises fixed contributions made by the Group with the Group's legal or constructive obligation being limited to these contributions. Contributions to the defined contribution scheme are recognised as an expense when employees have rendered services entitling them to the contributions. Prepaid contributions are recognised in the statement of financial position as an asset to the extent that a cash refund or a reduction in the future payments is available.

(t) Share-based payment transactions

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

(u) Borrowings and interest-bearing liabilities

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statements of profit or loss over the period of the borrowings using the effective interest method.

Borrowings that are due to be settled within 12 months after the reporting date are included in current borrowings in the statement of financial position. Other borrowings due to be settled more than 12 months after the reporting date are included in non-current borrowings in the statement of financial position.

(v) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Current and deferred tax

Income tax payable on profits, based on the applicable tax law in each jurisdiction, is recognised as an expense in the period in which profits arise. The tax effects of income tax losses available for carry forward are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction as at the reporting date. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income tax levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is certain that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively) or where they arise from the initial accounting for a business combination.

(x) Unitholders' funds

Ordinary units of the Trust are classified as equity. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Incremental costs directly attributable to the issuance of new ordinary units are deducted against the unitholders' funds account.

(y) Earnings per unit

(i) Basic

Basic earnings per unit is calculated by dividing the profit after income tax attributable to unitholders of APTT by the weighted average number of ordinary units in issue during the year.

(ii) Diluted

Diluted earnings per unit adjusts the figures used in the determination of basic earnings per unit to take into account the profit after income tax effect of interest and other finance costs associated with dilutive potential ordinary units and the weighted average number of units assumed to have been issued for no consideration in relation to dilutive potential ordinary units.

(3) CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

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 judgment in the process of applying the accounting estimates. Estimates and judgments are continually evaluated and are based on historical 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.

The following are the critical judgments and key sources of estimation uncertainty that the Trustee-Manager has made in the process of applying the Group accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

(i) Indefinite useful lives of the cable TV licences (Note 8)

The Trustee-Manager exercises judgment in estimating the useful lives of the cable TV licences. The cable TV licences are subject to renewal every nine years, at no significant additional cost. 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. Unless there is a significant risk of a violation of CRTL or a breach of the conditions of any of the licences, there is no reason to believe the licence will not be renewed. In addition, the lives of the cable TV licences are not limited by any technical, legal or commercial factors, either known or anticipated. Taking these factors into consideration, it is the judgment of the Trustee-Manager that the cable TV licences have useful lives of an indefinite duration. Consequently, no deferred tax liabilities have been provided on the temporary differences relating to the cable TV licences as at the acquisition date as it is deemed that recovery would be through a sale transaction, which the Trustee-Manager expects would not be subject to capital gains taxes. The Trustee-Manager reviews the determination of useful life at each reporting date to determine whether events and circumstances continue to support the indefinite useful life assessment. Costs incurred in acquiring the cable TV licences are brought to account as intangible assets. The cable TV licences are subject to annual impairment testing, as discussed below.

(ii) Impairment of goodwill and intangible assets with indefinite useful lives (Note 8)

Goodwill and intangible assets with indefinite useful lives are not subject to amortisation and are tested annually for impairment. Determining whether goodwill and intangible assets with indefinite useful lives are impaired requires an estimation of their recoverable amounts (as an impairment loss is recognised for the amount by which an asset's carrying amount exceeds its recoverable amount). The recoverable amount is the higher of (i) an asset's fair value less costs-to-sell or (ii) the value-in-use of the CGU to which goodwill and intangible assets have been allocated. The fair values less costs-to-sell require the Trustee-Manager to estimate, based on the best information available, the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date after deducting the costs of disposal. Where there are no active markets, the Trustee-Manager has to exercise judgment in estimating the recoverable amounts of these assets, which are calculated based on discounted cash flow model using forecast cash flows generated by the Group and an appropriate discount rate. Having considered the above, the Trustee-Manager is of the view that there is no impairment of goodwill and cable TV licences amounting to $2,363.8 million as at 31 December 2016 (31 December 2015: $2,276.4 million).

(iii) Depreciation and impairment of property, plant and equipment (Note 7)

As at 31 December 2016, the carrying value of property, plant and equipment was $291.4 million (31 December 2015: $242.8 million) as disclosed in Note 7. All items of property, plant and equipment are recorded at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided to write off cost of property, plant and equipment, adjusted for residual value, over its estimated useful life, using the straight-line method. The Trustee-Manager exercises its judgment in estimating the useful lives and residual value of the depreciable assets. The estimated useful lives reflects Trustee-Manager's estimate of the period that the Group intends to derive future economic benefits from the use of the depreciable assets.

The Trustee-Manager reviews the carrying values of property, plant and equipment for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists, the recoverable amounts of the assets are estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of an asset's fair value less costs-to-sell or value-in-use.

(4) CASH AND CASH EQUIVALENTS

	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
Cash on hand	41	39	-	-
Cash at bank	59,047	60,887	7,983	7,458
Total	**59,088**	**60,926**	**7,983**	**7,458**

The currency denomination and exposure to currency risk of cash and cash equivalents are disclosed in Note 27(ii)(a).

(5) TRADE AND OTHER RECEIVABLES

	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 receivables due from outside parties	14,802	17,650	-	-
Other receivables due from subsidiaries	-	-	-	32
Total	**14,802**	**17,650**	**-**	**32**

Trade receivables are initially recognised at fair value plus transaction costs, and subsequently measured at amortised cost using the effective interest method, less any impairment. At financial statements date, the carrying amounts of current trade and other receivables approximate their fair values. The currency denomination and exposure to currency risk and credit risk of trade and other receivables are disclosed in Note 27(ii)(a) and Note 27(ii)(b) respectively.

(6) INVESTMENT IN SUBSIDIARIES

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

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

(6) INVESTMENT IN SUBSIDIARIES (continued)

The following entities were within the Group as at 31 December 2016:

Name of entity	Type	Principal activities	Country of incorporation	Proportion of ownership interest	Proportion of voting power held	Reporting date
APTT Holdings 1 Limited	Subsidiary	Investment holding company	Bermuda	100%	100%	31 December
APTT Holdings 2 Limited	Subsidiary	Investment holding company	Bermuda	100%	100%	31 December
Cable TV S.A.	Subsidiary	Investment holding company	Luxembourg	100%	100%	31 December
TBC Holdings B.V.	Subsidiary	Investment holding company	Netherlands	100%	100%	31 December
Harvest Cable Holdings B.V.[1]	Subsidiary	Investment holding company	Netherlands	15%	100%	31 December
Jie Guang Co., Ltd	Subsidiary	Investment holding company	Taiwan	100%	100%	31 December
Jia Guang Co., Ltd	Subsidiary	Investment holding company	Taiwan	77%	100%	31 December
Wo Jun Co., Ltd	Subsidiary	Investment holding company	Taiwan	77%	100%	31 December
Tai Luo Tze Co., Ltd	Subsidiary	Investment holding company	Taiwan	77%	100%	31 December
Tau Luen Co., Ltd	Subsidiary	Investment holding company	Taiwan	77%	100%	31 December
Taiwan Broadband Communications Co., Ltd	Subsidiary	A multisystem cable TV operator	Taiwan	59.3%	100%	31 December
Nan Tao Yuan Cable Television Co., Ltd	Subsidiary	A cable TV system operator	Taiwan	59.3%	100%	31 December
Best Cable Television Co., Ltd	Subsidiary	A cable TV system operator	Taiwan	59.3%	100%	31 December
Shin Ho Cable Television Co., Ltd	Subsidiary	A cable TV system operator	Taiwan	59.3%	100%	31 December
Chun Chien Cable TV Co., Ltd	Subsidiary	A cable TV system operator	Taiwan	59.3%	99.9%	31 December
Chi Yuan Cable TV Co., Ltd[1]	Subsidiary	A cable TV system operator	Taiwan	8.9%	100%	31 December

[1] Although the Group effectively holds 15% and 8.9% interest in Harvest Cable Holdings B.V. ("Harvest Cable Holdings") and Chi Yuan Cable TV Co., Ltd. ("Chi Yuan") respectively, it has the ability to use its power to affect its returns from Harvest Cable Holdings and Chi Yuan pursuant to a series of arrangements among the shareholders in these entities, and the Group receives substantially all of Harvest Cable Holdings' and Chi Yuan's economic interest. Accordingly, the Group regards Harvest Cable Holdings and Chi Yuan as subsidiaries.

(7) 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.

Group Cost	As at 1 January 2016 $'000	Additions $'000	Transfer within PPE $'000	Transfer to intangible assets $'000	Disposals/ write-offs $'000	Foreign exchange effect $'000	As at 31 December 2016 $'000
Land	2,822	-	-	-	-	108	2,930
Buildings	3,816	-	534	-	-	178	4,528
Leasehold improvements	508	7	2,030	-	(9)	100	2,636
Network equipment	323,686	2,550	77,810	-	(2,640)	15,461	416,867
Plant and equipment	6,773	7	1,551	-	(124)	347	8,554
Transport equipment	3,296	-	97	-	(4)	127	3,516
Leased equipment	392	235	-	-	(248)	113	492
Assets under construction	5,063	86,690	(82,022)	-	(225)	232	9,738
Total	**346,356**	**89,489**	**-**	**-**	**(3,250)**	**16,666**	**449,261**

Group Cost	As at 1 January 2015 $'000	Additions $'000	Transfer within PPE $'000	Transfer to intangible assets $'000	Disposals/ write-offs $'000	Foreign exchange effect $'000	As at 31 December 2015 $'000
Land	2,741	-	-	-	-	81	2,822
Buildings	3,659	39	10	-	-	108	3,816
Leasehold improvements	472	78	-	-	(55)	13	508
Network equipment	221,766	29,852	65,956	-	(2)	6,114	323,686
Plant and equipment	4,966	649	1,023	-	(9)	144	6,773
Transport equipment	3,036	155	15	-	-	90	3,296
Leased equipment	380	37	-	-	(35)	10	392
Assets under construction	8,289	63,839	(67,004)	(322)	-	261	5,063
Total	**245,309**	**94,649**	**-**	**(322)**	**(101)**	**6,821**	**346,356**

(7) PROPERTY, PLANT AND EQUIPMENT (continued)

Group Accumulated depreciation and impairment	As at 1 January 2016 $'000	Depreciation $'000	Impairment $'000	Transfer within PPE $'000	Disposals/ write-offs $'000	Foreign exchange effect $'000	As at 31 December 2016 $'000
Land	-	-	200	667	-	39	906
Buildings	(1,038)	(445)	(14)	700	-	(21)	(818)
Leasehold improvements	(346)	(252)	(4)	-	9	(21)	(614)
Network equipment	(96,595)	(40,743)	(7,750)	(1,351)	2,640	(5,556)	(149,355)
Plant and equipment	(3,792)	(1,416)	(73)	(13)	124	(228)	(5,398)
Transport equipment	(1,734)	(510)	-	-	-	(89)	(2,333)
Leased equipment	(100)	(72)	-	-	96	(103)	(179)
Assets under construction	-	-	(341)	(3)	225	(1)	(120)
Total	**(103,605)**	**(43,438)**	**(7,982)**	**-**	**3,094**	**(5,980)**	**(157,911)**

Group Accumulated depreciation and impairment	As at 1 January 2015 $'000	Depreciation $'000	Impairment $'000	Transfer within PPE $'000	Disposals/ write-offs $'000	Foreign exchange effect $'000	As at 31 December 2015 $'000
Land	-	-	-	-	-	-	-
Buildings	(641)	(380)	-	-	-	(17)	(1,038)
Leasehold improvements	(252)	(86)	-	-	-	(8)	(346)
Network equipment	(65,402)	(29,408)	-	-	-	(1,785)	(96,595)
Plant and equipment	(2,126)	(1,610)	-	-	-	(56)	(3,792)
Transport equipment	(1,058)	(648)	-	-	-	(28)	(1,734)
Leased equipment	(81)	(52)	-	-	35	(2)	(100)
Assets under construction	-	-	-	-	-	-	-
Total	**(69,560)**	**(32,184)**	**-**	**-**	**35**	**(1,896)**	**(103,605)**

(7) PROPERTY, PLANT AND EQUIPMENT (continued)

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

Group Carrying value	As at 1 January 2016 $'000	Additions $'000	Transfer within PPE $'000	Transfer to intangible assets $'000	Disposals/ write-offs $'000	Depreciation and impairment $'000	Foreign exchange effect $'000	As at 31 December 2016 $'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 January 2015 $'000	Additions $'000	Transfer within PPE $'000	Transfer to intangible assets $'000	Disposals/ write-offs $'000	Depreciation and impairment $'000	Foreign exchange effect $'000	As at 31 December 2015 $'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**

As at 31 December 2016, the Group has pledged property, plant and equipment having carrying amounts of $264.5 million (31 December 2015: $226.6 million) to secure debt facilities granted to the Group (Note 12).

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 Annual Report, the Group has completed its assessment of the net loss from the fire. Property, plant and equipment with a carrying value of $2.6 million was 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 with a carrying value of $5.4 million (31 December 2015: nil). Carrying value of property, plant and equipment as at 31 December 2016 and depreciation and impairment expenses during the year ended 31 December 2016 presented in the table above included the total gross 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 of insurance claim is included in current other assets in the statements of financial position (Note 11). The total net impairment losses of $6.7 million, representing obsolete network equipment of $5.4 million and net loss on property, plant and equipment from fire of $1.3 million, were included in depreciation and amortisation expense in the consolidated statements of profit or loss.

(7) PROPERTY, PLANT AND EQUIPMENT (continued)

During the year ended 31 December 2016, the Group acquired property, plant and equipment with an aggregate cost of $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 2015, the Group revised the useful life of its network equipment from 2-10 years to 6-10 years after revisiting the working condition and economic useful life of network equipment under current technology. The resulting financial effects of this reassessment, assuming that the network equipment is held until the end of its useful life, are decreases in depreciation expense for the years ended 31 December 2015 and 2016 of $21.6 million and $13.9 million respectively.

(8) 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 the acquisition date as it is deemed that recovery would be through a sale transaction, which the Trustee-Manager expects would not be subject to capital gains taxes.

Software

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

Programming rights

Costs incurred in acquiring programming rights, with a broadcasting period of 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 its estimated useful life.

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 CGU and is tested annually for impairment.

Group Cost	**As at 1 January 2016 $'000**	**Additions $'000**	**Transfer from PPE $'000**	**Disposals $'000**	**Foreign exchange effect $'000**	**As at 31 December 2016 $'000**
Cable TV licences	2,268,869	-	-	-	87,101	2,355,970
Software	6,892	2,330	-	(950)	248	8,520
Programming rights	16,484	-	-	(12,163)	(47)	4,274
Goodwill	7,503	-	-	-	288	7,791
Total	**2,299,748**	**2,330**	**-**	**(13,113)**	**87,590**	**2,376,555**

Group Cost	**As at 1 January 2015 $'000**	**Additions $'000**	**Transfer from PPE $'000**	**Disposals $'000**	**Foreign exchange effect $'000**	**As at 31 December 2015 $'000**
Cable TV licences	2,204,073	-	-	-	64,796	2,268,869
Software	4,324	2,591	322	(470)	125	6,892
Programming rights	12,015	4,119	-	-	350	16,484
Goodwill	7,288	-	-	-	215	7,503
Total	**2,227,700**	**6,710**	**322**	**(470)**	**65,486**	**2,299,748**

(8) INTANGIBLE ASSETS (continued)

Group Accumulated amortisation	As at 1 January 2016 $'000	Amortisation $'000	Disposals $'000	Foreign exchange effect $'000	As at 31 December 2016 $'000
Cable TV licences	-	-	-	-	-
Software	(3,352)	(1,974)	950	(162)	(4,538)
Programming rights	(12,956)	(3,508)	12,163	27	(4,274)
Goodwill	-	-	-	-	-
Total	**(16,308)**	**(5,482)**	**13,113**	**(135)**	**(8,812)**

Group Accumulated amortisation	As at 1 January 2015 $'000	Amortisation $'000	Disposals $'000	Foreign exchange effect $'000	As at 31 December 2015 $'000
Cable TV licences	-	-	-	-	-
Software	(1,873)	(1,897)	470	(52)	(3,352)
Programming rights	(2,403)	(10,528)	-	(25)	(12,956)
Goodwill	-	-	-	-	-
Total	**(4,276)**	**(12,425)**	**470**	**(77)**	**(16,308)**

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

Group Carrying value	As at 1 January 2016 $'000	Additions $'000	Transfer from PPE $'000	Disposals $'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 January 2015 $'000	Additions $'000	Transfer from PPE $'000	Disposals $'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**

The value of the cable TV licences and goodwill is allocated to the Group's single CGU which is principally engaged in the Basic cable TV, Premium digital cable TV and Broadband services in Taiwan. The Trustee-Manager is of the view that there is no impairment of cable TV licences and goodwill as the CGU's recoverable amount was higher than its carrying amount as at 31 December 2016.

During the year ended 31 December 2016, the Group acquired intangible assets with an aggregate cost of $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).

(8) INTANGIBLE ASSETS (continued)

Impairment test for cable TV licences and goodwill

The recoverable amounts of the CGU are determined from value-in-use calculations. The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. The Trustee-Manager estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGU. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The Group prepares cash flow forecasts based on management's latest business plan for forecast horizon of five years and derives the terminal value based on terminal growth rate of 1.7% (31 December 2015: terminal multiple of 12.4 times). This rate does not exceed the average long-term growth rate for the relevant markets. The rate used to discount the forecast cash flows from the CGU was 6.2% (31 December 2015: 7.4%). As at 31 December 2016, any reasonably possible change to the key assumptions applied were not likely to cause the recoverable amounts to be below the carrying amounts of the CGU.

(9) 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 consists of the income tax withheld with respect to interest payments on shareholder loans among 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.

(10) DERIVATIVE FINANCIAL INSTRUMENTS

(i) Currency forwards

The Group and Trust use foreign exchange contracts to manage its exposure to foreign exchange movements of the Taiwan dollar ("NT$") and US dollar ("US$") future estimated cash flows from dividends and principal and interest payments received by the Trust from the entities held within the Group. The Group and Trust employ 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, the total notional amount of outstanding foreign exchange contracts to which the Group and Trust were committed to, is as follows:

	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
Sell NT$2,654 million (2015: NT$3,131 million)	117,100	134,276	117,100	134,276
Sell US$1.1 million (2015: US$ nil)	1,563	-	1,563	-
Total	**118,663**	**134,276**	**118,663**	**134,276**

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); and 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) respectively both at the Group and Trust level.

(10) DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(ii) Interest rate swaps

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 proportion 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.

The fair value of interest rate swaps with nominal value of NT$25.5 billion as at 31 December 2016 (31 December 2015: NT$25.5 billion) was estimated at $5.1 million (31 December 2015: $9.1 million), which resulted in derivative financial instrument non-current liability of the Group. These amounts were based on using valuation techniques at the balance sheet date. The aforementioned interest rate swaps qualify for hedge accounting. Therefore, the unrealised movement in the fair value of cash flow hedging interest rate derivatives of $4.2 million (31 December 2015: loss of $8.4 million), net of deferred tax effect amounting to $0.7 million (31 December 2015: $1.5 million), with a net gain of $3.5 million for the year ended 31 December 2016 (31 December 2015: loss of $6.9 million), was recognised directly in other comprehensive income.

(11) OTHER ASSETS

	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
Current				
Prepayments	1,148	595	-	-
Tax receivables	460	431	268	266
Insurance claim receivable (Note 7)	1,250	-	-	-
Other assets	631	53	-	-
Total	**3,489**	**1,079**	**268**	**266**
Non-current				
Refundable deposits	914	860	-	-
Deferred cost	-	2	-	-
Total	**914**	**862**	**-**	**-**
Total other assets	**4,403**	**1,941**	**268**	**266**

(12) 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.

(12) BORROWINGS FROM FINANCIAL INSTITUTIONS (continued)

(i) Revised Facilities

In October 2016, the previous borrowing facilities of NT$32.0 billion (the "Previous Facilities") were refinanced with the new borrowing facilities of NT$28.0 billion (the "Revised Facilities"). 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 (Note 7) 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 10(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 seven years.

(ii) 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 (the "New Facilities") 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. As the financial effect of fair value of the corporate guarantees provided by the Group are not significant for the year ended 31 December 2016, the Trustee-Manager is of the view that no further disclosure is required.

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.

The Trustee-Manager specifically monitors the financial ratios of its debt covenants stated in the agreements with the financial institutions providing the borrowings facilities to the Group. The Group is in compliance with externally imposed debt covenants for the year ended 31 December 2016.

(13) 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 currency denomination and exposure to currency risk of trade and other payables are disclosed in Note 27(ii)(a).

(14) RETIREMENT BENEFIT OBLIGATIONS

The Group operates two retirement benefit arrangements for all employees in accordance with legislation in the country of employment for all employees: for eligible employees in Taiwan, a defined benefit plan and for all other employees, a defined contribution plan. The defined benefit plan provides benefits based on years of service and average salary in the six-month period before retirement. The defined contribution plan receives fixed contributions from the Group companies and the Group legal or constructive obligation is limited to these contributions. 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.

(i) Defined contribution plan

The total expense recognised in the consolidated statements of profit or loss of $1.7 million for the year ended 31 December 2016 (31 December 2015: $1.7 million), represented contribution payable to these plans by the Group at rates specified in the rules of the plans. As at 31 December 2016, contribution of $0.5 million due in respect of 2016 has not been paid over to the plans (31 December 2015: $0.7 million). Such amount was paid subsequent to the end of the reporting period.

(ii) Defined benefit plan

The plan assets are held in the Bank of Taiwan, a custodian bank for employee pension funds designated by the Government of Taiwan in accordance with regulations in Taiwan.

The Group funds the defined benefit plan at 2% (31 December 2015: 2%) of salaries for employees who are members of the defined benefit plan, in accordance with legislative requirements and market practice in the country of employment. The actual return on plan assets during the year ended 31 December 2016 was $0.04 million (31 December 2015: $0.1 million).

The amounts included in the consolidated statements of financial position arising from the Group's obligation in respect of its defined benefit plan are as follows:

	Group as at 31 December 2016 $'000	Group as at 31 December 2015 $'000
Present value of funded defined benefit obligations	24,800	20,146
Less: Fair value of plan assets	(5,435)	(4,506)
Net liability arising from defined benefit obligations	**19,365**	**15,640**

NOTES TO THE FINANCIAL STATEMENTS

(14) RETIREMENT BENEFIT OBLIGATIONS (continued)

(ii) Defined benefit plan (continued)

Amounts recognised in the consolidated statements of profit or loss and other comprehensive income in respect of defined benefit plan are as follows:

	Group Year ended 31 December 2016 $'000	Group Year ended 31 December 2015 $'000
Current service cost	96	84
Net interest cost on the defined benefit obligations	323	302
Interest income on plan assets	(75)	(85)
Components of defined benefit costs recognised in profit or loss	**344**	**301**
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding net interest cost or income)	39	(32)
Actuarial losses arising from changes in demographic assumptions	1,033	1,138
Actuarial losses arising from changes in financial assumptions	1,454	996
Actuarial losses arising from changes in experience adjustments	1,254	2,429
Components of defined benefit costs recognised in other comprehensive income	**3,780**	**4,531**
Total	**4,124**	**4,832**

The current service cost and the net interest expense are included in the staff costs in the consolidated statements of profit or loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

Reconciliations

Movements in the present value of the defined benefit obligations are as follows:

	Group as at 31 December 2016 $'000	Group as at 31 December 2015 $'000
Balance at the beginning of the year	**20,146**	**15,570**
Current service cost	96	84
Interest cost	323	302
Remeasurement losses:		
Actuarial losses arising from changes in demographic assumptions	1,033	1,138
Actuarial losses arising from changes in financial assumptions	1,454	996
Actuarial losses arising from changes in experience adjustments	1,254	2,429
Benefits paid	(312)	(829)
Foreign exchange difference	806	456
Balance at the end of the year	**24,800**	**20,146**

(14) RETIREMENT BENEFIT OBLIGATIONS (continued)

(ii) Defined benefit plan (continued)

Movements in the fair value of plan assets are as follows:

	Group as at 31 December 2016 $'000	Group as at 31 December 2015 $'000
Balance at the beginning of the year	**4,506**	**4,250**
Interest income	75	85
Contributions by employer	996	277
Return on plan assets	(39)	32
Benefits paid	(308)	(262)
Foreign exchange difference	205	124
Balance at the end of the year	**5,435**	**4,506**

Principal actuarial assumptions

An actuarial review of the plan assets and liabilities is undertaken at least annually. The last actuarial review was undertaken at 31 December 2016 by Professional Actuary Management Consulting Co., Ltd. The present values of employee benefits not expected to be settled within 12 months as at the reporting date have been calculated using the following weighted averages for the retirement benefit obligations:

	Group as at 31 December 2016 %	Group as at 31 December 2015 %
Discount rate used in determining present values	1.125-1.250	1.500-1.750
Future salary increase rate	3.000	3.000

The fair values of plan assets for each category are as follows:

	Group as at 31 December 2016 $'000	Group as at 31 December 2015 $'000
Cash and cash equivalents	1,093	803
Short-term notes	149	68
Money market funds	-	43
Bonds	674	556
Other fixed income instruments	841	697
Equities	2,314	2,207
Others	364	132
Total	**5,435**	**4,506**

The fair values of the above equity and debt instruments are determined based on the quoted market prices in active markets.

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

- If the discount rate is 25 basis points higher (lower), the defined benefit obligations would decrease by $0.8 million (increase by $0.8 million).
- If the expected salary growth increases (decreases) by 25 basis points, the defined benefit obligations would increase by $0.8 million (decrease by $0.8 million).

(14) RETIREMENT BENEFIT OBLIGATIONS (continued)

(ii) Defined benefit plan (continued)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligations liability recognised in the consolidated statements of financial position.

In compliance with government provisions, the Group's subsidiaries are required to set up an independent account in Bank of Taiwan and to make legal contributions to the account on a monthly basis. The fund is solely managed by the relevant authority. The Group's subsidiaries are precluded from making any investment strategies. The authority guarantees a minimum yearly return that is approximate to an annual average interest rate of a two-year fixed deposit in Taiwan.

The Group's subsidiaries fund the cost of the entitlements expected to be earned on a yearly basis. The funding requirements are based on the local actuarial measurement framework. In this framework, discount rate is set on a risk free rate. Furthermore, premiums are determined on a current salary base. Additional liabilities stemming from past service due to salary increases ("back-service liabilities") are paid immediately to the fund. Apart from paying the costs of the entitlements, the Group's subsidiaries are not liable to pay additional contributions in case the fund does not hold sufficient assets. In that case, the fund would take other measures to restore its solvency, such as a reduction of the entitlements of the plan members.

The average duration of the benefit obligation as at 31 December 2016 was 13.4 years (31 December 2015: 13.5 years).

The Group expects to make a contribution to the defined benefit plans in 2017 amounting to $0.3 million (2016: $0.3 million).

(15) DEFERRED TAX LIABILITIES

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

Group	As at 1 January 2016 $'000	Recognised in profit or loss $'000	Recognised in other comprehensive income $'000	Foreign exchange effect $'000	As at 31 December 2016 $'000
Impairment loss	(551)	(1,069)	-	(29)	(1,649)
Cash flow hedging reserves	(1,539)	-	715	(36)	(860)
Intangible assets that are partially deductible for tax purposes[1]	50,562	5,292	-	2,175	58,029
Accelerated tax depreciation	1,250	(281)	-	35	1,004
Undistributed earnings of subsidiaries	3,582	2,292	-	196	6,070
Others	-	(260)	-	(6)	(266)
Unrealised exchange differences	(803)	250	-	32	(521)
Deferred tax liabilities, net	**52,501**	**6,224**	**715**	**2,367**	**61,807**

(15) DEFERRED TAX LIABILITIES (continued)

Group	As at 1 January 2015 $'000	Recognised in profit or loss $'000	Recognised in other comprehensive income $'000	Foreign exchange effect $'000	As at 31 December 2015 $'000
Pension expense	(697)	718	-	(21)	-
Impairment loss	(546)	10	-	(15)	(551)
Cash flow hedging reserves	-	-	(1,499)	(40)	(1,539)
Intangible assets that are partially deductible for tax purposes[1]	43,947	5,347	-	1,268	50,562
Accelerated tax depreciation	1,489	(284)	-	45	1,250
Undistributed earnings of subsidiaries	9,762	(6,420)	-	240	3,582
Unrealised exchange differences	(147)	(658)	-	2	(803)
Deferred tax liabilities, net	**53,808**	**(1,287)**	**(1,499)**	**1,479**	**52,501**

The following is the analysis of the deferred tax balances:

	Group as at 31 December 2016 $'000	Group as at 31 December 2015 $'000
Deferred tax liabilities to be disbursed after more than 12 months	61,807	52,501

[1] Following the settlement principles agreed between the Group and the Taiwan tax authorities in 2014, as disclosed in Note 26, 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).

(16) OTHER LIABILITIES

	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
Current				
Collections received in advance	35,946	34,928	-	-
Accrued expenses	14,298	23,983	197	156
Withholding tax payable	883	1,728	-	-
Other tax payable	3,509	577	-	-
Obligations under finance leases (Note 21)	98	173	-	-
Long-term incentive plan (Note 25(ii))	1,588	1,277	-	-
Interest and other finance costs payable	1,899	134	-	-
Total	**58,221**	**62,800**	**197**	**156**
Non-current				
Subscriber deposits	13,786	9,383	-	-
Obligations under finance leases (Note 21)	219	120	-	-
Long-term incentive plan (Note 25(ii))	1,421	1,374	-	-
Others	887	877	-	-
Total	**16,313**	**11,754**	**-**	**-**
Total other liabilities	**74,534**	**74,554**	**197**	**156**

(17) UNITHOLDERS' FUNDS

Group and Trust	Year ended 31 December 2016 Number of units	Year ended 31 December 2015 Number of units	Year ended 31 December 2016 $'000	Year ended 31 December 2015 $'000
Balance at the beginning and end of the year	1,436,800,000	1,436,800,000	1,342,851	1,342,851

Ordinary units entitle the holder to participate in distributions and the proceeds on winding up of the Trust in proportion to the number of the units held.

On a show of hands every holder of ordinary units present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each unit is entitled to one vote.

(18) RESERVES

	Group as at 31 December 2016 $'000	Group as at 31 December 2015 $'000
Foreign currency translation reserves	71,718	29,285
Retirement benefit obligations reserves	(11,618)	(7,838)
Cash flow hedging reserves	(3,577)	(7,069)
Capital reserves	17,694	14,008
Total	**74,217**	**28,386**

(i) Foreign currency translation reserves

	Group as at 31 December 2016 $'000	Group as at 31 December 2015 $'000
Balance at the beginning of the year	**29,285**	**(9,060)**
Exchange differences on translation of foreign operations	42,433	38,345
Balance at the end of the year	**71,718**	**29,285**

Exchange differences arising on translation of foreign controlled entities are taken to the foreign currency translation reserves, as described in Note 2(e)(iii). The reserves are recognised in profit or loss when the net investment is disposed of.

(ii) Retirement benefit obligations reserves

	Group as at 31 December 2016 $'000	Group as at 31 December 2015 $'000
Balance at the beginning of the year	**(7,838)**	**(3,307)**
Remeasurement of defined benefit obligations	(3,780)	(4,531)
Balance at the end of the year	**(11,618)**	**(7,838)**

Retirement benefit obligations reserves represent the effects of the remeasurement of defined benefit plan (Note 14(ii)).

(18) RESERVES (continued)

(iii) Cash flow hedging reserves

	Group as at 31 December 2016 $'000	Group as at 31 December 2015 $'000
Balance at the beginning of the year	**(7,069)**	**(216)**
Unrealised gain on change in fair value of cash flow hedging financial instruments:		
Interest rate swaps	4,207	(8,352)
Deferred tax relating to items that may subsequently be reclassified to profit or loss	(715)	1,499
Balance at the end of the year	**(3,577)**	**(7,069)**

The cash flow hedging reserves represent the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges. The cumulative gains or losses arising on changes in fair value of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserves will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item, consistent with the Group's accounting policy.

(iv) Capital reserves

	Group as at 31 December 2016 $'000	Group as at 31 December 2015 $'000
Balance at the beginning of the year	**14,008**	**4,155**
Transfer from accumulated profits[1]	3,686	9,853
Balance at the end of the year	**17,694**	**14,008**

[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.

(19) ACCUMULATED DEFICIT

	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
Balance at the beginning of the year	**(142,439)**	**(60,930)**	**(4,349)**	**(1,586)**
Profit after income tax attributable to unitholders of APTT	59,658	45,156	101,198	114,049
Transfer to capital reserve	(3,686)	(9,853)	-	-
Distributions paid	(102,372)	(116,812)	(102,372)	(116,812)
Balance at the end of the year	**(188,839)**	**(142,439)**	**(5,523)**	**(4,349)**

(20) 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 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.

	Group as at 31 December 2016 $'000	Group as at 31 December 2015 $'000
Balance at the beginning of the year	**2,319**	**2,334**
Total comprehensive income attributable to non-controlling interests	342	294
Settlement of transactions with non-controlling interests	(117)	(126)
Distributions paid	(217)	(183)
Balance at the end of the year	**2,327**	**2,319**

(21) OBLIGATIONS UNDER FINANCE LEASES

(i) Leasing arrangements

Some of the transport equipment held by the Group are under finance leases. These are shown as leased equipment in Note 7 and have carrying values of $0.3 million as at 31 December 2016 (31 December 2015: $0.3 million). The Group's obligations under finance leases are secured by the lessors' titles to the leased assets. The average lease term for the year ended 31 December 2016 was three years (31 December 2015: three years).

Average effective interest rates underlying all obligations under finance leases are fixed at respective contract dates ranging from 3.44% to 9.94% per annum (31 December 2015: 9.56% to 10.32% per annum).

(ii) Finance lease liabilities

	Minimum lease payments Group as at 31 December 2016 $'000	Minimum lease payments Group as at 31 December 2015 $'000	Present value of minimum lease payments Group as at 31 December 2016 $'000	Present value of minimum lease payments Group as at 31 December 2015 $'000
Within one year	115	188	98	173
In the second to fifth years inclusive	229	138	219	120
	344	**326**	**317**	**293**
Less: Future finance charges	(27)	(33)	-	-
Present value of lease obligations	**317**	**293**	**317**	**293**
Included in the consolidated statements of financial position as:				
Current liabilities (Note 16)			98	173
Non-current liabilities (Note 16)			219	120
Total			**317**	**293**

(22) OPERATING LEASE ARRANGEMENTS

The Group as lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating lease (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of lease, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group rents its office buildings, fibres and utility poles under operating leases.

Payments recognised as an expense

	Group Year ended 31 December 2016 $'000	Group Year ended 31 December 2015 $'000
Minimum lease payments (Note 25(viii))	5,147	5,139

Operating leases relating to leases of office buildings have lease terms between one and 10 years. The Group does not have an option to purchase the leased office buildings at the expiry of the lease periods.

Non-cancellable operating lease commitments

The Group had outstanding commitments for office buildings under non-cancellable operating leases, which fall due as follows:

	Group as at 31 December 2016 $'000	Group as at 31 December 2015 $'000
Within one year	1,234	1,258
In the second to fifth years inclusive	2,307	2,454
After five years	1,606	1,440
Total	**5,147**	**5,152**

The leases for fibres and utility poles are negotiated for one year. The rentals have been prepaid in full for the lease term with no operating lease commitment outstanding as at 31 December 2016 and 2015.

(23) DISTRIBUTIONS

The Group changed its distribution policy to move from semi-annual distributions to quarterly distributions as of 12 August 2014. 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.

The Board has declared an ordinary final distribution of 1.625 cents per unit in respect of the three months 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

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.

These financial statements do not reflect the distribution for the three months ended 31 December 2016, which will be accounted for in total equity as an appropriation of retained earnings in the year ending 31 December 2017.

(24) REVENUE

For the year ended 31 December 2016, APTT reported total revenue of $319.2 million (31 December 2015: $332.2 million). Total revenue comprised: (i) Basic cable TV revenue of $254.4 million (31 December 2015: $265.0 million), (ii) Premium digital cable TV revenue of $15.0 million (31 December 2015: $15.4 million) and (iii) Broadband revenue of $49.9 million (31 December 2015: $51.8 million).

	Group Year ended 31 December 2016 $'000	Group Year ended 31 December 2015 $'000
Revenue		
Basic cable TV		
Subscription revenue	206,650	210,807
Non-subscription revenue	47,745	54,155
	254,395	**264,962**
Premium digital cable TV		
Subscription revenue	14,193	14,335
Non-subscription revenue	789	1,031
	14,982	**15,366**
Broadband		
Subscription revenue	48,393	50,274
Non-subscription revenue	1,459	1,550
	49,852	**51,824**
Total	**319,229**	**332,152**

(i) Basic cable TV

Basic cable TV revenue, comprising subscription and other non-subscription revenue, represents approximately 80% of total revenue (31 December 2015: approximately 80%). Basic cable TV non-subscription revenue comprised predominantly revenue generated from the leasing of television channels to third parties, sales of airtime advertising and fees for the installation of set-top boxes.

Basic cable TV revenue was $254.4 million for the year ended 31 December 2016 (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).

(ii) Premium digital cable TV

Premium digital cable TV revenue comprised subscription and non-subscription revenue. Subscription revenue was generated from subscriptions to Premium digital cable TV packages and bundled DVR or DVR-only services. Non-subscription revenue was predominantly generated from the sale of electronic programme guide data to other system operators.

Premium digital cable TV revenue was $15.0 million for the year ended 31 December 2016 (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).

(iii) Broadband

Broadband revenue comprised subscription and non-subscription revenue generated from the provision of installation services.

Broadband revenue was $49.9 million for the year ended 31 December 2016 (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).

NOTES TO THE FINANCIAL STATEMENTS

(25) OPERATING EXPENSES, AMORTISATION, INTEREST AND OTHER FINANCE COSTS

An analysis of the Group's operating expenses, amortisation, interest and other finance costs is as follows:

(i) Broadcast and production costs

Broadcast and production costs were $61.7 million for the year ended 31 December 2016 (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 $30.5 million for the year ended 31 December 2016 (31 December 2015: $29.7 million). 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 year ended 31 December 2016 of $0.9 million (31 December 2015: $1.3 million) 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 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 $55.7 million for the year ended 31 December 2016 (31 December 2015: $44.6 million). Depreciation and amortisation expense included net impairment losses of $6.7 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.

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 $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 years 2016 and 2015.

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).

(25) OPERATING EXPENSES, AMORTISATION, INTEREST AND OTHER FINANCE COSTS (continued)

(v) Net foreign exchange gain/(loss)

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

(vi) Mark to market loss on derivative financial instruments

The Group uses foreign exchange contracts to manage its exposure to foreign exchange movements as discussed in Note 10(i). 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 2015 amounting to $5.5 million. There was no such fee for the year ended 31 December 2016.

(viii) Other operating expenses

	Group Year ended 31 December 2016 $'000	Group Year ended 31 December 2015 $'000
Legal and professional fees	4,535	4,518
Non-recoverable GST/VAT	3,926	3,888
Repairs and maintenance	1,923	1,830
Promotions and marketing expenses	1,424	1,978
Bank charges	2,180	2,156
Printing and stationery	1,637	1,713
Licence fees	2,524	2,605
Office administration	3,692	4,268
Lease rentals (Note 22)	5,147	5,139
Others	3,524	3,622
Total	**30,512**	**31,717**

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 $5.9 million for the year ended 31 December 2016 (31 December 2015: $26.0 million). Amortisation of deferred arrangement fees in 2015 included 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.

(25) OPERATING EXPENSES, AMORTISATION, INTEREST AND OTHER FINANCE COSTS (continued)

(x) Interest and other finance costs

	Group Year ended 31 December 2016 $'000	Group Year ended 31 December 2015 $'000
Interest expense on loans	53,090	47,582
Commitment fees on loans	925	2,129
Total interest and other finance costs	**54,015**	**49,711**

Interest and other finance costs were $54.0 million for the year ended 31 December 2016 (31 December 2015: $49.7 million). These comprised interest expense and commitment fees on the Group's debt facilities.

(xi) Remuneration of auditors

	Group Year ended 31 December 2016 $'000	Group Year ended 31 December 2015 $'000
Amounts paid or payable to Deloitte & Touche LLP (Singapore) for:		
Audit services	113	113
Audit related services	55	50
Non-audit services	-	-
	168	**163**
Amounts paid or payable to Deloitte & Touche LLP network firms for:		
Audit services	697	687
Audit-related services	24	89
Non-audit services	100	48
	821	**824**

Significant subsidiaries of the Group are audited by overseas practices of Deloitte Touche Tohmatsu Limited ("Deloitte").

(26) INCOME TAXES

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.

(26) INCOME TAXES (continued)

The Group is not required to and does not prepare a combined consolidated income tax return. The following information represents the combined income tax data of the combined consolidated entities.

In the year 2014, the Group reached agreements with the various tax authorities in Taiwan to settle outstanding tax disputes for the years from 2006 to 2012. As a result, deferred tax liabilities of $58.0 million (NT$1,297 million) were recorded by the Group for the partial tax deductions in respect of amortisation of intangible assets claimed by the Group as at 31 December 2016 (31 December 2015: $50.6 million (NT$1,174 million)).

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

	Group Year ended 31 December 2016 $'000	Group Year ended 31 December 2015 $'000
Current income tax	(9,609)	(10,920)
Over/(under) provision for tax for current year	143	(362)
Deferred income tax (Note 15)	(6,224)	1,287
Withholding tax	(7,858)	(15,792)
Income tax expense	**(23,548)**	**(25,787)**

Income tax expense can be reconciled to the accounting profits as follows:

	Group Year ended 31 December 2016 $'000	Group Year ended 31 December 2015 $'000
Profit before income tax	**83,548**	**71,237**
Income tax expense calculated at 17%	(14,203)	(12,110)
Effect of income exempt from taxation	32,423	56,125
Effect of expenses not deductible in determining taxable profit	(34,053)	(53,648)
Withholding tax	(7,858)	(15,792)
Over/(under) provision for tax for current year	143	(362)
Income tax expense	**(23,548)**	**(25,787)**

Provision for income tax and the reconciliation of income tax payable are 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**

(27) FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(i) Categories of financial instrument

	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
Financial assets				
Loans and receivables:				
Cash and cash equivalents	59,088	60,926	7,983	7,458
Trade and other receivables	14,802	17,650	-	32
Other financial assets	2,795	913	-	-
Derivative instruments:				
not designated in hedge accounting relationships	6	154	6	154
	76,691	**79,643**	**7,989**	**7,644**
Financial liabilities				
Amortised cost:				
Borrowings from financial institutions	(1,306,967)	(1,191,848)	-	-
Trade and other payables	(21,243)	(20,486)	(10,867)	(9,997)
Other financial liabilities	(33,309)	(36,444)	(197)	(156)
Derivative instruments:				
in designated hedge accounting relationships	(5,059)	(9,052)	-	-
not designated in hedge accounting relationships	(2,214)	(1,602)	(2,214)	(1,602)
	(1,368,792)	**(1,259,432)**	**(13,278)**	**(11,755)**
Net financial liabilities	**(1,292,101)**	**(1,179,789)**	**(5,289)**	**(4,111)**

(ii) Financial risk management policies and objectives

The Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects of changes in the financial markets on the financial performance of the Group. The Group uses derivative financial instruments such as foreign exchange contracts and interest rate swaps to hedge certain risk exposures. Risk management is carried out by the responsible entities within the Group under internal management policies. The Trustee-Manager identifies, evaluates and hedges financial risks and provides guidelines for overall risk management, covering specific areas, such as mitigating foreign exchange, interest rate and credit risks, use of derivative financial instruments and investing excess liquidity. There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

(a) Foreign currency risk

The Group receives dividend and investment income denominated in currencies other than the Singapore dollar, the functional currency of the Trust. The Group is therefore exposed to currency risk, as the value of the amounts receivable denominated in other currencies will fluctuate due to changes in exchange rates.

The Group assesses and monitors its current and projected foreign currency cash flows and in so far as possible, reduces the exposure of the net position in each currency by borrowing in those foreign currencies and utilises a foreign exchange contract to manage the volatility of future cash flows caused by fluctuations in foreign currency exchange rates. The Group does not hold or issue derivative financial instruments for speculative purposes.

The Group has a number of investments in subsidiaries whose functional currencies are different from the presentation currency of the Group. The net assets of these subsidiaries are exposed to foreign currency translation risk. The Group does not currently designate its foreign currency denominated debt as a hedging instrument for the purpose of hedging the translation of its foreign operations.

(27) FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (continued)

(ii) Financial risk management policies and objectives (continued)

(a) Foreign currency risk (continued)

The tables below set out the Group's and Trust's exposures to currency risks, which exclude the currency risk exposures from intercompany receivables and payables, based on the information provided to the Trustee-Manager:

Group as at 31 December 2016	Singapore dollar $'000	Taiwan dollar $'000	US dollar $'000	Other $'000	Total $'000
Financial assets					
Cash and cash equivalents	7,996	38,454	12,602	36	59,088
Trade and other receivables	-	12,595	2,207	-	14,802
Other financial assets	-	2,795	-	-	2,795
Derivative instruments:					
not designated in hedge accounting relationships	6	-	-	-	6
	8,002	**53,844**	**14,809**	**36**	**76,691**
Financial liabilities					
Borrowings from financial institutions	(127,781)	(1,179,186)	-	-	(1,306,967)
Trade and other payables	(3,933)	(17,310)	-	-	(21,243)
Other financial liabilities	(5,894)	(23,832)	(3,581)	(2)	(33,309)
Derivative instruments:					
in designated hedge accounting relationships	-	(5,059)	-	-	(5,059)
not designated in hedge accounting relationships	(2,214)	-			(2,214)
	(139,822)	**(1,225,387)**	**(3,581)**	**(2)**	**(1,368,792)**
Net financial (liabilities)/assets	**(131,820)**	**(1,171,543)**	**11,228**	**34**	**(1,292,101)**
Less: Net financial liabilities denominated in respective functional currencies of entities within the Group	(1,939)	(1,171,543)	(402)	-	(1,173,884)
Net currency exposure	**(129,881)**	**-**	**11,630**	**34**	**(118,217)**

Group as at 31 December 2015	Singapore dollar $'000	Taiwan dollar $'000	US dollar $'000	Other $'000	Total $'000
Financial assets					
Cash and cash equivalents	6,005	39,894	14,987	40	60,926
Trade and other receivables	-	17,616	34	-	17,650
Other financial assets	-	913	-	-	913
Derivative instruments:					
not designated in hedge accounting relationships	154	-	-	-	154
	6,159	**58,423**	**15,021**	**40**	**79,643**
Financial liabilities					
Borrowings from financial institutions	-	(1,191,848)	-	-	(1,191,848)
Trade and other payables	(3,936)	(16,550)	-	-	(20,486)
Other financial liabilities	(3,042)	(32,983)	(419)	-	(36,444)
Derivative instruments:					
in designated hedge accounting relationships	-	(9,052)	-	-	(9,052)
not designated in hedge accounting relationships	(1,602)	-	-	-	(1,602)
	(8,580)	**(1,250,433)**	**(419)**	**-**	**(1,259,432)**
Net financial (liabilities)/assets	**(2,421)**	**(1,192,010)**	**14,602**	**40**	**(1,179,789)**
Less: Net financial assets/(liabilities) denominated in respective functional currencies of entities within the Group	465	(1,192,010)	(58)	-	(1,191,603)
Net currency exposure	**(2,886)**	**-**	**14,660**	**40**	**11,814**

(27) FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (continued)

(ii) Financial risk management policies and objectives (continued)

(a) Foreign currency risk (continued)

Trust as at 31 December 2016	Singapore dollar $'000	Taiwan dollar $'000	US dollar $'000	Other $'000	Total $'000
Financial assets					
Cash and cash equivalents	4,399	-	3,584	-	7,983
Derivative instruments not designated in hedge accounting relationships	6	-	-	-	6
	4,405	**-**	**3,584**	**-**	**7,989**
Financial liabilities					
Trade and other payables	(3,933)	-	(6,934)	-	(10,867)
Other financial liabilities	(197)	-	-	-	(197)
Derivative instruments not designated in hedge accounting relationships	(2,214)	-	-	-	(2,214)
	(6,344)	**-**	**(6,934)**	**-**	**(13,278)**
Net financial liabilities	**(1,939)**	**-**	**(3,350)**	**-**	**(5,289)**
Less: Net financial liabilities denominated in Trust's functional currency	(1,939)	-	-	-	(1,939)
Net currency exposure	**-**	**-**	**(3,350)**	**-**	**(3,350)**

Trust as at 31 December 2015	Singapore dollar $'000	Taiwan dollar $'000	US dollar $'000	Other $'000	Total $'000
Financial assets					
Cash and cash equivalents	6,005	-	1,453	-	7,458
Trade and other receivables	-	-	32	-	32
Derivative instruments not designated in hedge accounting relationships	154	-	-	-	154
	6,159	**-**	**1,485**	**-**	**7,644**
Financial liabilities					
Trade and other payables	(3,936)	-	(6,061)	-	(9,997)
Other financial liabilities	(156)	-	-	-	(156)
Derivative instruments not designated in hedge accounting relationships	(1,602)	-	-	-	(1,602)
	(5,694)	**-**	**(6,061)**	**-**	**(11,755)**
Net financial assets/(liabilities)	**465**	**-**	**(4,576)**	**-**	**(4,111)**
Less: Net financial assets denominated in Trust's functional currency	465	-	-	-	465
Net currency exposure	**-**	**-**	**(4,576)**	**-**	**(4,576)**

(27) FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (continued)

(ii) Financial risk management policies and objectives (continued)

(a) Foreign currency risk (continued)

Foreign currency sensitivity

The following details the sensitivity to a 5% increase and decrease in the relevant foreign currencies against the functional currency of the respective entities within the Group. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents the Trustee-Manager's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates.

If the following basket of foreign currencies changes against the Singapore dollar by 5% with all other variables including tax rates held constant, the effects arising from the net financial asset/liability position will be as follows:

Group

If foreign currency of the United States dollar is to strengthen/weaken by 5% against the functional currency of the Singapore dollar, the Group's profit will increase/decrease by approximately $0.2 million (31 December 2015: $0.07 million).

If foreign currency of the Singapore dollar is to strengthen/weaken by 5% against the functional currency of the United States dollar, the Group's profit will decrease/increase by approximately $6.5 million (31 December 2015: $0.1 million).

Considering the net effect, the Group's profit will increase/decrease by approximately $6.7 million (31 December 2015: $0.2 million) if the United States dollar is to strengthen/weaken by 5% against the Singapore dollar.

If foreign currency of the United States dollar is to strengthen/weaken by 5% against the functional currency of the New Taiwan dollar, the Group's profit will increase/decrease by approximately $0.4 million (31 December 2015: $0.7 million).

Based on the same analysis in relation to foreign currencies of the Euro and Hong Kong dollar (31 December 2015: Euro) against the functional currencies of the United States dollar and the Singapore dollar respectively, any impact on profit or loss is not material.

Trust

If foreign currency of the United States dollar is to strengthen/weaken by 5% against the functional currency of the Singapore dollar, the Trust's profit will decrease/increase by approximately $0.2 million (31 December 2015: $0.2 million).

(27) FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (continued)

(ii) Financial risk management policies and objectives (continued)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has no significant concentrations of credit risk. Derivative counterparties and cash transactions are limited to well-established financial institutions of high-quality credit standing. The Group has policies in place to require advance collection of subscription fees from customers. The Group had trade debtors amounting to $2.8 million as at 31 December 2016 (31 December 2015: $5.8 million), that are past due at the end of the reporting period but not impaired. These receivables are unsecured. The analysis of trade debtors that are past due but not impaired at the end of the reporting period is provided in the table below.

	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 and other receivables neither past due nor impaired	11,953	11,893	-	32
Trade receivables past due not impaired				
< 3 months	2,531	5,399	-	-
3-6 months	225	177	-	-
> 6 months	93	181	-	-
Trade receivables past due and impaired	-	-	-	-
Total trade and other receivables	**14,802**	**17,650**	**-**	**32**

The Trustee-Manager considered these trade receivables that are neither past due nor impaired to be of good credit quality.

The allowances for doubtful receivables are made based on the Group's collections experience. The above past due amount has not been impaired as the Trustee-Manager believes that there has not been a significant change in credit quality and the amounts were considered recoverable. Accordingly, no allowances for doubtful receivables are recorded by the Trustee-Manager as at 31 December 2016 and 2015.

The carrying amounts of financial assets as shown in the statements of financial position represent the maximum amount of credit risk that the Group and Trust is exposed to at the date of the financial statements.

(27) FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (continued)

(ii) Financial risk management policies and objectives (continued)

(c) Liquidity risk

Liquidity risk reflects the risk that the Group will have insufficient resources to meet its financial liabilities as they fall due.

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible cash flows attributable to the instruments included in the maturity analysis which is not included in the carrying amount of the financial liability on the statements of financial position:

Non-derivative financial liabilities

Group as at 31 December 2016	Interest rate per annum	Demand within 1 year $'000	Within 2 to 5 years $'000	After 5 years $'000	Adjustment $'000	Total $'000
Borrowings from financial institutions	3.44%-5.43%	68,305	585,131	1,052,744	(399,213)	1,306,967
Trade and other payables	-	21,243	-	-	-	21,243
Other liabilities	3.44%-9.94%	17,900	1,650	13,786	(27)	33,309
Total		**107,448**	**586,781**	**1,066,530**	**(399,240)**	**1,361,519**

Group as at 31 December 2015	Interest rate per annum	Demand within 1 year $'000	Within 2 to 5 years $'000	After 5 years $'000	Adjustment $'000	Total $'000
Borrowings from financial institutions	3.90%-4.21%	56,371	501,095	927,096	(292,714)	1,191,848
Trade and other payables	-	20,486	-	-	-	20,486
Other liabilities	9.56%-10.32%	25,582	1,512	9,383	(33)	36,444
Total		**102,439**	**502,607**	**936,479**	**(292,747)**	**1,248,778**

Trust as at 31 December 2016	Interest rate per annum	Demand within 1 year $'000	Within 2 to 5 years $'000	After 5 years $'000	Adjustment $'000	Total $'000
Trade and other payables	-	10,867	-	-	-	10,867
Other liabilities	-	197	-	-	-	197
Total		**11,064**	**-**	**-**	**-**	**11,064**

Trust as at 31 December 2015	Interest rate per annum	Demand within 1 year $'000	Within 2 to 5 years $'000	After 5 years $'000	Adjustment $'000	Total $'000
Trade and other payables	-	9,997	-	-	-	9,997
Other liabilities	-	156	-	-	-	156
Total		**10,153**	**-**	**-**	**-**	**10,153**

(27) FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (continued)

(ii) Financial risk management policies and objectives (continued)

(c) Liquidity risk (continued)

Non-derivative financial assets

Substantially all non-derivative financial assets of the Group amounting to $76.7 million as at 31 December 2016 (31 December 2015: $79.5 million) and of the Trust amounting to $8.0 million as at 31 December 2016 (31 December 2015: $7.5 million) respectively, are on demand or due within one year.

Derivative financial instruments

Group as at 31 December 2016	Demand within 1 year $'000	Within 2 to 5 years $'000	After 5 years $'000	Total $'000
Assets				
Currency forward contracts - gross settled				
Gross inflow	5,700	-	-	5,700
Gross outflow	(5,694)	-	-	(5,694)
Total	**6**	**-**	**-**	**6**
Liabilities				
Currency forward contracts - gross settled				
Gross inflow	(79,162)	(33,800)	-	(112,962)
Gross outflow	80,980	34,196	-	115,176
	1,818	**396**	**-**	**2,214**
Interest rate swap contracts - net settled	-	5,059	-	5,059
Total	**1,818**	**5,455**	**-**	**7,273**

Group as at 31 December 2015	Demand within 1 year $'000	Within 2 to 5 years $'000	After 5 years $'000	Total $'000
Assets				
Currency forward contracts - gross settled				
Gross inflow	43,400	1,900	-	45,300
Gross outflow	(43,250)	(1,896)	-	(45,146)
Total	**150**	**4**	**-**	**154**
Liabilities				
Currency forward contracts - gross settled				
Gross inflow	(52,876)	(36,100)	-	(88,976)
Gross outflow	54,184	36,394	-	90,578
	1,308	**294**	**-**	**1,602**
Interest rate swap contracts - net settled	-	9,052	-	9,052
Total	**1,308**	**9,346**	**-**	**10,654**

(27) FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (continued)

(ii) Financial risk management policies and objectives (continued)

(c) Liquidity risk (continued)

Derivative financial instruments (continued)

Trust as at 31 December 2016	Demand within 1 year $'000	Within 2 to 5 years $'000	After 5 years $'000	Total $'000
Assets				
Currency forward contracts - gross settled				
Gross inflow	5,700	-	-	5,700
Gross outflow	(5,694)	-	-	(5,694)
Total	**6**	**-**	**-**	**6**
Liabilities				
Currency forward contracts - gross settled				
Gross inflow	(79,162)	(33,800)	-	(112,962)
Gross outflow	80,980	34,196	-	115,176
Total	**1,818**	**396**	**-**	**2,214**

Trust as at 31 December 2015	Demand within 1 year $'000	Within 2 to 5 years $'000	After 5 years $'000	Total $'000
Assets				
Currency forward contracts - gross settled				
Gross inflow	43,400	1,900	-	45,300
Gross outflow	(43,250)	(1,896)	-	(45,146)
Total	**150**	**4**	**-**	**154**
Liabilities				
Currency forward contracts - gross settled				
Gross inflow	(52,876)	(36,100)	-	(88,976)
Gross outflow	54,184	36,394	-	90,578
Total	**1,308**	**294**	**-**	**1,602**

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.

(27) FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (continued)

(ii) Financial risk management policies and objectives (continued)

(c) Liquidity risk (continued)

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.

(d) Interest rate risk

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Generally, the Group raises long-term borrowings at floating rates and swaps them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly.

Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals (mainly quarterly), the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

Further details of the interest rate swap contracts are disclosed in Note 10(ii).

No sensitivity analysis is prepared as the Group does not expect any material effect on the Group's profit or loss and equity arising from the effects of reasonably possible changes to interest rates on interest-bearing financial instruments as the majority of the principle amount of the Group's floating rate borrowings are hedged using interest rate swaps at the end of the reporting period.

(27) FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (continued)

(ii) Financial risk management policies and objectives (continued)

(e) Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments. For other classes of financial assets and liabilities, the Trustee-Manager considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair value.

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of derivative financial instruments are determined (in particular, the valuation technique(s) and inputs used):

Financial assets/ liabilities	Fair value as at 31 December 2016 $'000	Fair value as at 31 December 2015 $'000	Fair value hierarchy	Valuation technique(s); and key input(s)	Significant unobservable input(s)
Foreign exchange contracts	**Assets:** Current - 6 Non-current - nil **Liabilities:** Current - 1,818 Non-current - 396	**Assets:** Current - 150 Non-current - 4 **Liabilities:** Current - 1,308 Non-current - 294	Level 2	The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.	N/A
Interest rate swaps	**Liabilities:** Current - nil Non-current - 5,059 **(designated for hedging)**	**Liabilities:** Current - nil Non-current - 9,052 **(designated for hedging)**	Level 2	Fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.	N/A

There were no significant transfers between Level 1 and Level 2 of the fair value hierarchy in the current reporting period.

(iii) Capital management policies and objectives

The Group capital management objectives are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise unitholders' value. The Group's overall strategy remains unchanged from 2015. To achieve its capital management objectives, the Group may adjust the amount of distribution payment, return capital to unitholders, issue new units and obtain new borrowings. In addition, the Group also specifically monitors the financial ratios of its debt covenants stated in the agreements with the financial institutions providing the debt facilities to the Group. The Group is in compliance with externally imposed capital requirements for the years ended 31 December 2016 and 2015.

(28) 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**

(29) COMMITMENTS AND CONTINGENCIES

(i) Commitments

The Group's commitments under operating leases are disclosed in Note 22. There were no other commitments as at 31 December 2016 and 2015 both at Group and at Trust level.

(ii) Contingencies

There were no contingent liabilities or contingent assets as at 31 December 2016 and 2015 both at Group and at Trust level other than guaranteed as disclosed in Note 12.

(30) RELATED PARTY 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 the unitholders as a whole.

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

	Year ended 31 December 2016 $'000	Year ended 31 December 2015 $'000
Trustee-Manager fees	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] (Note 13)	3,895	3,906

1 Amounts include GST at 7%.

(30) RELATED PARTY TRANSACTIONS (continued)

(ii) Macquarie Group ("Macquarie")

(a) There were no fees paid to Macquarie in respect of transactions related services during the 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 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. Such fees charged by the Trustee-Manager for the year ended 31 December 2016 were $0.3 million (31 December 2015: $0.3 million).

(c) The Group utilises Macquarie Bank Limited ("MBL") Singapore Branch's foreign exchange department to hedge some of its foreign currency risk. During the year ended 31 December 2016, foreign exchange contracts totalling $630.4 million (31 December 2015: $312.4 million) were entered into by MBL, which earned MBL a fee of $0.04 million (31 December 2015: $0.03 million). As at 31 December 2016, cash balance of $7.7 million, held by the Trust, is placed with MBL (31 December 2015: $7.1 million).

(31) EARNINGS PER UNIT

	Group Year ended 31 December 2016	Group Year ended 31 December 2015
Weighted average number of units in issue ('000)	1,436,800	1,436,800
Profit after income tax attributable to unitholders of APTT ($'000)	59,658	45,156
Basic and diluted earnings per unit (cents)	**4.15**	**3.14**

(32) 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.

(33) PROPOSED SALE OF THE TRUSTEE-MANAGER

On 25 January 2016, the Trustee-Manager announced that it had been informed by its sole shareholder, 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") had 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 Annual 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.

Upon completion of the Proposed Transaction, the Purchaser will become the sole shareholder of the Trustee-Manager and Macquarie Corporate Holdings Pty Limited will divest its entire interest in the units of APTT to a related entity of the Purchaser, amounting to 43,103,999 units or approximately 3.0% of the unitholding of APTT.

STATISTICS OF UNITHOLDINGS
AS AT 17 MARCH 2017

SUBSTANTIAL UNITHOLDERS

Substantial unitholders	Direct interest	%	Deemed interest	%
Venezio Investments Pte. Ltd.	113,959,812	7.93	-	-
Napier Investments Pte. Ltd.	-	-	113,959,812	7.93[1]
Tembusu Capital Pte. Ltd.	-	-	113,959,812	7.93[1]
Temasek Holdings (Private) Limited	-	-	114,605,812	7.98[1, 2]

Notes:

1 Venezio Investments Pte. Ltd. ("Venezio") is wholly owned by Napier Investments Pte. Ltd. ("Napier"), which is a wholly owned subsidiary of Tembusu Capital Pte. Ltd. ("Tembusu"), which in turn is a wholly owned subsidiary of Temasek Holdings (Private) Limited ("Temasek"). Napier and Tembusu are therefore deemed to be interested in the units held by Venezio.

2 Temasek is deemed interested in the units held by Venezio and another subsidiary.

ADDITIONAL INFORMATION

	Total volume '000	Highest price $	Lowest price $
Unit performance in 2016	672,505	0.660	0.375

STATISTICS OF UNITHOLDINGS
AS AT 17 MARCH 2017

There were 1,436,800,000 units (voting rights: 1 vote per unit) in issue as of 17 March 2017. There is only one class of units in APTT.

DISTRIBUTION OF UNITHOLDINGS

Size of unitholdings	No. of unitholders	%	No. of units	%
1 - 99	170	1.50	6,135	0.00
100 - 1,000	753	6.67	573,271	0.04
1,001 - 10,000	4,532	40.15	27,106,249	1.89
10,001 - 1,000,000	5,777	51.18	382,277,997	26.60
1,000,001 and above	56	0.50	1,026,836,348	71.47
Total	**11,288**	**100.00**	**1,436,800,000**	**100.00**

TWENTY LARGEST UNITHOLDERS

No.	Name	No. of units	%
1	DBS Nominees (Private) Limited	253,160,797	17.62
2	Citibank Nominees Singapore Pte. Ltd.	147,433,239	10.26
3	Venezio Investments Pte. Ltd.	113,959,812	7.93
4	HSBC (Singapore) Nominees Pte. Ltd.	99,249,433	6.91
5	Raffles Nominees (Pte) Limited	88,095,201	6.13
6	Macquarie Corporate Holdings Pty Limited	43,103,999	3.00
7	DBSN Services Pte. Ltd.	41,888,947	2.92
8	CIMB Securities (Singapore) Pte. Ltd.	23,147,282	1.61
9	United Overseas Bank Nominees (Private) Limited	22,080,165	1.54
10	Maybank Kim Eng Securities Pte. Ltd.	18,088,487	1.26
11	Morgan Stanley Asia (Singapore) Securities Pte. Ltd.	15,897,020	1.11
12	OCBC Securities Private Limited	14,913,971	1.04
13	DB Nominees (Singapore) Pte. Ltd.	13,588,957	0.95
14	UOB Kay Hian Private Limited	9,320,679	0.65
15	Tan Chee Jin	9,000,000	0.63
16	Tan Chwee Huat	8,825,000	0.61
17	Lim & Tan Securities Pte. Ltd.	7,649,199	0.53
18	Phillip Securities Pte. Ltd.	6,764,819	0.47
19	Chua Wee Meng	6,055,000	0.42
20	DBS Vickers Securities (Singapore) Pte Ltd	5,998,011	0.42
		948,220,018	**66.01**

Based on the information available to the Trustee-Manager as at 17 March 2017, 89% of the issued ordinary units of the Trust are held by the public and, therefore Rule 723 of the Listing Manual is complied with.

The Trust does not have any treasury units or convertible securities.

ADDITIONAL SINGAPORE EXCHANGE SECURITIES TRADING LIMITED LISTING MANUAL DISCLOSURE REQUIREMENTS

(A) REMUNERATION OF AUDITORS

Please see Note 25(xi) of the Consolidated Financial Statements on page 92 of this Annual Report.

(B) APPOINTMENT OF AUDITORS

The Group has complied with Rule 713 and engaged Deloitte & Touche LLP as statutory auditors for the year ended 31 December 2016.

The Group has complied with Rule 712 and Rule 715 of the Listing Manual in relation to its auditors.

(C) REVIEW OF THE PROVISION OF NON-AUDIT SERVICES BY THE AUDITORS

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

(D) ADDITIONAL DISCLOSURE PURSUANT TO LISTING RULE 1207(8)

There are no material contracts between the Trust and its subsidiaries involving the interests of the chief executive officer, any director or controlling unitholder of the Trust (as defined in the Listing Manual), either still subsisting at the end of the year ended 31 December 2016, or if not then subsisting, entered into since the constitution of the Trust.

(E) INTERESTED PERSON TRANSACTIONS ("IPTs")

Please see Note 30 of the Consolidated Financial Statements on page 104 of this Annual Report.

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

(F) PRINCIPAL DIRECTORSHIPS

The present principal directorships, other than those held in the Trustee-Manager, and the past principal directorships for a period of approximately three years prior, of each of the Directors are as follows:

Name	Present principal directorships	Past principal directorships
Mr Yong Lum Sung	Singapore Cruise Centre Pte. Ltd.	Thaicom Public Company Limited
	Golden Donuts Pte. Ltd.	
	Tianjin Binhai Conventions & Exhibitions Co. Ltd.	
	SCC Travel Services Pte. Ltd.	
	Tera-Barrier Films Pte. Ltd.	
	D-SIMLAB Technologies Pte. Ltd.	
	Care Corner Singapore Ltd.	
	Singex Holdings Pte. Ltd.	

Name	Present principal directorships	Past principal directorships
Mr Leong Shin Loong	Telesindo Shop Pte. Ltd.	PT Telekomunikasi Selular
	Decat Pte. Ltd.	PT Berca Global Access
		Ashinda Techno (S) Pte. Ltd.
		New Asurion Singapore Pte. Ltd.
		Asurion Asia Pacific Pte. Ltd.

Name	Present principal directorships	Past principal directorships
Ms Ong Joo Mien,	J. Ong Business Services Pte. Ltd	None
Joanna	YWS Design Asia Pte. Ltd.	

Name	Present principal directorships	Past principal directorships
Mr Tan Chung Yaw,	PT Excite Indonesia	Navigis Inc.
Richard	PT Smartfren	Polaris Ltd.
	Efflam Limited	Mobility Development Group
	Efflam Singapore Pte Ltd	
	MyRepublic Limited	
	MyRepublic Group Limited	
	MyRepublic Corporate Pte. Ltd.	
	FLASHiZ International S.A.	

ADDITIONAL SINGAPORE EXCHANGE SECURITIES TRADING LIMITED LISTING MANUAL DISCLOSURE REQUIREMENTS

(F) PRINCIPAL DIRECTORSHIPS (continued)

Name	Present principal directorships	Past principal directorships
Mr Benjamin Ian Way	Global Star GP Ltd Macquarie Korea Opportunities Management, Ltd. China Water Capital Hong Kong Huahan Holdings Investment Limited Jia Guang Co., Ltd Jie Guang Co., Ltd Macquarie Investment Management (Bermuda) Limited APTT Holdings 1 Limited Taiwan Broadband Communications Co., Ltd TBC Holdings B.V. Wo Jun Co., Ltd Macquarie Greater China Infrastructure Advisory Limited Macquarie China Logistics Management Limited Macquarie Infrastructure and Real Assets (Hong Kong) Limited MEGCIF Asset Holdings II Limited MEGCIF Asset Holdings Limited MEGCIF Asset Management I Limited MEGCIF Asset Management II Limited Upper Fame International Limited Asia Pacific Fortune (H.K.) Limited Best Stream Global Limited Macquarie Infrastructure Limited MEGCIF Investments 1 Limited MEGCIF Investments 2 Limited MEGCIF Investments 3 Limited MEGCIF Investments 5 Limited MEGCIF Investments 6 Limited MEGCIF Investments Holding Limited	Cable TV S.A. C&M Co., Ltd Kangnam City Gas Co., Ltd. Macquarie Greater China Limited South China Highway Development (H.K.) Limited

Name	Present principal directorships	Past principal directorships
Mr Cheong Wei Yue	APTT Holdings 2 Limited Deqiao Petrochemical Logistics Pte. Ltd. Hengyang Holding Pte. Ltd. TBC Holdings B.V. Cable TV S.A.	Guangzhou South China Highway & Bridge Industry Ltd Macquarie International China Holdings Limited

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the fourth Annual General Meeting of the unitholders of Asian Pay Television Trust ("APTT") will be held at the Cinnamon Room, Level 5, Novotel Singapore Clarke Quay, 177A River Valley Road, Singapore 179031 on 27 April 2017, Thursday, at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the Report of the Trustee-Manager, Statement by the Trustee-Manager and the audited financial statements of APTT Group for the year ended 31 December 2016 and the Auditors' Report thereon.

(Resolution 1)

2. To reappoint Deloitte & Touche LLP as the Auditors of APTT to hold office until the next Annual General Meeting and to authorise the directors of the Trustee-Manager to fix its remuneration.

(Resolution 2)

3. To transact any other ordinary business which may properly be transacted at an Annual General Meeting of the unitholders.

SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

4. General mandate to issue units in APTT ("Units")

That pursuant to Clause 6.1 of the deed of trust dated 30 April 2013 constituting APTT (the "Trust Deed"), Section 36 of the Business Trusts Act, Chapter 31A of Singapore (the "BTA") and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "SGX-ST"), authority be and is hereby given to the Trustee-Manager to:

(i) (a) issue Units, whether by way of rights, bonus or otherwise; and/or

(b) make or grant offers, agreements or options (collectively, "Instruments") that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Units,

at any time and upon such terms and conditions and for such purposes and to such persons as the Trustee-Manager may in its absolute discretion deem fit; and

(ii) issue Units pursuant to any Instrument made or granted by the Trustee-Manager while this Resolution is in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued), provided that:

(A) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued pursuant to Instruments made or granted pursuant to this Resolution) must not exceed 50.0% of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (B) below), of which the aggregate number of Units to be issued other than on a pro-rata basis to unitholders must not exceed 20.0% of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (B) below);

(B) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (A) above, the total number of issued Units (excluding treasury Units, if any) will be based on the number of issued Units (excluding treasury Units, if any) at the time of the passing of this Resolution, after adjusting for:

(I) new Units arising from the conversion or exercise of the Instruments; and

(II) any subsequent bonus issue, consolidation or subdivision of Units;

(C) in exercising the authority conferred by this Resolution, the Trustee-Manager must comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Trust Deed for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore) and the BTA;

(D) (unless revoked or varied by the unitholders in a general meeting) the authority conferred by this Resolution will continue in force until (i) the conclusion of the next Annual General Meeting of APTT or (ii) the date by which the next Annual General Meeting of APTT is required by law to be held, whichever is earlier;

(E) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted, in the event of rights, bonus or other capitalisation issues or any other events, the Trustee-Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and

(F) the Trustee-Manager be and is hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Trustee-Manager may consider expedient or necessary or in the interest of APTT to give effect to the authority conferred by this Resolution.

(See explanatory note)

(Resolution 3)

By order of the Board of Directors
Macquarie APTT Management Pte. Limited
As Trustee-Manager of Asian Pay Television Trust

Lee Wai Sum
Company Secretary

Singapore, 12 April 2017

Explanatory note:

1. Ordinary Resolution 3, if passed, will empower the Trustee-Manager from the date of this Annual General Meeting until the date of the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to be held, or the date on which such authority is varied or revoked by APTT in a general meeting of the unitholders, whichever is the earliest, to issue Units, make or grant Instruments convertible into Units and to issue Units pursuant to such Instruments, up to a number not exceeding, in total, 50.0% of the issued Units, of which up to 20.0% may be issued other than on a pro-rata basis to existing unitholders.

   For determining the aggregate number of Units that may be issued, the percentage of issued Units will be calculated based on the issued Units at the time Ordinary Resolution 3 is passed, after adjusting for any new Units arising from the conversion or exercise of the Instruments, and any subsequent bonus issue, consolidation or subdivision of Units.

Notes:

1. A unitholder entitled to attend and vote at the Annual General Meeting of unitholders is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a unitholder.

2. The instrument appointing a proxy or proxies must be deposited at the registered office of Boardroom Corporate & Advisory Services Pte. Ltd., the Unit Registrar of APTT, at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time appointed for holding the Annual General Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a unitholder (i) consents to the collection, use and disclosure of the unitholder's personal data by the Trustee-Manager (or its agents) for the purpose of the processing and administration of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Trustee-Manager (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the unitholder discloses the personal data of the unitholder's proxy(ies) and/or representative(s) to the Trustee-Manager (or its agents), the unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Trustee-Manager (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the unitholder will indemnify the Trustee-Manager in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the unitholder's breach of warranty.

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ASIAN PAY TELEVISION TRUST
(A business trust constituted on 30 April 2013 under the laws of the Republic of Singapore)
Registration Number: 2013005
Macquarie APTT Management Pte. Limited
(Incorporated in the Republic of Singapore)
(As Trustee-Manager of Asian Pay Television Trust)
Company Registration Number: 201310241D

PROXY FORM

(Please see notes overleaf before completing this form)

*I/We ____

(NRIC/Passport No./Company Registration No. ______________________________________)

of ____ (Address)

being a *unitholder/unitholders of Asian Pay Television Trust ("APTT") hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of unitholdings	
			No. of units	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of unitholdings	
			No. of units	%

or failing *him/her/them, the chair of the Annual General Meeting ("AGM") of the APTT as *my/our *proxy/proxies to attend and to vote for *me/us and on *my/our behalf, at the AGM of APTT, to be held at the Cinnamon Room, Level 5, Novotel Singapore Clarke Quay, 177A River Valley Road, Singapore 179031, on 27 April 2017, Thursday, at 10.00 a.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against the Ordinary Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion, as *he/her/they will on any other matter arising at the AGM and at any adjournment thereof. If no person is named in the above boxes, the chair of the AGM shall be *my/our proxy to vote, for or against the Resolutions to be proposed at the AGM as indicated hereunder, for *me/us and on *my/our behalf and, if necessary, to demand a poll, at the AGM and at any adjournment thereof.

No.	Resolutions relating to:	**For	**Against
	Ordinary business		
1	Adoption of the Report of the Trustee-Manager, Statement by the Trustee-Manager and audited financial statements of APTT Group for the year ended 31 December 2016 and the Auditors' Report thereon		
2	Reappointment of Deloitte & Touche LLP as the Auditors of APTT		
	Special business		
3	Authority to issue new units in APTT		

* Delete accordingly.
** Please indicate your vote "For" or "Against" with a tick (✔) within the box provided.

Dated this ________ day of ______________ 2017.

Total no. of units in:	No. of units
(a) CDP Register	
(b) Register of unitholders	

____
Signature(s) of unitholder(s)/Common Seal of corporate unitholder

Notes:

1. Please insert the total number of units in APTT ("Units") held by you. If you have Units entered against your name in the Depository Register maintained by The Central Depository (Pte) Limited (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), you should insert that number of Units. If you have Units registered in your name in the Register of unitholders of APTT, you should insert that number of Units. If you have Units entered against your name in the said Depository Register and Units registered in your name in the Register of unitholders, you should insert the aggregate number of Units entered against your name in the Depository Register and registered in your name in the Register of unitholders. If no number is inserted, the Instrument appointing a proxy or proxies shall be deemed to relate to all the Units held by you.

2. A unitholder of APTT entitled to attend and vote at a meeting of APTT is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a unitholder of APTT.

3. Where a unitholder appoints two proxies, he/she must specify the proportion of his/her unitholding (expressed as a percentage of the whole) to be represented by each proxy. Where a unitholder appoints two proxies and does not specify the proportion of his/her unitholding to be represented by each proxy, then the Units held by the unitholder are deemed to be equally divided between the proxies.

4. Completion and return of this Instrument appointing a proxy shall not preclude a unitholder from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a unitholder attends the meeting in person, and in such event, the Trustee-Manager reserves the right to refuse to admit any person or persons appointed under the Instrument of proxy to the AGM.

5. The Instrument appointing a proxy or proxies must be deposited at the office of Boardroom Corporate & Advisory Services Pte. Ltd., the Unit Registrar of APTT, at the following address: Asian Pay Television Trust, c/o Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time appointed for holding the AGM.

6. The Instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the Instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the Instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the Instrument, failing which the Instrument may be treated as invalid.

7. A corporation which is a unitholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

Personal data privacy:

By submitting an Instrument appointing a proxy(ies) and/or representative(s), the unitholder accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 12 April 2017.

General:

The Trustee-Manager shall be entitled to reject the Instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Instrument appointing a proxy or proxies. In addition, in the case of Units entered in the Depository Register, the Trustee-Manager may reject any Instrument appointing a proxy or proxies lodged if the unitholder, being the appointor, is not shown to have Units entered against his/her name in the Depository Register as at 48 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Trustee-Manager.

Disclaimer

Asian Pay Television Trust ("APTT") is a business trust registered under the Business Trusts Act (Chapter 31A of Singapore) and listed on the Singapore Exchange Securities Trading Limited. Macquarie APTT Management Pte. Limited ("MAMPL") is the Trustee-Manager of APTT. MAMPL is a wholly owned subsidiary of Macquarie Group Limited (ACN 122 169 279) ("MGL").

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) and their obligations do not represent deposits or other liabilities of Macquarie Bank Limited (ABN 46 008 583 542) ("MBL"). MBL does not guarantee or provide assurance in respect of the obligations of these entities.

MAMPL, as the Trustee-Manager of APTT, is entitled to fees for so acting. MGL and its related corporations, together with the officers and directors, may hold securities in APTT from time to time.

This report is not an offer or invitation for subscription or purchase of 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.

Information, including forecast financial information, in this report should not be considered as a recommendation in relation to holding, purchasing or selling securities or other instruments in APTT. Due care and attention has been used in the preparation of forecast information. However, actual results may vary from forecasts and any variation may be materially positive or negative. Forecasts, by their very nature, are subject to uncertainty and contingencies, many of which are outside the control of APTT. Past performance is not a reliable indication of future performance.

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.

Asian Pay Television Trust

Macquarie APTT Management Pte. Limited
Company Registration Number: 201310241D

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