ASIAN PAY TELEVISION TRUST

SGX QUARTERLY REPORT
FOR THE QUARTER AND YEAR ENDED
31 DECEMBER 2019

Asian Pay Television Trust

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REPORT SUMMARY

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KEY HIGHLIGHTS

- Revenue and EBITDA were $74.3 million[1] and $42.9 million for the quarter and $292.6 million and $174.5 million for the year
- Premium digital cable TV and Broadband subscribers have been steadily increasing for the past seven quarters; added c.5,000 Premium digital cable TV and c.6,000 Broadband subscribers during the quarter and c.18,000 Premium digital cable TV and c.22,000 Broadband subscribers during the year, which more than offset Basic cable TV churn for the quarter and year; total subscribers increased to c.1,181,000
- Efforts in executing the Broadband growth strategy deepened TBC's[2] fixed-line Broadband market penetration to 33%, from 29% a year ago
- Operating expenses declined, improving EBITDA margin to 57.8% for the quarter and 59.6% for the year
- Distribution of 0.30 cents per unit declared for the quarter; re-affirmed distribution guidance of 1.20 cents per unit for 2020
- Following preliminary discussions with various interested parties, the Special Committee and its financial adviser, Bank of America Securities, have shortlisted select parties for more in-depth discussions in relation to APTT and its investment in TBC; discussions are progressing

FINANCIAL HIGHLIGHTS

Asian Pay Television Trust ("APTT"[3]) reported total revenue of $74.3 million and EBITDA of $42.9 million for the quarter ended 31 December 2019, amidst continued challenging market conditions in Taiwan. For the year ended 31 December 2019, total revenue and EBITDA were $292.6 million and $174.5 million.

Compared to the prior corresponding period ("pcp"), total revenue and EBITDA were lower by 6.5% and 2.4% for the quarter and 6.8% and 5.5% for the year, mainly due to weaker ARPUs[4]. The decline was a result of pricing pressure from the intense competition that has impacted the entire cable TV and telecommunications industry.

Foreign exchange contributed to a positive variance of 0.3% for the quarter and a negative variance of 1.4% for the year compared to the pcp. In constant Taiwan dollar ("NT$") terms, total revenue for the quarter and year was 6.8% and 5.4% lower than the pcp.

Operating expenses continued to decline due to lower broadcast and production costs. For the quarter, operating expenses decreased by 11.6% to $31.4 million, improving EBITDA margin to 57.8%, from 55.4% in the pcp. For the year, operating expenses of $118.2 million decreased by 8.6%, improving EBITDA margin to 59.6%, from 58.8% in the pcp.

Group	Quarter ended 31 December			Year ended 31 December		
Amounts in $'000	2019	2018	Variance[5] (%)	2019	2018	Variance[5] (%)
Revenue						
Basic cable TV	59,067	63,905	(7.6)	232,151	250,044	(7.2)
Premium digital cable TV	3,181	3,349	(5.0)	12,797	13,849	(7.6)
Broadband	12,012	12,200	(1.5)	47,677	49,962	(4.6)
Total revenue	**74,260**	**79,454**	**(6.5)**	**292,625**	**313,855**	**(6.8)**
Total operating expenses	**(31,352)**	**(35,470)**	**11.6**	**(118,165)**	**(129,266)**	**8.6**
EBITDA	**42,908**	**43,984**	**(2.4)**	**174,460**	**184,589**	**(5.5)**
EBITDA margin	57.8%	55.4%		59.6%	58.8%	

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

TBC's operational highlights for the quarter and year ended 31 December 2019 were as follows:

- **Basic cable TV:** Basic cable TV revenue of $59.1 million for the quarter, comprising subscription revenue of $48.0 million and non-subscription revenue of $11.1 million, was down 7.6% on the pcp. On a full year basis, Basic cable TV revenue of $232.2 million, comprising subscription revenue of $192.1 million and non-subscription revenue of $40.1 million, was down 7.2% on the pcp. In constant NT$ terms, Basic cable TV revenue for the quarter and year decreased by 7.9% and 5.8%. TBC's c.729,000 Basic cable TV RGUs[6], each contributed an ARPU of NT$489 per month in the quarter to access over 100 cable TV channels. Basic cable TV RGUs decreased by c.5,000 and ARPU remained unchanged compared to the previous quarter ended 30 September 2019 (RGUs: c.734,000; ARPU: NT$489 per month). The decline in Basic cable TV RGUs was due to a number of factors including video piracy issues, competition from aggressively priced IPTV and expectations from consumers for discounts as they compare with the lower cable TV pricing outside of TBC's five franchise areas, particularly in the Taipei region. 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 for the quarter and year, comprising revenue from the leasing of television channels to third parties, sale of airtime advertising and fees for the installation of set-top boxes, was also lower than the pcp mainly due to lower revenue generated from channel leasing and airtime advertising sales. The leasing of television channels, which is mainly to third-party home shopping networks, was affected by the decline in demand for home shopping and heightened competition from internet retailing. These trends will continue to put pressure on 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 resulted in a decline in revenue. Premium digital cable TV revenue of $3.2 million for the quarter ended 31 December 2019 was down 5.0% on the pcp. On a full year basis, Premium digital cable TV revenue of $12.8 million was 7.6% lower. In constant NT$ terms, Premium digital cable TV revenue for the quarter and year decreased by 5.3% and 6.2%. Revenue was generated predominantly from TBC's c.214,000 Premium digital cable TV RGUs, each contributing an ARPU of NT$107 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.5,000 but ARPU was lower compared to the previous quarter ended 30 September 2019 (RGUs: c.209,000; ARPU: NT$112 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 ARPU.

- **Broadband:** Despite the strong competition from mobile operators offering unlimited wireless data, Broadband RGUs continued to increase during the quarter. Broadband revenue of $12.0 million for the quarter ended 31 December 2019 was down 1.5% on the pcp. On a full year basis, Broadband revenue of $47.7 million was 4.6% lower. In constant NT$ terms, Broadband revenue for the quarter and year decreased by 1.8% and 3.2%. Broadband revenue was generated predominantly from TBC's c.238,000 Broadband RGUs, each contributing an ARPU of NT$366 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 2019 (RGUs: c.232,000 and ARPU: NT$376 per month). The availability of low-cost unlimited data offerings from 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.

Mr Brian McKinley, Chief Executive Officer said, *"Despite the intense competition that has negatively impacted almost every player in the cable TV and telecommunications market globally, we have been steadily increasing the number of Premium digital cable TV and Broadband RGUs over the past seven quarters; this has more than offset the Basic cable TV churn. Continued efforts in executing our Broadband growth strategy, which involves network investment to increase speed and capacity, have also deepened our fixed-line Broadband market penetration from 29% in 2018 to 33%. The strategy of growing our Broadband business is key to managing cable TV churn and pressure on ARPU."*

As part of its Broadband growth strategy, TBC has started providing data backhaul services to a growing number of wireless operators who prefer tapping into its superior network. With the first round of 5G licences awarded recently, TBC is targeting to be fully backhaul ready to support 5G network carriers in their eventual rollout.

Mr McKinley added, *"We are confident that data backhaul will become a material part of our business in the next few years. In addition, to meet consumers' growing data usage, we will continue to drive higher speed plans, develop new market segments and introduce more value-added solutions that leverage the Android gateway."*

OUTLOOK

The Trustee-Manager is fully committed to navigating the challenges that APTT and the industry are facing. A key focus is to reduce dependence on borrowings and 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.

Through the refinancing of its borrowing facilities in November 2018 and extension of interest rate swaps to hedge approximately 95% of outstanding onshore facilities through to 2021, the Group's effective interest rate in 2020 is expected to remain in line with 2019.

The distribution guidance of 1.20 cents per unit for 2020, subject to no material changes in planning assumptions, will enable the Trust to continue using operational cash flows to fund capital expenditure and reduce the dependence on borrowings. At present, the Trust has no plans to draw on its $83.9 million of revolving facilities, except for managing working capital requirements if needed.

Capital expenditure is expected to trend down from 2020 onwards. The level of capital expenditure will be closely monitored to focus on areas that will have the best potential in generating growth and sustainability for the long-term. Subject to operating conditions, more cash generated from operations may be available to make debt repayments.

While the number of Premium digital cable TV and Broadband RGUs is expected to grow in 2020, total revenue will be influenced by the ability to maintain ARPUs which will remain under pressure due to video piracy issues, growing popularity of online TV, aggressively priced IPTV and competition from mobile operators offering unlimited wireless data plans. The decline in demand for home shopping and competition from internet retailing will continue to put pressure on channel leasing revenue for the cable industry. Total operating expenses in 2020 are expected to be in line with 2019.

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 2019. The record date will be on 20 March 2020 and the distribution will be paid on 27 March 2020.

The Board is re-affirming the distribution guidance for the year ending 31 December 2020. The distribution is expected to be 1.20 cents per unit for 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.

STRATEGIC REVIEW

The Trustee-Manager refers to previous announcements in relation to the independent strategic review of options available for APTT and its investment in TBC (the "Strategic Review").

Merrill Lynch (Singapore) Pte. Ltd. ("Bank of America Securities") is acting as the exclusive financial adviser of the Trustee-Manager in connection with the Strategic Review and reports directly to a special committee comprising all four independent directors and the Chief Executive Officer of the Trustee-Manager (the "Special Committee").

Following preliminary discussions with various interested parties, the Special Committee and Bank of America Securities have shortlisted select parties for more in-depth discussions in relation to APTT and its investment in TBC. These discussions are progressing but there is no assurance that any transaction for APTT or TBC will materialise from the Strategic Review.

The Trustee-Manager will make further announcements when appropriate. Unitholders of APTT are advised to refrain from taking any action in respect of their units or other securities of APTT which may be prejudicial to their interests, and to exercise caution when dealing in such units or other securities.

TRUSTEE-MANAGER UNITS IN APTT

Subsequent to the year ended 31 December 2019, on 10 January 2020, APTT issued 2,955,468 units to the Trustee-Manager at a price of $0.1691778996 per unit, as payment of $0.5 million, out of the total $3.7 million Trustee-Manager base fees for the six-month period from 1 July 2019 to 31 December 2019. The issue price per unit was based on APTT's volume weighted average price for a unit for all trades done on the Singapore Exchange Securities Trading Limited (the "SGX-ST") in the ordinary course of trading on the SGX-ST for the ten business days immediately prior to the date of issue. The balance of $3.2 million Trustee-Manager base fees along with GST and any rounding off adjustment from the issue of units was settled in cash.

Following the issuance of the TM Units, the Trustee-Manager's direct unitholding in APTT is 8,283,880 Units, representing approximately 0.573% of the total number of issued Units in APTT. Mr Lu Fang-Ming, the non-executive director and vice-chair of the Trustee-Manager, holds 5,000,000 Units, representing approximately 0.346% of the total number of issued Units in APTT. Mr Lu is the majority owner of Dynami Vision Pte. Ltd., which is the sole shareholder of the Trustee-Manager. Hong Han Investment Co., Ltd., a related entity of the Trustee-Manager, holds 43,103,999 Units, representing approximately 2.983% of the total number of issued Units in APTT. The total number of issued Units in APTT as at the date of this announcement is 1,445,083,880.

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 11,600 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 1 Gbps.

TBC generates stable cash flows and is positioned to grow in a measured way.

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 2019.

	Quarter ended 31 December	
	2019	2018
Ordinary distribution	0.30 cents per unit	0.30 cents per unit
Announcement date	10 February 2020	25 February 2019
Ex-distribution date	19 March 2020	21 March 2019
Record date	20 March 2020	22 March 2019
Date payable	27 March 2020	29 March 2019

The Board is re-affirming the distribution guidance for the year ending 31 December 2020. The distribution is expected to be 1.20 cents per unit for 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.

Breakdown of total annual distribution

	Year ended 31 December	
Amounts in $'000	2019	2018
Ordinary	17,298[1]	74,354[2]
Special	-	-
Total	**17,298**	**74,354**

[1] Includes an amount of $4.3 million which is to be paid on 27 March 2020.

[2] Included an amount of $4.3 million which was paid on 29 March 2019.

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	0.30
31 March 2019	0.30
30 June 2019	0.30
30 September 2019	0.30
31 December 2019 (to be paid on 27 March 2020)	0.30
Total	**44.805**

[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]	2019	2018	Variance[3] (%)	2019	2018	Variance[3] (%)
Revenue							
Basic cable TV	A(i)	59,067	63,905	(7.6)	232,151	250,044	(7.2)
Premium digital cable TV	A(ii)	3,181	3,349	(5.0)	12,797	13,849	(7.6)
Broadband	A(iii)	12,012	12,200	(1.5)	47,677	49,962	(4.6)
Total revenue		**74,260**	**79,454**	**(6.5)**	**292,625**	**313,855**	**(6.8)**
Operating expenses[4]							
Broadcast and production costs	B(i)	(13,742)	(15,363)	10.6	(53,431)	(60,049)	11.0
Staff costs	B(ii)	(7,585)	(6,750)	(12.4)	(28,836)	(28,056)	(2.8)
Trustee-Manager fees	B(iv)	(1,844)	(1,836)	(0.4)	(7,315)	(7,285)	(0.4)
Other operating expenses	B(vii)	(8,181)	(11,521)	29.0	(28,583)	(33,876)	15.6
Total operating expenses		**(31,352)**	**(35,470)**	**11.6**	**(118,165)**	**(129,266)**	**8.6**
EBITDA		**42,908**	**43,984**	**(2.4)**	**174,460**	**184,589**	**(5.5)**
EBITDA margin[5]		57.8%	55.4%		59.6%	58.8%	
(Loss)/profit after income tax[6]		**(305)**	**(7,520)**	**95.9**	**19,413**	**7,734**	**>100**
Capital expenditure							
Maintenance		8,111	6,374	(27.3)	21,772	19,903	(9.4)
Network, Broadband and other		12,967	19,328	32.9	53,085	55,480	4.3
Total capital expenditure		**21,078**	**25,702**	**18.0**	**74,857**	**75,383**	**0.7**
Maintenance capital expenditure as a % of revenue		**10.9**	**8.0**		**7.4**	**6.3**	
Total capital expenditure as a % of revenue		**28.4**	**32.3**		**25.6**	**24.0**	
Income tax paid, net of refunds		(740)	(3,395)	78.2	(10,182)	(16,742)	39.2
Interest and other finance costs paid		(22,393)	(13,236)	(69.2)	(50,524)	(53,536)	5.6

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

2 Notes can be found on pages 27 to 32.

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 17, 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.

6 Profit/loss after income tax is calculated in accordance with IFRS on page 17. Refer to page 25 for reconciliation of net profit/loss to EBITDA.

SELECTED OPERATING DATA

Group	As at				
	2019				2018
	31 December	30 September	30 June	31 March	31 December
RGUs ('000)					
Basic cable TV	729	734	739	745	750
Premium digital cable TV	214	209	200	198	196
Broadband	238	232	225	220	216

Group	Quarter ended				
	2019				2018
	31 December	30 September	30 June	31 March	31 December
ARPU[1] (NT$ per month)					
Basic cable TV	489	489	491	493	494
Premium digital cable TV	107	112	117	119	122
Broadband	366	376	391	404	417
AMCR[2] (%)					
Basic cable TV	(0.7)	(0.8)	(0.8)	(0.8)	(0.9)
Premium digital cable TV	(1.4)	(1.9)	(2.1)	(2.0)	(2.7)
Broadband	(1.0)	(1.0)	(1.1)	(1.1)	(1.1)

[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 2016 to 2020:

Franchise area Amounts in NT$	2020	2019	2018	2017	2016
South Taoyuan	510	510	510	510	530
Hsinchu County	570	570	570	570	570
North Miaoli	560	560	560	560	560
South Miaoli	560	560	560	560	560
Taichung City	550	550	550	550	550

REVIEW OF SELECTED FINANCIAL INFORMATION AND OPERATING DATA

(i) Revenue

Total revenue for the quarter ended 31 December 2019 was $74.3 million (31 December 2018: $79.5 million). Total revenue for the year ended 31 December 2019 was $292.6 million (31 December 2019: $313.9 million). Total revenue for the quarter and year was 6.5% and 6.8% lower than the pcp; in constant NT$ terms, total revenue for the quarter and year was 6.8% and 5.4% lower than the pcp. Foreign exchange contributed to a positive variance of 0.3% for the quarter and a negative variance of 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 $31.4 million for the quarter ended 31 December 2019 were 11.6% lower than the pcp (31 December 2018: $35.5 million). Total operating expenses of $118.2 million for the year ended 31 December 2019 were 8.6% lower than pcp (31 December 2018: $129.3 million). The lower total operating expenses for the quarter and year were mainly due to lower broadcast and production costs and other operating expenses, partially offset by higher staff costs.

(iii) EBITDA and EBITDA Margin

EBITDA of $42.9 million for the quarter ended 31 December 2019 was 2.4% lower than the pcp (31 December 2018: $44.0 million). EBITDA margin for the quarter of 57.8% was higher than the pcp (31 December 2018: 55.4%).

EBITDA of $174.5 million for the year ended 31 December 2019 was 5.5% lower than the pcp (31 December 2018: $184.6 million). EBITDA margin for the year of 59.6% was higher than the pcp (31 December 2018: 58.8%).

(iv) Capital expenditure

Total capital expenditure of $21.1 million for the quarter ended 31 December 2019 was 18.0% lower than the pcp (31 December 2018: $25.7 million) and $74.9 million for the year ended 31 December 2019 was 0.7% lower than the pcp (31 December 2018: $75.4 million). Total capital expenditure as a percentage of revenue was 28.4% for the quarter (31 December 2018: 32.3%) and 25.6% for the year (31 December 2018: 24.0%).

Total capital expenditure for the quarter and year was lower than the pcp because of lower capital expenditure being incurred on network, Broadband and other capital expenditure compared to the pcp.

The deployment of fibre deeper into the network was a key investment initiative for 2019 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 for full year 2019 was elevated due to the key investment initiative to deploy fibre deeper into the network but it is expected to trend down from 2020 onwards. The level of capital expenditure will be closely monitored to focus on areas that will have the best potential in generating growth and sustainability for the long-term.

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 the next few 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.
- 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 2019

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]	2019	2018	2019	2018
Assets					
Current assets					
Cash and cash equivalents	C(i)	79,101	73,576	4,788	7,161
Trade and other receivables	C(ii)	11,956	13,471	-	-
Derivative financial instruments	C(vi)	225	1,120	225	1,120
Other assets	C(vii)	17,670	2,140	73	55
		108,952	**90,307**	**5,086**	**8,336**
Non-current assets					
Investment in subsidiaries	C(iii)	-	-	1,342,351	1,342,351
Property, plant and equipment	C(iv)	338,796	328,308	12	29
Intangible assets	C(v)	2,390,549	2,371,838	6	17
Derivative financial instruments	C(vi)	7	80	7	80
Other assets	C(vii)	1,225	985	-	18
		2,730,577	**2,701,211**	**1,342,376**	**1,342,495**
Total assets		**2,839,529**	**2,791,518**	**1,347,462**	**1,350,831**
Liabilities					
Current liabilities					
Borrowings from financial institutions	D(i)	15,400	5,694	-	-
Derivative financial instruments	D(ii)	291	15	291	15
Trade and other payables	D(iii)	39,278	23,133	3,687	3,673
Contract liabilities	D(iv)	31,451	33,846	-	-
Retirement benefit obligations	D(v)	1,427	1,404	-	-
Income tax payable	D(vi)	7,582	11,444	-	-
Other liabilities	D(viii)	21,333	25,911	187	183
		116,762	**101,447**	**4,165**	**3,871**
Non-current liabilities					
Borrowings from financial institutions	D(i)	1,511,288	1,504,674	-	-
Derivative financial instruments	D(ii)	3,928	3,746	198	5
Retirement benefit obligations	D(v)	10,118	15,147	-	-
Deferred tax liabilities	D(vii)	84,793	74,575	-	-
Other liabilities	D(viii)	28,110	18,197	-	-
		1,638,237	**1,616,339**	**198**	**5**
Total liabilities		**1,754,999**	**1,717,786**	**4,363**	**3,876**
Net assets		**1,084,530**	**1,073,732**	**1,343,099**	**1,346,955**
Equity					
Unitholders' funds		1,343,851	1,342,851	1,343,851	1,342,851
Reserves	D(ix)	100,388	92,136	-	-
Accumulated (deficit)/surplus		(362,187)	(363,588)	(752)	4,104
Equity attributable to unitholders of APTT		**1,082,052**	**1,071,399**	**1,343,099**	**1,346,955**
Non-controlling interests	D(x)	2,478	2,333	-	-
Total equity		**1,084,530**	**1,073,732**	**1,343,099**	**1,346,955**

[1] Notes can be found on pages 33 to 42.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

Group		Quarter ended 31 December			Year ended 31 December		
Amounts in $'000	Note[1]	2019	2018	Variance[2] (%)	2019	2018	Variance[2] (%)
Revenue							
Basic cable TV	A(i)	59,067	63,905	(7.6)	232,151	250,044	(7.2)
Premium digital cable TV	A(ii)	3,181	3,349	(5.0)	12,797	13,849	(7.6)
Broadband	A(iii)	12,012	12,200	(1.5)	47,677	49,962	(4.6)
Total revenue		**74,260**	**79,454**	**(6.5)**	**292,625**	**313,855**	**(6.8)**
Operating expenses							
Broadcast and production costs	B(i)	(13,742)	(15,363)	10.6	(53,431)	(60,049)	11.0
Staff costs	B(ii)	(7,585)	(6,750)	(12.4)	(28,836)	(28,056)	(2.8)
Depreciation and amortisation expense[3]	B(iii)	(22,866)	(21,507)	(6.3)	(86,563)	(78,613)	(10.1)
Trustee-Manager fees	B(iv)	(1,844)	(1,836)	(0.4)	(7,315)	(7,285)	(0.4)
Net foreign exchange loss[4]	B(v)	(3,026)	(1,683)	(79.8)	(847)	(1,053)	19.6
Mark to market (loss)/gain on derivative financial instruments[5]	B(vi)	(69)	921	(>100)	582	2,642	(78.0)
Other operating expenses[6]	B(vii)	(8,181)	(11,521)	29.0	(28,583)	(33,876)	15.6
Total operating expenses		**(57,313)**	**(57,739)**	**0.7**	**(204,993)**	**(206,290)**	**0.6**
Operating profit		**16,947**	**21,715**	**(22.0)**	**87,632**	**107,565**	**(18.5)**
Amortisation of deferred arrangement fees[7]	B(viii)	(845)	(16,123)	94.8	(3,339)	(23,125)	85.6
Interest and other finance costs	B(ix)	(12,471)	(13,271)	6.0	(50,161)	(53,847)	6.8
Profit/(loss) before income tax		**3,631**	**(7,679)**	**>100**	**34,132**	**30,593**	**11.6**
Income tax (expense)/benefit[8]	B(x)	(3,936)	159	(>100)	(14,719)	(22,859)	35.6
(Loss)/profit after income tax		**(305)**	**(7,520)**	**95.9**	**19,413**	**7,734**	**>100**
(Loss)/profit after income tax attributable to:							
Unitholders of APTT		(403)	(7,618)	94.7	19,093	7,407	>100
Non-controlling interests		98	98	-	320	327	(2.1)
(Loss)/profit after income tax		**(305)**	**(7,520)**	**95.9**	**19,413**	**7,734**	**>100**
Basic and diluted earnings per unit attributable to unitholders of APTT (cents)[9]		**(0.03)**	**(0.53)**		**1.33**	**0.52**	

1 Notes can be found on pages 27 to 32.

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 compared to the pcp and depreciation on right of use assets. Refer Note B(iii) for more details.

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

6 Other operating expenses were lower mainly due to reversal of some provisions for fines made in the previous year. Refer Note B(vii) for more details.

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

8 Variance in income tax (expense)/benefit was mainly due to a one-time adjustment of deferred tax liabilities as at the beginning of the previous year following the change in corporate income tax rate in Taiwan from 17% to 20% starting from 2018. Refer Note B(x) for more details.

9 Earnings per unit is calculated by dividing profit/loss attributable to Unitholders of APTT by the weighted average number of APTT units outstanding during the period.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Group	Quarter ended 31 December			Year ended 31 December		
Amounts in $'000	2019	2018	Variance[1] (%)	2019	2018	Variance[1] (%)
(Loss)/profit after income tax	**(305)**	**(7,520)**	**95.9**	**19,413**	**7,734**	**>100**
Other comprehensive income/(loss)						
Items that will not subsequently be reclassified to profit or loss:						
Remeasurement of defined benefit obligations	(280)	950	(>100)	(280)	950	(>100)
	(280)	**950**	**(>100)**	**(280)**	**950**	**(>100)**
Items that may subsequently be reclassified to profit or loss:						
Exchange differences on translation of foreign operations	14,378	(4,009)	>100	8,079	(10,239)	>100
Unrealised movement on change in fair value of cash flow hedging financial instruments	692	(2,554)	>100	44	(2,119)	>100
Deferred tax relating to items that may subsequently be reclassified to profit or loss	(139)	511	(>100)	(9)	473	(>100)
	14,931	**(6,052)**	**>100**	**8,114**	**(11,885)**	**>100**
Other comprehensive income/(loss), net of tax	**14,651**	**(5,102)**	**>100**	**7,834**	**(10,935)**	**>100**
Total comprehensive income/(loss)	**14,346**	**(12,622)**	**>100**	**27,247**	**(3,201)**	**>100**
Total comprehensive income/(loss) attributable to:						
Unitholders of APTT	14,248	(12,720)	>100	26,927	(3,528)	>100
Non-controlling interests	98	98	-	320	327	(2.1)
Total comprehensive income/(loss)	**14,346**	**(12,622)**	**>100**	**27,247**	**(3,201)**	**>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 2019	**1,342,851**	**92,136**	**(363,588)**	**1,071,399**	**2,333**	**1,073,732**
Total comprehensive income						
Profit after income tax	-	-	19,093	19,093	320	19,413
Other comprehensive income, net of tax	-	7,834	-	7,834	-	7,834
Total	**-**	**7,834**	**19,093**	**26,927**	**320**	**27,247**
Transactions with unitholders, recognised directly in equity						
Units issued against settlement of management fees	1,000	-	-	1,000	-	1,000
Settlement of transactions with non-controlling interests	-	-	-	-	(115)	(115)
Transfer to capital reserves	-	418	(418)	-	-	-
Distributions paid	-	-	(17,274)	(17,274)	(60)	(17,334)
Total	**1,000**	**418**	**(17,692)**	**(16,274)**	**(175)**	**(16,449)**
Balance as at 31 December 2019	**1,343,851**	**100,388**	**(362,187)**	**1,082,052**	**2,478**	**1,084,530**

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 2019	**1,343,851**	**85,737**	**(357,457)**	**1,072,131**	**2,453**	**1,074,584**
Total comprehensive income/(loss)						
(Loss)/profit after income tax	-	-	(403)	(403)	98	(305)
Other comprehensive income, net of tax	-	14,651	-	14,651	-	14,651
Total	**-**	**14,651**	**(403)**	**14,248**	**98**	**14,346**
Transactions with unitholders, recognised directly in equity						
Settlement of transactions with non-controlling interests	-	-	-	-	(13)	(13)
Distributions paid	-	-	(4,327)	(4,327)	(60)	(4,387)
Total	**-**	**-**	**(4,327)**	**(4,327)**	**(73)**	**(4,400)**
Balance as at 31 December 2019	**1,343,851**	**100,388**	**(362,187)**	**1,082,052**	**2,478**	**1,084,530**

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**	**(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 reserves	-	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**

Trust Amounts in $'000	Unitholders' funds	Accumulated surplus/(deficit)	Total equity
Balance as at 1 January 2019	**1,342,851**	**4,104**	**1,346,955**
Total comprehensive income			
Profit after income tax	-	12,418	12,418
Total	**-**	**12,418**	**12,418**
Transactions with unitholders, recognised directly in equity			
Units issued against settlement of management fees	1,000	-	1,000
Distributions paid	-	(17,274)	(17,274)
Total	**1,000**	**(17,274)**	**(16,274)**
Balance as at 31 December 2019	**1,343,851**	**(752)**	**1,343,099**

Trust Amounts in $'000	Unitholders' funds	Accumulated surplus/(deficit)	Total equity
Balance as at 1 October 2019	**1,343,851**	**2,805**	**1,346,656**
Total comprehensive income			
Profit after income tax	-	770	770
Total	**-**	**770**	**770**
Transactions with unitholders, recognised directly in equity			
Units issued against settlement of management fees	-	-	-
Distributions paid	-	(4,327)	(4,327)
Total	**-**	**(4,327)**	**(4,327)**
Balance as at 31 December 2019	**1,343,851**	**(752)**	**1,343,099**

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**

DETAIL OF CHANGES IN UNITHOLDERS' FUNDS

Trust	Quarter ended 31 December		Year ended 31 December	
Number of units in '000	2019	2018	2019	2018
At beginning of the quarter/year	**1,442,128**	**1,436,800**	**1,436,800**	**1,436,800**
Units issued against settlement of management fees to Trustee-Manager	-	-	5,328	-
At end of the quarter/year	**1,442,128**	**1,436,800**	**1,442,128**	**1,436,800**

Trust	Quarter ended 31 December		Year ended 31 December	
Amounts in $'000	2019	2018	2019	2018
At beginning of the quarter/year	**1,343,851**	**1,342,851**	**1,342,851**	**1,342,851**
Units issued against settlement of management fees to Trustee-Manager	-	-	1,000	-
At end of the quarter/year	**1,343,851**	**1,342,851**	**1,343,851**	**1,342,851**

On 22 July 2019, 5,328,412 units were issued to the Trustee-Manager at a price of $0.1876731597 per unit, for payment of $1 million, out of the total $3.6 million Trustee-Manager base fees for the six-month period from 1 January 2019 to 30 June 2019. The issue price per unit was based on APTT's volume weighted average price for a unit for all trades done on the SGX-ST in the ordinary course of trading on the SGX-ST for the ten business days immediately prior to the date of issue. Following the issuance of the units to the Trustee-Manager, the total number of issued units in APTT is 1,442,128,412.

There were no changes to unitholders' funds during the pcp.

Subsequent to the year ended 31 December 2019, on 10 January 2020, APTT issued 2,955,468 units to the Trustee-Manager at a price of $0.1691778996 per unit, for payment of $0.5 million, out of the total $3.7 million Trustee-Manager base fees for the six-month period from 1 July 2019 to 31 December 2019. The issue price per unit was based on APTT's volume weighted average price for a unit for all trades done on the SGX-ST in the ordinary course of trading on the SGX-ST for the ten business days immediately prior to the date of issue. Following the issuance of the units to the Trustee-Manager, the total number of issued units in APTT is 1,445,083,880.

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 2019 and 2018, 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 2019	 2018	Year ended 31 December 2019	 2018
Cash flows from operating activities				
(Loss)/profit after income tax	**(305)**	**(7,520)**	**19,413**	**7,734**
Adjustments for:				
Depreciation and amortisation expense	22,866	21,507	86,563	78,613
Net foreign exchange loss	2,539	1,782	534	1,375
Gain on disposal of property, plant and equipment	-	-	(6)	-
Mark to market loss/(gain) on derivative financial instruments	69	(921)	(582)	(2,642)
Amortisation of deferred arrangement fees	845	16,123	3,339	23,125
Interest and other finance costs	12,471	13,271	50,161	53,847
Income tax expense/(benefit)	3,936	(159)	14,719	22,859
Settlement of management fees in units to Trustee-Manager	-	-	1,000	-
Operating cash flows before movements in working capital	**42,421**	**44,083**	**175,141**	**184,911**
Trade and other receivables	2,845	3,024	1,515	(1,626)
Trade and other payables	16,614	(10,318)	16,145	1,441
Contract liabilities	483	(513)	(2,395)	(2,477)
Retirement benefit obligations	103	(43)	(5,286)	(4,336)
Other assets	(15,463)	(11)	(15,770)	(789)
Other liabilities	4,397	3,272	1,117	(407)
Cash generated from operations	**51,400**	**39,494**	**170,467**	**176,717**
Income tax paid, net of refunds	(740)	(3,395)	(10,182)	(16,742)
Interest paid on lease liabilities	-	-	(194)	-
Net cash inflows from operating activities	**50,660**	**36,099**	**160,091**	**159,975**
Cash flows from investing activities				
Acquisition of property, plant and equipment	(21,692)	(26,185)	(71,907)	(73,876)
Proceeds from disposal of property, plant and equipment	1	-	11	-
Acquisition of intangible assets	(5,997)	(3,778)	(20,015)	(12,664)
Net cash used in investing activities	**(27,688)**	**(29,963)**	**(91,911)**	**(86,540)**
Cash flows from financing activities				
Interest and other finance costs paid	(22,393)	(13,236)	(50,330)	(53,536)
Borrowings from financial institutions	-	1,297,638	10,985	1,366,517
Repayment of borrowings to financial institutions	(1,947)	(1,274,360)	(5,697)	(1,286,587)
Settlement of lease liabilities	(677)	-	(2,183)	-
Settlement of derivative financial instruments	180	364	2,019	630
Settlement of transactions with non-controlling interests	(13)	(15)	(115)	(123)
Distributions to non-controlling interests	(60)	(61)	(60)	(203)
Distributions to unitholders	(4,327)	(23,348)	(17,274)	(93,392)
Net cash used in financing activities	**(29,237)**	**(13,018)**	**(62,655)**	**(66,694)**
Net (decrease)/increase in cash and cash equivalents	**(6,265)**	**(6,882)**	**5,525**	**6,741**
Cash and cash equivalents at the beginning of the quarter/year	85,366	80,458	73,576	66,835
Cash and cash equivalents at the end of the quarter/year	**79,101**	**73,576**	**79,101**	**73,576**

RECONCILIATION OF NET PROFIT TO EBITDA

Group	Quarter ended 31 December			Year ended 31 December		
Amounts in $'000	2019	2018	Variance[1] (%)	2019	2018	Variance[1] (%)
(Loss)/profit after income tax	**(305)**	**(7,520)**	**95.9**	**19,413**	**7,734**	**>100**
Add: Depreciation and amortisation expense	22,866	21,507	(6.3)	86,563	78,613	(10.1)
Add: Net foreign exchange loss	3,026	1,683	(79.8)	847	1,053	19.6
Add: Mark to market loss/(gain) on derivative financial instruments	69	(921)	(>100)	(582)	(2,642)	(78.0)
Add: Amortisation of deferred arrangement fees	845	16,123	94.8	3,339	23,125	85.6
Add: Interest and other finance costs	12,471	13,271	6.0	50,161	53,847	6.8
Add: Income tax expense/(benefit)	3,936	(159)	(>100)	14,719	22,859	35.6
EBITDA	**42,908**	**43,984**	**(2.4)**	**174,460**	**184,589**	**(5.5)**
EBITDA margin	57.8%	55.4%		59.6%	58.8%	

[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 2019

REVIEW OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2019

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

A) REVIEW OF REVENUE

Total revenue for the quarter ended 31 December 2019 was $74.3 million (31 December 2018: $79.5 million). Total revenue for the year ended 31 December 2019 was $292.6 million (31 December 2018: $313.9 million). Total revenue for the quarter and year was 6.5% and 6.8% lower than the pcp; in constant NT$ terms, total revenue for the quarter and year was 6.8% and 5.4% lower than the pcp. Foreign exchange contributed to a positive variance of 0.3% for the quarter and a negative variance of 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 $59.1 million for the quarter ended 31 December 2019 was down 7.6% on the pcp (31 December 2018: $63.9 million); in constant NT$ terms, Basic cable TV revenue was down 7.9% on the pcp. This comprised subscription revenue of $48.0 million (31 December 2018: $49.7 million) and non-subscription revenue of $11.1 million (31 December 2018: $14.2 million). The decrease in Basic cable TV revenue was mainly due to lower subscription and non-subscription revenue as described below.

Basic cable TV revenue of $232.2 million for the year ended 31 December 2019 was down 7.2% on the pcp (31 December 2018: $250.0 million); in constant NT$ terms, Basic cable TV revenue was down 5.8% on the pcp. This comprised subscription revenue of $192.1 million (31 December 2018: $203.3 million) and non-subscription revenue of $40.1 million (31 December 2018: $46.7 million). The decrease in Basic cable TV revenue was mainly due to lower subscription and non-subscription revenue as described below.

Subscription revenue was generated from TBC's c.729,000 Basic cable TV RGUs, each contributing an ARPU of NT$489 per month in the quarter to access over 100 cable TV channels. Basic cable TV RGUs decreased by c.5,000 and ARPU remained unchanged compared to the previous quarter ended 30 September 2019 (RGUs: c.734,000; ARPU: NT$489 per month). The decline in Basic cable TV RGUs was due to a number of factors including competition from aggressively priced IPTV, video piracy issues and expectations from consumers for discounts as they compare with the lower cable TV pricing outside of TBC's five franchise areas, particularly in the Taipei region. Subscription revenue for the quarter and year was lower than the pcp because of a lower number of subscribers and ARPU.

Non-subscription revenue was 18.8% of Basic cable TV revenue for the quarter (31 December 2018: 22.2%) and 17.3% for the year (31 December 2018: 18.7%). This comprised revenue from the leasing of television channels to third parties, sale of airtime advertising and fees for the installation of set-top boxes. Non-subscription revenue for the quarter and year was lower than the pcp mainly due to lower revenue generated from channel leasing and airtime advertising sales. The leasing of television channels, which is mainly to third-party home shopping networks, was affected by the decline in demand for home shopping and heightened competition from internet retailing. These trends will continue to put pressure on 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 $3.2 million for the quarter ended 31 December 2019 was down 5.0% on the pcp (31 December 2018: $3.3 million); in constant NT$ terms, Premium digital cable TV revenue was 5.3% lower than the pcp. This comprised subscription revenue of $3.1 million (31 December 2018: $3.2 million) and non-subscription revenue of $0.1 million (31 December 2018: $0.1 million).

Premium digital cable TV revenue of $12.8 million for the year ended 31 December 2019 was down 7.6% on the pcp (31 December 2018: $13.8 million); in constant NT$ terms, Premium digital cable TV revenue was 6.2% lower than the pcp. This comprised subscription revenue of $12.2 million (31 December 2018: $13.2 million) and non-subscription revenue of $0.6 million (31 December 2018: $0.6 million).

Subscription revenue was generated from TBC's c.214,000 Premium digital cable TV RGUs, each contributing an ARPU of NT$107 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.5,000 but ARPU was lower compared to the previous quarter ended 30 September 2019 (RGUs: c.209,000; ARPU: NT$112 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 ARPU.

Non-subscription revenue predominantly comprised revenue 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 $12.0 million for the quarter ended 31 December 2019 was down 1.5% on the pcp (31 December 2018: $12.2 million); in constant NT$ terms, Broadband revenue for the quarter was 1.8% lower than the pcp. This comprised subscription revenue of $11.6 million (31 December 2018: $11.9 million) and non-subscription revenue of $0.4 million (31 December 2018: $0.3 million).

Broadband revenue of $47.7 million for the year ended 31 December 2019 was down 4.6% on the pcp (31 December 2018: $50.0 million); in constant NT$ terms, Broadband revenue for the year was 3.2% lower than the pcp. This comprised subscription revenue of $46.1 million (31 December 2018: $48.0 million) and non-subscription revenue of $1.6 million (31 December 2018: $2.0 million).

Subscription revenue was generated from TBC's c.238,000 Broadband RGUs, each contributing an ARPU of NT$366 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 2019 (RGUs: c.232,000 and ARPU: NT$376 per month). The availability of low-cost unlimited data offerings from 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 predominantly comprised revenue 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 $13.7 million for the quarter ended 31 December 2019, down 10.6% on the pcp (31 December 2018: $15.4 million); in constant NT$ terms, broadcast and production costs were 10.9% lower than the pcp mainly due to lower cost of acquiring cable TV content. Foreign exchange contributed to a negative variance of 0.3% for the quarter compared to the pcp.

Broadcast and production costs were $53.4 million for the year ended 31 December 2019, down 11.0% on the pcp (31 December 2018: $60.0 million); in constant NT$ terms, broadcast and production costs were 9.6% lower than the pcp mainly due to lower cost of acquiring 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 $7.6 million for the quarter ended 31 December 2019, up 12.4% on the pcp (31 December 2018: $6.8 million) and $28.8 million for the year ended 31 December 2019, up 2.8% on the pcp (31 December 2018: $28.1 million). Staff costs for the quarter and year were higher mainly due to higher 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 47.6 million notional units have been granted under the LTIP since inception. Out of the total notional units granted since inception, 13.4 million notional units had vested by 31 December 2019. The remaining 34.2 million notional units remained unvested as at 31 December 2019.

LTIP expense attributable to the quarter 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 $22.9 million for the quarter ended 31 December 2019, up 6.3% on the pcp (31 December 2018: $21.5 million) and $86.6 million for the year ended 31 December 2019, up 10.1% on the pcp (31 December 2018: $78.6 million). The increase was mainly due to higher depreciation expense on network equipment for the quarter and year compared to the pcp. Depreciation and amortisation expense for the quarter and year ended 31 December 2019 also included depreciation on right of use assets, recognised as at 1 January 2019, as a result of adoption of IFRS 16 'Leases'. Refer Note C(iv) for more details.

Depreciation and amortisation expense comprised depreciation and amortisation of the Group's capital expenditures in relation to network equipment, set-top boxes, other plant and equipment, right of use assets, 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 2019 (31 December 2018: $1.8 million) and $7.3 million for the year ended 31 December 2019 (31 December 2018: $7.3 million). There were no performance fees payable to the Trustee-Manager for the quarter and year ended 31 December 2019 (31 December 2018: 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

Net foreign exchange loss for the quarter ended 31 December 2019 was $3.0 million (31 December 2018: $1.7 million) and $0.8 million for the year ended 31 December 2019 (31 December 2018: $1.1 million). Net foreign exchange loss for the quarter and year ended 31 December 2019 included unrealised foreign exchange movements from translations at the subsidiary level which are not expected to be realised.

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

The Group uses foreign exchange contracts to manage its exposure to foreign exchange movements as discussed in Note C(vi). For the quarter ended 31 December 2019, the period end mark to market loss on foreign currency contracts was $0.1 million (31 December 2018: gain of $0.9 million) and for the year ended 31 December 2019, the period end mark to market gain on foreign currency contracts was $0.6 million (31 December 2018: $2.6 million). Mark to market (loss)/gain on derivative financial instruments included gain of $0.2 million (31 December 2018: $0.4 million) and $2.0 million (31 December 2018: $0.6 million) on NT$ foreign exchange contracts settled during the quarter and year.

(vii) Other operating expenses

Other operating expenses were $8.2 million for the quarter ended 31 December 2019, down 29.0% on the pcp (31 December 2018: $11.5 million) and $28.6 million for the year ended 31 December 2019, down 15.6% on the pcp (31 December 2018: $33.9 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	2019	2018	2019	2018
Lease rentals	(30)	(409)	(146)	(1,683)
Pole rentals	(1,474)	(2,813)	(5,056)	(6,129)
Legal and professional fees	(918)	(1,166)	(3,976)	(3,860)
Non-recoverable GST/VAT	(907)	(899)	(3,504)	(3,805)
Marketing and selling expenses	(1,836)	(2,352)	(5,418)	(5,982)
General and administrative expenses	(1,378)	(1,346)	(5,061)	(4,917)
Licence fees	(602)	(621)	(2,388)	(2,501)
Repairs and maintenance	(461)	(519)	(1,655)	(1,724)
Others	(575)	(1,396)	(1,379)	(3,275)
Total	**(8,181)**	**(11,521)**	**(28,583)**	**(33,876)**

Other operating expenses for the year included the reversal of provisions made in the previous year of $0.8 million, for fines imposed by Taiwan regulators.

(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 $0.8 million for the quarter ended 31 December 2019 (31 December 2018: $16.1 million) and $3.3 million for the year ended 31 December 2019 (31 December 2018: $23.1 million).

Amortisation of deferred arrangement fees for the pcp ended 31 December 2018 included amortisation of unamortised arrangement fees paid on refinancing of onshore borrowing facilities in October 2016 and arrangement fees paid on securing offshore borrowing facilities in July 2016. As a result of adopting accounting treatment under IFRS 9 'Financial Instruments', the unamortised arrangement fees relating to the previous facilities were either adjusted directly against the opening retained earnings balance as at the beginning of the previous year (i.e. 1 January 2018) or written off as amortisation of deferred arrangement fees in the consolidated statement of profit or loss during the previous year.

Amortisation of deferred arrangement fees during the quarter and year ended 31 December 2019 thus included amortisation of financing fees paid in November 2018, which were substantially lower than the previous facilities and hence were lower than the pcp.

(ix) Interest and other finance costs

Interest and other finance costs were $12.5 million for the quarter ended 31 December 2019, 6.0% lower than the pcp (31 December 2018: $13.3 million) and $50.2 million for the year ended 31 December 2019, 6.8% lower than the pcp (31 December 2018: $53.8 million). These comprised interest expense and commitment and other fees on the Group's debt facilities. Interest and other finance costs for the quarter and year ended 31 December 2019 also included finance charges on lease liabilities of $0.06 million and $0.2 million, recognised as a result of adoption of IFRS 16 'Leases'.

(x) Income tax (expense)/benefit

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)/benefit recognised in the consolidated statements of profit or loss was as follows:

Group	Quarter ended 31 December		Year ended 31 December	
Amounts in $'000	2019	2018	2019	2018
Current income tax	(416)	(1,642)	(3,228)	(6,257)
Deferred income tax	(2,568)	4,500	(9,616)	(6,328)
Withholding tax	(952)	(2,735)	(4,367)	(10,227)
Over/(under) provision of tax in prior years[1]	-	36	2,492	(47)
Total	**(3,936)**	**159**	**(14,719)**	**(22,859)**

[1] Over/(under) provision of tax in prior years represents adjustments made to prior years' tax provisions in the current quarter and year to reflect the current position of tax provision related to those years based on tax assessment, or otherwise, and does not relate to 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 the beginning of the previous year (i.e. 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 2019

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

C) ASSETS

(i) Cash and cash equivalents

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

Cash and cash equivalents at the Trust level decreased from $7.2 million as at 31 December 2018 to $4.8 million as at 31 December 2019. 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 2019.

Cash and cash equivalents at the Group level increased from $73.6 million as at 31 December 2018 to $79.1 million as at 31 December 2019. The increase was primarily driven by operating cash flows and changes in working capital, partially offset by the payment of distributions to unitholders, capital expenditure and interest payments during the year. Refer to the consolidated statements of cash flows on page 24 for more details.

(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 decreased from $13.5 million as at 31 December 2018 to $12.0 million as at 31 December 2019 mainly due to decrease in the amounts due from trade debtors for channel leasing and advertising revenue.

(iii) Investment in subsidiaries

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

Held by the Trust	Principal activities	Country of incorporation	Equity holding			
			%		$'000	
Name of subsidiary			2019	2018	2019	2018
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 Group's PPE as at 31 December 2019 included right of use assets recognised as a result of adoption of IFRS 16 'Leases'. The cumulative effect of initial application of IFRS 16 has been recognised as part of PPE as at 1 January 2019. The amounts recognised in the statements of financial position were determined as follows:

Group Carrying value Amounts in $'000	As at 1 January 2019	Additions	Transfer within PPE	IFRS 16 adjustments	Disposals/ write-offs	Depreciation and impairment	Foreign exchange effect	As at 31 December 2019
Land	4,571	-	159	-	-	(67)	27	4,690
Buildings	6,573	-	3,031	-	-	(1,723)	31	7,912
Leasehold improvements	1,485	-	2,996	-	-	(871)	50	3,660
Network equipment	293,717	1,847	50,722	-	(3)	(64,247)	1,517	283,553
Plant and equipment	6,081	8	10,054	-	-	(2,995)	129	13,277
Transport equipment	977	-	(24)	-	(1)	(382)	(1)	569
Leased equipment	102	-	-	(100)	-	-	(2)	-
Assets under construction	14,802	66,716	(66,938)	-	-	(394)	66	14,252
Right of use assets								
Land	-	-	-	1,015	-	(280)	18	753
Buildings	-	1,819	-	5,503	-	(1,435)	143	6,030
Transport equipment	-	4,467	-	100	(34)	(511)	78	4,100
Total	**328,308**	**74,857**	**-**	**6,518**	**(38)**	**(72,905)**	**2,056**	**338,796**

Group Carrying value Amounts in $'000	As at 1 October 2019	Additions	Transfer within PPE	IFRS 16 adjustments	Disposals/ write-offs	Depreciation and impairment	Foreign exchange effect	As at 31 December 2019
Land	4,557	-	159	-	-	(67)	41	4,690
Buildings	5,896	-	2,221	-	-	(267)	62	7,912
Leasehold improvements	3,922	-	28	-	-	(323)	33	3,660
Network equipment	285,867	233	11,322	-	-	(16,425)	2,556	283,553
Plant and equipment	10,737	8	3,404	-	-	(979)	107	13,277
Transport equipment	662	-	(24)	-	(1)	(74)	6	569
Leased equipment	-	-	-	-	-	-	-	-
Assets under construction	11,527	20,114	(17,110)	-	-	(394)	115	14,252
Right of use assets								
Land	817	-	-	-	-	(71)	7	753
Buildings	6,372	-	-	-	-	(398)	56	6,030
Transport equipment	3,559	723	-	-	-	(216)	34	4,100
Total	**333,916**	**21,078**	**-**	**-**	**(1)**	**(19,214)**	**3,017**	**338,796**

Group Carrying value Amounts in $'000	As at 1 January 2018	Additions	Transfer within PPE	IFRS 16 adjustments	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**

Trust Carrying value Amounts in $'000	As at 1 January 2019	Additions	Transfer within PPE	IFRS 16 adjustments	Disposals/ write-offs	Depreciation and impairment	Foreign exchange effect	As at 31 December 2019
Leasehold improvements	-	-	-	-	-	-	-	-
Plant and equipment	29	-	-	-	-	(17)	-	12
Total	**29**	**-**	**-**	**-**	**-**	**(17)**	**-**	**12**

Trust Carrying value Amounts in $'000	As at 1 October 2019	Additions	Transfer within PPE	IFRS 16 adjustments	Disposals/ write-offs	Depreciation and impairment	Foreign exchange effect	As at 31 December 2019
Leasehold improvements	-	-	-	-	-	-	-	-
Plant and equipment	16	-	-	-	-	(4)	-	12
Total	**16**	**-**	**-**	**-**	**-**	**(4)**	**-**	**12**

Trust Carrying value Amounts in $'000	As at 1 January 2018	Additions	Transfer within PPE	IFRS 16 adjustments	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**

During the quarter and year ended 31 December 2019, the Group acquired property, plant and equipment with an aggregate cost of $21.1 million (31 December 2018: $25.7 million) and $74.9 million (31 December 2018: $75.4 million), of which $7.5 million remained unpaid as at 31 December 2019 (31 December 2018: $4.5 million). In addition, property, plant and equipment with an aggregate cost of $8.1 million, unpaid as at 30 September 2019, was paid during the quarter (31 December 2018: $5.0 million) and property, plant and equipment with an aggregate cost of $4.5 million, unpaid as at 31 December 2018, was paid during the year (31 December 2018: $3.0 million).

During the year ended 31 December 2019, the Group adopted the accounting treatment under IFRS 16 'Leases'. Right of use assets were measured at an amount equal to the lease liabilities. Refer Note D(viii) for more details on lease liabilities. As a result, the Group recognised right of use assets, representing its right to use the underlying assets, of $6.5 million to the opening balance of PPE as at 1 January 2019.

(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 their 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 2019	Additions	Amortisation	Foreign exchange effect	As at 31 December 2019
Cable TV licences	2,351,682	-	-	13,534	2,365,216
Software	3,807	2,471	(2,193)	23	4,108
Programming rights	8,572	16,129	(11,465)	168	13,404
Goodwill	7,777	-	-	44	7,821
Total	**2,371,838**	**18,600**	**(13,658)**	**13,769**	**2,390,549**

Group Carrying value Amounts in $'000	As at 1 October 2019	Additions	Amortisation	Foreign exchange effect	As at 31 December 2019
Cable TV licences	2,344,098	-	-	21,118	2,365,216
Software	3,691	900	(519)	36	4,108
Programming rights	12,842	3,578	(3,133)	117	13,404
Goodwill	7,751	-	-	70	7,821
Total	**2,368,382**	**4,478**	**(3,652)**	**21,341**	**2,390,549**

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**

Trust Carrying value Amounts in $'000	As at 1 January 2019	Additions	Amortisation	Foreign exchange effect	As at 31 December 2019
Software	17	-	(11)	-	6
Total	**17**	**-**	**(11)**	**-**	**6**

Trust Carrying value Amounts in $'000	As at 1 October 2019	Additions	Amortisation	Foreign exchange effect	As at 31 December 2019
Software	9	-	(3)	-	6
Total	**9**	**-**	**(3)**	**-**	**6**

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**

During the quarter and year ended 31 December 2019, the Group acquired intangible assets with an aggregate cost of $4.5 million (31 December 2018: $0.5 million) and $18.6 million (31 December 2018: $14.3 million) of which $0.3 million remained unpaid as at 31 December 2019 (31 December 2018: $1.7 million). In addition, intangible assets with an aggregate cost of $1.8 million, unpaid as at 30 September 2019, was paid during the quarter (31 December 2018: $4.9 million) and intangible assets with an aggregate cost of $1.7 million, unpaid as at 31 December 2018, was paid during the year (31 December 2018: $0.1 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 2019, mark to market movements, classified as current and non-current assets, on such contracts were $0.2 million (31 December 2018: $1.1 million) and $0.01 million (31 December 2018: $0.1) both at the Group and Trust level.

(vii) Other assets

As at 31 December 2019, the Group and Trust had other current assets of $17.7 million and $0.1 million (31 December 2018: $2.1 million and $0.1 million). These predominantly comprised GST recoverable, refundable deposits and expense prepayments.

Other non-current assets at the Group and Trust level of $1.2 million and nil as at 31 December 2019 (31 December 2018: $1.0 million and $0.02 million) predominantly comprised refundable deposits.

D) LIABILITIES

(i) Borrowings from financial institutions

Group	As at 31 December	
Amounts in $'000	2019	2018
Current portion	15,400	5,694
	15,400	**5,694**
Non-current portion	1,529,135	1,525,796
Less: Unamortised arrangement fees	(17,847)	(21,122)
	1,511,288	**1,504,674**
Total[1]	**1,526,688**	**1,510,368**

[1] Comprised outstanding NT$ denominated borrowings of $1,306.8 million (31 December 2018: $1,287.2 million) at TBC level and Singapore dollar denominated multicurrency borrowings of $219.9 million (31 December 2018: $223.2 million) at Bermuda holding companies' level.

Onshore Facilities

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

The NT$ denominated Onshore Facilities 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 2019, the total carrying value of property, plant and equipment pledged for the Onshore Facilities was $298.8 million (31 December 2018: $301.8 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 Onshore Facilities 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 was 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 refinancing of Onshore Facilities were agreed at 1.25%. 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. 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 previous year ended 31 December 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 2019, the total carrying value of assets pledged for the Offshore Facilities was $1,117 million (31 December 2018: $1,127 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.

Amendment fees on the Offshore Facilities were agreed at 0.30% payable on 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.

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 statements of profit or loss during the previous year 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 2019, mark to market movements, classified as current and non-current liabilities, on such contracts were $0.3 million and $0.2 million (31 December 2018: $0.02 million and $0.01 million) 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 2019, the notional amount of interest rate swaps on TAIBOR maturing in December 2021 was NT$28.0 billion (31 December 2018: NT$28.0 billion), thus fixing approximately 95% of outstanding Onshore Facilities through to 2021.

As at 31 December 2019, mark to market movements, classified as non-current liabilities, on such swaps were $3.7 million (31 December 2018: $3.7 million) at the Group level. Non-current derivative financial instruments at the Group level of $3.9 million as at 31 December 2019 (31 December 2018: $3.7 million) also included the mark to market movements on foreign exchange contracts of $0.2 million (31 December 2018: $0.01 million) as mentioned above.

(iii) Trade and other payables

Amounts in $'000	Group as at 31 December		Trust as at 31 December	
	2019	2018	2019	2018
Trade payables due to outside parties	35,591	19,460	-	-
Base fees payable to the Trustee-Manager	3,687	3,673	3,687	3,673
Total	**39,278**	**23,133**	**3,687**	**3,673**

The Group's trade and other payables as at 31 December 2019 of $39.3 million (31 December 2018: $23.1 million) comprised mainly broadcast and production costs payable of $23.9 million (31 December 2018: $15.1 million) and base fees payable to the Trustee-Manager of $3.7 million (31 December 2018: $3.7 million).

The Trust's trade and other payables as at 31 December 2019 comprised base fees payable to the Trustee-Manager of $3.7 million (31 December 2018: $3.7 million).

(iv) Contract liabilities

Contract liabilities were $31.5 million as at 31 December 2019 (31 December 2018: $33.8 million). 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 ended 31 December 2019 which related to brought-forward contract liabilities as at the end of the previous year was $33.8 million.

(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 2019, the Group's retirement benefit obligations, classified as current and non-current liabilities, were $1.4 million (31 December 2018: $1.4 million) and $10.1 million (31 December 2018: $15.1 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	
	2019	2018
Balance at the beginning of the year	**11,444**	**13,182**
Current income tax provision	3,228	6,257
(Over)/under provision of tax in prior years	(2,492)	47
Income tax payment	(4,330)	(5,298)
Prepaid and withheld income tax	(229)	(2,628)
Foreign exchange effect	(39)	(116)
Balance at the end of the year	**7,582**	**11,444**

(vii) Deferred tax liabilities

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

Group Amounts in $'000	As at 31 December 2019	 2018
Impairment loss	(902)	(921)
Cash flow hedging reserves	(746)	(748)
Intangible assets that are partially deductible for tax purposes[1]	88,120	81,125
Accelerated tax depreciation	145	489
Undistributed earnings of subsidiaries	4,976	1,394
Deferred arrangement fees	(5,609)	(6,520)
Carry forward of losses	(1,904)	(683)
Provisions	(652)	(648)
Others	(37)	(11)
Unrealised exchange differences	1,402	1,098
Deferred tax liabilities, net	**84,793**	**74,575**

[1] Following the settlement principles agreed between the Group and the Taiwan tax authorities in 2014, deferred tax liabilities of $88.1 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 2019 (31 December 2018: $81.1 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 the beginning of the previous year (i.e. 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 2019 of $21.3 million (31 December 2018: $25.9 million) predominantly comprised accrued expenses of $9.7 million (31 December 2018: $15.7 million), withholding and other tax payable of $4.5 million (31 December 2018: $5.3 million), interest and other finance costs payable of $2.3 million (31 December 2018: $2.5 million), amounts accrued under the Group's long-term incentive plan of $1.9 million (31 December 2018: $2.3 million) and lease liabilities of $2.7 million recognised as a result of adoption of IFRS 16 'Leases'.

The Trust's current other liabilities as at 31 December 2019 of $0.2 million (31 December 2018: $0.2 million) comprised accruals for regular operating expenses.

The Group's non-current other liabilities as at 31 December 2019 of $28.1 million (31 December 2018: $18.2 million) predominantly comprised subscriber deposits received of $16.8 million (31 December 2018: $15.9 million), amounts accrued under the Group's long-term incentive plan of $1.6 million (31 December 2018: $1.3 million) and lease liabilities of $8.2 million recognised as a result of adoption of IFRS 16 'Leases'.

During the year ended 31 December 2019, the Group adopted the accounting treatment under IFRS 16 'Leases'. Lease liabilities were calculated as the present value of the remaining lease payments discounted using the Group's incremental borrowing rate as at 1 January 2019 based on the modified retrospective approach. As a result, the Group recognised lease liabilities, representing its obligation to make lease payments, of $6.5 million to the opening balance of other liabilities as at 1 January 2019.

(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 2019	**76,183**	**(2,340)**	**30,362**	**(12,069)**	**92,136**
Exchange differences on translation of foreign operations	8,079	-	-	-	8,079
Unrealised movement on change in fair value of cash flow hedging financial instruments:					
Interest rate swaps	-	44	-	-	44
Deferred tax relating to items that may subsequently be reclassified to profit or loss	-	(9)	-	-	(9)
Transfer from accumulated profits[1]	-	-	418	-	418
Remeasurement of defined benefit obligations	-	-	-	(280)	(280)
Balance as at 31 December 2019	**84,262**	**(2,305)**	**30,780**	**(12,349)**	**100,388**
Balance as at 1 October 2019	**69,884**	**(2,858)**	**30,780**	**(12,069)**	**85,737**
Exchange differences on translation of foreign operations	14,378	-	-	-	14,378
Unrealised movement on change in fair value of cash flow hedging financial instruments:					
Interest rate swaps	-	692	-	-	692
Deferred tax relating to items that may subsequently be reclassified to profit or loss	-	(139)	-	-	(139)
Remeasurement of defined benefit obligations	-	-	-	(280)	(280)
Balance as at 31 December 2019	**84,262**	**(2,305)**	**30,780**	**(12,349)**	**100,388**
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**

[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	
	2019	2018	2019	2018
Net asset value attributable to unitholders				
Total net asset value attributable to unitholders ($'000)	1,082,052	1,071,399	1,343,099	1,346,955
Total number of units in issue used in calculation of net asset value per unit attributable to unitholders ('000)	1,442,128	1,436,800	1,442,128	1,436,800
Net asset value per unit attributable to unitholders ($)	**0.75**	**0.75**	**0.93**	**0.94**

As at 31 December 2019, the Group had negative working capital of $7.8 million (31 December 2018: $11.1 million). This included $31.5 million of contract liabilities representing collections received in advance from subscribers which do not require any future cash outflow from the Group (31 December 2018: $33.8 million).

After adjusting for this amount, the Group would have positive working capital of $23.6 million (31 December 2018: $22.7 million). The Group has undrawn debt facilities of $83.9 million (31 December 2018: $94.6 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 729,000 cable TV RGUs as at 31 December 2019, 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 has submitted to NCC the renewal applications and corresponding business plans for licences that are due for renewal in 2020. Subsequent to the year ended 31 December 2019, one of the licence was successfully renewed until February 2029 and the Group expects the other licence to be approved by the NCC. 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 $160.1 million for the year ended 31 December 2019 (31 December 2018: $160.0 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	**2019**	**2018**	**2019**	**2018**
Trustee-Manager fees	1,844	1,836	7,315	7,285

The Trustee-Manager elected to receive a portion of the base fees in the form of APTT Units. Refer to the detail of changes in Unitholders' funds on page 23 for more details.

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	**2019**	**2018**
Base fees payable to the Trustee-Manager	3,687	3,673

For the quarter and year ended 31 December 2019, the Trustee-Manager recovered ancillary charges amounting to $0.1 million (31 December 2018: $0.1 million) and $0.3 million (31 December 2018: $0.3 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 2019 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 2019 no person occupied managerial positions in the Trust or in any of its subsidiaries who were a relative of a director, chief executive officer and/or substantial unitholder.

(iii) Segment information

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

(iv) Confirmation on undertakings from directors and executive officers

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

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

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

(vi) Review by independent auditor

The financial statements for the quarter and year ended 31 December 2019 have not been audited or reviewed by the Group's auditors, Deloitte & Touche LLP, however they form the basis of the Financial Statements within the APTT 2019 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 2018 except for the adoption of revised IFRS (including its consequential amendments) and interpretations effective for the financial period beginning 1 January 2019. 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

Amounts in $'000	Year ended 31 December 2019	2018	Variance[1] (%)
Total revenue			
1st half-year	145,405	154,581	(5.9)
2nd half-year	147,220	159,274	(7.6)
	292,625	**313,855**	**(6.8)**
Profit/(loss) after income tax before deducting non-controlling interests			
1st half-year	14,569	12,958	12.4
2nd half-year	4,844	(5,224)	>100
	19,413	**7,734**	**>100**

[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, if any, and actual results have been explained in the report summary on pages 2 to 5 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 2019 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
10 February 2020

DISCLAIMERS

Asian Pay Television Trust ("APTT") is a business trust registered under the Business Trusts Act (Chapter 31A of Singapore) and listed on the Main Board of the Singapore Exchange Securities Trading Limited. APTT Management Pte. Limited is the Trustee-Manager of APTT. The Trustee-Manager is a wholly owned subsidiary of Dynami Vision Pte. Ltd. ("Dynami"), which is a Singapore-incorporated company. A majority of the shares in Dynami are held 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 in APTT. 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 have been used in the preparation of forecast information. However, such information are based on certain assumptions and are subject to certain risks, contingencies and uncertainties, many of which are outside the control of APTT, which could cause actual results to vary materially from those that are forecasted and any such variation may be materially positive or negative. 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 rights of certain investors to own units in APTT under applicable Taiwan laws and regulations (the "Relevant Restrictions"). Such investors include individuals or certain corporate entities in the People's Republic of China ("PRC"), 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 relevant units in APTT. 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 under the Trust Deed. For further information, investors should refer to the prospectus dated 16 May 2013 issued by APTT and the Trust Deed.