ASIAN PAY TELEVISION TRUST

SGX QUARTERLY REPORT
FOR THE QUARTER AND YEAR ENDED
31 DECEMBER 2018

aptt
Asian Pay Television Trust

CONTENTS

REPORT SUMMARY

REPORT SUMMARY

KEY HIGHLIGHTS

- Revenue and EBITDA at $79.5 million[1] and $44.0 million for the quarter ended 31 December 2018
- Revenue and EBITDA at $313.9 million and $184.6 million for the year ended 31 December 2018
- Added c.3,000 Premium digital cable TV and c.13,000 Broadband subscribers during the year ended 31 December 2018
- Successfully completed refinancing of existing borrowing facilities; improved interest margin and arrangement fees
- Distribution of 0.30 cents per unit declared for the quarter ended 31 December 2018
- Re-affirmed two-year view on the distribution level to support the debt management programme
- Continued investment in TBC's[2] network and Broadband to drive growth

FINANCIAL HIGHLIGHTS

Asian Pay Television Trust ("APTT"[3]) reported total revenue of $79.5 million and EBITDA of $44.0 million for the quarter ended 31 December 2018, amidst continued challenging operating and economic conditions in Taiwan. For the year ended 31 December 2018, total revenue and EBITDA were $313.9 million and $184.6 million.

Compared to the prior corresponding period ("pcp"), total revenue and EBITDA for the quarter were lower by 6.2% and 15.1% due to lower ARPUs[4] and channel leasing revenue. EBITDA was also impacted by higher operating expenses arising from provisions for additional pole rental expenses and provisions for fines imposed by the Taiwan regulators. While both issues have not been concluded, the Trust has taken a prudent approach by making provisions for these exposures.

In constant Taiwan dollar ("NT$") terms, total revenue for the quarter and year was 5.3% and 4.9% lower than the pcp. Foreign exchange contributed to a negative variance of 0.9% for the quarter and 1.4% for the year compared to the pcp.

Group	Quarter ended 31 December			Year ended 31 December		
Amounts in $'000	2018	2017	Variance[5] (%)	2018	2017	Variance[5] (%)
Revenue						
Basic cable TV	63,905	68,349	(6.5)	250,044	268,304	(6.8)
Premium digital cable TV	3,349	3,769	(11.1)	13,849	15,619	(11.3)
Broadband	12,200	12,590	(3.1)	49,962	50,915	(1.9)
Total revenue	**79,454**	**84,708**	**(6.2)**	**313,855**	**334,838**	**(6.3)**
Total operating expenses	**(35,470)**	**(32,927)**	**(7.7)**	**(129,266)**	**(133,415)**	**3.1**
EBITDA	**43,984**	**51,781**	**(15.1)**	**184,589**	**201,423**	**(8.4)**
EBITDA margin	55.4%	61.1%		58.8%	60.2%	

1 All figures, unless otherwise stated, are presented in Singapore dollars ("$").
2 TBC refers to Taiwan Broadband Communications group.
3 APTT refers to APTT and its subsidiaries taken as a whole.
4 ARPU refers to Average Revenue Per User.
5 A positive variance is favourable to the Group and a negative variance is unfavourable to the Group.

OPERATIONAL PERFORMANCE

Operational highlights for TBC for the quarter and year ended 31 December 2018 are as follows:

- **Basic cable TV:** Basic cable TV revenue of $63.9 million for the quarter ended 31 December 2018 was down 6.5% on the pcp; in constant NT$ terms, Basic cable TV revenue for the quarter was down 5.6% on the pcp. This comprised subscription revenue of $49.7 million and non-subscription revenue of $14.2 million. On a full year basis, Basic cable TV revenue of $250.0 million was down 6.8% on the pcp; in constant NT$ terms, it was 5.4% lower than the pcp. This comprised subscription revenue of $203.3 million and non-subscription revenue of $46.7 million. TBC's c.750,000 Basic cable TV RGUs[6] each contributed an ARPU of NT$494 per month in the quarter to access over 100 cable TV channels. Basic cable TV RGUs decreased by c.7,000 and ARPU was lower compared to the previous quarter ended 30 September 2018 (RGUs: c.757,000; ARPU: NT$496 per month). The decline in Basic cable TV RGUs in 2018, which was the first in TBC's history, was due mainly to the cessation of analogue TV broadcasting and accordingly, there were no more analogue TV piracy households to convert to paying Basic cable TV RGUs. Video piracy issues and aggressively priced IPTV have also impacted the ability to attract new RGUs. In constant NT$ terms, subscription revenue for the quarter and year was lower than the pcp because of a lower number of subscribers and ARPU in the quarter and year. 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 was lower than the pcp mainly due to lower revenue generated from channel leasing partially offset by higher airtime advertising sales. The leasing of television channels is mainly to third-party home shopping networks which continue to be affected by the decline in demand for home shopping and heightened competition from internet retailing. Both trends have negatively impacted the channel leasing revenue not just for TBC, but for the entire cable industry in Taiwan.

- **Premium digital cable TV:** While Premium digital cable TV RGUs increased, the lower ARPU has resulted in a decline in revenue. Premium digital cable TV revenue of $3.3 million for the quarter ended 31 December 2018 was down 11.1% on the pcp; in constant NT$ terms, Premium digital cable TV revenue for the quarter was 10.2% lower than the pcp. On a full year basis, Premium digital cable TV revenue of $13.8 million was down 11.3% on the pcp; in constant NT$ terms, it was 9.9% lower than the pcp. Revenue was generated predominantly from TBC's c.196,000 Premium digital cable TV RGUs each contributing an ARPU of NT$122 per month in the quarter for Premium digital cable TV packages, bundled DVR or DVR-only services. Premium digital cable TV RGUs increased by c.2,000 but ARPU was lower compared to the previous quarter ended 30 September 2018 (RGUs: c.194,000; ARPU: NT$127 per month) due to promotions and discounted bundled packages that were offered to generate new RGUs and to retain existing RGUs. Video piracy issues and aggressively priced IPTV have also impacted the ability to attract new RGUs and strengthen ARPU.

- **Broadband:** Despite the strong competition from mobile operators offering unlimited wireless data, Broadband RGUs continued to increase during the quarter. Broadband revenue of $12.2 million for the quarter ended 31 December 2018 was down 3.1% on the pcp; in constant NT$ terms, Broadband revenue for the quarter was 2.2% lower than the pcp. On a full year basis, Broadband revenue of $50.0 million was down 1.9% on the pcp; in constant NT$ terms, it was marginally lower by 0.5% compared to the pcp. Broadband revenue was generated predominantly from TBC's c.216,000 Broadband RGUs each contributing an ARPU of NT$417 per month in the quarter for high-speed Broadband services. Broadband RGUs increased by c.6,000 but ARPU was lower compared to the previous quarter ended 30 September 2018 (RGUs: c.210,000 and ARPU: NT$425 per month). The availability of low-cost unlimited data offerings from the top mobile operators is necessitating fixed-line operators to offer higher speeds at competitive prices to acquire new RGUs and re-contract existing RGUs.

[6] RGUs refer to Revenue Generating Units.

Commenting on APTT's latest results, Mr Brian McKinley, Chief Executive Officer said, *"We are cognizant of the saturated cable TV market in Taiwan and that the growing popularity of online TV and internet retailing will continue to put pressure on the demand for cable TV services and ARPU. In recent years, significant efforts have been channelled to grow our Broadband business. We are heartened to have added c.13,000, or more than 6%, Broadband RGUs in 2018. This was achieved despite strong competition from mobile operators. Including our Premium digital RGU growth, the increase in subscriber base for Broadband and Premium digital more than offset our Basic cable TV churn in 2018, raising total subscribers to c.1,162,000."*

Mr McKinley added, *"As TBC owns 100% of the hybrid fibre coaxial cable network that passes over 1.2 million homes in our franchise areas, broadband is a natural key growth driver. With consumers' growing data usage and the demand for reliable, higher speed plans, we are in a good stead to tap our wide subscriber base and expand our fixed-line Broadband market share beyond the current 29%. Our strong infrastructure has also enabled us to provide data backhaul to some of Taiwan's major wireless operators as they continue their network rollouts. Data backhaul through TBC's network is expected to become a material part of the Broadband business within five years."*

OUTLOOK

The Trustee-Manager is fully committed to navigating the challenges that APTT and the industry are facing. A key focus is to strengthen the balance sheet and cash flows to not only support operations, but to have the flexibility to effectively compete in this economic and operating environment. A focused debt management programme has been implemented to reduce the dependence on borrowings as APTT repositions itself for the future.

In the fourth quarter of 2018, APTT successfully refinanced its existing borrowing facilities and extended its interest rate swaps, which collectively form an important part of its debt management programme as these will lower APTT's borrowing costs by approximately $9 million per year:

- As part of the focused debt management programme, APTT successfully completed the refinancing of its existing NT$29.0 billion borrowing facilities ("Previous Facilities") with new seven-year facilities of NT$31.0 billion ("Onshore Facilities") and also extended the maturity date ("Amendment") of its existing offshore facilities from July 2019 to July 2021 ("Offshore Facilities") in November 2018. The successful refinancing of the Previous Facilities and the Amendment are collectively referred to as the "Refinancing". The successful Refinancing at lower interest margin and arrangement fees demonstrates strong lender support and confidence in APTT's business and its management. More importantly, the Refinancing will enable APTT to derive substantial savings through lower interest costs. It will also provide funding certainty for the next three years.
- Additionally, to reduce the risk of rising interest rates, APTT extended its interest rate swaps on Taiwan's three-month Taipei Interbank Offered Rate ("TAIBOR") to the end of 2021 to fix approximately 80% of the outstanding Onshore Facilities. The average fixed rate on these TAIBOR swaps was 0.84%. Interest rate swaps will continue to be gradually entered into until 90% to 95% of outstanding Onshore Facilities are hedged through to 2021.

Total operating expenses in 2019 are expected to be at same level as 2018. Total revenue, however, will be influenced by the ability to increase RGUs while ARPUs remain under pressure due to the growing popularity of online TV, challenges from video piracy issues, aggressively priced IPTV and competition from mobile operators offering unlimited wireless data plans. The decline in the demand for home shopping and competition from internet retailing may continue to negatively impact channel leasing revenue for the cable industry.

The revised distribution guidance of 1.20 cents per year for 2019 and 2020, subject to no material changes in planning assumptions, will also result in annual cash savings of over $76 million, enabling the Trust to use operational cash flows to fund capital expenditure and reduce the dependence on borrowings.

Capital expenditure in 2019 will remain elevated due to the key investment initiative to deploy fibre deeper into the network but it is expected to trend down from 2020 onwards.

Overall, the Trust is heading in the right direction with its strategy to grow different segments in the Broadband business:

- The number of Broadband subscribers has been steadily increasing. The Trust remains focused on growing its market share for Broadband by increasing RGUs through attractively priced packages to acquire new subscribers from competitors and to retain existing ones. At the same time, new initiatives to improve up-selling and cross-selling of services across TBC's subscriber base will continue to be rolled out to drive growth in subscribers.
- Supporting wireless operators with their network development: TBC's network is already beginning to provide data backhaul to some of Taiwan's major wireless operators. With continued wireless network development, data backhaul through TBC's network is expected to become a material part of the Broadband business within five years as wireless carriers tap into TBC's network for their network rollouts.
- The Trust is making headway with its strategy to develop new market segments, including enterprise clients.
- The Trust will continue to introduce value-added solutions (e.g. IoT, smart home devices) that will leverage the Android gateway that many subscribers are now including in their broadband plans (c.62,000 BandOTT boxes deployed as at 31 December 2018 compared to c.18,000 boxes as at 31 December 2017).

DISTRIBUTIONS

The Board of directors of the Trustee-Manager has declared an ordinary distribution of 0.30 cents per unit for the quarter ended 31 December 2018. The books closure date will be on 22 March 2019 and the distribution will be paid on 29 March 2019.

The Board is re-affirming the two-year view on the distribution level to support the debt management programme. The distribution is expected to be 1.20 cents per unit for 2019 and 2020, subject to no material changes in planning assumptions. It is anticipated that the distribution will continue to be paid quarterly at 0.30 cents per unit per quarter through to 2020.

The lower distribution also offers the potential for future unit buybacks. Depending on the Trust's performance in 2019 and 2020, the distribution level could be adjusted after 2020.

PERFORMANCE REVIEW OF ASIAN PAY TELEVISION TRUST

INTRODUCTION

ABOUT APTT

Asian Pay Television Trust ("APTT" or the "Trust") is a business trust constituted on 30 April 2013 under the laws of the Republic of Singapore and registered under Chapter 31A of the Business Trusts Act ("BTA"). APTT is managed by APTT Management Pte. Limited (the "Trustee-Manager"), a wholly-owned subsidiary of Dynami Vision Pte. Ltd. ("Dynami") which is a Singapore registered company majority owned by Mr Lu Fang-Ming, the Chairman of Asia Pacific Telecom Co., Ltd.

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 is the first listed business trust in Asia focused on pay-TV businesses. APTT has approximately 12,300 unitholders, including retail investors and some of the world's foremost institutional investors.

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

SOLE ASSET

As at the date of this report, APTT's portfolio comprised its sole investment, Taiwan Broadband Communications group ("TBC"). Established in 1999, TBC is a leading cable operator in Taiwan. TBC's vision is to provide seamless access to the most compelling and competitive suite of media and communication products and services in Taiwan.

TBC owns 100% of the hybrid fibre coaxial cable network in its five closely clustered franchise areas in northern and central Taiwan with network coverage of more than 1.2 million homes. Through this network, TBC delivers Basic cable TV, Premium digital cable TV and high-speed Broadband services to subscribers in these areas. TBC has more than 1.1 million RGUs across its subscriber base, providing them the choice from over 175 channels of exciting local and international content on its digital TV platforms and a full range of quality high-speed broadband access packages with speeds ranging up to 500 Mbps.

TBC generates stable cash flows and has a promising growth profile.

DISTRIBUTION POLICY

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

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

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

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

DISTRIBUTIONS

The Board of directors of the Trustee-Manager has declared an ordinary distribution of 0.30 cents per unit for the quarter ended 31 December 2018.

	Quarter ended 31 December	
	2018	2017
Ordinary distribution	0.30 cents per unit	1.625 cents per unit
Announcement date	25 February 2019	26 February 2018
Ex-distribution date	21 March 2019	14 March 2018
Books closure date	22 March 2019	16 March 2018
Date payable	29 March 2019	23 March 2018

The Board is re-affirming the two-year view on the distribution level to support the debt management programme. The distribution is expected to be 1.20 cents per unit for 2019 and 2020, subject to no material changes in planning assumptions. It is anticipated that the distribution will continue to be paid quarterly at 0.30 cents per unit per quarter through to 2020.

Depending on the Trust's performance in 2019 and 2020, the distribution level could be adjusted after 2020.

Breakdown of total annual distribution

	Year ended 31 December	
Amounts in $'000	2018	2017
Ordinary	74,354[1]	93,392[2]
Special	-	-
Total	**74,354**	**93,392**

[1] Includes an amount of $4.3 million which is to be paid on 29 March 2019.

[2] Included an amount of $23.3 million which was paid on 23 March 2018.

Historical distributions

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

Distribution period	Distribution Cents per unit
Six months ended:	
30 June 2013[1]	4.80
31 December 2013	4.13
30 June 2014	4.12
Quarter 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	1.625
31 March 2017	1.625
30 June 2017	1.625
30 September 2017	1.625
31 December 2017	1.625
31 March 2018	1.625
30 June 2018	1.625
30 September 2018	1.625
31 December 2018 (to be paid on 29 March 2019)	0.30
Total	**43.605**

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

TAXATION

Taxation of the Trust

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

Taxation of the unitholders

Pursuant to Section 13(1)(zg) of the Income Tax Act, distributions by the Trust are tax-exempt and are therefore not subject to Singapore income tax in the hands of unitholders. The distributions are also not subject to Singapore withholding tax.

The tax exemption is given to all unitholders, regardless of their nationality, corporate identity or tax residence status. Unitholders are not entitled to tax credits for any taxes paid by the Trustee-Manager.

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

SELECTED FINANCIAL INFORMATION AND OPERATING DATA

The selected financial information and operating data presented on pages 12 and 13 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]		Quarter ended 31 December			Year ended 31 December		
Amounts in $'000	Note[2]	2018	2017	Variance[3] (%)	2018	2017	Variance[3] (%)
Revenue							
Basic cable TV	A(i)	63,905	68,349	(6.5)	250,044	268,304	(6.8)
Premium digital cable TV	A(ii)	3,349	3,769	(11.1)	13,849	15,619	(11.3)
Broadband	A(iii)	12,200	12,590	(3.1)	49,962	50,915	(1.9)
Total revenue		**79,454**	**84,708**	**(6.2)**	**313,855**	**334,838**	**(6.3)**
Operating expenses[4]							
Broadcast and production costs	B(i)	(15,363)	(16,197)	5.1	(60,049)	(64,288)	6.6
Staff costs	B(ii)	(6,750)	(7,190)	6.1	(28,056)	(30,781)	8.9
Trustee-Manager fees	B(iv)	(1,836)	(1,825)	(0.6)	(7,285)	(7,241)	(0.6)
Other operating expenses	B(vii)	(11,521)	(7,715)	(49.3)	(33,876)	(31,105)	(8.9)
Total operating expenses		**(35,470)**	**(32,927)**	**(7.7)**	**(129,266)**	**(133,415)**	**3.1**
EBITDA		**43,984**	**51,781**	**(15.1)**	**184,589**	**201,423**	**(8.4)**
EBITDA margin[5]		55.4%	61.1%		58.8%	60.2%	
Capital expenditure							
Maintenance		6,374	2,837	(>100)	19,903	18,870	(5.5)
Premium digital cable TV		-	11,248	100	-	47,392	100
Network, Broadband and other		19,328	3,535	(>100)	55,480	19,351	(>100)
Total capital expenditure		**25,702**	**17,620**	**(45.9)**	**75,383**	**85,613**	**11.9**
Maintenance capital expenditure as a % of revenue		**8.0**	**3.3**		**6.3**	**5.6**	
Total capital expenditure as a % of revenue		**32.3**	**20.8**		**24.0**	**25.6**	
Income tax paid, net of refunds		(3,395)	(2,614)	(29.9)	(16,742)	(19,118)	12.4
Interest and other finance costs paid		(13,236)	(13,536)	2.2	(53,536)	(56,039)	4.5

[1] Group refers to APTT and its subsidiaries taken as a whole.
[2] Notes can be found on pages 28 to 33.
[3] A positive variance is favourable to the Group and a negative variance is unfavourable to the Group.
[4] Operating expenses presented here exclude depreciation and amortisation expense, net foreign exchange gain/loss and mark to market movements on foreign exchange contracts appearing in the consolidated statements of profit or loss on page 18, in order to arrive at EBITDA and EBITDA margin presented here.
[5] EBITDA margin is a non-IFRS financial measure and is calculated by dividing EBITDA by total revenue.

SELECTED OPERATING DATA

Group	As at				
	2018				2017
	31 December	30 September	30 June	31 March	31 December
RGUs ('000)					
Basic cable TV	750	757	759	761	762
Premium digital cable TV	196	194	188	187	193
Broadband	216	210	205	204	203

Group	Quarter ended				
	2018				2017
	31 December	30 September	30 June	31 March	31 December
ARPU[1] (NT$ per month)					
Basic cable TV	494	496	501	506	511
Premium digital cable TV	122	127	133	135	138
Broadband	417	425	439	443	444
AMCR[2] (%)					
Basic cable TV	(0.9)	(0.8)	(0.8)	(0.7)	(0.8)
Premium digital cable TV	(2.7)	(3.5)	(3.3)	(3.3)	(3.4)
Broadband	(1.1)	(1.2)	(1.2)	(1.4)	(1.8)

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

2 Average Monthly Churn Rate ("AMCR") is calculated by dividing the total number of churned RGUs for a particular service during a period by the number of RGUs for that service as at the beginning of that period. The total number of churned RGUs 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.

The table below sets out TBC's monthly Basic cable TV rates for its franchise areas from 2015 to 2019:

Franchise area Amounts in NT$	2015	2016	2017	2018	2019
South Taoyuan	530	530	510	510	510
Hsinchu County	570	570	570	570	570
North Miaoli	570	560	560	560	560
South Miaoli	570	560	560	560	560
Taichung City	565	550	550	550	550

REVIEW OF SELECTED FINANCIAL INFORMATION AND OPERATING DATA

(i) Revenue

Total revenue for the quarter ended 31 December 2018 was $79.5 million (31 December 2017: $84.7 million). Total revenue for the year ended 31 December 2018 was $313.9 million (31 December 2017: $334.8 million). Total revenue for the quarter and year was 6.2% and 6.3% lower than the pcp; in constant NT$ terms, total revenue for the quarter and year was 5.3% and 4.9% lower than the pcp. Foreign exchange contributed to a negative variance of 0.9% for the quarter and 1.4% for the year compared to the pcp. Total revenue was influenced by a number of factors including the continued challenges in the economic and operating environment.

(ii) Operating expenses

Total operating expenses of $35.5 million for the quarter ended 31 December 2018 were 7.7% higher than the pcp (31 December 2017: $32.9 million). The higher total operating expenses for the quarter were mainly due to higher other operating expenses, partially offset by lower broadcast and production costs and staff costs. Total operating expenses of $129.3 million for the year ended 31 December 2018 were 3.1% lower than pcp (31 December 2017: $133.4 million). The lower total operating expenses for the year were mainly due to lower broadcast and production costs and staff costs, partially offset by higher other operating expenses.

(iii) EBITDA and EBITDA Margin

EBITDA of $44.0 million for the quarter ended 31 December 2018 was 15.1% lower than the pcp (31 December 2017: $51.8 million). EBITDA margin for the quarter of 55.4% was lower than the pcp (31 December 2017: 61.1%). EBITDA of $184.6 million for the year ended 31 December 2018 was 8.4% lower than the pcp (31 December 2017: $201.4 million). EBITDA margin for the year of 58.8% was lower than the pcp (31 December 2017: 60.2%).

(iv) Capital expenditure

Total capital expenditure of $25.7 million for the quarter ended 31 December 2018 was 45.9% higher than the pcp (31 December 2017: $17.6 million) and $75.4 million for the year ended 31 December 2018 was 11.9% lower than the pcp (31 December 2017: $85.6 million). Total capital expenditure as a percentage of revenue was 32.3% for the quarter (31 December 2017: 20.8%) and 24.0% for the year (31 December 2017: 25.6%).

Total capital expenditure for the quarter was higher than the pcp because of higher capital expenditure being incurred on maintenance and network, Broadband and other capital expenditure compared to the pcp partially offset by lower Premium digital cable TV capital expenditure compared to the pcp. Total capital expenditure for the year was lower than the pcp because of lower capital expenditure being incurred on Premium digital cable TV compared to the pcp partially offset by higher maintenance and network, Broadband and other capital expenditure compared to the pcp.

The deployment of fibre deeper into the network was a key investment initiative for 2018 as it will increase network capacity to drive future growth. This investment is key to driving the Broadband business, positioning APTT to benefit from supporting wireless carriers in their network rollouts and to pursue other opportunities for the long-term success of the Trust.

Capital expenditure in 2019 will remain elevated due to the key investment initiative to deploy fibre deeper into the network but it is expected to trend down from 2020 onwards.

TBC's network is already beginning to provide data backhaul to some of Taiwan's major wireless operators. With continued wireless network development, data backhaul through TBC's network is expected to become a material part of the Broadband business within five years as wireless carriers tap into TBC's network for their network rollouts.

Capital expenditure comprised the following:

- Maintenance capital expenditure to support TBC's existing infrastructure and business.
- Premium digital cable TV capital expenditure to acquire digital set-top boxes to fully digitise TBC's subscriber base and switch off analogue broadcasting, installation related expenditure and digital headend upgrades which were completed in 2017.

- Network, Broadband and other capital expenditure included items related to expanding the fibre network such as cabling, additional equipment to upgrade the headends, backbone and fibre nodes, DOCSIS and GPON deployments for higher speed customers, high-speed broadband modems and cable line extensions for new buildings.

ASIAN PAY TELEVISION TRUST

FINANCIAL STATEMENTS FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2018

STATEMENTS OF FINANCIAL POSITION

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

		Group as at 31 December		Trust as at 31 December	
Amounts in $'000	Note[1]	2018	2017	2018	2017
Assets					
Current assets					
Cash and cash equivalents	C(i)	73,576	66,835	7,161	7,439
Trade and other receivables	C(ii)	13,471	11,845	-	-
Derivative financial instruments	C(vi)	1,120	-	1,120	-
Other assets	C(vii)	2,140	1,278	55	68
		90,307	**79,958**	**8,336**	**7,507**
Non-current assets					
Investment in subsidiaries	C(iii)	-	-	1,342,351	1,342,351
Property, plant and equipment	C(iv)	328,308	320,852	29	37
Intangible assets	C(v)	2,371,838	2,391,052	17	29
Derivative financial instruments	C(vi)	80	-	80	-
Other assets	C(vii)	985	1,058	18	-
		2,701,211	**2,712,962**	**1,342,495**	**1,342,417**
Total assets		**2,791,518**	**2,792,920**	**1,350,831**	**1,349,924**
Liabilities					
Current liabilities					
Borrowings from financial institutions	D(i)	5,694	14,677	-	-
Derivative financial instruments	D(ii)	15	831	15	831
Trade and other payables	D(iii)	23,133	21,692	3,673	3,650
Contract liabilities	D(iv)	33,846	-	-	-
Retirement benefit obligations	D(v)	1,404	1,400	-	-
Income tax payable	D(vi)	11,444	13,182	-	1
Other liabilities	D(viii)	25,911	57,335	183	225
		101,447	**109,117**	**3,871**	**4,707**
Non-current liabilities					
Borrowings from financial institutions	D(i)	1,504,674	1,379,888	-	-
Derivative financial instruments	D(ii)	3,746	1,633	5	-
Retirement benefit obligations	D(v)	15,147	20,437	-	-
Deferred tax liabilities	D(vii)	74,575	73,323	-	-
Other liabilities	D(viii)	18,197	18,721	-	-
		1,616,339	**1,494,002**	**5**	**-**
Total liabilities		**1,717,786**	**1,603,119**	**3,876**	**4,707**
Net assets		**1,073,732**	**1,189,801**	**1,346,955**	**1,345,217**
Equity					
Unitholders' funds		1,342,851	1,342,851	1,342,851	1,342,851
Reserves	D(ix)	92,136	96,121	-	-
Accumulated (deficit)/surplus		(363,588)	(251,503)	4,104	2,366
Equity attributable to unitholders of APTT		**1,071,399**	**1,187,469**	**1,346,955**	**1,345,217**
Non-controlling interests	D(x)	2,333	2,332	-	-
Total equity		**1,073,732**	**1,189,801**	**1,346,955**	**1,345,217**

[1] Notes can be found on pages 34 to 43.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

Group Amounts in $'000	Note[1]	Quarter ended 31 December 2018	2017	Variance[2] (%)	Year ended 31 December 2018	2017	Variance[2] (%)
Revenue							
Basic cable TV	A(i)	63,905	68,349	(6.5)	250,044	268,304	(6.8)
Premium digital cable TV	A(ii)	3,349	3,769	(11.1)	13,849	15,619	(11.3)
Broadband	A(iii)	12,200	12,590	(3.1)	49,962	50,915	(1.9)
Total revenue		**79,454**	**84,708**	**(6.2)**	**313,855**	**334,838**	**(6.3)**
Operating expenses							
Broadcast and production costs	B(i)	(15,363)	(16,197)	5.1	(60,049)	(64,288)	6.6
Staff costs	B(ii)	(6,750)	(7,190)	6.1	(28,056)	(30,781)	8.9
Depreciation and amortisation expense[3]	B(iii)	(21,507)	(17,605)	(22.2)	(78,613)	(63,197)	(24.4)
Trustee-Manager fees	B(iv)	(1,836)	(1,825)	(0.6)	(7,285)	(7,241)	(0.6)
Net foreign exchange (loss)/gain[4]	B(v)	(1,683)	2,299	(>100)	(1,053)	(6,196)	83.0
Mark to market gain/(loss) on derivative financial instruments[5]	B(vi)	921	(622)	>100	2,642	(1,681)	>100
Other operating expenses[6]	B(vii)	(11,521)	(7,715)	(49.3)	(33,876)	(31,105)	(8.9)
Total operating expenses		**(57,739)**	**(48,855)**	**(18.2)**	**(206,290)**	**(204,489)**	**(0.9)**
Operating profit		**21,715**	**35,853**	**(39.4)**	**107,565**	**130,349**	**(17.5)**
Amortisation of deferred arrangement fees[7]	B(viii)	(16,123)	(2,216)	(>100)	(23,125)	(8,916)	(>100)
Interest and other finance costs	B(ix)	(13,271)	(13,926)	4.7	(53,847)	(56,328)	4.4
(Loss)/profit before income tax		**(7,679)**	**19,711**	**(>100)**	**30,593**	**65,105**	**(53.0)**
Income tax benefit/(expense)[8]	B(x)	159	(8,078)	>100	(22,859)	(28,329)	19.3
(Loss)/profit after income tax		**(7,520)**	**11,633**	**(>100)**	**7,734**	**36,776**	**(79.0)**
(Loss)/profit after income tax attributable to:							
Unitholders of APTT		(7,618)	11,532	(>100)	7,407	36,446	(79.7)
Non-controlling interests		98	101	(3.0)	327	330	(0.9)
(Loss)/profit after income tax		**(7,520)**	**11,633**	**(>100)**	**7,734**	**36,776**	**(79.0)**
Basic and diluted earnings per unit attributable to unitholders of APTT		**(0.53) cents**	**0.80 cents**		**0.52 cents**	**2.54 cents**	

1 Notes can be found on pages 28 to 33.

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

3 Increase in depreciation and amortisation expense was mainly due to higher depreciation expense on network equipment and amortisation expense on programming rights compared to the pcp. Refer Note B(iii) for more details.

4 Variance in net foreign exchange (loss)/gain is mainly due to translations at the subsidiary level which are not expected to be realised. Refer Note B(v) for more details.

5 Variance in mark to market gain/(loss) on derivative financial instruments was due to exchange rate movements on foreign exchange contracts.

6 Other operating expenses were higher mainly due to provisions for additional expenses. Refer Note B(vii) for more details.

7 Increase in amortisation of deferred arrangement fees was due to write-off of unamortised arrangement fees on the previous borrowing facilities. Refer Note B(viii) for more details.

8 Variance in income tax benefit/(expense) was mainly due to variance in current income tax benefit/(expense) resulting from loss for the quarter and lower profit for the year compared to the pcp and a one-time adjustment of deferred tax liabilities as at 1 January 2018 following the change in corporate income tax rate in Taiwan from 17% to 20% starting from 2018. Refer Note B(x) for more details.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Group	Quarter ended 31 December			Year ended 31 December		
Amounts in $'000	2018	2017	Variance[1] (%)	2018	2017	Variance[1] (%)
(Loss)/profit after income tax	**(7,520)**	**11,633**	**(>100)**	**7,734**	**36,776**	**(79.0)**
Other comprehensive (loss)/income						
Items that will not subsequently be reclassified to profit or loss:						
Remeasurement of defined benefit obligations	950	(1,401)	>100	950	(1,401)	>100
	950	**(1,401)**	**>100**	**950**	**(1,401)**	**>100**
Items that may subsequently be reclassified to profit or loss:						
Exchange differences on translation of foreign operations	(4,009)	7,161	(>100)	(10,239)	14,704	(>100)
Unrealised movement on change in fair value of cash flow hedging financial instruments	(2,554)	1,667	(>100)	(2,119)	3,473	(>100)
Deferred tax relating to items that may subsequently be reclassified to profit or loss	511	(283)	>100	473	(590)	>100
	(6,052)	**8,545**	**(>100)**	**(11,885)**	**17,587**	**(>100)**
Other comprehensive (loss)/income, net of tax	**(5,102)**	**7,144**	**(>100)**	**(10,935)**	**16,186**	**(>100)**
Total comprehensive (loss)/income	**(12,622)**	**18,777**	**(>100)**	**(3,201)**	**52,962**	**(>100)**
Total comprehensive (loss)/income attributable to:						
Unitholders of APTT	(12,720)	18,676	(>100)	(3,528)	52,632	(>100)
Non-controlling interests	98	101	(3.0)	327	330	(0.9)
Total comprehensive (loss)/income	**(12,622)**	**18,777**	**(>100)**	**(3,201)**	**52,962**	**(>100)**

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

STATEMENTS OF CHANGES IN EQUITY

Group Amounts in $'000	Unitholders' funds	Reserves	Accumulated deficit	Equity attributable to unitholders of APTT	Non-controlling interests	Total equity
Balance as at 1 January 2018	**1,342,851**	**96,121**	**(251,503)**	**1,187,469**	**2,332**	**1,189,801**
Effects of adopting IFRS 9[1]	**-**	**-**	**(19,150)**	**(19,150)**	**-**	**(19,150)**
Restated balance as at 1 January 2018	**1,342,851**	**96,121**	**(270,653)**	**1,168,319**	**2,332**	**1,170,651**
Total comprehensive (loss)/income						
Profit after income tax	-	-	7,407	7,407	327	7,734
Other comprehensive loss, net of tax	-	(10,935)	-	(10,935)	-	(10,935)
Total	**-**	**(10,935)**	**7,407**	**(3,528)**	**327**	**(3,201)**
Transactions with unitholders, recognised directly in equity						
Settlement of transactions with non-controlling interests	-	-	-	-	(123)	(123)
Transfer to capital reserve	-	6,950	(6,950)	-	-	-
Distributions paid	-	-	(93,392)	(93,392)	(203)	(93,595)
Total	**-**	**6,950**	**(100,342)**	**(93,392)**	**(326)**	**(93,718)**
Balance as at 31 December 2018	**1,342,851**	**92,136**	**(363,588)**	**1,071,399**	**2,333**	**1,073,732**

Group Amounts in $'000	Unitholders' funds	Reserves	Accumulated deficit	Equity attributable to unitholders of APTT	Non-controlling interests	Total equity
Balance as at 1 October 2018	**1,342,851**	**97,238**	**(332,622)**	**1,107,467**	**2,311**	**1,109,778**
Total comprehensive (loss)/income						
(Loss)/profit after income tax	-	-	(7,618)	(7,618)	98	(7,520)
Other comprehensive loss, net of tax	-	(5,102)	-	(5,102)	-	(5,102)
Total	**-**	**(5,102)**	**(7,618)**	**(12,720)**	**98**	**(12,622)**
Transactions with unitholders, recognised directly in equity						
Settlement of transactions with non-controlling interests	-	-	-	-	(15)	(15)
Distributions paid	-	-	(23,348)	(23,348)	(61)	(23,409)
Total	**-**	**-**	**(23,348)**	**(23,348)**	**(76)**	**(23,424)**
Balance as at 31 December 2018	**1,342,851**	**92,136**	**(363,588)**	**1,071,399**	**2,333**	**1,073,732**

[1] During the year ended 31 December 2016, the Group refinanced its onshore facilities, which did not include break costs on early prepayment. Following the refinancing, there were changes to the interest margin and financial covenants on the onshore facilities. This resulted in an extinguishment of the original onshore facilities and the recognition of the new onshore facilities. As a result of adopting accounting treatment under IFRS 9 'Financial Instruments', the unamortised arrangement fees on the original onshore facilities amounting to $23.0 million, with a deferred tax benefit amounting to $3.8 million as at 31 December 2017 were adjusted directly against the opening retained earnings balance as at 1 January 2018. Refer Note D(i) for more details.

Group Amounts in $'000	Unitholders' funds	Reserves	Accumulated deficit	Equity attributable to unitholders of APTT	Non-controlling interests	Total equity
Balance as at 1 January 2017	**1,342,851**	**74,217**	**(188,839)**	**1,228,229**	**2,327**	**1,230,556**
Total comprehensive income						
Profit after income tax	-	-	36,446	36,446	330	36,776
Other comprehensive income, net of tax	-	16,186	-	16,186	-	16,186
Total	**-**	**16,186**	**36,446**	**52,632**	**330**	**52,962**
Transactions with unitholders, recognised directly in equity						
Settlement of transactions with non-controlling interests	-	-	-	-	(117)	(117)
Transfer to capital reserves	-	5,718	(5,718)	-	-	**-**
Distributions paid	-	-	(93,392)	(93,392)	(208)	(93,600)
Total	**-**	**5,718**	**(99,110)**	**(93,392)**	**(325)**	**(93,717)**
Balance as at 31 December 2017	**1,342,851**	**96,121**	**(251,503)**	**1,187,469**	**2,332**	**1,189,801**

Group Amounts in $'000	Unitholders' funds	Reserves	Accumulated deficit	Equity attributable to unitholders of APTT	Non-controlling interests	Total equity
Balance as at 1 October 2017	**1,342,851**	**88,977**	**(239,687)**	**1,192,141**	**2,308**	**1,194,449**
Total comprehensive income						
Profit after income tax	-	-	11,532	11,532	101	11,633
Other comprehensive income, net of tax	-	7,144	-	7,144	-	7,144
Total	**-**	**7,144**	**11,532**	**18,676**	**101**	**18,777**
Transactions with unitholders, recognised directly in equity						
Settlement of transactions with non-controlling interests	-	-	-	-	(14)	(14)
Distributions paid	-	-	(23,348)	(23,348)	(63)	(23,411)
Total	**-**	**-**	**(23,348)**	**(23,348)**	**(77)**	**(23,425)**
Balance as at 31 December 2017	**1,342,851**	**96,121**	**(251,503)**	**1,187,469**	**2,332**	**1,189,801**

Trust Amounts in $'000	Unitholders' funds	Accumulated surplus	Total equity
Balance as at 1 January 2018	**1,342,851**	**2,366**	**1,345,217**
Total comprehensive income			
Profit after income tax	-	95,130	95,130
Total	**-**	**95,130**	**95,130**
Transactions with unitholders, recognised directly in equity			
Distributions paid	-	(93,392)	(93,392)
Total	**-**	**(93,392)**	**(93,392)**
Balance as at 31 December 2018	**1,342,851**	**4,104**	**1,346,955**

Trust Amounts in $'000	Unitholders' funds	Accumulated surplus	Total equity
Balance as at 1 October 2018	**1,342,851**	**1,600**	**1,344,451**
Total comprehensive income			
Profit after income tax	-	25,852	25,852
Total	**-**	**25,852**	**25,852**
Transactions with unitholders, recognised directly in equity			
Distributions paid	-	(23,348)	(23,348)
Total	**-**	**(23,348)**	**(23,348)**
Balance as at 31 December 2018	**1,342,851**	**4,104**	**1,346,955**

Trust Amounts in $'000	Unitholders' funds	Accumulated (deficit)/surplus	Total equity
Balance as at 1 January 2017	**1,342,851**	**(5,523)**	**1,337,328**
Total comprehensive income			
Profit after income tax	-	101,281	101,281
Total	**-**	**101,281**	**101,281**
Transactions with unitholders, recognised directly in equity			
Distributions paid	-	(93,392)	(93,392)
Total	**-**	**(93,392)**	**(93,392)**
Balance as at 31 December 2017	**1,342,851**	**2,366**	**1,345,217**

Trust Amounts in $'000	Unitholders' funds	Accumulated surplus	Total equity
Balance as at 1 October 2017	**1,342,851**	**920**	**1,343,771**
Total comprehensive income			
Profit after income tax	-	24,794	24,794
Total	**-**	**24,794**	**24,794**
Transactions with unitholders, recognised directly in equity			
Distributions paid	-	(23,348)	(23,348)
Total	**-**	**(23,348)**	**(23,348)**
Balance as at 31 December 2017	**1,342,851**	**2,366**	**1,345,217**

DETAIL OF CHANGES IN UNITHOLDERS' FUNDS

Trust	Quarter ended 31 December		Year ended 31 December	
Number of units in '000	2018	2017	2018	2017
At beginning and end of the quarter/year	1,436,800	1,436,800	1,436,800	1,436,800

Trust	Quarter ended 31 December		Year ended 31 December	
Amounts in $'000	2018	2017	2018	2017
At beginning and end of the quarter/year	1,342,851	1,342,851	1,342,851	1,342,851

There were no changes to unitholders' funds during the quarters and years ended 31 December 2018 and 2017.

With reference to paragraphs 1(d)(ii), 1(d)(iv) and 1(d)(v) of Appendix 7.2 of the SGX-ST Listing Manual, the Trustee-Manager confirms that for the quarters and years ended 31 December 2018 and 2017, the Trust did not have any convertible securities, treasury units or subsidiary holdings on issue.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Group Amounts in $'000	Quarter ended 31 December 2018	 2017	Year ended 31 December 2018	 2017
Cash flows from operating activities				
(Loss)/profit after income tax	**(7,520)**	**11,633**	**7,734**	**36,776**
Adjustments for:				
Depreciation and amortisation expense	21,507	17,605	78,613	63,197
Net foreign exchange loss/(gain)	1,782	(2,830)	1,375	5,274
Mark to market (gain)/loss on derivative financial instruments	(921)	622	(2,642)	1,681
Amortisation of deferred arrangement fees	16,123	2,216	23,125	8,916
Interest and other finance costs	13,271	13,926	53,847	56,328
Income tax (benefit)/expense	(159)	8,078	22,859	28,329
Operating cash flows before movements in working capital	**44,083**	**51,250**	**184,911**	**200,501**
Trade and other receivables	3,024	(1,051)	(1,626)	2,957
Income tax refund receivable	-	-	-	15
Trade and other payables	(10,318)	2,279	1,441	449
Contract liabilities	(513)	-	(2,477)	-
Retirement benefit obligations	(43)	136	(4,336)	(345)
Other assets	(11)	2,555	(789)	2,067
Other liabilities	3,272	836	(407)	1,810
Cash generated from operations	**39,494**	**56,005**	**176,717**	**207,454**
Income tax paid, net of refunds	(3,395)	(2,614)	(16,742)	(19,118)
Net cash inflows from operating activities	**36,099**	**53,391**	**159,975**	**188,336**
Cash flows from investing activities				
Acquisition of property, plant and equipment	(26,185)	(20,960)	(73,876)	(85,777)
Proceeds from disposal of property, plant and equipment	-	-	-	51
Acquisition of intangible assets	(3,778)	(1,621)	(12,664)	(13,320)
Net cash used in investing activities	**(29,963)**	**(22,581)**	**(86,540)**	**(99,046)**
Cash flows from financing activities				
Interest and other finance costs paid	(13,236)	(13,536)	(53,536)	(56,039)
Borrowings from financial institutions	1,297,638	20,000	1,366,517	76,517
Repayment of borrowings to financial institutions	(1,274,360)	(1,808)	(1,286,587)	(5,246)
Settlement of derivative financial instruments	364	(77)	630	(3,058)
Settlement of transactions with non-controlling interests	(15)	(14)	(123)	(117)
Distributions to non-controlling interests	(61)	(63)	(203)	(208)
Distributions to unitholders	(23,348)	(23,348)	(93,392)	(93,392)
Net cash used in financing activities	**(13,018)**	**(18,846)**	**(66,694)**	**(81,543)**
Net (decrease)/increase in cash and cash equivalents	**(6,882)**	**11,964**	**6,741**	**7,747**
Cash and cash equivalents at the beginning of the quarter/year	80,458	54,871	66,835	59,088
Cash and cash equivalents at the end of the quarter/year	**73,576**	**66,835**	**73,576**	**66,835**

RECONCILIATION OF NET PROFIT TO EBITDA

Group	Quarter ended 31 December			Year ended 31 December		
Amounts in $'000	2018	2017	Variance[1] (%)	2018	2017	Variance[1] (%)
(Loss)/profit after income tax	**(7,520)**	**11,633**	**(>100)**	**7,734**	**36,776**	**(79.0)**
Add: Depreciation and amortisation expense	21,507	17,605	(22.2)	78,613	63,197	(24.4)
Add: Net foreign exchange loss/(gain)	1,683	(2,299)	(>100)	1,053	6,196	83.0
Add: Mark to market (gain)/loss on derivative financial instruments	(921)	622	>100	(2,642)	1,681	>100
Add: Amortisation of deferred arrangement fees	16,123	2,216	(>100)	23,125	8,916	(>100)
Add: Interest and other finance costs	13,271	13,926	4.7	53,847	56,328	4.4
Add: Income tax (benefit)/expense	(159)	8,078	>100	22,859	28,329	19.3
EBITDA	**43,984**	**51,781**	**(15.1)**	**184,589**	**201,423**	**(8.4)**
EBITDA margin	55.4%	61.1%		58.8%	60.2%	

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

ASIAN PAY TELEVISION TRUST

MANAGEMENT REVIEW FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2018

REVIEW OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2018

As presented in the consolidated statements of profit or loss disclosed on page 18

A) REVIEW OF REVENUE

Total revenue for the quarter ended 31 December 2018 was $79.5 million (31 December 2017: $84.7 million). Total revenue for the year ended 31 December 2018 was $313.9 million (31 December 2017: $334.8 million). Total revenue for the quarter and year was 6.2% and 6.3% lower than the pcp; in constant NT$ terms, total revenue for the quarter and year was 5.3% and 4.9% lower than the pcp. Foreign exchange contributed to a negative variance of 0.9% for the quarter and 1.4% for the year compared to the pcp. Total revenue was influenced by a number of factors including the continued challenges in the economic and operating environment.

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

(i) Basic cable TV

Basic cable TV revenue of $63.9 million for the quarter ended 31 December 2018 was down 6.5% on the pcp (31 December 2017: $68.3 million); in constant NT$ terms, Basic cable TV revenue was down 5.6% on the pcp. This comprised subscription revenue of $49.7 million (31 December 2017: $52.6 million) and non-subscription revenue of $14.2 million (31 December 2017: $15.7 million). The decrease was mainly due to lower subscription and non-subscription revenue as described below.

Basic cable TV revenue of $250.0 million for the year ended 31 December 2018 was down 6.8% on the pcp (31 December 2017: $268.3 million); in constant NT$ terms, Basic cable TV revenue was 5.4% lower than the pcp. This comprised subscription revenue of $203.3 million (31 December 2017: $215.5 million) and non-subscription revenue of $46.7 million (31 December 2017: $52.8 million). The decrease was mainly due to lower subscription and non-subscription revenue as described below.

Subscription revenue was generated from TBC's c.750,000 Basic cable TV RGUs each contributing an ARPU of NT$494 per month in the quarter to access over 100 cable TV channels. The decline in Basic cable TV RGUs in 2018, which was the first in TBC's history, was due mainly to the cessation of analogue TV broadcasting and accordingly, there were no more analogue TV piracy households to convert to paying Basic cable TV RGUs. Video piracy issues and aggressively priced IPTV have also impacted the ability to attract new RGUs. In constant NT$ terms, subscription revenue for the quarter and year was lower than the pcp because of a lower number of subscribers and ARPU compared to the pcp.

Non-subscription revenue was 22.2% of Basic cable TV revenue for the quarter (31 December 2017: 23.0%) and 18.7% for the year (31 December 2017: 19.7%). This 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 was lower than the pcp mainly due to lower revenue generated from channel leasing partially offset by higher airtime advertising sales. The leasing of television channels is mainly to third-party home shopping networks which continue to be affected by the decline in demand for home shopping and heightened competition from internet retailing. Both trends have negatively impacted the channel leasing revenue not just for TBC, but for the entire cable industry in Taiwan.

(ii) Premium digital cable TV

While Premium digital cable TV RGUs increased, the lower ARPU has resulted in a decline in revenue. Premium digital cable TV revenue of $3.3 million for the quarter ended 31 December 2018 was down 11.1% on the pcp (31 December 2017: $3.8 million); in constant NT$ terms, Premium digital cable TV revenue was 10.2% lower than the pcp. This comprised subscription revenue of $3.2 million (31 December 2017: $3.6 million) and non-subscription revenue of $0.1 million (31 December 2017: $0.2 million).

Premium digital cable TV revenue of $13.8 million for the year ended 31 December 2018 was down 11.3% on the pcp (31 December 2017: $15.6 million); in constant NT$ terms, Premium digital cable TV revenue was 9.9% lower than the pcp. This comprised subscription revenue of $13.2 million (31 December 2017: $14.9 million) and non-subscription revenue of $0.6 million (31 December 2017: $0.7 million).

Subscription revenue was generated from TBC's c.196,000 Premium digital cable TV RGUs each contributing an ARPU of NT$122 per month in the quarter for Premium digital cable TV packages, bundled DVR or DVR-only services. Premium digital cable TV RGUs increased by c.2,000 but ARPU was lower compared to the previous quarter ended 30 September 2018 (RGUs: c.194,000; ARPU: NT$127 per month) due to promotions and discounted bundled packages that were offered to generate new RGUs and to retain existing RGUs. Video piracy issues and aggressively priced IPTV have also impacted the ability to attract new RGUs and strengthen ARPU.

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

(iii) Broadband

Despite the strong competition from mobile operators offering unlimited wireless data, Broadband RGUs continued to increase during the quarter. Broadband revenue of $12.2 million for the quarter ended 31 December 2018 was down 3.1% on the pcp (31 December 2017: $12.6 million); in constant NT$ terms, Broadband revenue for the quarter was 2.2% lower than the pcp. This comprised subscription revenue of $11.9 million (31 December 2017: $12.1 million) and non-subscription revenue of $0.3 million (31 December 2017: $0.5 million).

Broadband revenue of $50.0 million for the year ended 31 December 2018 was down 1.9% on the pcp (31 December 2017: $50.9 million); in constant NT$ terms, Broadband revenue for the year was marginally lower by 0.5% compared to the pcp. This comprised subscription revenue of $48.0 million (31 December 2017: $49.4 million) and non-subscription revenue of $2.0 million (31 December 2017: $1.5 million).

Subscription revenue was generated from TBC's c.216,000 Broadband RGUs each contributing an ARPU of NT$417 per month in the quarter for high-speed Broadband services. Broadband RGUs increased by c.6,000 but ARPU was lower compared to the previous quarter ended 30 September 2018 (RGUs: c.210,000 and ARPU: NT$425 per month). The availability of low-cost unlimited data offerings from the top mobile operators is necessitating fixed-line operators to offer higher speeds at competitive prices to acquire new RGUs and re-contract existing RGUs.

Non-subscription revenue was predominantly generated from the provision of installation and other 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 $15.4 million for the quarter ended 31 December 2018, down 5.1% on the pcp (31 December 2017: $16.2 million); in constant NT$ terms, broadcast and production costs were 4.2% lower than the pcp mainly due to lower cost of acquiring cable TV content. Foreign exchange contributed to a positive variance of 0.9% for the quarter compared to the pcp.

Broadcast and production costs were $60.0 million for the year ended 31 December 2018, down 6.6% on the pcp (31 December 2017: $64.3 million); in constant NT$ terms, broadcast and production costs were 5.2% lower than the pcp mainly due to lower cost of acquiring cable TV content. Foreign exchange contributed to a positive variance of 1.4% for the year compared to the pcp.

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 $6.8 million for the quarter ended 31 December 2018, down 6.1% on the pcp (31 December 2017: $7.2 million) and $28.1 million for the year ended 31 December 2018, down 8.9% on the pcp (31 December 2017: $30.8 million). Staff costs for the quarter and year were lower mainly due to lower actual staff costs in constant dollar terms.

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 31.2 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, 1.3 million notional units vested in 2016, 2.6 million notional units vested in 2017 and 3.9 million notional units vested in 2018. The remaining 22.6 million notional units remained unvested as at 31 December 2018.

LTIP expense attributable to the quarter and year has been recognised in the financial statements to reflect the estimate of the future obligations under the LTIP.

(iii) Depreciation and amortisation expense

Depreciation and amortisation expense was $21.5 million for the quarter ended 31 December 2018, up 22.2% on the pcp (31 December 2017: $17.6 million) and $78.6 million for the year ended 31 December 2018, up 24.4% on the pcp (31 December 2017: $63.2 million). The increase was mainly due to higher depreciation expense on network equipment and amortisation expense on programming rights for the quarter and year compared to the pcp.

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

(iv) Trustee-Manager fees

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

The Trustee-Manager base fees were $1.8 million for the quarter ended 31 December 2018 (31 December 2017: $1.8 million) and $7.3 million for the year ended 31 December 2018 (31 December 2017: $7.2 million). There were no performance fees payable to the Trustee-Manager for the quarter and year ended 31 December 2018 (31 December 2017: 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 (loss)/gain

Net foreign exchange loss for the quarter ended 31 December 2018 was $1.7 million (31 December 2017: gain of $2.3 million) and net foreign exchange loss for the year ended 31 December 2018 was $1.1 million (31 December 2017: $6.2 million). Net foreign exchange (loss)/gain for the quarter and year ended 31 December 2018 included unrealised foreign exchange movements from translations at the subsidiary level which are not expected to be realised.

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

The Group uses foreign exchange contracts to manage its exposure to foreign exchange movements as discussed in Note C(vi). For the quarter ended 31 December 2018, the period end mark to market gain on foreign currency contracts was $0.9 million (31 December 2017: loss of $0.6 million) and for the year ended 31 December 2018, the period end mark to market gain on foreign currency contracts was $2.6 million (31 December 2017: loss of $1.7 million). Mark to market gain/(loss) on derivative financial instruments included gain of $0.4 million (31 December 2017: loss of $0.1 million) and gain of $0.6 million (31 December 2017: loss of $3.1 million) on NT$ foreign exchange contracts settled during the quarter and year.

(vii) Other operating expenses

Other operating expenses were $11.5 million for the quarter ended 31 December 2018, up 49.3% on the pcp (31 December 2017: $7.7 million) and $33.9 million for the year ended 31 December 2018, up 8.9% on the pcp (31 December 2017: $31.1 million).

A detailed breakdown of material items included in other operating expenses is provided in the table below:

Group	Quarter ended 31 December		Year ended 31 December	
Amounts in $'000	2018	2017	2018	2017
Lease rentals	(3,222)	(1,626)	(7,812)	(6,498)
Legal and professional fees	(1,166)	(1,091)	(3,860)	(3,322)
Non-recoverable GST/VAT	(899)	(1,019)	(3,805)	(4,161)
Marketing and selling expenses	(2,352)	(1,741)	(5,982)	(5,964)
General and administrative expenses	(1,346)	(1,175)	(4,917)	(4,609)
Licence fees	(621)	(639)	(2,501)	(2,617)
Repairs and maintenance	(519)	(500)	(1,724)	(1,969)
Others	(1,396)	76[1]	(3,275)	(1,965)[1]
Total	**(11,521)**	**(7,715)**	**(33,876)**	**(31,105)**

[1] Included a gain of $0.7 million resulting from the settlement of insurance claim related to fire damages as previously reported in 2017.

Other operating expenses for the quarter and year ended 31 December 2018 were higher mainly due to provisions for additional pole rental expenses of $1.6 million and provisions for fines imposed by the Taiwan regulators of $0.9 million. While both issues have not been concluded, the Trust has taken a prudent approach by making provisions for these exposures. Additional legal and professional fees were incurred during the quarter to complete the Refinancing of the borrowing facilities.

(viii) Amortisation of deferred arrangement fees

The Group pays financing fees to the lenders when entering into debt facilities or refinance existing 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 $16.1 million for the quarter ended 31 December 2018 (31 December 2017: $2.2 million) and $23.1 million for the year ended 31 December 2018 (31 December 2017: $8.9 million). Amortisation of deferred arrangement fees for the quarter and year ended 31 December 2018 was higher due to the write-off of unamortised arrangement fees of $14.7 million on the Previous Facilities of NT$29.0 billion which were refinanced during the quarter and the write-off of unamortised arrangement fees of $1.2 million associated with the Offshore Facilities as at the date of Amendment which were amended during the quarter. Refer Note D(i) for more details.

(ix) Interest and other finance costs

Interest and other finance costs were $13.3 million for the quarter ended 31 December 2018, 4.7% lower than the pcp (31 December 2017: $13.9 million) and $53.8 million for the year ended 31 December 2018, 4.4% lower than the pcp (31 December 2017: $56.3 million). These comprised interest expense and commitment and other fees on the Group's debt facilities.

(x) Income tax benefit/(expense)

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

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

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

Group	Quarter ended 31 December		Year ended 31 December	
Amounts in $'000	2018	2017	2018	2017
Current income tax	(1,642)	(1,543)	(6,257)	(8,128)
Deferred income tax	4,500	(4,794)	(6,328)	(10,517)
Withholding tax	(2,735)	(1,882)	(10,227)	(9,184)
Over/(under) provision of tax in prior years[1]	36	141	(47)	(500)
Total	**159**	**(8,078)**	**(22,859)**	**(28,329)**

[1] Over/(under) provision of tax in prior years represent adjustments made to prior years' tax provisions in the current quarter and year to reflect the current position of tax provisions related to those years based on tax assessment, or otherwise, and does not relate to (loss)/profit for the current quarter and year.

In January 2018, it was announced that the Income Tax Law in Taiwan has been amended and, starting from 2018, the corporate income tax rate was adjusted from 17% to 20%. This has impacted the Group's deferred tax liabilities as at 1 January 2018 by a one-time adjustment of $11.5 million, which was recognised as income tax expense in the consolidated statements of profit or loss during the year ended 31 December 2018. Refer Note D(vii) for more details on the Group's deferred tax liabilities.

REVIEW OF STATEMENTS OF FINANCIAL POSITION AND NET ASSETS AS AT 31 DECEMBER 2018

As presented in the statements of financial position disclosed on page 17

C) ASSETS

(i) Cash and cash equivalents

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

Cash and cash equivalents at the Trust level decreased from $7.4 million as at 31 December 2017 to $7.2 million as at 31 December 2018. The decrease was primarily due to the payment of distributions to unitholders net of receipt of distributions from TBC during the year ended 31 December 2018.

Cash and cash equivalents at the Group level increased from $66.8 million as at 31 December 2017 to $73.6 million as at 31 December 2018. The increase was primarily driven by operating cash flows and changes in working capital, partially offset by the payment of distributions to unitholders and capital expenditures during the year.

(ii) Trade and other receivables

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

Trade and other receivables at the Group level increased from $11.8 million as at 31 December 2017 to $13.5 million as at 31 December 2018 mainly due to increase in the amounts due from trade debtors for channel leasing and advertising revenue.

(iii) Investment in subsidiaries

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

Held by the Trust	Principal activities	Country of incorporation	Equity holding			
			%		$'000	
Name of subsidiary			2018	2017	2018	2017
APTT Holdings 1 Limited	Investment holding company	Bermuda	100	100	704,734	704,734
APTT Holdings 2 Limited	Investment holding company	Bermuda	100	100	637,617	637,617
Total cost					**1,342,351**	**1,342,351**

(iv) Property, plant and equipment

All items of property, plant and equipment ("PPE") are initially recorded at cost, subsequently measured at cost less accumulated depreciation and any accumulated impairment losses. The amounts recognised in the statements of financial position were determined as follows:

Group Carrying value Amounts in $'000	As at 1 January 2018	Additions	Transfer within PPE	Disposals/ write-offs	Depreciation and impairment	Foreign exchange effect	As at 31 December 2018
Land	4,139	28	438	-	-	(34)	4,571
Buildings	6,127	22	1,940	-	(1,474)	(42)	6,573
Leasehold improvements	1,734	-	255	-	(491)	(13)	1,485
Network equipment	294,102	6,602	55,357	-	(59,900)	(2,444)	293,717
Plant and equipment	6,594	93	1,892	-	(2,444)	(54)	6,081
Transport equipment	1,536	-	-	-	(547)	(12)	977
Leased equipment	215	84	-	(95)	(102)	-	102
Assets under construction	6,405	68,554	(59,882)	-	(178)	(97)	14,802
Total	**320,852**	**75,383**	**-**	**(95)**	**(65,136)**	**(2,696)**	**328,308**

Group Carrying value Amounts in $'000	As at 1 October 2018	Additions	Transfer within PPE	Disposals/ write-offs	Depreciation and impairment	Foreign exchange effect	As at 31 December 2018
Land	4,122	28	438	-	-	(17)	4,571
Buildings	6,699	22	373	-	(491)	(30)	6,573
Leasehold improvements	1,451	-	166	-	(127)	(5)	1,485
Network equipment	291,588	2,651	16,090	-	(15,396)	(1,216)	293,717
Plant and equipment	5,990	82	630	-	(596)	(25)	6,081
Transport equipment	1,102	-	-	-	(120)	(5)	977
Leased equipment	129	-	-	-	(27)	-	102
Assets under construction	9,791	22,919	(17,697)	-	(178)	(33)	14,802
Total	**320,872**	**25,702**	**-**	**-**	**(16,935)**	**(1,331)**	**328,308**

Group Carrying value Amounts in $'000	As at 1 January 2017	Additions	Transfer within PPE	Disposals/ write-offs	Depreciation and impairment	Foreign exchange effect	As at 31 December 2017
Land	3,836	-	278	-	-	25	4,139
Buildings	3,710	-	3,078	-	(692)	31	6,127
Leasehold improvements	2,022	5	143	-	(453)	17	1,734
Network equipment	267,512	2,858	75,940	(51)	(53,731)	1,574	294,102
Plant and equipment	3,156	43	5,539	-	(2,132)	(12)	6,594
Transport equipment	1,183	-	997	-	(645)	1	1,536
Leased equipment	313	-	-	-	(100)	2	215
Assets under construction	9,618	82,707	(85,975)	-	-	55	6,405
Total	**291,350**	**85,613**	**-**	**(51)**	**(57,753)**	**1,693**	**320,852**

Trust Carrying value Amounts in $'000	As at 1 January 2018	Additions	Transfer within PPE	Disposals/ write-offs	Depreciation and impairment	Foreign exchange effect	As at 31 December 2018
Leasehold improvements	2	-	-	-	(2)	-	-
Plant and equipment	35	11	-	-	(17)	-	29
Total	**37**	**11**	**-**	**-**	**(19)**	**-**	**29**

Trust Carrying value Amounts in $'000	As at 1 October 2018	Additions	Transfer within PPE	Disposals/ write-offs	Depreciation and impairment	Foreign exchange effect	As at 31 December 2018
Leasehold improvements	-	-	-	-	-	-	-
Plant and equipment	34	-	-	-	(5)	-	29
Total	**34**	**-**	**-**	**-**	**(5)**	**-**	**29**

Trust Carrying value Amounts in $'000	As at 1 January 2017	Additions	Transfer within PPE	Disposals/ write-offs	Depreciation and impairment	Foreign exchange effect	As at 31 December 2017
Leasehold improvements	-	3	-	-	(1)	-	2
Plant and equipment	-	43	-	-	(8)	-	35
Total	**-**	**46**	**-**	**-**	**(9)**	**-**	**37**

During the quarter and year ended 31 December 2018, the Group acquired property, plant and equipment with an aggregate cost of $25.7 million (31 December 2017: $17.6 million) and $75.4 million (31 December 2017: $85.6 million) of which $4.5 million remained unpaid as at 31 December 2018 (31 December 2017: $3.0 million). In addition, property, plant and equipment with an aggregate cost of $5.0 million, unpaid as at 30 September 2018, was paid during the quarter (31 December 2017: $6.3 million) and property, plant and equipment with an aggregate cost of $3.0 million, unpaid as at 31 December 2017, was paid during the year (31 December 2017: $3.2 million).

(v) Intangible assets

Cable TV licences

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

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

Group Carrying value Amounts in $'000	As at 1 January 2018	Additions	Amortisation	Foreign exchange effect	As at 31 December 2018
Cable TV licences	2,371,588	-	-	(19,906)	2,351,682
Software	4,037	2,178	(2,374)	(34)	3,807
Programming rights	7,584	12,127	(11,103)	(36)	8,572
Goodwill	7,843	-	-	(66)	7,777
Total	**2,391,052**	**14,305**	**(13,477)**	**(20,042)**	**2,371,838**

Group Carrying value Amounts in $'000	As at 1 October 2018	Additions	Amortisation	Foreign exchange effect	As at 31 December 2018
Cable TV licences	2,361,582	-	-	(9,900)	2,351,682
Software	3,863	517	(556)	(17)	3,807
Programming rights	12,648	-	(4,016)	(60)	8,572
Goodwill	7,809	-	-	(32)	7,777
Total	**2,385,902**	**517**	**(4,572)**	**(10,009)**	**2,371,838**

Group Carrying value Amounts in $'000	As at 1 January 2017	Additions	Amortisation	Foreign exchange effect	As at 31 December 2017
Cable TV licences	2,355,970	-	-	15,618	2,371,588
Software	3,982	2,295	(2,288)	48	4,037
Programming rights	-	10,729	(3,156)	11	7,584
Goodwill	7,791	-	-	52	7,843
Total	**2,367,743**	**13,024**	**(5,444)**	**15,729**	**2,391,052**

Trust Carrying value Amounts in $'000	As at 1 January 2018	Additions	Amortisation	Foreign exchange effect	As at 31 December 2018
Software	29	-	(12)	-	17
Total	**29**	**-**	**(12)**	**-**	**17**

Trust Carrying value Amounts in $'000	As at 1 October 2018	Additions	Amortisation	Foreign exchange effect	As at 31 December 2018
Software	20	-	(3)	-	17
Total	**20**	**-**	**(3)**	**-**	**17**

Trust Carrying value Amounts in $'000	As at 1 January 2017	Additions	Amortisation	Foreign exchange effect	As at 31 December 2017
Software	-	35	(6)	-	29
Total	**-**	**35**	**(6)**	**-**	**29**

During the quarter and year ended 31 December 2018, the Group acquired intangible assets with an aggregate cost of $0.5 million (31 December 2017: $1.5 million) and $14.3 million (31 December 2017: $13.0 million) of which $1.7 million remained unpaid as at 31 December 2018 (31 December 2017: $0.1 million). In addition, intangible assets with an aggregate cost of $4.9 million, unpaid as at 30 September 2018, was paid during the quarter (31 December 2017: $0.1 million) and intangible assets with an aggregate cost of $0.1 million, unpaid as at 31 December 2017, was paid during the year (31 December 2017: $0.3 million).

(vi) Derivative financial instruments

The Group and Trust use foreign exchange contracts to manage their exposure to foreign exchange movements of NT$ and 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 2018, mark to market movements, classified as current and non-current assets, on such contracts were $1.1 million (31 December 2017: nil) and $0.1 million (31 December 2017: nil) both at the Group and Trust level.

(vii) Other assets

As at 31 December 2018, the Group and Trust had other current assets of $2.1 million and $0.1 million (31 December 2017: $1.3 million and $0.1 million). These predominantly comprised GST recoverable and expense prepayments.

Other non-current assets at the Group and Trust level of $1.0 million and $0.02 million as at 31 December 2018 (31 December 2017: $1.1 million and nil) predominantly comprised refundable deposits.

D) LIABILITIES

(i) Borrowings from financial institutions

Group	As at 31 December	
Amounts in $'000	2018	2017
Current portion	5,694	14,677
	5,694	**14,677**
Non-current portion	1,525,796	1,424,400
Less: Unamortised arrangement fees	(21,122)	(44,512)
	1,504,674	**1,379,888**
Total[1]	**1,510,368**	**1,394,565**

[1] Comprised outstanding NT$ denominated borrowings of $1,287.2 million (31 December 2017: $1,218.1 million) at TBC level and Singapore dollar denominated multicurrency borrowings of $223.2 million (31 December 2017: $176.5 million) at Bermuda holding companies' level.

Onshore Facilities

In November 2018, TBC completed the refinancing of its existing NT$29.0 billion borrowing facilities ("Previous Facilities") with new seven-year facilities of NT$31.0 billion ("Onshore Facilities"). The Onshore Facilities reached financial close on 26 November 2018.

The NT$ denominated borrowings are repayable in tranches by 2025 and are secured by certain land, buildings, network equipment and plant and equipment held by TBC as well as by pledges over shares in onshore entities of TBC and over the shares in TBC Holdings B.V. and Harvest Cable Holdings B.V. held by Cable TV S.A. The onshore affiliates of TBC are jointly liable under the debt facilities. As at 31 December 2018, the total carrying value of property, plant and equipment pledged for the Onshore Facilities was $301.8 million (31 December 2017: $301.0 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 1.1% to 1.9% per annum based on its leverage ratio. Following the refinancing, the interest margin on the Onshore Facilities have decreased from 2.3% to 1.6%. As discussed in Note D(ii), the Group uses interest rate swaps to swap a significant portion of its borrowings from floating rate to fixed rate.

Arrangement fees on the Onshore Facilities were agreed at 1.25%, payable upon the financial close which is substantially lower than the arrangement fees on the Previous Facilities of 1.60%. At inception, such fees are recorded as unamortised arrangement fees.

The refinancing of Previous Facilities with Onshore Facilities did not include break costs on early prepayment. Following the refinancing, there were changes to the interest margin and financial covenants on the Onshore Facilities. This resulted in recording an extinguishment of the Previous Facilities and recognition of the Onshore Facilities. As a result, the unamortised arrangement fees of $14.7 million on the Previous Facilities were written off as amortisation of deferred arrangement fees in the consolidated statement of profit or loss during the quarter ended 31 December 2018.

The fees are amortised over the period of the debt facilities as an expense to the consolidated statements of profit or loss. As a result of adopting accounting treatment under IFRS 9 'Financial Instruments', the unamortised arrangement fees from the previous refinancing in October 2016 amounting to $23.0 million, with a deferred tax benefit amounting to $3.8 million as at 31 December 2017 were adjusted directly against the opening retained earnings balance as at 1 January 2018.

Offshore Facilities

Offshore Facilities consists of a 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 secured by APTT Holdings 1 Limited and APTT Holdings 2 Limited.

In November 2018, APTT extended the maturity date ("Amendment") of its existing Offshore Facilities from July 2019 to July 2021. The Amendment reached financial close on 26 November 2018.

The Offshore Facilities, denominated in Singapore dollars, are repayable in tranches by 2021 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 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 2018, the total carrying value of assets pledged for the Offshore Facilities was $1,127 million (31 December 2017: $1,121 million). In addition, guarantees in favour of lenders under the debt facilities are provided by APTT Management Pte. Limited, in its capacity as Trustee-Manager of APTT, and Cable TV S.A.

The Offshore Facilities bear a floating interest rate of Singapore Interbank Offered Rate ("SIBOR") plus an interest margin of 4.1% to 5.5% per annum based on the leverage ratio of the Group.

In 2016, arrangement fees on the Offshore Facilities were agreed at 2.0%, payable 50% on financial close and 50% on the first anniversary of the financial close. At inception, such 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.

Amendment fees on the Offshore Facilities were agreed at 0.30% payable on the financial close. The Amendment did not include any break cost. Following the Amendment, there were changes to the interest margin and financial covenants of the Offshore Facilities. This resulted in recording an extinguishment of the original Offshore Facilities and recognition of the new Offshore Facilities. As a result, the unamortised arrangement fees of $1.2 million associated with the Offshore Facilities as at the date of Amendment were written off as amortisation of deferred arrangement fees in the consolidated statement of profit or loss during the quarter ended 31 December 2018.

(ii) Derivative financial instruments

The Group and Trust use foreign exchange contracts to manage their exposure to foreign exchange movements as discussed in Note C(vi). As at 31 December 2018, mark to market movements, classified as current and non-current liabilities, on such contracts were $0.02 million and $0.01 million (31 December 2017: $0.8 million and nil) at Group and Trust level.

The Group also uses interest rate swaps to manage its exposure to interest rate movements on its NT$ denominated borrowings by swapping a significant portion of those borrowings from floating rate to fixed rate. All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges in order to reduce the Group's cash flow exposure resulting from variable interest rates on borrowings. The interest rate swaps and the interest payments on the loan occur simultaneously and the amount deferred in equity is recognised in profit or loss over the period that the floating rate interest payments on debt impact profit or loss.

As at 31 December 2018, the notional amount of interest rate swaps was NT$28.0 billion (31 December 2017: NT$16.0 billion). These interest rate swaps mature in June 2019. To reduce the risk of rising interest rates, APTT extended its interest rate swaps on TAIBOR with notional amount of NT$23.0 billion to the end of 2021 to fix approximately 80% of the outstanding Onshore Facilities. Interest rate swaps will continue to be gradually entered into until 90% to 95% of outstanding Onshore Facilities are hedged through to 2021.

As at 31 December 2018, mark to market movements, classified as non-current liabilities, on such swaps were $3.7 million (31 December 2017: $1.6 million) at the Group level. Non-current derivative financial instruments at the Group level of $3.7 million as at 31 December 2018 (31 December 2017: $1.6 million) also included the mark to market movements on foreign exchange contracts of $0.01 million (31 December 2017: nil) as mentioned above.

(iii) Trade and other payables

Amounts in $'000	Group as at 31 December 2018	Group as at 31 December 2017	Trust as at 31 December 2018	Trust as at 31 December 2017
Trade payables due to outside parties	19,460	18,042	-	-
Base fees payable to the Trustee-Manager	3,673	3,650	3,673	3,650
Total	**23,133**	**21,692**	**3,673**	**3,650**

The Group's trade and other payables as at 31 December 2018 comprised mainly broadcast and production costs payable of $19.5 million (31 December 2017: $18.0 million) and base fees payable to the Trustee-Manager of $3.7 million (31 December 2017: $3.7 million).

The Trust's trade and other payables as at 31 December 2018 comprised mainly base fees payable to the Trustee-Manager of $3.7 million (31 December 2017: $3.7 million).

(iv) Contract liabilities

Contract liabilities were $33.8 million as at 31 December 2018. These relate to considerations or collections received in advance to provide Basic cable TV, Premium digital cable TV and Broadband subscription services in future periods.

Subscription fees are paid upfront as part of the initial sales transaction whereas revenue is recognised over the period where services are provided to the subscribers. A contract liability is therefore recognised for revenue relating to subscription services at the time of the initial sales transaction and is released over the subscription period.

There were no significant changes in the contract liability balances during the reporting period.

The amount of revenue recognised during the year which related to brought-forward contract liabilities as at the end of the previous year was $36.3 million. Contract liabilities as at 31 December 2017 representing collections received in advance of $36.3 million were included in current other liabilities.

(v) Retirement benefit obligations

The Group operates both a defined benefit scheme and a defined contribution scheme. Eligibility for participation in each of the schemes is governed by employment and related laws in the country of employment for employees of the Group. As at 31 December 2018, the Group's retirement benefit obligations, classified as current and non-current liabilities, were $1.4 million (31 December 2017: $1.4 million) and $15.1 million (31 December 2017: $20.4 million).

(vi) Income tax payable

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.

Provision for income tax and the reconciliation of income tax payable were as follows:

Group Amounts in $'000	As at 31 December 2018	As at 31 December 2017
Balance at the beginning of the year	**13,182**	**14,246**
Current income tax provision	6,257	8,128
Under provision for tax in prior years	47	500
Income tax payment	(5,298)	(5,730)
Prepaid and withheld income tax	(2,628)	(4,087)
Foreign exchange effect	(116)	125
Balance at the end of the year	**11,444**	**13,182**

(vii) Deferred tax liabilities

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

Group	As at 31 December	
Amounts in $'000	2018	2017
Impairment loss	(921)	(792)
Cash flow hedging reserves	(748)	(278)
Intangible assets that are partially deductible for tax purposes[1]	81,125	63,977
Accelerated tax depreciation	489	715
Undistributed earnings of subsidiaries	1,394	7,956
Arrangement fees	(6,520)	-
Carry forward of losses	(683)	-
Provisions	(648)	-
Others	(11)	(11)
Unrealised exchange differences	1,098	1,756
Deferred tax liabilities, net	**74,575**	**73,323**

[1] Following the settlement principles agreed between the Group and the Taiwan tax authorities in 2014, deferred tax liabilities of $81.1 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 2018 (31 December 2017: $64.0 million).

As discussed in Note B(x), the Income Tax Law in Taiwan was amended and the corporate income tax rate starting from 2018 was adjusted from 17% to 20%. This has impacted the Group's deferred tax liabilities as at 1 January 2018 by a one-time adjustment of $11.5 million.

(viii) Other liabilities

The Group's current other liabilities as at 31 December 2018 of $25.9 million (31 December 2017: $57.3 million) predominantly comprised accrued expenses of $15.7 million (31 December 2017: $11.3 million), withholding and other tax payable of $5.3 million (31 December 2017: $4.2 million), interest and other finance costs payable of $2.5 million (31 December 2017: $2.2 million) and amounts accrued under the Group's long-term incentive plan of $2.3 million (31 December 2017: $3.1 million). The Group's current other liabilities as at 31 December 2017 also included contract liabilities representing collections received in advance from subscribers of $36.3 million. Collections received in advance from subscribers of $33.8 million as at 31 December 2018 have been presented as contract liabilities as required under IFRS 15 'Revenue from Contracts with Customers'.

The Trust's current other liabilities as at 31 December 2018 of $0.2 million (31 December 2017: $0.2 million) comprised accruals for regular operating expenses.

The Group's non-current other liabilities as at 31 December 2018 of $18.2 million (31 December 2017: $18.7 million) predominantly comprised subscriber deposits received of $15.9 million (31 December 2017: $15.6 million) and amounts accrued under the Group's long-term incentive plan of $1.3 million (31 December 2017: $2.1 million).

(ix) Reserves

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

Group Amounts in $'000	Foreign currency translation reserves	Cash flow hedging reserves	Capital reserves	Retirement benefit obligations reserves	Total
Balance as at 1 January 2018	**86,422**	**(694)**	**23,412**	**(13,019)**	**96,121**
Exchange differences on translation of foreign operations	(10,239)	-	-	-	(10,239)
Unrealised movement on change in fair value of cash flow hedging financial instruments:					
Interest rate swaps	-	(2,119)	-	-	(2,119)
Deferred tax relating to items that may subsequently be reclassified to profit or loss	-	473	-	-	473
Transfer from accumulated profits[1]	-	-	6,950	-	6,950
Remeasurement of defined benefit obligations	-	-	-	950	950
Balance as at 31 December 2018	**76,183**	**(2,340)**	**30,362**	**(12,069)**	**92,136**
Balance as at 1 October 2018	**80,192**	**(297)**	**30,362**	**(13,019)**	**97,238**
Exchange differences on translation of foreign operations	(4,009)	-	-	-	(4,009)
Unrealised movement on change in fair value of cash flow hedging financial instruments:					
Interest rate swaps	-	(2,554)	-	-	(2,554)
Deferred tax relating to items that may subsequently be reclassified to profit or loss	-	511	-	-	511
Remeasurement of defined benefit obligations	-	-	-	950	950
Balance as at 31 December 2018	**76,183**	**(2,340)**	**30,362**	**(12,069)**	**92,136**
Balance as at 1 January 2017	**71,718**	**(3,577)**	**17,694**	**(11,618)**	**74,217**
Exchange differences on translation of foreign operations	14,704	-	-	-	14,704
Unrealised movement on change in fair value of cash flow hedging financial instruments:					
Interest rate swaps	-	3,473	-	-	3,473
Deferred tax relating to items that may subsequently be reclassified to profit or loss	-	(590)	-	-	(590)
Transfer from accumulated profits[1]	-	-	5,718	-	5,718
Remeasurement of defined benefit obligations	-	-	-	(1,401)	(1,401)
Balance as at 31 December 2017	**86,422**	**(694)**	**23,412**	**(13,019)**	**96,121**

[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.

(x) Non-controlling interests

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

E) NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS

	Group as at 31 December		Trust as at 31 December	
	2018	2017	2018	2017
Net asset value attributable to unitholders				
Total net asset value attributable to unitholders ($'000)	1,071,399	1,187,469	1,346,955	1,345,217
Total number of units in issue used in calculation of net asset value per unit attributable to unitholders ('000)	1,436,800	1,436,800	1,436,800	1,436,800
Net asset value per unit attributable to unitholders ($)	**0.75**	**0.83**	**0.94**	**0.94**

As at 31 December 2018, the Group had negative working capital of $11.1 million (31 December 2017: $29.2 million). This included $33.8 million of contract liabilities representing collections received in advance from subscribers which do not require any future cash outflow from the Group (31 December 2017: $36.3 million included in current other liabilities).

After adjusting for these amounts, the Group would have positive working capital of $22.7 million (31 December 2017: $7.1 million). The Group has undrawn debt facilities of $94.6 million (31 December 2017: $112.5 million) which can be drawn to address any shortfall in working capital requirements.

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

- The Group has five cable TV system operators, with their nine-year cable TV licences renewed in either 2008 or 2009, that serve approximately 750,000 cable TV RGUs as at 31 December 2018, with more than 175 channels of exciting local and international content on its digital TV platforms in Taiwan. The Group's cable TV licences have been extended to 12 years following the Cable Law amendments to accelerate digitisation and analogue broadcasting switch-off, making the next renewal periods in 2020 and 2021. The Group completed the digitisation of its subscriber base across all five franchise areas in 2017 and switched off analogue TV broadcasting. 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 $160.0 million for the year ended 31 December 2018 (31 December 2017: $188.3 million);
- In view of the steady operating cash flows generated, good credibility over the past years and full compliance with the requirements as stipulated in the debt facilities, the Trustee-Manager is confident it can refinance such debt facilities when required; and
- The Trustee-Manager has carefully monitored and managed its cash flows. Management and operation reports are prepared and reviewed on a monthly basis and cash flow forecasts are prepared on a quarterly basis to project cash flow requirements of the Group using various general and operational assumptions.

F) INTERESTED PERSON TRANSACTIONS

(i) The Trustee-Manager

The Trustee-Manager, 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 Dynami which is a Singapore registered company majority owned by Mr Lu Fang-Ming, the Chairman of Asia Pacific Telecom Co., Ltd.

The Trustee-Manager has the dual responsibility of safeguarding the interests of unitholders and managing the business conducted by APTT. The Trustee-Manager manages APTT's business with an objective of providing unitholders with stable and sustainable distributions.

The following transactions occurred between APTT and the Trustee-Manager during the quarter and the year:

	Quarter ended 31 December		Year ended 31 December	
Amounts in $'000	**2018**	**2017**	**2018**	**2017**
Trustee-Manager fees	1,836	1,825	7,285	7,241

The following significant balances remained outstanding between APTT and the Trustee-Manager at the end of the reporting period:

	As at 31 December	
Amounts in $'000	**2018**	**2017**
Base fees payable to the Trustee-Manager	3,673	3,650

For the quarter and year ended 31 December 2018, the Trustee-Manager recovered ancillary charges amounting to $0.1 million (31 December 2017: $0.1 million) and $0.3 million (31 December 2017: $0.2 million) from the Trust.

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

G) ADDITIONAL INFORMATION

(i) Announcement of financial statements

Pursuant to Rule 705(1) of the SGX-ST Listing Manual, the financial statements for the quarter and year ended 31 December 2018 have been disclosed within 60 days after the end of the relevant financial period.

(ii) Disclosure of person occupying a managerial position

Pursuant to Rule 704(13) of the SGX-ST Listing Manual, the Trustee-Manager confirms that for the quarter and year ended 31 December 2018 no person occupied managerial positions in the Trust or in any of its subsidiaries who were a relative of a director, chief executive officer and/or substantial unitholder.

(iii) Segment information

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

(iv) Confirmation on undertakings from directors and executive officers

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

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

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

(vi) Review by independent auditor

The financial statements for the quarter and year ended 31 December 2018 have not been audited or reviewed by the Group's auditors, Deloitte & Touche LLP, however they form the basis of the Financial Report within the APTT 2018 Annual Report, which will be audited by Deloitte & Touche LLP and will be available publicly in due course.

(vii) Basis of preparation

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current year as specified in the audited financial statements of the Group for the year ended 31 December 2017 except for the adoption of revised IFRS (including its consequential amendments) and interpretations effective for the financial period beginning 1 January 2018. The adoption of these revised IFRS and interpretations did not result in material changes to the Group's accounting policies and has no material effect on the amounts reported for the current financial period. Accordingly, comparative financial information presented in this report has not been restated.

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

(viii) Functional and presentation currency

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

(ix) Rounding of amounts in the financial statements

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

(x) Group accounting - subsidiaries

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

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

	Year ended 31 December		
Amounts in $'000	**2018**	**2017**	**Variance[1] (%)**
Total revenue			
1st half-year	154,581	165,665	(6.7)
2nd half-year	159,274	169,173	(5.9)
	313,855	**334,838**	**(6.3)**
Profit/(loss) after income tax before deducting non-controlling interests			
1st half-year	12,958	16,027	(19.1)
2nd half-year	(5,224)	20,749	(>100)
	7,734	**36,776**	**(79.0)**

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

(xii) Forecast or prospect statement

All variances between forecasts or prospect statements ("Prospect Statement") made in previous results announcements and actual results have been explained in the report summary on page 2 and throughout this report. The variances did not warrant that a profit warning or similar announcement be released.

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

On behalf of the Board of directors of APTT Management Pte. Limited, as Trustee-Manager of APTT, we, the undersigned hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of directors which may render the financial statements for the quarter and year ended 31 December 2018 to be false or misleading in any material aspect.

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

Yong Lum Sung
Chair and Independent Director

Brian McKinley
Chief Executive Officer and Executive Director

Singapore
25 February 2019

DISCLAIMERS

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. APTT Management Pte. Limited is the Trustee-Manager of APTT (the "Trustee-Manager"). The Trustee-Manager is a wholly-owned subsidiary of Dynami Vision Pte. Ltd. ("Dynami") which is a Singapore registered company majority owned by Mr Lu Fang-Ming, the Chairman of Asia Pacific Telecom Co., Ltd.

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.