

SGX-ST Release

ASIAN PAY TELEVISION TRUST (“APTT”)

APTT ANNOUNCES FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2017

Singapore - 26 February 2018

KEY HIGHLIGHTS

- Revenue and EBITDA for the quarter of \$84.7 million¹ and \$51.8 million, up 0.9% and 3.6%
- Revenue and EBITDA for the year of \$334.8 million and \$201.4 million, up 4.9% and 6.4%
- Distribution of 1.625 cents per unit declared for the quarter ended 31 December 2017; distributions declared totalling 6.5 cents per unit for the year ended 31 December 2017
- Re-affirmed distribution guidance of 6.5 cents per unit for the year ending 31 December 2018, unchanged from 2017

FINANCIAL HIGHLIGHTS

APTT² reported total revenue of \$84.7 million and EBITDA of \$51.8 million for the quarter ended 31 December 2017. Total revenue was \$334.8 million and EBITDA was \$201.4 million for the year ended 31 December 2017. Total revenue for the quarter and year ended 31 December 2017 was 0.9% and 4.9% higher than the prior corresponding period (“pcp”); in constant Taiwan dollars (“NT\$”) terms total revenue for the quarter and year ended 31 December 2017 was 0.4% and 1.0% lower than the pcp. Foreign exchange contributed to a positive variance of 1.3% for the quarter and 5.9% for the year ended 31 December 2017 compared to the pcp.

	Quarter ended 31 December 2017	Quarter ended 31 December 2016	Variance ³	Year ended 31 December 2017	Year ended 31 December 2016	Variance ³
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue						
Basic cable TV	68,349	67,261	1.6	268,304	254,395	5.5
Premium digital cable TV	3,769	3,948	(4.5)	15,619	14,982	4.3
Broadband	12,590	12,705	(0.9)	50,915	49,852	2.1
Total revenue	84,708	83,914	0.9	334,838	319,229	4.9
Total operating expenses	(32,927)	(33,953)	3.0	(133,415)	(129,931)	(2.7)
EBITDA	51,781	49,961	3.6	201,423	189,298	6.4
EBITDA margin	61.1%	59.5%		60.2%	59.3%	

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

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

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

OPERATIONAL PERFORMANCE

Operational highlights for TBC⁴ for the quarter and year ended 31 December 2017 are as follows:

- **Basic cable TV:** Basic cable TV revenue of \$68.3 million for the quarter ended 31 December 2017 was up 1.6% on the pcp; in constant NT\$ terms Basic cable TV revenue was up 0.3% on the pcp. This comprised subscription revenue of \$52.6 million and non-subscription revenue of \$15.7 million. Basic cable TV revenue of \$268.3 million for the year ended 31 December 2017 was up 5.5% on the pcp; in constant NT\$ terms Basic cable TV revenue was 0.4% lower than the pcp. This comprised subscription revenue of \$215.5 million and non-subscription revenue of \$52.8 million. TBC's c.762,000 Basic cable TV revenue generating units ("RGUs") each contributed an ARPU of NT\$511 per month in the quarter to access over 100 cable TV channels. Basic cable TV RGUs remained unchanged and ARPU was lower compared to the previous quarter ended 30 September 2017 (RGUs: c.762,000; ARPU: NT\$518 per month). In constant NT\$ terms subscription revenue for the quarter and year ended was lower than the pcp because of a marginally lower Basic cable TV rate in one of TBC's five franchise areas. Non-subscription revenue was generated from the leasing of television channels to third parties, the sale of airtime advertising and fees for the installation of set-top boxes. In constant NT\$ terms non-subscription revenue for the quarter and year ended was higher than the pcp mainly due to higher revenue generated from channel leasing.
- **Premium digital cable TV:** Premium digital cable TV revenue of \$3.8 million for the quarter ended 31 December 2017 was down 4.5% on the pcp; in constant NT\$ terms Premium digital cable TV revenue was 5.8% lower than the pcp. Premium digital cable TV revenue of \$15.6 million for the year ended 31 December 2017 was up 4.3% on the pcp; in constant NT\$ terms Premium digital cable TV revenue was 1.6% lower than the pcp. This was generated predominantly from TBC's c.193,000 Premium digital cable TV RGUs each contributing an ARPU of NT\$138 per month in the quarter for Premium digital cable TV packages, bundled DVR or DVR-only services. Premium digital cable TV RGUs decreased by c.2,000 and ARPU was lower compared to the previous quarter ended 30 September 2017 (RGUs: c.195,000; ARPU: NT\$141 per month). The lower ARPU was due to promotions and discounted bundled packages that were offered to generate new RGUs and to retain existing RGUs.
- **Broadband:** Broadband revenue of \$12.6 million for the quarter ended 31 December 2017 was down 0.9% on the pcp; in constant NT\$ terms Broadband revenue was 2.2% lower than the pcp. Broadband revenue of \$50.9 million for the year ended 31 December 2017 was up 2.1% on the pcp; in constant NT\$ terms Broadband revenue was 3.8% lower than the pcp. This was generated predominantly from TBC's c.203,000 Broadband RGUs each contributing an ARPU of NT\$444 per month in the quarter for high-speed Broadband services. Broadband RGUs increased by c.2,000 and ARPU was lower compared to the previous quarter ended 30 September 2017 (RGUs: c.201,000 and ARPU: NT\$450 per month). The lower ARPU was due to promotions and discounted bundled packages that were offered to generate new RGUs and to retain existing RGUs.
- **Capital expenditure:** Capital expenditure of \$17.6 million for the quarter ended 31 December 2017 was 47.1% lower than the pcp. Capital expenditure of \$85.6 million for the year ended 31 December 2017 was 4.3% lower than the pcp. Capital expenditure for the quarter ended 31 December 2017 was lower because of lower capital expenditure being incurred on maintenance, premium digital cable TV growth and other capital expenditure compared to the pcp. Capital expenditure for the year ended 31 December 2017 was lower because of lower premium digital cable TV growth and other capital expenditure compared to the pcp partially offset by higher maintenance capital expenditure compared to the pcp.

OUTLOOK

In 2018, 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 will focus on Broadband RGU growth, in the face of competitive market conditions, especially unlimited data offerings from mobile operators, by offering discounted packages in order to acquire new RGUs from competitors and to retain existing RGUs. We remain cautiously optimistic regarding progress throughout 2018 and will continue to monitor market dynamics, along with enhancing our service offerings to drive growth.

⁴ TBC refers to Taiwan Broadband Communications group.

While growth in RGUs is anticipated across all three of TBC's service offerings, total revenue for 2018 is anticipated to be influenced by a number of factors. These factors include the continued challenges in the economic and operating environment. TBC's monthly Basic cable TV rates for its five franchise areas were announced by the local authorities before the end of 2017. The Basic cable TV rates for 2018 across all five franchise areas have been maintained at the same rates as 2017. Overall EBITDA for the full year 2018, ignoring the impact of foreign exchange, is expected to be at the same level as 2017.

DISTRIBUTIONS

The Board of directors of the Trustee-Manager (the "Board") has declared an ordinary distribution of 1.625 cents per unit for the quarter ended 31 December 2017. The books closure date will be on 16 March 2018 and the distribution will be paid on 23 March 2018. Ordinary distributions of 1.625 cents per unit were paid for the quarters ended 31 March 2017, 30 June 2017 and 30 September 2017. This brings total distributions declared to 6.5 cents per unit for the year ended 31 December 2017 which is in line with the distribution guidance provided.

The Board is pleased to re-affirm distribution guidance for the year ending 31 December 2018. The distribution for 2018 is expected to be consistent with 2017 at 6.5 cents per unit. It is anticipated that the distribution will continue to be paid in quarterly instalments of 1.625 cents per unit.

The distribution guidance is subject to no material changes in planning assumptions.

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