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Asian Pay Television Trust

ANNUAL REPORT 2020

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Asian Pay Television Trust

TRUST PROFILE

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

APTT's sole investment, Taiwan Broadband Communications Group ("TBC"), is a leading cable operator in Taiwan which is owned and managed by APTT Management Pte. Limited (the "Trustee-Manager"), in its capacity as the Trustee-Manager of APTT, since 2013.

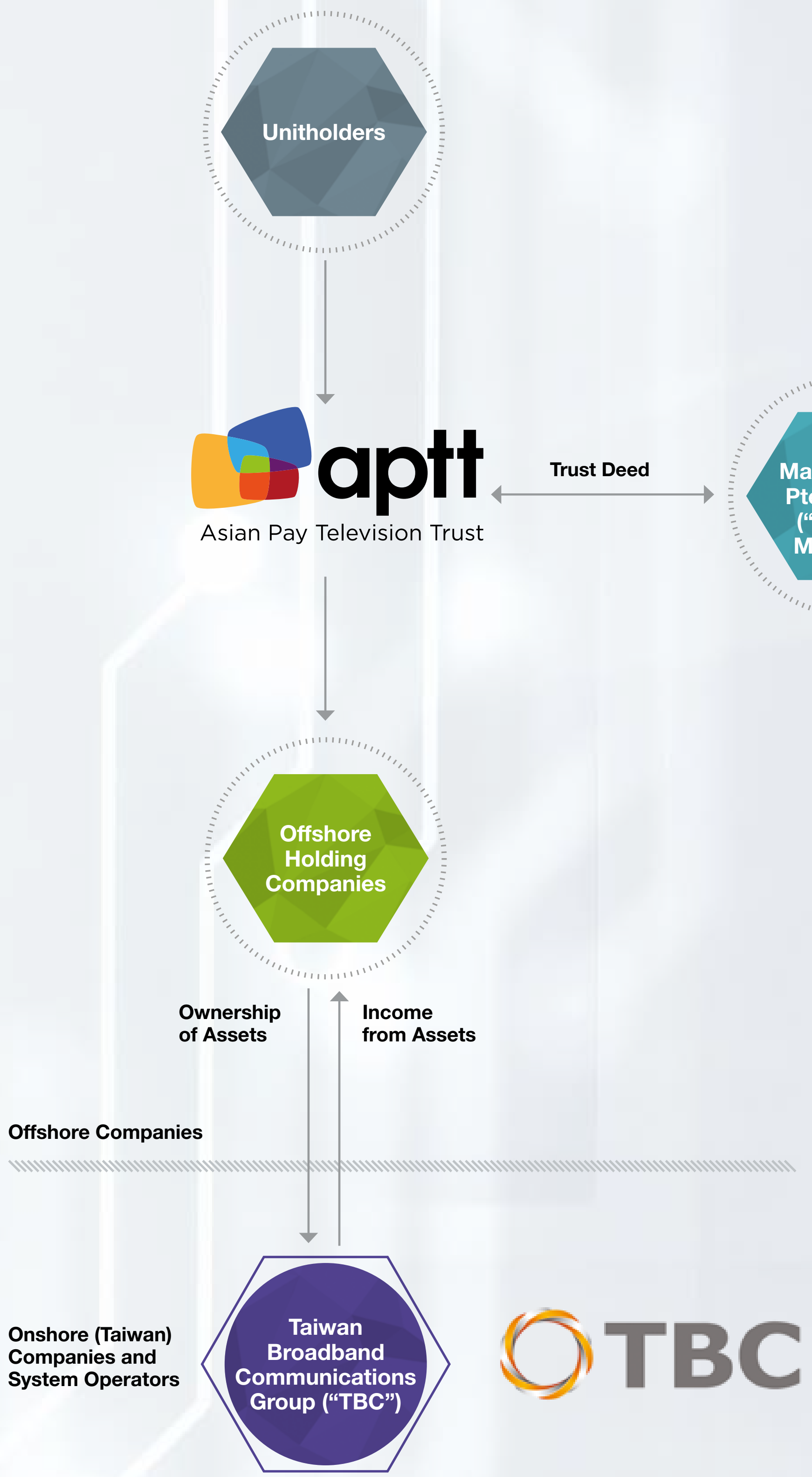
APTT Management Pte. Limited is a wholly owned subsidiary of Dynami Vision Pte. Ltd. ("Dynami") which is a Singapore-incorporated company. As at the date of this Annual Report, Dynami is fully owned by Mr Lu Fang-Ming, the Chairman of Asia Pacific Telecom Co., Ltd. The Trustee-Manager is led by an executive management team that has extensive experience in the pay-TV and broadband industries and complementary skill sets in acquisition, asset and capital management.

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.

PRC Investor Notice

Investors should note that there are limitations on the rights of certain investors to own units in Asian Pay Television Trust ("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 APTT Management Pte. Limited, as trustee-manager of APTT (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.

TRUST STRUCTURE



FINANCIAL HIGHLIGHTS

TOTAL REVENUE (S$)
307.4
MILLION

DISTRIBUTION PER UNIT
1.05
SINGAPORE CENTS

EBITDA MARGIN
58.9%

EBITDA (S$)
181.0
MILLION

NET PROFIT (S$)
17.7
MILLION

TOTAL ASSETS (S$)
2,955.8
MILLION

CHAIR'S STATEMENT

"Operationally, driven by growth in the Premium digital cable TV and Broadband segments, our subscriber base has surpassed 1.2 million revenue generating units. This wide subscriber base places us in a good position to intensify our Broadband growth strategy – driving higher speed plans, developing new market segments and rolling out higher value-added solutions that leverage the Android gateway."

Dear Unitholders,

We are pleased to report the performance of Asian Pay Television Trust ("APTT" or the "Trust") for the financial year ended 31 December 2020. During the year, much effort was geared towards building a better future for APTT, and will remain so going forward.

BUILDING A BETTER FUTURE

In 2020, four APTT unitholders stepped forward to provide undertakings for a proposed Rights Issue. Since this opportunity presented itself and with the continued pressures on APTT's EBITDA amid the challenging operating environment, the Trustee-Manager decided to proceed with this fundraising exercise to pay down debt.

APTT listed 361,270,970 new units in the second quarter of 2020, at an issue price of $0.128 each. Net proceeds of $45.0 million were used to pare down 20% of outstanding offshore facilities, translating to annual interest cost savings of approximately $2.9 million. Overall, we lowered our gearing from 53.8% in 2019 to 51.7% in 2020.

With capital expenditure trending down, we expect the balance sheet to strengthen further. More cash generated from operations may then be available to make debt repayments, subject to operating conditions.

Operationally, driven by growth in the Premium digital cable TV and Broadband segments, our subscriber base has surpassed 1.2 million revenue generating units ("RGUs"). This wide subscriber base places us in a good position to intensify our Broadband growth strategy – driving higher speed plans, developing new market segments and rolling out higher value-added solutions that leverage the Android gateway.

To extract greater value from our key asset – a fully owned advanced hybrid fibre coaxial cable network across TBC's five franchise areas, we continued with our network investment. Not only will this enable us to meet consumers' growing demand for more data and higher speed plans, it also lays the ground for TBC to be fully data-backhaul ready for the wireless operators when they roll out 5G services.

CHAIR'S STATEMENT

The first round of 5G licences in Taiwan were awarded at the beginning of 2020. While some initial 5G services are gradually being launched, it will be a multi-year investment for the wireless operators – presenting opportunities for our data backhaul business.

As a proof-of-concept, TBC has been providing data backhaul for 4G networks to a few wireless operators who prefer tapping into our network, as we do not compete with them in the wireless space. Although its contribution is still not significant, revenue from data backhaul over the last two years has been gradually increasing. We are confident that data backhaul will be a key component of our Broadband business within the next few years.

OPERATIONAL PERFORMANCE

The Trust recorded revenue and EBITDA of $307.4 million and $181.0 million in 2020, representing an increase of 5.0% and 3.7% over 2019. Foreign exchange contributed to a positive variance of 6.1%. In constant Taiwan dollar terms, total revenue and EBITDA were lower by 1.1% and 2.4%.

Despite the impact of lower ARPUs arising from pricing competition across the entire cable TV and telecommunications industry, EBITDA margin in 2020 remained stable at 58.9%.

We are particularly pleased that Broadband registered revenue growth in both S$ and NT$ in 2020, as this validated the strength of our Broadband strategy.

Overall, we have been recording a steady trend, where the growth in Premium digital cable TV and Broadband subscribers continued to offset Basic cable TV churn. This had lifted the total number of subscribers to 1,203,000 as at 31 December 2020.

Compared to a year ago, the number of Broadband RGUs in 2020 rose by 5.0% to 250,000, while Premium digital cable TV RGUs increased by 14.0% to 244,000. This was despite stiff competition from mobile operators offering inexpensive unlimited wireless data plans, and from pirated content and aggressively priced IPTV.

Basic cable TV RGUs, on the other hand, declined by 2.7% to 709,000 in 2020. As Taiwan's cable TV market is already saturated, we do not expect to record growth for this segment. However, compared to other global markets, we believe that Basic cable TV in our five franchise areas is still more resilient due to TBC's relatively inexpensive service that offers over 100 channels of the most popular content.

NAVIGATING THE LANDSCAPE WITH PRUDENCE

Although the subscription-based nature of our business has cushioned APTT from the impact of the COVID-19 pandemic, we need to remain vigilant due to the fast-evolving pandemic situation. While the outbreak in Taiwan has been relatively contained as compared to other countries, Taiwan's outlook remains uncertain as the expected downturn in other countries will invariably have an impact on Taiwan's export-driven economy and GDP growth – which may in turn affect our revenue and financial position.

It is therefore important that we exercise an abundance of caution. A key priority is to continue to manage debt levels and strengthen the balance sheet.

While we have not guided to a specific number, since the level of capital expenditure is something that can be managed and adjusted depending on the business landscape, we have guided that capital expenditure will trend down from 2020.

Amid continued industry challenges and pressure on ARPU, and with the uncertain global economic outlook brought about by the COVID-19 pandemic, we are exercising extra prudence by limiting capital expenditure to only what is necessary, and on areas that can support our aggressive push to grow our Broadband business. Capital expenditure will continue to be funded by cash generated from operations, and not bank borrowings.

With prudent capital expenditure management, we aim to further improve our balance sheet. This will enable APTT to navigate the competitive landscape more effectively, and capitalise on the data backhaul opportunities presented by Taiwan's 5G rollout.

On debt management, in March 2021, we successfully extended the maturity date of our Offshore Facilities by two years to July 2023, and on the same major terms. We view this as the lenders' vote of confidence in APTT's business and the management. Discussions are also underway to refinance our Onshore Facilities, ahead of maturity.

DISTRIBUTION GUIDANCE

For 2021, the Board has guided that the distribution will remain at 0.25 cents per unit per quarter, or 1 cent per unit for the full year, subject to no material changes in planning assumptions.

CHAIR'S STATEMENT

> **While we have not guided to a specific number, since the level of capital expenditure is something that can be managed and adjusted depending on the business landscape, we have guided that capital expenditure will trend down from 2020.**

EXTRACTING VALUE FOR UNITHOLDERS

The strategic review process ended with the proposed ownership changes at the Trustee-Manager level and the successful completion of the Rights Issue in the second quarter of 2020. The Trustee-Manager and the Board of Directors remain committed to protecting unitholders' interests and growing the partnership with the incoming majority owner of the Trustee-Manager, Da Da Digital Convergence Co., Ltd. to extract greater value for unitholders.

Please join us in welcoming our new Board member, Mr Daniel Chang, who was appointed on 15 April 2020 as a Non-Independent and Non-Executive Director of the Trustee-Manager. The Board subsequently approved Mr Chang's appointment as Chairman of TBC and he was redesignated to Executive Director on 15 August 2020.

Daniel's deep operational and management experience in Taiwan's telecommunications and media industry is invaluable. The Board looks forward to working closely with him in driving APTT's performance.

APPRECIATION

On behalf of the Trustee-Manager Board, I would like to thank all Board members, the management team and staff for your dedication. To all unitholders and partners, thank you for your trust and support.

Yong Lum Sung
Chair

ASSET PORTFOLIO

REVENUE GENERATING UNITS OF MORE THAN

1.2 MILLION

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 advanced 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 1.2 million revenue generating units across its subscriber base, providing 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.

SUSTAINABILITY REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

SUSTAINABILITY REPORT

BOARD STATEMENT

We are pleased to present APTT's fourth Sustainability Report.

In today's coronavirus ("COVID-19") environment, fuelled by global economic volatility, growing environmental concerns and rising incidents of cyber security and data privacy breaches, finding the right balance to managing people, planet and profit is now more important than ever. We recognise the importance of proactively managing the environmental, social and governance ("ESG") issues which are material to our business to enhance our resilience in the face of changing economy, technology and consumer demands.

We continue to integrate ESG considerations into our strategy to proactively position APTT for sustainable growth. The Sustainability Steering Committee ("SSC"), comprising the senior management of both APTT Management Pte. Limited (the "Trustee-Manager") and Taiwan Broadband Communications Group ("TBC"), continues to support the Board of Directors of the Trustee-Manager (the "Board") on the monitoring and reporting of our sustainability agenda and performance. We have also reviewed our existing material ESG factors to ensure the relevance of our sustainability direction.

TBC operates in a relatively defensive industry, providing cable TV and fixed-line broadband services to the local households in its five closely clustered franchise areas in northern and central Taiwan. Given the subscription-based nature of our business, the impact of the COVID-19 pandemic on TBC has been limited to date.

Nonetheless, TBC activated its Business Continuity Plan ("BCP") since the start of the COVID-19 outbreak in Taiwan. The BCP aims to protect the health and safety of all staff while minimising disruptions to its service delivery and overall operations. TBC has adhered to all regulations and guidelines from government authorities related to the containment of the virus, including split team arrangements, safe-distancing and encouraging staff to embrace good personal hygiene, and will continue to do so. The Trustee-Manager in Singapore also activated its BCP plan that adheres to the regulations in Singapore.

In 2020, we continued to advance the various initiatives started since 2018 to better manage our material ESG factors. We continued our management approach and mechanisms around both IT security and customer privacy to ensure we maintain our record of zero material breaches for the year. We also carried out energy-saving initiatives to manage our impact on the environment. Furthermore, we continued to support the communities in which we operate through contributing broadcasting airtime and sponsorship for local community initiatives.

We would like to thank the management team and all employees at TBC, our partners and stakeholders for supporting our endeavours to advance our sustainability agenda and meet our sustainability targets. We look forward to continue sharing our sustainability performance with you.

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

SUSTAINABILITY AT APTT

As a business trust, we are committed to invest and conduct business in a responsible manner. We also work with TBC, our sole investee company, to adopt sustainable practices and ensure its operations are carried out responsibly. The SSC has identified seven material ESG factors[1] relevant to our sustainability direction.

Material ESG Factors	Why It Matters To Our Business	2020 Performance Highlights
Economic Performance	As a business trust, APTT is responsible for generating returns for its unitholders. We will not be able to create value for our stakeholders and the society without stable returns. To continue to generate sustainable returns in the long run, we have incorporated considerations for environmental and social issues as part of our acquisition due diligence process. We also ensure APTT's and TBC's assets and businesses have appropriate environmental and social risk management frameworks in place.	• Revenue of \$307.4 million[2] • EBITDA of \$181.0 million • Implemented a number of initiatives contributing to the long-term sustainability of our business
Socioeconomic Compliance	For both APTT and TBC, conducting business in accordance with all applicable laws and regulations is fundamental. Any violation could compromise our stakeholders' trust in us and our licence to operate.	• Maintained record of zero material non-compliant incidents concerning relevant laws and regulations

[1] Please see Materiality Assessment section of the report for more details on the material ESG factors and our materiality assessment process.
[2] All figures, unless otherwise stated, are presented in Singapore dollars ("$").

SUSTAINABILITY REPORT

Material ESG Factors	Why It Matters To Our Business	2020 Performance Highlights
Energy	TBC will not be able to provide its TV and internet services without electricity. We are conscious of our reliance on energy and are working to manage the amount of energy we consume.	• Assessed actual demand and adjusted the number of electricity meters required, as well as adjusted the basic degree of contract capacity • Annual electricity consumption[1] (kWh): 8,219,494 • Annual EUI[2] (kWh/m²): 634
Employment	For APTT, we ensure we attract and retain the right talent to allow the Trust to make sound investment decisions. For TBC, we recruit and cultivate talent that can serve our subscribers and ensure the quality and reliability of our services.	• Rate of new employee hires[3]: 8% • Rate of employee turnover[4]: 11% • Average of 13.3 training hours per employee in TBC
IT Security	TBC's TV and internet services are highly dependent on the resilience of our IT infrastructure. Any breach can disrupt our services. We also make sure that our customers' data and privacy are safe when accessing our portal and services.	• Maintained record of zero material breaches of IT security
Customer Privacy	TBC serves more than 1.2 million revenue generating units ("RGUs") across its subscriber base, who entrust us with their personal information upon purchasing our services. We are serious about safeguarding our customers' personal information as we value our customers' trust and loyalty to us.	• Maintained record of zero formal claims concerning material breaches of customer personal information or privacy
Local Communities	As TBC is the sole cable TV operator in the five franchise areas that it serves in Taiwan, we recognise that we have a role to play in supporting the communities in which we operate. We are dedicated to bringing relevant local content to our subscribers and supporting activities that are meaningful to the local communities.	• Dedicated 1,456 production hours to supporting local communities • Actively supported and sponsored various social, cultural and environmental initiatives for the local communities

Approach to Sustainability

The seven material ESG factors form the basis of our approach to sustainability. With a foundation solidified by sound economic performance, robust corporate governance and resilient IT infrastructure, we are poised for sustainable growth that will generate positive value for the people, the environment and the society in which we operate.

1 Electricity consumption encompasses all TBC premises in the Taoyuan, Hsinchu, Miaoli and Taichung regions, including total electricity consumption of offices, data centres, headends, network operating centres ("NOC"), repair and maintenance centres, warehouses and retail stores.

2 EUI = total electricity consumption in a year / total surface area of TBC premises (kWh/m²).

3 Rate of new employee hires = total number of new employee hires during the year / total number of employees as at the last day of the year.

4 Rate of employee turnover = total number of employee turnover during the year / total number of employees as at the last day of the year.

SUSTAINABILITY REPORT

Managing Sustainability

To honour our sustainability commitment, sustainability at APTT is governed and spearheaded by the Board. Aligned with our risk management processes, the Audit Committee formulates our approach to sustainability, and oversees the determination, management and reporting of material ESG factors.

The SSC is responsible for driving the sustainability agenda set forth by the Audit Committee. The SSC is led by Mr Brian McKinley, Chief Executive Officer and Executive Director of the Trustee-Manager and includes senior management of both the Trustee-Manager and TBC. The SSC meets and reports our sustainability performance and progress to the Audit Committee quarterly or more frequently, as required.

The Sustainability Task Force ("STF"), comprising TBC's heads of departments from different functions, supports the SSC by implementing sustainability initiatives and programmes that help manage our material ESG factors at the operational level.

SOLIDIFYING FOUNDATION FOR GROWTH

As an owner and operator of pay-TV and broadband businesses, sound economic performance, corporate governance and IT infrastructure are the backbone of our business. We ensure that our business is anchored by a strong financial position and responsible governance practices that support our continual pursuit for growth.

ECONOMIC PERFORMANCE

We adopt a three-pronged approach to generate sustainable distributions for our unitholders. Firstly, we monitor market dynamics and survey opportunities that may further add value to the Trust. Secondly, we invest in initiatives that will enhance the competitiveness of our portfolio companies. Finally, we maintain the resilience of our financial structure by managing exposure to different financial risks.

In 2020, we continued with a number of initiatives from the previous year, particularly on capital expenditure and investments. These initiatives are aimed at helping APTT to tackle market challenges, drive growth and contribute to the long-term sustainability of our business:

- We have been steadily adding Premium digital cable TV and Broadband subscribers over the last 11 quarters. This has raised our total subscriber base to c.1,203,000.

- We invested $19.4 million in the maintenance of TBC's fully owned advanced hybrid fibre coaxial cable network in its five franchise areas across Taiwan. The quality of the network is instrumental to the provision of TBC's services.

- We also invested $36.7 million in TBC's network, Broadband and other capital expenditure initiatives. The deployment of fibre deeper into the network continues to be a key investment initiative as it will increase network capacity and speed to drive future growth. This investment is key to driving the Broadband business, positioning TBC to benefit from supporting wireless carriers in their network rollouts and to pursue other opportunities for the long-term success of the Trust.

- We have started providing data backhaul to a few wireless operators. With continued wireless network development, data backhaul through TBC's network is expected to become a key component of the Broadband business within the next few years as wireless carriers tap into TBC's superior network for their network rollouts.

- As part of our Broadband growth strategy and to attract and retain existing subscribers, we continued to drive higher speed plans at competitive prices, develop new market segments and introduce more value-added solutions that leverage the Android gateway, which allows higher speed plan subscribers to view over-the-top content and enjoy other value-added home-centric solutions. These initiatives aim to address challenges arising from video piracy issues, as well as the growing popularity of online TV and internet retailing.

- Apart from executing the Broadband growth strategy, managing APTT's debt levels remains another important focus, as a stronger balance sheet will provide us with the flexibility to navigate and compete more effectively in today's uncertain economic climate. We aim to gradually reduce debt levels:

SUSTAINABILITY REPORT

(i) In April 2020, APTT announced a renounceable non-underwritten Rights Issue (the "Rights Issue") of 361,270,970 new units (the "Rights Units") at an issue price of $0.128 per Rights Unit. All Rights Units were allotted and issued in June 2020. Following the allotment and issue of the Rights Units, the total number of issued Units in APTT increased to 1,806,354,850, raising total gross proceeds of approximately $46.2 million. Net proceeds of $45.0 million from the Rights Issue pared down 20% of APTT's outstanding offshore facilities, deriving annual interest cost savings of approximately $2.9 million.

(ii) We began discussions with Taipei Fubon Commercial Bank Co., Ltd. (as "Agent" on behalf of a syndicate of lenders), in August 2020, to refinance APTT's Offshore Facilities, which are due for maturity in July 2021. In January 2021, an amendment request letter was issued to the facility agent seeking to extend the maturity date by two years to 14 July 2023. In March 2021, we received approvals from all the lenders, and successfully extended the maturity date ("Amendment") of our Offshore Facilities from July 2021 to July 2023, and on the same major terms. The Amendment Agreement was signed on 18 March 2021.

- We used interest rate swaps to manage our exposure to interest rate movements on TBC's borrowing facilities by swapping a significant portion of its borrowings from a floating interest rate based on Taiwan's three-month Taipei Interbank Offered Rate ("TAIBOR") plus an interest margin, to a fixed rate. To reduce the risk of rising interest rates, in April 2019, additional interest rate swaps were entered into to hedge approximately 96% of outstanding onshore facilities through to 2021; the average fixed rate on TAIBOR swaps through to 2021 is approximately 0.82%. With the refinancing and interest rate swaps, substantial interest costs were saved as we lowered our effective interest rate by 20 basis points to 3.1% in 2020.

- We also used foreign exchange contracts to manage APTT's exposure to foreign exchange movements of estimated future Taiwan dollar ("NT$") and United States dollar ("US$") cash flows from distributions, principal payments and interest payments received by APTT from its subsidiaries.

Looking ahead:

- The distribution guidance of 1.0 cent per unit in 2021, subject to no material changes in planning assumptions, will enable the Trust to continue using operational cash flows to fund capital expenditure, which is trending down, and not bank borrowings.

- We are exercising an abundance of caution amid the competition and uncertain global economic environment. A key priority is to continue strengthening our balance sheet by managing debt levels, and limiting capital expenditure to only what is necessary, and on areas that can support our aggressive push to grow our Broadband business.

- With capital expenditure trending down, more cash generated from operations may be available to make debt repayments, subject to operating conditions.

- The first round of 5G licences were awarded at the beginning of 2020. Although some initial 5G services were introduced in 2020, Taiwan's 5G rollout will be a multi-year investment for the wireless operators, presenting opportunities for TBC's data backhaul business. It is therefore important to continue with our network and Broadband investment as this will not only enable us to meet consumers' growing demand for data and high-speed plans, but to be fully data-backhaul ready to support wireless operators in their eventual 5G rollout.

APTT's Board and management meet at least quarterly to assess our operational and financial performance against the approved budget for the year. They also meet at least annually to review medium-term strategic initiatives to be implemented and to review long-term strategy.

APTT reported consolidated revenue and EBITDA of $307.4 million and $181.0 million for the year ended 31 December 2020, compared to $292.6 million and $174.5 million for the previous year. Please refer to the Operational and Financial Review on pages 24 to 31 and Financial Statements on pages 56 to 134 of this Annual Report for more details on our economic performance in 2020. A summary of our economic performance is presented below.

SUSTAINABILITY REPORT

Group[1,2] Amounts in $'000	Year ended 31 December 2020	 2019
Total revenue	307,378	292,625
Total operating expenses[3]	(126,412)	(118,165)
EBITDA[4]	180,966	174,460
EBITDA margin[4]	58.9%	59.6%
Profit after income tax	17,677	19,413

1 Group refers to APTT and its subsidiaries taken as a whole.
2 All figures in this table are extracted from the audited Financial Statements, on pages 56 to 134 of this Annual Report, approved by the Board.
3 Operating expenses presented here exclude one-time settlement of programming fees, 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 68, in order to arrive at EBITDA and EBITDA margin presented here.
4 EBITDA and EBITDA margin are non-IFRS financial measures. EBITDA is calculated by excluding the expenses as described in footnote 3 above. EBITDA margin is calculated by dividing EBITDA by total revenue.

SOCIOECONOMIC COMPLIANCE

APTT is committed to operating within the laws and regulations of any jurisdiction in which it does business. To cultivate trust of our internal and external stakeholders and to protect their interests, we conduct business with high standards of integrity and accountability.

The Trustee-Manager monitors and reviews laws and regulations relevant to our business, and maintains a compliance register for both APTT and TBC. The Trustee-Manager performs quarterly incident, compliance and Interested Person Transactions reporting to the Audit Committee.

The Trustee-Manager has put in place various policies and procedures that set out clear expectations of ethical and responsible behaviour from all employees. These policies are cascaded to TBC to make it clear that all employees are held to the same standard of accountability and compliance. TBC has further adopted policies in line with the local regulatory requirements. Topics covered by the Trustee-Manager's Code of Conduct and TBC's Working Regulation Programme range from regulatory compliance, anti-bribery, anti-corruption, anti-money laundering, protection of intellectual property to workplace health and safety, as well as gender equality. The established policies are continuously reviewed to meet the changing needs of the marketplace and regulatory requirements.

APTT

- Code of Conduct
- Conflict of Interest Policy
- Securities Trading Policy
- Investor Relations Policy
- Social Media Policy
- Whistle-Blowing Policy

TBC

- Working Regulation Programme (in compliance with Labour Standard Law)
- Occupational Health and Safety Code

To ensure that our employees understand and abide by the Code of Conduct, all of the Trustee-Manager's employees are reviewed with specific reference to the Code of Conduct as part of the annual appraisal process. All employees at TBC are required to sign a Declaration of Agreement in support of the Working Regulation Programme upon joining TBC. They are also required to complete a Conflict of Interest Questionnaire when requested by TBC.

Additionally, relevant training and open channels for reporting any concerns for misconduct have also been put in place to support all employees in upholding the personal and corporate integrity that APTT values. The Trustee-Manager ensures that employees and directors undergo an induction programme that includes introduction of the Code of Conduct. At TBC, compulsory compliance training is provided to all new employees, covering the Working Regulation Programme and other company policies.

In 2020, TBC continued conducting training sessions in response to the changes in regulatory requirements in areas such as personal information and customer protection. It conducted five regulatory compliance and update training sessions, covering topics such as Personal Information Protection Act, gender equality and workplace bullying, as well as occupational safety and health related laws and regulations.

Furthermore, TBC conducts regular internal audits to evaluate and ensure the enforcement of the Working Regulation Programme and Employee Working Rules. TBC's cable TV service also undergoes mandatory audit by the National Communications Commission ("NCC") in Taiwan every three years, which includes the audit of channel offerings, financial information, customer service, equipment and signal quality to ensure the operational soundness and compliance status of TBC.

SUSTAINABILITY REPORT

Performance Data

	2020	2019
Number of incidents that resulted in significant fines or legal actions	Nil	Nil

In 2020, there were no non-compliant incidents that resulted in significant fines or legal actions. We aim to maintain our record of zero non-compliant incidents resulting in significant fines or legal actions for the forthcoming year, in addition to conducting training and awareness programmes for all of our employees about laws and regulations that are relevant to our business.

IT SECURITY

The resilience of our IT infrastructure is vital to our business continuity. Any breach of our IT security could disrupt the provision of our services or result in a leak of confidential or personal data. We have placed high priority on the continual surveillance of cyber security threats and in upgrades of the IT security infrastructure and systems.

The Trustee-Manager has appointed an external service provider in Singapore, that is part of an ISO 27001 certified global corporation, to manage and maintain our IT infrastructure, including back-up and recovery. TBC has received the ISO 27001 Information Security Management System ("ISMS") certification to help structure its management framework for IT security and has passed the compliance review conducted by an independent party in November 2020. TBC has also received certification for addenda issued to ISO 27001 and ISO 27011[1] in November 2019 and passed the annual surveillance audit conducted in November 2020. Guided by ISO 27001, TBC has established a comprehensive management approach to ensure the security of its IT infrastructure, including data, systems, devices and equipment, and internet connections.

TBC's IT Security Management Approach

Information security policies

- Working Regulation Programme
- Standard operating procedures ("SOPs") in place for information security organisation and implementation, system and internet communication security management, fixed asset management, account management, business continuity planning ("BCP"), third-party outsourcing management, portable storage device usage management

Information security practices

- IT risk evaluation, including server, firewall, and end-user security monitoring
- Access control for fixed assets and accounts
- TBC website and webpage connection security
- Accounting System Operating Data Security through multiple server set up and regular backup in offsite locations
- Annual information security training
- Annual information security bulletin and regular information safety news updates on the intranet
- User-end security monitoring for defence against viruses

IT system robustness checks

- External verification: ISO 27001 certification
- Compliance with additional checklist in NCC's Telecommunications Sector InfoComm Security Management Guidebook
- Internal audit on information security
- Annual BCP drills for IT infrastructure
- Third-party penetration and vulnerability testing for MyTBC App and the TBC official website
- IT personnel monitoring of activities against TBC's firewall to identify higher risk activities

Breach response protocols

- SOPs for data breach reporting
- SOPs for customer centre contingency process

In response to the increased cyber threats during COVID-19, we have revised and added several information security related SOPs to further strengthen data security and protection for TBC. Our staff also attended training and industry conferences to keep abreast of the latest developments in cyber security to ensure we continue to implement the best practices to protect our IT systems. In 2020, we performed penetration tests on TBC's official website to check for exploitable vulnerabilities, and we met our target of zero incidents of material IT security beaches for the year. We will continue to monitor the cyber threat environment and respond appropriately with the necessary tests and additional controls, to ensure the website and MyTBC application remain protected.

[1] ISO 27011 sets out guidelines supporting the implementation of information security controls in telecommunications organisations.

SUSTAINABILITY REPORT

Performance Data

	2020	2019
Number of material IT security incidents	Nil	Nil

In 2021, we are committed to operating a continued strong and robust cyber security system with no successful unauthorised access to our critical IT systems that may lead to material data loss and system disruptions. We will also continue to implement our IT Security Policy to be in compliance with ISO 27001.

LOOKING AFTER PEOPLE

Our employees and customers are the cornerstone of our success, and we are committed to looking after their interests. We aim to create a workplace that nurtures our employees' commitment to grow with us, and we have established robust processes and procedures that safeguard our customers' personal information.

EMPLOYMENT

For the Trustee-Manager, emphasis for employment is placed on attracting and retaining a talent pool that allows us to identify and manage investments in the pay-TV and broadband industries. We have put in place a remuneration policy that ensures our Directors' and key management personnel's remuneration is in line with the long-term interests of APTT.

At TBC, a wide range of Human Resources ("HR") policies have been adopted to create an incentivising and safe working environment for our employees, including policies on recruitment, promotion, annual performance appraisal, complaint mechanism, training and benefits. All HR policies are developed in compliance with the Labour Standards Act in Taiwan, and are continuously reviewed to ensure compliance with regulatory requirements and market practices.

To further stipulate employment conditions for TBC's employees, we have also established the Employee Working Rules that cover topics such as working hours, remuneration, paid and maternity leave, types of training offered, eligibility for retirement benefits, compensation for occupational hazards and more. The Employee Working Rules are submitted to and approved by the relevant local authorities at each franchise area. Additionally, TBC's Occupational Health and Safety Code has been put in place to ensure a safe working environment for our employees.

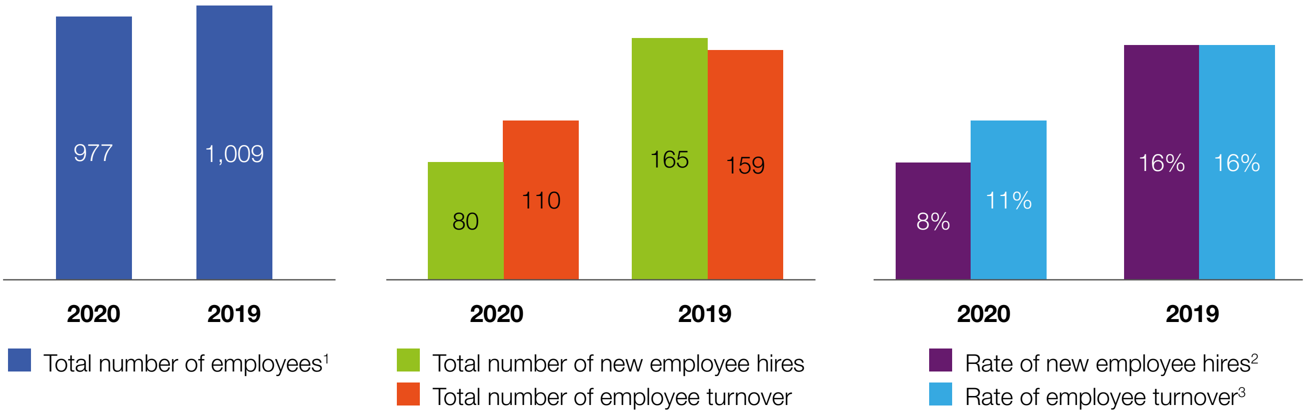
In addition to putting policies in place, we invest in occupational health and safety training to equip our employees with the necessary knowledge to conduct work in a safe manner. Training sessions offered in 2020 included general safety and health education, fire prevention, first aid and other disaster prevention knowledge and practices. A total of five fire drills were conducted throughout TBC's five franchise areas. The average training time per employee at TBC was 13.3 hours in 2020. This was lower compared to 21 hours in 2019, as physical courses were cancelled due to the COVID-19 pandemic restrictions. Nevertheless, TBC has ensured that all employees have gone through the compulsory training, including the three mandatory training hours as required under the ISO certification and personal data protection, and all employees are well informed of the working policies and regulatory requirements.

TBC also provides the following benefits to enhance the well-being of our employees:

SUSTAINABILITY REPORT

In 2020, 80 new employees were recruited while 110 employees left TBC, translating to a new employee hire rate of 8% and an employee turnover rate of 11%. Compared to 2019, TBC's new hire and employee turnover rates have decreased, which are primarily attributed to hiring freeze as a precautionary measure amidst the COVID-19 pandemic.

Performance Data



In 2021, we will continue to commit to the well-being of our employees, deploy fair and transparent employment practices, as well as provide benefits and training to our employees.

CUSTOMER PRIVACY

We protect the personal data that our customers entrust us with the utmost prudence. As stipulated by the Trustee-Manager's Code of Conduct and TBC's Working Regulation Programme, all personnel are required to act with integrity when handling sensitive and confidential information. Confidentiality and data protection are also key terms and conditions clearly spelled out in the Trustee-Manager's and TBC's contractual agreements with clients.

Furthermore, TBC has established a rigorous management approach to safeguarding customer privacy.

TBC's Customer Privacy Management Approach

[1] As at 31 December 2020 and 31 December 2019.

[2] Rate of new employee hires = total number of new employee hires during the year / total number of employees as at the last day of the year.

[3] Rate of employee turnover = total number of employee turnover during the year / total number of employees as at the last day of the year.

SUSTAINABILITY REPORT

In compliance with the Personal Information Protection Act in Taiwan, TBC has established a series of 20 SOPs for the collection, processing, utilisation and management of personal data (including those accessed by outsourced vendors), as well as a policy on the Management of Violation of Personal Information Protection Act. The SOPs also specify risk assessment procedures, training requirements, internal audit schemes, management key performance indicators ("KPIs") and reporting mechanisms for incidents of violation to monitor TBC's effectiveness in safeguarding personal information. The SOPs are regularly reviewed to ensure that they meet regulatory requirements.

Every department at TBC is also required to conduct an annual risk assessment for personal information safety. A total of 63 items were examined during the risk assessment to evaluate if the department is effective in preventing personal data breach or loss, such as whether the department conducts regular training, includes personal data safety into its business continuity plan, encrypts confidential information that needs to be transmitted, and more. Assessment results are satisfactory for all divisions in 2020.

Personal Information Security Incident Simulation

To demonstrate our commitment to respecting and protecting customer privacy, TBC has established a Personal Information Security Incident Emergency Response Team which includes senior executives from various departments such as legal, public relations, human resources, IT, engineering and customer service. Information security incident simulation drills are held by TBC three times a year, with active involvement from the Response Team, to test and strengthen the understanding and response mechanisms of TBC. The Chairman of the Response Team then leads a post-mortem review to identify areas where the response procedures can be enhanced or better complied with.

Through the simulation exercises, we are confident that we are better prepared in responding to such incidents in the future, and minimising the impact to TBC and our customers.

To enhance our employees' knowledge in personal data protection, TBC conducted eight training sessions related to customer privacy as per ISO 17002 and NCC requirements in 2020, which included proper maintenance of personal data safety, prevention of personal data breach, and proper usage of mobile devices. Although physical classes were cancelled due to the COVID-19 pandemic and fewer training sessions were held in 2020, switching to virtual training sessions allowed for greater efficiency and more people to attend. As a result, 94 employees clocked a total of 1,304 training hours[1], which was more than 2019.

Through the aforementioned efforts, we achieved our target of receiving no formal claims concerning material breaches of personal information from customers, outside parties or regulatory bodies on privacy issues that resulted in significant fines or legal actions in 2020.

Performance Data

	2020	2019
Number of formal claims concerning material breaches of customer personal information or privacy that resulted in significant fines or legal actions	Nil	Nil

We aim to maintain our record of zero formal claims concerning material breaches of customer privacy and losses of customer data in 2021.

REDUCING IMPACTS ON THE ENVIRONMENT

We are mindful that the provision of TBC's services is dependent on the availability of electricity. While we aim to minimise disruption in our provision of service through having alternative power sources, we strive to reduce our impacts on the environment by enhancing the energy efficiency of our operations.

ENERGY

As a cable TV and broadband services provider, TBC works to strengthen the resilience of our electricity supply and decrease our reliance on electricity where possible. As prescribed by ISO 27001, we conduct regular maintenance and drills to ensure that all power generators and uninterrupted power supply systems function normally, and that our services would not be interrupted should municipal electricity supply be temporarily disrupted. We also have various energy-saving measures in place to reduce energy consumption of our headends, data centres and offices.

[1] In 2019, 72 employees received a total of 1,248 training hours related to customer privacy as per ISO 17002 and NCC requirements.

SUSTAINABILITY REPORT

Headends

- Gradually replace obsolete and inefficient equipment to save energy
- Install energy-efficient air-conditioning, switch mode rectifier and uninterrupted power supply equipment for newly built headends
- Routine maintenance to ensure equipment performance
- Apply for seasonal power charges to reduce utility cost during non-peak seasons

Data Centres

- Install energy-efficient cooling systems
- Upgrade lighting to energy-efficient lighting
- Apply for seasonal power charges to reduce utility cost during non-peak seasons
- Air-conditioning and lights controlled by small zones to reduce power consumption
- Redesign layout and place equipment in clusters to reduce usage of air-conditioning for cooling
- Assess actual demand and adjust the number of electricity meters required

Offices

- Promote energy-reduction practices as set out in “Guidelines for Electricity Usage in TBC Offices”
- Prioritise procuring energy-saving equipment and products
- Power saving mode is applied to office equipment such as computers, copy machine and air-conditioning
- Gradually replace old air-conditioning units with more energy-efficient units
- Raise awareness via our intranet and through posters throughout our offices
- Assess actual demand and adjust the number of electricity meters required and to adjust the basic degree of contract capacity

The initiatives listed below were implemented in 2020. We will step up on these initiatives in 2021 to further our energy-saving efforts.

Adjusting Contract Capacity

To preemptively respond to electricity shortages in Taiwan, TBC has reassessed the actual electricity demand and contract capacity and adjusted the number of electricity meters required in its franchise areas and headends. This has also helped to reduce cost.

In December 2020, Hsinchu and Miaoli filed applications for the adjustment of electricity bill calculations to Taipower. This was through, firstly, reducing the contract capacity and basic expenditure, and secondly, changing the charge method to using the contract capacity. Reducing the demand charge can help to save electricity and reduce unnecessary wastage of resources. It is estimated that this can save up to 35% of electricity costs. As the adjustment was only completed in December 2020, the cost saving benefits will only be evident in 2021.

This initiative will be continuously observed and executed in the future to continue to save electricity and resources.

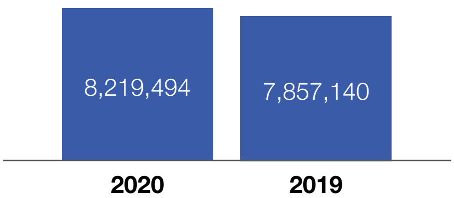
Switching to Blade Servers

TBC purchased a blade cabinet that can hold up to 16 blade servers. These blade servers, which are more energy efficient, will replace the standalone servers. This is expected to reduce electricity consumption materially. Currently, six blade servers are in use.

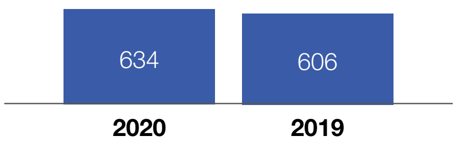
TBC envisions that this new blade architecture can help conserve energy and also accommodate the expansion of the company’s various application services at the same level of energy consumption as before.

Management inspects our electricity bills every month to check for any abnormal usage. Our annual electricity consumption and Energy Use Index (“EUI”) in 2020 increased by 4.6%, compared to 2019 levels. This is attributed to the increasing number of fibre nodes that have been assembled or disassembled according to the requirements from the NCC. New computer facilities, transmission and circuit rental related equipment have also been added, which led to the increase in energy consumption. However, we will continuously review our electricity demands to achieve energy and cost savings.

Performance Data



Annual electricity consumption[1] (kWh)



Annual EUI[2] (kWh/m²)

[1] Electricity consumption encompasses all TBC premises in the Taoyuan, Hsinchu, Miaoli and Taichung regions, including total electricity consumption of offices, data centres, headends, network operating centres (“NOC”), repair and maintenance centres, warehouses and retail stores.

[2] EUI = total electricity consumption in a year / total surface area of TBC premises (kWh/m²).

SUSTAINABILITY REPORT

We will continue to observe our electricity consumption and make related adjustments to meet government policies and achieve national energy conservation goals. We will do so by managing electricity usage in our headends, data centres and offices. Although we expect growth in our network in 2021, we will continue to implement energy saving measures to maintain our 2021 EUI at the same levels as 2020.

SUPPORTING COMMUNITIES

We operate under the philosophy of "Giving Back to Society What Society Gives Us". We are committed to understanding and supporting the needs of our local communities so that we can better serve them and contribute as a responsible corporate citizen.

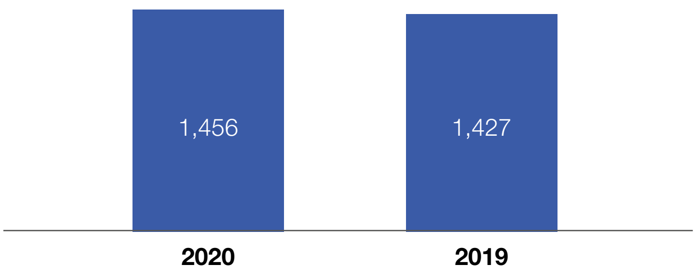
LOCAL COMMUNITIES

TBC supports the local communities that it operates in by leveraging the content, accessibility and affordability of its core products and services.

Content	Accessibility	Affordability
Provides airtime for public welfare related announcements on local news channels	Serves as the only news broadcast available for certain remote areas	Provides subscription subsidies for low-income community members
Offers specific local channels in the Hakka dialect and dedicated to the aboriginal populations in Taiwan	Sends service personnel to subscriber households in the remote areas	
Broadcasts content related to community development, such as live telecasts of key Taichung City Hall and City Council meetings		

In 2020, TBC supported 45 TV programmes that were dedicated to the local communities. This was in line with the number of programmes supported in 2019.

Performance Data



Production hours dedicated to support local communities

In addition to contributing through its products and services, TBC actively supported and sponsored various social, cultural and environmental initiatives for the local communities throughout its five franchise areas in 2020, despite the constraints brought about by the COVID-19 pandemic:

- More than $2.5 million was invested in building infrastructure in remote areas around the five franchise areas.
- More than 6,000 low-income households were subsidised through sponsorships given by TBC.

SUSTAINABILITY REPORT

- Best Cable TV Co., Ltd. ("Best") sponsored the Hakka Volunteer Festival in Hsinchu County. The festival raised funds to support the Hakka activities and was one of the 12 major festivals in the Hakka Village. As Hakka traditional activities are gradually declining and being forgotten, this festival was significant as it raised awareness of the traditions and spirit of the Hakka indigenous people. It ensured that Hakka rituals, culture and history are recorded and continued. Best also sponsored and provided live broadcasting of the Hsinchu County Lantern Festival on television and the internet.
- Chun Chien Cable TV Co., Ltd. ("Chun Chien" or "CCTV") sponsored the Taichung City New Year's Gala Party and assisted the municipal government in organising public welfare activities to benefit citizens.
- Nan Taoyuan Cable TV Co., Ltd. ("NTY") sponsored the Hakka Dialect Speech Contest in Taoyuan which was aimed at children aged 7 to 12 from remote areas and disadvantaged families. This contest used virtual reality (VR) technology, which left a lasting impression on the children who have no access to high technology application. NTY also broadcasted the Taoyuan City's New Year Gala Party live.
- Shin Ho Cable TV Co., Ltd. ("Shin Ho") and Chi Yuan Cable TV Co., Ltd. ("Chi Yuan") adopted and sponsored the environmental management and maintenance of the Shanjia Ruins Site Park, which is the earliest and largest prehistorical site in the Northern Taiwan area and surrounding road maintenance in Miaoli County.

Furthermore, to ensure the safety of our local communities, TBC engaged our cable TV marquee system and self-made channels to broadcast COVID-19 related information to all viewers. We cooperated with the Central Epidemic Command Center to ensure that viewers received consistent and true information on comprehensive pandemic prevention.

In 2021, we will continue to be an active member of our local communities by supporting low-income community members, local governmental initiatives, as well as other community initiatives.

ABOUT THIS REPORT

APTT's fourth Sustainability Report describes policies, practices, performance and targets for ESG factors material to our business and key stakeholders during the period of 1 January to 31 December 2020. The scope of information and data disclosed include APTT, APTT Management Pte. Limited and TBC.

This report has been prepared in line with the requirements of SGX-ST Listing Rules 711A and 711B and SGX-ST Listing Rules Practice Note 7.6: Sustainability Reporting Guide. We have also prepared this report with reference to the Global Reporting Initiative Sustainability Reporting Standards ("GRI Standards"), as they represent the most widely used guide globally for reporting on ESG factors. This report references the following GRI Standards and topic-specific disclosures:

- Disclosure 201-1 from GRI 201: Economic Performance 2016
- Disclosures 302-1 and 302-3 from GRI 302: Energy 2016
- Disclosures 401-1 and 401-2 from GRI 401: Employment 2016[1]
- Disclosure 413-1 from GRI 413: Local Communities 2016
- Disclosure 418-1 from GRI 418: Customer Privacy 2016
- Disclosure 419-1 from GRI 419: Socioeconomic Compliance 2016

All information is reported in good faith and to the best of our knowledge. We will continue to report our sustainability progress annually. We look forward to receiving your feedback on our sustainability practices and sustainability reporting at contact@aptt.sg.

[1] For Disclosure 401-1, the total number and rate of new employee hires and employee turnover are disclosed in this report, without the breakdown by gender, age group and region.

SUSTAINABILITY REPORT

STAKEHOLDER ENGAGEMENT

We believe that understanding and addressing our stakeholders' interests are key to our success. We are committed to maintaining transparent and regular dialogues with our key stakeholders and collect their feedback via various channels and methods to improve the sustainability of our business.

Furthermore, to protect the health and safety of all stakeholders, all forms of engagement in 2020 were limited, modified, or adjusted to adhere to all regulations and guidelines from government authorities related to the containment of COVID-19. This includes, but not limited to, implementing safe management measures and conducting meetings via video conferencing.

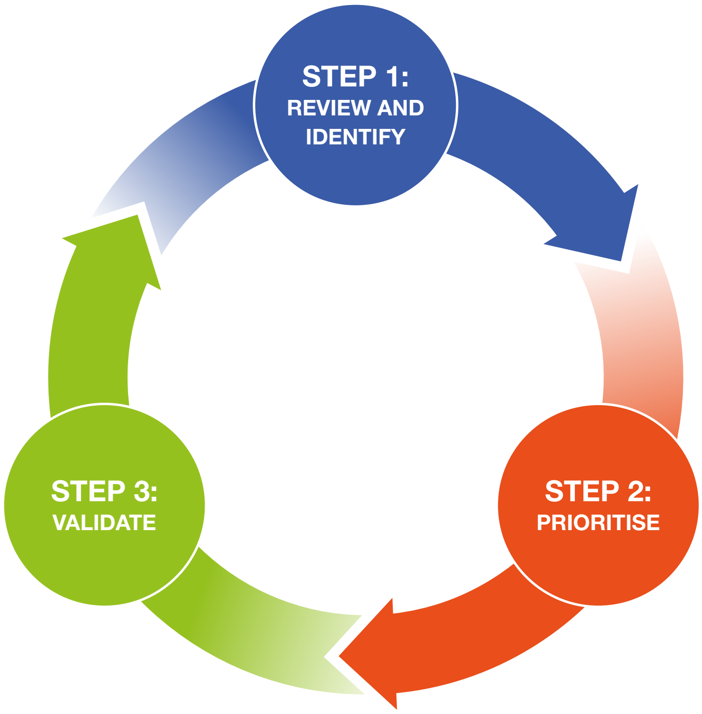
Key Stakeholders	Key Topics of Concern	Forms of Engagement	Engagement Frequency
Investors	• Business and operations performance • Business strategy and outlook • Compliance with laws and regulations	• Financial results announcements • Timely updates of business developments and other relevant disclosures via corporate website and SGXNet • Investor meetings • Annual General Meeting	• Quarterly • Throughout the year • Throughout the year • Annually
Employees	• Compensation and benefits • Career development • Employee well-being • Occupational health and safety	• Training and development programmes, including induction programme for new employees • News and updates via intranet • Recreational and wellness activities • Employee feedback channel • Performance appraisals	• Throughout the year • Throughout the year • Throughout the year • Throughout the year • Annually
Customers	• Reliability and quality of infrastructure • Service pricing and bundles • Timeliness of customer service response	• Online customer service via TBC website and My TBC App • 24-hour customer service hotline • Retail stores	• Throughout the year • Throughout the year • Throughout the year
Government and Regulators	• Compliance with laws and regulations	• Official correspondence • Document filings • Meetings and discussions	• Throughout the year • Throughout the year • Throughout the year
Industry Bodies	• Business and operations performance • Compliance with laws and regulations • Employee well-being	• Membership • Industry dialogues and forums	• Throughout the year • Throughout the year
Media	• Business and operations performance • Business strategy and outlook	• Press releases	• Throughout the year
Advertisers	• Number of subscribers and network reach	• Meetings and discussions	• Throughout the year
Local Communities	• Contribution to and engagement with the local community	• Community announcements via local news channels • Community initiatives • Corporate volunteering	• Throughout the year • Throughout the year • Throughout the year

SUSTAINABILITY REPORT

MATERIALITY ASSESSMENT

Materiality assessment is a critical process that allows us to identify and thereby manage ESG risks and opportunities which are most relevant to our long-term viability as a business. We conducted our first materiality assessment in 2017 based on the GRI Standards' Materiality Principle. Under the guidance of an external consultant, the SSC reassessed the materiality of our current list of ESG factors in 2020 via a three-step approach to ensure the pertinence of our material ESG factors. We have found that the seven material ESG factors identified remain significant to our business operations and to the interests of our key stakeholders. The seven material ESG factors have been reviewed and approved by the Board. We will continue to review and evaluate the list of material ESG factors annually.

APTT's Materiality Assessment Process



REVIEW AND IDENTIFY	PRIORITISE	VALIDATE
We review and identify ESG factors that may be material to our business and stakeholders annually by surveying global sustainability trends in the infocommunications industry, our growth drivers and risks, and sustainability topics reported by our peers.	The SSC evaluates each potential ESG factor's materiality based on its significance to our business operations and the level of concern for our key stakeholders, and prioritises material ESG factors for disclosure.	The Board reviews and approves the list of material ESG factors.

SUSTAINABILITY REPORT

MATERIAL ESG FACTORS

Material ESG Factors		Disclosure Focus APTT	Disclosure Focus TBC	Corresponding Topic-specific GRI Standards
Governance	Economic Performance	•		GRI 201-1: Direct economic value generated and distributed
Governance	Socioeconomic Compliance	•	•	GRI 419-1: Non-compliance with laws and regulations in the social and economic area
Environmental	Energy		•	GRI 302-1: Energy consumption within the organisation GRI 302-3: Energy intensity
Social	Employment		•	GRI 401-1: New employee hires and employee turnover GRI 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees
Social	IT Security	•	•	Not applicable (non-GRI topic)
Social	Customer Privacy		•	GRI 418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data
Social	Local Communities		•	GRI 413-1: Operations with local community engagement, impact assessments, and development programmes

OPERATIONAL AND FINANCIAL REVIEW

SELECTED FINANCIAL INFORMATION AND OPERATING DATA

The selected financial information and operating data presented on pages 25 and 26 support 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.

OPERATIONAL AND FINANCIAL REVIEW

SELECTED FINANCIAL INFORMATION

Group[1,2]	Year ended 31 December	
Amounts in $'000	**2020**	**2019**
Revenue		
Basic cable TV	243,590	232,151
Premium digital cable TV	12,976	12,797
Broadband	50,812	47,677
Total revenue	**307,378**	**292,625**
Operating expenses[3]		
Broadcast and production costs	(56,883)	(53,431)
Staff costs	(31,280)	(28,836)
Trustee-Manager fees	(7,359)	(7,315)
Other operating expenses	(30,890)	(28,583)
Total operating expenses	**(126,412)**	**(118,165)**
EBITDA	**180,966**	**174,460**
EBITDA margin[4]	58.9%	59.6%
Profit after income tax[5]	**17,677**	**19,413**
Capital expenditure		
Maintenance	19,398	21,772
Network, Broadband and other	36,692	53,085
Total capital expenditure	**56,090**	**74,857**
Maintenance capital expenditure as a % of revenue	**6.3**	**7.4**
Total capital expenditure as a % of revenue	**18.2**	**25.6**
Income tax paid, net of refunds	(7,925)	(10,182)
Interest and other finance costs paid	(47,958)	(50,330)

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

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

3 Operating expenses presented here exclude one-time settlement of programming fees, 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 68, in order to arrive at EBITDA and EBITDA margin presented here.

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

5 Profit after income tax is calculated in accordance with IFRS on page 68. Refer to page 28 for reconciliation of net profit to EBITDA.

OPERATIONAL AND FINANCIAL REVIEW

SELECTED OPERATING DATA

Group	As at 31 December	
	2020	**2019**
RGUs ('000)		
Basic cable TV	709	729
Premium digital cable TV	244	214
Broadband	250	238

Group	Year ended 31 December	
	2020	**2019**
ARPU[1] (NT$ per month)		
Basic cable TV	484	490
Premium digital cable TV	96	112
Broadband	359	383
AMCR[2] (%)		
Basic cable TV	(0.6)	(0.7)
Premium digital cable TV	(1.4)	(1.9)
Broadband	(0.9)	(1.1)

[1] Average Revenue Per User ("ARPU") is calculated by dividing the subscription revenue for Basic cable TV or Premium digital cable TV or Broadband, as applicable, by the average number of revenue generating units ("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 2017 to 2021:

Franchise area Amounts in NT$	2021	2020	2019	2018	2017
South Taoyuan	510	510	510	510	510
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

OPERATIONAL AND FINANCIAL REVIEW

REVIEW OF SELECTED FINANCIAL INFORMATION AND OPERATING DATA

Total revenue for the year ended 31 December 2020 of $307.4 million comprised: (i) Basic cable TV revenue of $243.6 million, (ii) Premium digital cable TV revenue of $13.0 million and (iii) Broadband revenue of $50.8 million.

Total revenue for the year ended 31 December 2020 was 5.0% higher than the prior corresponding period ("pcp"); in constant Taiwan dollar ("NT$"), total revenue for the year was 1.1% lower than the pcp. Foreign exchange contributed to a positive variance of 6.1% 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 operating expenses of $126.4 million for the year ended 31 December 2020 comprised: (i) Broadcast and production costs of $56.9 million, (ii) Staff costs of $31.3 million, (iii) Trustee-Manager fees of $7.4 million and (iv) Other operating expenses of $30.9 million. The higher total operating expenses for the year were mainly due to higher broadcast and production costs, staff costs and other operating expenses. In constant NT$, broadcast and production costs for the year remained stable.

EBITDA of $181.0 million for the year ended 31 December 2020 was higher than the pcp. EBITDA margin for the year of 58.9% was lower than the pcp.

Total capital expenditure of $56.1 million as a percentage of revenue for the year ended 31 December 2020 was 18.2%. Total capital expenditure for the year was lower than the pcp because of lower capital expenditure being incurred on maintenance, network, Broadband and other capital expenditure compared to the pcp. As in normal course for capital expenditure spending, amid continued industry challenges and pressure on ARPUs, and with the uncertain global economic outlook brought about by the COVID-19 pandemic, TBC is exercising extra prudence. Capital expenditure is trending 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.

The deployment of fibre deeper into the network continues to be a key investment initiative as it will increase network capacity and speed 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.

TBC's network is already beginning to provide data backhaul to a few wireless operators. With continued wireless network development, data backhaul through TBC's network is expected to become a key component of the Broadband business within the next few years as wireless carriers tap into TBC's superior 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.

Basic cable TV RGUs of c.709,000 as at 31 December 2020 were lower than the pcp. Premium digital cable TV RGUs of c.244,000 and Broadband RGUs of c.250,000 as at 31 December 2020 were higher than the pcp. Basic cable TV ARPU of NT$484 per month, Premium digital cable TV ARPU of NT$96 per month and Broadband ARPU of NT$359 per month in 2020 were lower than the pcp.

OPERATIONAL AND FINANCIAL REVIEW

RECONCILIATION OF NET PROFIT TO EBITDA

Group	Year ended 31 December	
Amounts in $'000	**2020**	**2019**
Profit after income tax	**17,677**	**19,413**
Add: Settlement of programming fees	5,360	-
Add: Depreciation and amortisation expense	89,745	86,563
Add: Net foreign exchange (gain)/loss	(492)	847
Add: Mark to market loss/(gain) on derivative financial instruments	1,386	(582)
Add: Amortisation of deferred arrangement fees	3,642	3,339
Add: Interest and other finance costs	47,542	50,161
Add: Income tax expense	16,106	14,719
EBITDA	**180,966**	**174,460**
EBITDA margin	**58.9%**	**59.6%**

(A) REVIEW OF REVENUE

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 $243.6 million for the year ended 31 December 2020 (31 December 2019: $232.2 million) comprised subscription revenue of $195.6 million (31 December 2019: $192.0 million) and non-subscription revenue of $48.0 million (31 December 2019: $40.1 million).

Subscription revenue was generated from TBC's c.709,000 Basic cable TV RGUs, each contributing an ARPU of NT$484 per month in the year to access over 100 cable TV channels. Basic cable TV RGUs decreased by c.20,000 and ARPU was lower compared to the previous year ended 31 December 2019 (RGUs: c.729,000; ARPU: NT$490 per month). The decline in Basic cable TV RGUs was due to a number of factors including competition from aggressively priced IPTV, video piracy issues, the growing popularity of online video, as well as expectations from consumers for discounts as they compare with the lower cable TV pricing outside of TBC's five franchise areas, particularly in the Taipei region. Subscription revenue for the year was higher than the pcp mainly due to the impact of foreign exchange; in constant NT$ subscription revenue for the year was lower than the pcp because of a lower number of subscribers and ARPU.

Non-subscription revenue was 19.7% of Basic cable TV revenue for the year (31 December 2019: 17.3%). This included revenue from the leasing of television channels to third parties, the sale of airtime advertising and fees for the installation of set-top boxes. Non-subscription revenue for the year was higher than the pcp mainly due to higher revenue generated from airtime advertising sales and channel leasing. The leasing of television channels, which is mainly to third-party home shopping networks, continued to be affected by the lower 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

Premium digital cable TV revenue of $13.0 million for the year ended 31 December 2020 (31 December 2019: $12.8 million) comprised subscription revenue of $12.4 million (31 December 2019: $12.2 million) and non-subscription revenue of $0.6 million (31 December 2019: $0.6 million).

Subscription revenue was generated from TBC's c.244,000 Premium digital cable TV RGUs, each contributing an ARPU of NT$96 per month in the year for Premium digital cable TV packages, bundled DVR or DVR-only services. Premium digital cable TV RGUs increased by c.30,000 but ARPU was lower compared to the previous year ended 31 December 2019 (RGUs: c.214,000; 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.

OPERATIONAL AND FINANCIAL REVIEW

(iii) Broadband

Despite the strong competition from mobile operators offering unlimited wireless data, Broadband RGUs continued to increase during the year. Broadband revenue of $50.8 million for the year ended 31 December 2020 (31 December 2019: $47.7 million) comprised subscription revenue of $49.2 million (31 December 2019: $46.0 million) and non-subscription revenue of $1.7 million (31 December 2019: $1.6 million).

Subscription revenue was generated from TBC's c.250,000 Broadband RGUs, each contributing an ARPU of NT$359 per month in the year for high-speed Broadband services. Broadband RGUs increased by c.12,000 but ARPU was lower compared to the previous year ended 31 December 2019 (RGUs: c.238,000 and ARPU: NT$383 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 $56.9 million for the year ended 31 December 2020 (31 December 2019: $53.4 million). Broadcast and production costs comprised: (i) the cost of acquiring Basic cable TV and Premium digital cable TV content, (ii) the cost of acquiring bandwidth (which consists of the leasing of domestic and international bandwidth capacity from operators to support TBC's Broadband services) and (iii) costs for producing the Group's own programming.

Settlement of programming fees - Since 2019, TBC had been in the process of facilitating certain content programming discussions between its programming vendors and agent, and had placed a refundable deposit of NT$359 million (approximately $16.9 million) with the programming vendors to ensure no interruption of service while the discussions were in progress. In January 2020, again to ensure no interruption of service, the Group utilised the refundable deposit to pay programming fees of NT$359 million (approximately $16.9 million) directly to its programming vendors, such sum being claimable against the agent. Following final negotiations between TBC and the agent in April 2020, TBC has agreed to bear an additional programming cost of NT$113 million (approximately $5.4 million) from the agent, which has been recognised as a one-time settlement of programming fees during the year ended 31 December 2020.

(ii) Staff costs

Staff costs were $31.3 million for the year ended 31 December 2020 (31 December 2019: $28.8 million). Staff costs for the 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 were granted notional units of the Trust upon achieving prescribed performance targets. These notional units vested 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 received 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.

The Trustee-Manager cancelled the LTIP during the year ended 31 December 2020 and intends to replace the LTIP with a new plan for its senior management at TBC in 2021.

Expense attributable to the year against the cancellation of the LTIP has been recognised in the financial statements for the year ended 31 December 2020.

OPERATIONAL AND FINANCIAL REVIEW

(iii) Depreciation and amortisation expense

Depreciation and amortisation expense was $89.7 million for the year ended 31 December 2020 (31 December 2019: $86.6 million). The increase in depreciation and amortisation expense for the year was mainly due to higher depreciation expense on buildings, leasehold improvements, network equipment, plant and equipment and right-of-use assets compared to the pcp.

Depreciation and amortisation expense comprised depreciation and amortisation of the Group's capital expenditures in relation to network equipment, set-top boxes, other plant and equipment, 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 $7.4 million for the year ended 31 December 2020 (31 December 2019: $7.3 million). There were no performance fees payable to the Trustee-Manager for the year ended 31 December 2020 (31 December 2019: nil).

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

(v) Net foreign exchange gain/(loss)

Net foreign exchange gain for the year ended 31 December 2020 was $0.5 million (31 December 2019: loss of $0.8 million). Net foreign exchange gain/(loss) for the year ended 31 December 2020 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 9 of Financial Statements on page 105 of this Annual Report. For the year ended 31 December 2020, the period end mark to market loss on foreign currency contracts was $1.4 million (31 December 2019: gain of $0.6 million). Mark to market (loss)/gain on derivative financial instruments included loss of $1.1 million (31 December 2019: gain of $2.0 million) on NT$ foreign exchange contracts settled during the year.

(vii) Other operating expenses

Other operating expenses were $30.9 million for the year ended 31 December 2020 (31 December 2019: $28.6 million).

Other operating expenses include rent for office buildings, fibre and utility poles, legal and professional fees, non-recoverable value added taxes, marketing and selling expenses, general and administrative expenses, local and NCC fees, repairs and maintenance charges and other expenses.

OPERATIONAL AND FINANCIAL REVIEW

(viii) Amortisation of deferred arrangement fees

The Group pays financing fees to lenders when entering into debt facilities or refinancing 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 $3.6 million for the year ended 31 December 2020 (31 December 2019: $3.3 million).

(ix) Interest and other finance costs

Interest and other finance costs were $47.5 million for the year ended 31 December 2020 (31 December 2019: $50.2 million). These comprised interest expense and commitment and other fees on the Group's debt facilities. Interest and other finance costs for the year ended 31 December 2020 also included finance charges on lease liabilities of $0.3 million (31 December 2019: $0.2 million).

(x) Income tax expense

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

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

BOARD OF DIRECTORS AND EXECUTIVE OFFICERS OF THE TRUSTEE-MANAGER

YONG LUM SUNG

Chair and Independent Director

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

Present directorships in other listed companies:
None

Present directorships in private companies:
Care Corner Singapore Ltd
Singex Holdings Pte Ltd.

TAN CHUNG YAW, RICHARD

Independent Director

Tan Chung Yaw, Richard is an independent director of the Trustee-Manager. He was appointed on 29 April 2013. Mr Tan is the CEO of TPG Telecom Pte. Ltd. From 2008 to 2018, he held various senior leadership positions in PT Smartfren Telecom Tbk and was primarily responsible for corporate strategy and product development. From 2011 to 2016, Mr Tan also served as the Chairman and an independent director of Polaris Ltd. In 2008, Mr Tan held the post of Director of Commerce at PT Telekomunikasi, Indonesia ("Telkomsel") where he was responsible for sales and marketing. From 2001 to 2007, Mr Tan was Vice President (Wholesale) at Singtel Ltd., where he was responsible for the wholesale of voice and data products. Mr Tan holds a Bachelor of Engineering in Electrical Engineering (Honours) and Master of Science in Electrical Engineering from the National University of Singapore, as well as a Graduate Certificate in International Arbitration from the National University of Singapore.

Present directorships in other listed companies:
None

Present directorships in private companies:
None

LEONG SHIN LOONG

Independent Director

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

Present directorships in other listed companies:
None

Present directorships in private companies:
Decat Pte. Ltd.

ONG JOO MIEN, JOANNA

Independent Director

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

Present directorships in other listed companies:
Darco Water Technologies Ltd

Present directorships in private companies:
J. Ong Business Services Pte. Ltd
YWS Design Asia Pte Ltd.

BOARD OF DIRECTORS AND EXECUTIVE OFFICERS OF THE TRUSTEE-MANAGER

LU FANG-MING

Vice-Chair and Non-Executive Director

Lu Fang-Ming is a non-executive director and vice-chair of the Board of the Trustee-Manager. He was appointed on 13 April 2017. Mr Lu has been a Corporate Executive Vice President of Hon Hai/Foxconn Technology Group since the intelligent hub and switch products ODM manufacturing company he co-founded was acquired by Hon Hai/Foxconn Technology Group in May 2000. In 2014, Mr Lu took over as Chairman of Asia Pacific Telecom Group, Taiwan's fourth largest mobile carrier. Prior to joining Hon Hai/Foxconn Technology Group, Mr Lu was a Vice President and General Manager at Cirrus Logic/Crystal Semiconductor in charge of its Asia Pacific operations. Mr Lu spent the first 20 years of his career at Hewlett Packard Taiwan and Asia Pacific in various positions including Country General Manager of the HP Taiwan Computer System Group and QMS Director of the HP Asia Pacific Test and Measurement Group. Mr Lu obtained his Masters of Applied Physics from Chung-Yuan University, Taiwan, in 1980.

Present directorships in other listed companies:
Asia Pacific Telecom Co., Ltd.
Hon Hai Precision Industry Co., Ltd.

Present directorships in private companies:
None

CHANG CHIA HSIANG, DANIEL

Executive Director

Chang Chia Hsiang, Daniel was appointed to the Board on 15 April 2020. Mr Chang, who is the Chairman of TBC, has deep experience in the telecommunications and media industry. He was Executive Vice President and Head of the Enterprise business at Far EasTone Telecommunications Co., Ltd from 2008 to 2012, and Vice President and CFO of New Century InfoComm Tech Co., Ltd. from 2000 to 2007. In the earlier part of his career, between 1990 and 1997, he was the CFO of Hewlett Packard in Taiwan, before stepping up to the role of General Manager of Hewlett Packard Asia Pacific (Product Support Division) in 1998. Mr Chang graduated in International Trade from National Chengchi University, Taiwan and holds an MBA from University of California, Los Angeles.

Present directorships in other listed companies:
Dafeng TV Ltd.
Taiwan IC Packaging Corp.
TaiRx, Inc.

Present directorships in private companies:
None

BRIAN MCKINLEY

Chief Executive Officer and Executive Director

Brian McKinley is an executive director and the Chief Executive Officer ("CEO") of the Trustee-Manager. He was appointed on 13 April 2017. Prior to his appointment as CEO, Mr McKinley was the Chief Financial Officer of the Trustee-Manager, an office he held since the listing of APTT in May 2013, providing financial and strategic leadership to the company. From 2011 to 2012, Mr McKinley was CFO of Chandler Corporation, a private investment company. From 2009 to 2011, he was CFO of the Banking and Financial Services Group, North America, of Macquarie Group Limited and from 2006 to 2009, he was Head of Finance of Macquarie Group Limited's infrastructure funds division in Canada. Mr McKinley began his professional career in 1995 with PricewaterhouseCoopers where he worked for a number of years prior to moving to the telecommunications industry and into financial services. Mr McKinley holds a Bachelor of Commerce (High Honours) from Carleton University, Canada and is a Chartered Professional Accountant of the Institute of Chartered Professional Accountants of Ontario, Canada.

Present directorships in other listed companies:
None

Present directorships in private companies:
APTT Holdings 1 Limited
APTT Holdings 2 Limited
Cable TV S.A.
TBC Holdings B.V.

SOMNATH ADAK

Chief Financial Officer

Somnath Adak is the Chief Financial Officer ("CFO") of the Trustee-Manager. He was appointed on 13 April 2017. Prior to his appointment as CFO, Mr Adak was financial controller for the Trustee-Manager, a role he held since the listing of APTT in May 2013. From March 2011 to April 2013, Mr Adak served as the assistant financial controller of SGX-ST listed Macquarie International Infrastructure Fund Limited, where he was responsible for overall accounting and financial reporting of the company. Mr Adak began his professional career in 2006 with Grant Thornton where he worked for three years prior to moving to ITC Limited, one of the largest conglomerates in the Indian FMCG industry. Mr Adak holds a Bachelor of Commerce (Honours) from Shri Ram College of Commerce, Delhi University, India and is a Chartered Accountant of the Institute of Chartered Accountants of India. Mr Adak also holds a Diploma in International Financial Reporting from the Association of Chartered Certified Accountants, United Kingdom and a Master in Business Finance Certificate from the Institute of Chartered Accountants of India.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Yong Lum Sung
Chair and Independent Director

Tan Chung Yaw, Richard
Independent Director

Leong Shin Loong
Independent Director

Ong Joo Mien, Joanna
Independent Director

Lu Fang-Ming
Vice-Chair and Non-Executive Director

Chang Chia Hsiang, Daniel
Executive Director

Brian McKinley
Chief Executive Officer and Executive Director

AUDIT COMMITTEE

Ong Joo Mien, Joanna
Chair and Independent Director

Yong Lum Sung
Independent Director

Tan Chung Yaw, Richard
Independent Director

Leong Shin Loong
Independent Director

COMPANY SECRETARY

Kim Yi Hwa

REGISTERED OFFICE

APTT Management Pte. Limited
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623
Telephone: +65 6536 5355
Facsimile: +65 6536 1360

PRINCIPAL PLACE OF BUSINESS

APTT Management Pte. Limited
150 Beach Road
#35-39 The Gateway West
Singapore 189720
Telephone: +65 6727 8370
Facsimile: +65 6727 6889
Email: contact@aptt.sg
Web: www.aptt.sg

TRUSTEE-MANAGER

APTT Management Pte. Limited
150 Beach Road
#35-39 The Gateway West
Singapore 189720
Company Registration Number: 201310241D

UNIT REGISTRAR AND UNIT TRANSFER OFFICE

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

AUDITOR

Deloitte & Touche LLP
6 Shenton Way, OUE Downtown 2
#33-00
Singapore 068809
Partner in charge: Yang Chi Chih
(Appointment with effect from financial year 2019)
Telephone: +65 6224 8288
Facsimile: +65 6538 6166

STOCK INFORMATION

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

MEDIA AND INVESTOR RELATIONS

Brian McKinley
Chief Executive Officer
Telephone: +65 6727 8370
Email: contact@aptt.sg

Kreab
Nora Sng
Telephone: +65 3163 7477
Email: aptt@kreab.com

CORPORATE GOVERNANCE STATEMENT

LEGAL STATEMENT

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

The Trustee-Manager is incorporated in Singapore and is a wholly owned subsidiary of Dynami Vision Pte. Ltd. ("Dynami") which is a Singapore-incorporated company. As at the date of this Annual Report, Dynami is fully owned by Mr Lu Fang-Ming, the Chairman of Asia Pacific Telecom Co., Ltd. The Trustee-Manager is responsible for managing the business conducted by APTT.

CODE OF CORPORATE GOVERNANCE

Rule 710 of the Listing Manual of the SGX-ST (the "Listing Manual") was amended on 1 January 2019 to provide that an issuer must describe its corporate governance practices with specific reference to the principles and provisions of the Code of Corporate Governance 2018 (the "Code") in its annual report. Accordingly, (a) an issuer must comply with the principles of the Code and (b) where an issuer's practices vary from any provisions of the Code, it must explicitly state, in its annual report, the provision from which it has varied, explain the reasons for variation, and explain how the practices it had adopted are consistent with the intent of the relevant principle.

APTT's corporate governance practices have complied with the principles of the Code and conform largely to the provisions of the Code, as well as the BTA and the Business Trusts Regulations. Deviations from the provisions of the Code are noted and appropriate explanations have been provided on the reason for such variations and how the existing corporate governance practices adopted are consistent with the intent of the relevant principles of the Code.

The Trustee-Manager has in place a set of well-defined policies and procedures to enhance corporate performance and accountability, as well as protect the interests of its stakeholders.

The Trustee-Manager also considers sustainability issues (including environmental, social and governance factors), such as employees' welfare, employees' and customers' health and safety, sustainable value chain processes, interaction and cooperation with the relevant communities, as well as anti-corruption programmes and procedures, as part of its responsibilities. For details of the policies, refer to the Sustainability Report on pages 8 to 23 of this Annual Report.

APTT CORPORATE GOVERNANCE STATEMENT

Principle 1: The Board's conduct of affairs

The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

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

In line with the guidance under Provision 1.1 of the Code, the Board is responsible for the overall corporate governance of APTT, including establishing goals for management and monitoring the achievement of these goals. The Board is also responsible for putting in place a code of conduct and ethics, setting an appropriate tone-from-the-top and desired organisational culture, and ensuring proper accountability within APTT. For example, the Board has adopted a code of conduct (including whistleblowing arrangements) which sets out principles and standards necessary to maintain confidence in the Trustee-Manager's integrity and the responsibility and accountability of individuals for reporting and investigating reports of unethical behaviour. The Board is also responsible for the strategic business direction and risk management of APTT. All directors participate in matters relating to corporate governance, including setting corporate values and ethical standards, business operations and risks, financial performance, identifying and engaging key stakeholder groups and the nomination and review of directors. The Board also sets the disclosure and transparency standards for APTT and ensures that obligations to unitholders and other stakeholders are understood and met.

Board meetings are held quarterly and more frequently as required. In line with the guidance under Provision 1.5 of the Code, all directors attend and actively participate in the Board and Board Committee (as defined herein) meetings and the Nominating Committee ("NC") monitors and determines annually whether directors who have multiple directorships and other principal commitments are able to give sufficient time and attention to the affairs of APTT and adequately carry out his or her duties as a

CORPORATE GOVERNANCE STATEMENT

director of the Trustee-Manager. To facilitate the Board's decision-making processes, the Constitution of the Trustee-Manager provides for directors to participate in Board meetings by way of teleconference or videoconference, and for Board resolutions to be passed in writing including by electronic means.

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

The non-executive directors are routinely briefed by management at Board meetings or at separate sessions, and are provided with all necessary updates on regulatory and policy changes as well as developments affecting APTT. All directors may request for additional information from management and/or the company secretary to familiarise themselves with APTT's business, and also where such information is necessary to make informed decisions.

In line with the guidance under Provisions 1.6 and 1.7 of the Code, the Board has separate and independent access to management at all times and management provides the Board with complete, adequate and timely information prior to meetings and on an ongoing basis (through regular updates on financial results, market trends and business developments) to enable the Board to make informed decisions and to discharge its duties and responsibilities. The Board also has access to independent professional advice, where appropriate, at APTT's expense. In order to keep the Board abreast of APTT's performance, the Board is provided with quarterly updates, which include material changes to the business and operations of APTT, the investor base of APTT, investors' sentiments and feedback towards APTT as a listed entity, and information regarding management's efforts to keep the investor base engaged, such as the number of roadshows conducted and the responses to queries by unitholders. A quarterly financial performance report is also provided to the Board. This report includes APTT's financial statements, accompanied by an analysis of APTT's performance and supporting data. It also contains operational metrics and an overview of the key risks faced by APTT. These risks include regulatory and compliance risks, technology and operations service availability, and other strategic risks.

In addition, the Board is provided with detailed papers and reports and, where necessary, copies of disclosure documents, budgets, forecasts, and financial statements approximately a week in advance of Board meetings. This enables the discussion during the meeting to focus on questions that the Board may have. Any additional material or information requested by the Board is promptly furnished. The papers contain sufficient information to enable informed discussion of all the items on the agenda, including background and explanatory information such as facts, resources needed, risk analysis and mitigation strategies, financial impact, expected outcomes, conclusions and recommendations. Any material variance between projections and the actual results of budgets is disclosed and explained to the Board. Persons who can provide additional insight into matters to be discussed are present at the relevant time during the Board and Board Committee meetings.

The company secretary is responsible for, among other things, ensuring that Board procedures are observed and that the relevant rules and regulations, including requirements of the Securities and Futures Act, Companies Act and the Listing Manual, are complied with. The company secretary attends all Board meetings and, together with the chair of the Board ("Board chair"), ensures good information flows within the Board and its Committees and between management and non-executive directors, as well as facilitating orientation and assisting with professional development as required. In line with the guidance under Provision 1.7 of the Code, directors have separate and independent access to the company secretary. The appointment and removal of the company secretary is decided by the Board as a whole.

In line with the guidance under Provision 1.1 of the Code, each member of the Board has a fiduciary duty to act objectively in the best interests of APTT and the unitholders, and hold management accountable for its performance. Members of the Board facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.

In line with the guidance under Provision 1.4 of the Code, in the discharge of its function, the Board is supported by the Audit Committee, Nominating Committee and Remuneration Committee (together with the Audit Committee and Nominating Committee (the "Board Committees")), each comprising majority independent directors, chaired by an independent director, and subject to formalised terms of reference which set out the Board Committees' compositions, authorities and duties, including reporting back to the Board. The chair of each Board Committee is an independent director. Certain functions of the Board have been delegated to these Board Committees, including the following key terms of reference for the respective Board Committees, in line with the relevant guidance under Provisions 4.1, 6.1 and 10.1 of the Code:

CORPORATE GOVERNANCE STATEMENT

Audit Committee ("AC")

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

ii) to review:
- the assistance given by the officers of the Trustee-Manager to the auditor of the Trust and the assurance from the Chief Executive Officer and Chief Financial Officer on the financial records and financial statements;
- the adequacy, effectiveness, independence, scope and results of the external audit and internal audit procedures of the Trustee-Manager;
- the policies and practices put in place by the Trustee-Manager to ensure compliance with the BTA and the Trust Deed;
- the procedures put in place by the Trustee-Manager for managing any conflict that may arise between the interests of the unitholders and the interests of the Trustee-Manager, including interested person transactions, the indemnification of expenses or liabilities incurred by the Trustee-Manager and the setting of fees or charges payable out of the Trust property;
- interested person transactions for potential conflicts of interest;
- the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on;
- at least annually the adequacy and effectiveness of the internal controls and risk management policies and guidelines of the Trustee-Manager, and monitor compliance therewith; and
- the statement of financial position and statement of profit or loss of the Trustee-Manager and statements of financial position, statements of profit or loss and statements of cash flows of the Trust submitted to it by the Trustee-Manager, and thereafter to submit them to the Board;

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

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

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

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

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

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

ix) to meet with external and internal auditors, without the presence of the Chief Executive Officer, Chief Financial Officer and TBC's Chairman, at least on an annual basis; and

x) has explicit authority to investigate any matter within its terms of reference, with full access to and cooperation by management of the Trustee-Manager and full discretion to invite any director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

Nominating Committee ("NC")

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

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

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iii) to recommend to the Board on relevant matters relating to the review of succession plans for directors, in particular the appointment and/or replacement of the Board chair, the Chief Executive Officer and key management personnel, the process and criteria for evaluating the performance of the Board, Board Committees and directors, the review of training and professional development programmes for the Board and its directors and the appointment and reappointment of directors;

iv) to review and determine annually, and as and when circumstances require, if a director is, having regard to the circumstances set forth in the Code, independent from management and business relationships with the Trustee-Manager and independent from every substantial shareholder of the Trustee-Manager; and

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

Remuneration Committee ("RC")

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

ii) within the terms of the agreed policy, to review and recommend to the Board the total individual remuneration packages for each of the directors and key management personnel;

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

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

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

The RC considers all aspects of remuneration, including but not limited to director's fees, salaries, allowances, bonuses, options, unit-based incentives and awards, benefits in kind and termination terms, to ensure they are fair, in line with the guidance under Provision 6.3 of the Code.

In addition, the Board is supported by special committees from time to time, subject to formalised terms of reference setting out their respective authorities and duties to oversee the purpose for which the committees are established.

The Board and management have also put in place formal delegations for, among other things, financial authorisation and approval limits for capital and operating expenditure, bank borrowings and bank signatories, in line with the guidance under Provision 1.3 of the Code. Transactions or matters requiring Board approval have been clearly communicated to management in writing and include:

- investment due diligence budgets above $500,000;
- appointment of financial advisers;
- investment or divestment decisions (infrastructure assets);
- related party transactions - controlled assets;
- additional equity raisings and underwriting;
- adoption of Board and Committee charters and key policies, including significant changes to them; and
- APTT's quarterly and full year financial results for release to the SGX-ST.

In line with the guidance under Provision 1.2 of the Code, upon appointment, each director is provided with a formal letter of appointment that details the key terms of their appointment, including their duties and obligations. They are also given access to the Trustee-Manager's and APTT's constitutional documents, Board and Committee charters, minutes of Board and Committee meetings and other pertinent information for reference.

In line with the guidance under Provision 1.2 of the Code, incoming directors participate in a comprehensive and tailored formal induction programme, including presentations by members of management, to ensure that they are familiar with the Trustee-Manager's and APTT's business, operations, strategy, organisational structure, the responsibilities of key management

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personnel, and financial and governance practices, as well as directors' duties (including their roles as executive, non-executive and independent directors) and how to discharge them, and the Listing Manual. The NC also ensures that such directors are aware of their duties and obligations, in line with the guidance under Provision 4.5 of the Code.

Changes to laws, regulations, policies, accounting standards and industry-related matters are monitored closely. Where the changes have an important and significant bearing on APTT and its disclosure obligations, in line with the guidance under Provision 1.2 of the Code, the directors are briefed either during Board meetings, at specially convened sessions or via circulation of Board papers. The directors are also provided with opportunities and continuing education to develop and maintain their skills and knowledge in areas such as directors' duties and responsibilities, changes to regulations and accounting standards and industry-related matters, corporate governance, changes in the Companies Act, Chapter 50 of Singapore, the BTA and the Listing Manual and changing commercial risks, so as to update and refresh them on matters that may affect and/or enhance their performance as directors. The costs of such continuing education are borne by the Trust.

Board and Committee meetings held in the year ended 31 December 2020 (in line with the guidance under Provision 1.5 of the Code)

	Board meetings		Audit Committee meetings (Chair: Ong Joo Mien, Joanna)		Remuneration Committee meetings (Chair: Tan Chung Yaw, Richard)		Nominating Committee meetings (Chair: Leong Shin Loong)		Strategic Review Committee[2] meetings (Chair: Yong Lum Sung)		Annual General Meeting	
	Number of meetings		Number of meetings		Number of meetings		Number of meetings		Number of meetings		Number of meetings	
	held	attended	held	attended	held	attended	held	attended	held	attended	held	attended
Yong Lum Sung - Chair and Independent Director	5	5	4	4	2	2	N/A	N/A	2	2	1	1
Tan Chung Yaw, Richard - Independent Director	5	4	4	3	2	2	3	3	2	2	1	1
Leong Shin Loong - Independent Director	5	5	4	4	2	2	3	3	2	2	1	1
Ong Joo Mien, Joanna - Independent Director	5	5	4	4	N/A	N/A	3	3	2	2	1	1
Lu Fang-Ming - Vice Chair and Non-Executive Director	5	5	N/A	N/A	2	2	N/A	N/A	N/A	N/A	1	1
Chang Chia Hsiang, Daniel[1] - Executive Director	3	3	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1
Brian McKinley - Chief Executive Officer and Executive Director	5	5	N/A	N/A	N/A	N/A	3	3	2	2	1	1

[1] Appointed to the Board as Non-Independent and Non-Executive Director on 15 April 2020, and was redesignated from Non-Executive Director to Executive Director on 15 August 2020, following his appointment as Chairman of Taiwan Broadband Communications Group ("TBC").

[2] Refers to the special committee (comprising all four independent directors and the Chief Executive Officer) which was established on 12 April 2019 to, among others, make recommendations to the Board and/or approve ancillary matters in relation to strategic initiatives with respect to, or options available for, APTT and its investment in TBC. The strategic review process ended in June 2020 with the proposed ownership changes at the Trustee-Manager level and the successful completion of the Rights Issue where 361,270,970 Rights Units were allotted and issued by the Trustee-Manager on 25 June 2020. The proposed ownership changes refer to the proposed transaction for Dynami's parent company, Gear Rise Limited, to divest 65% of Dynami to Da Da Digital Convergence Co., Ltd. The proposed transaction is pending approvals from regulatory bodies in Taiwan and lenders of APTT, including of its sole investment, TBC.

Principle 2: Board composition and guidance

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

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

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

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- at least a majority of directors who are independent from any single substantial shareholder of the trustee-manager.

Under Provision 2.1 of the Code, an independent director is one who is independent in conduct, character and judgment and has no relationship with the Trustee-Manager, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment in the best interest of APTT.

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

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

As APTT is subject to and complies with the BTA and regulations made thereunder, pursuant to Practice Note 4.2 of the Listing Manual, Listing Rule 210(5)(d)(iii) (which will take effect from 1 January 2022), which relates to the independence of directors serving beyond nine years, does not apply to APTT.

In line with the guidance under Provisions 2.2 and 2.3 of the Code, the Board comprises seven directors, of whom five are non-executive directors and four are independent. The Board has reviewed the independence of the independent directors and, having taken into account the views of the NC, deemed them to be independent for the purposes of the Code, the BTA and Regulation 12 of the Business Trusts Regulations. This enables management to benefit from the external, diverse and objective perspective of these independent directors on issues that are brought before the Board.

More than half of the Board is made up of independent directors. This provides for a strong and independent element on the Board capable of exercising objective judgment on corporate affairs of the Trust and the Trustee-Manager. As a result, the Board is able to better interact and work with management through a robust exchange of ideas and views to help shape the strategic process. This, together with a clear separation of the roles of the Board chair and the Chief Executive Officer, provides a healthy professional relationship between the Board and management, with clarity of roles and robust oversight as they deliberate on the business activities of APTT and the Trustee-Manager.

The Board and management fully appreciate that an effective and robust Board whose members engage in open and constructive debate and challenge management on its assumptions and proposals is fundamental to good corporate governance. For this to happen, the Board, and in particular the non-executive directors, are kept well informed of APTT and the Trustee-Manager's business and affairs, and are knowledgeable about the industry in which the businesses operate. For the year ended 31 December 2020, the non-executive directors have constructively challenged and helped to develop proposals on strategy and reviewed the performance of management. They have unrestricted access to management and have sufficient time and resources to discharge their oversight function effectively. In line with the guidance under Provision 2.5 of the Code, the non-executive directors, led by the independent Board chair, would also confer among themselves without the presence of management regularly. The Board chair and the NC chair would provide feedback to the Board as appropriate.

In respect of matters in which Dynami and/or its subsidiaries have a direct or indirect interest, any nominees appointed by Dynami and/or its subsidiaries to the Board to represent its/their interests shall abstain from voting. In such matters, the quorum must comprise of a majority of independent directors and must exclude any nominee directors of Dynami and/or its subsidiaries. Information on the directors is provided in Board of Directors and Executive Officers of the Trustee-Manager on pages 32 and 33 of this Annual Report.

In line with the guidance under Provision 2.4 of the Code, the current directors have the necessary core competencies set out in the Code and, as a group, provide an appropriate balance and mix of skills, knowledge, experience and other aspects of diversity such as gender and age so as to avoid groupthink and foster constructive debate. Core competencies include accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge. Gender diversity is also taken into account in relation to the composition of the Board. The Board is of an appropriate size to facilitate effective decision making, taking into account the nature and scope of operations of APTT. Please refer to Board Diversity on page 54 of this Annual Report for more details on APTT's Board Diversity Policy and progress made by the Trustee-Manager towards implementing the Board Diversity Policy, including its objectives.

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Principle 3: Chairman and Chief Executive Officer

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

In line with the guidance under Provision 3.1 of the Code, the positions of Board chair and Chief Executive Officer are separately held by two persons in order to maintain effective checks and balances and ensure increased accountability and greater capacity of the Board for independent decision-making. The Board chair is Yong Lum Sung, an independent director. The Chief Executive Officer is Brian McKinley, who is an executive director. The Board chair and Chief Executive Officer are not related to each other.

There is a clear separation of the roles and responsibilities between the Board chair and the Chief Executive Officer and in line with the guidance under Provision 3.2 of the Code, the Board has established and set out in writing the separation of such roles and responsibilities. The Board chair is responsible for the overall management of the Board as well as ensuring that the members of the Board and management work together with integrity and competency, that the Board engages management in constructive debate on strategy, business operations, enterprise risk and other plans, and facilitates the effective contribution of the non-executive directors and the Board as a whole. The Board chair's responsibilities include setting the agenda of the Board in consultation with the Chief Executive Officer and promoting open and constructive engagement among the directors as well as between the Board and the Chief Executive Officer on strategic issues. The Board chair ensures that adequate time is available for discussion of all agenda items, in particular strategic issues. The Board chair monitors the flow of information from management to the Board to ensure that material information is provided on a timely basis to the Board. The Board chair ensures effective communication with unitholders and leads discussions and development of relations with them. He also takes a leading role in promoting high standards of corporate governance with the full support of the directors and management.

The Chief Executive Officer has full executive responsibilities over the business directions and operational decisions in the day-to-day management of APTT.

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

The Trustee-Manager does not have any lead independent director given that the Board chair and Chief Executive Officer are not the same person and are not immediate family members, and that the Board chair is not part of the management team and is an independent director. Accordingly, the guidance under Provision 3.3 of the Code is not directly applicable to APTT.

Principle 4: Board membership

The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

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

In addition, it assesses the performance of the Board, the Board Committees, the Board chair and the individual directors on an annual basis. In line with the guidance under Provision 4.1 of the Code, it has adopted a formal charter which sets out written terms of reference. Please refer to "Principle 1: The Board's conduct of affairs" for more details on Board and Committee charters. In line with the guidance under Provision 4.2 of the Code, the NC for the year ended 31 December 2020 comprised Leong Shin Loong (chair), Ong Joo Mien, Joanna, Tan Chung Yaw, Richard and Brian McKinley, a majority of whom, including the chair, are independent directors.

Please refer to Board of Directors and Executive Officers of the Trustee-Manager on pages 32 and 33, Directors' Interests in Units on page 57 and Board and Committee meetings held in the year on page 39 of this Annual Report for key information regarding the directors such as academic and professional qualifications, date of first appointment as a director, date of last reappointment as a director (where applicable), directorships or chairmanships in other listed companies and other principal commitments, direct and deemed interest in APTT and Board Committees served on (as a member or chair), in line with the guidance under Provision 4.5 of the Code.

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

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The Board approved the appointment of Chang Chia Hsiang, Daniel, as Non-Independent and Non-Executive Director of the Trustee-Manager on 15 April 2020. With the depth and breadth of his operational and management experience in Taiwan's telecommunications and media industry, the Board is of the opinion that Mr Chang will further augment the board diversity and add new perspectives, skills and expertise to APTT's boardroom. Mr Chang was redesignated from Non-Executive Director to Executive Director on 15 August 2020, following his appointment as TBC's Chairman. Please refer to Board of Directors and Executive Officers of the Trustee-Manager on page 33 for Mr Chang's profile.

In the year under review, no alternate directors were appointed. In keeping with the principle that a director must be able to commit time to the affairs of APTT and the Trustee-Manager, the Board will, generally, not approve the appointment of alternate directors.

The NC reviews the existing attributes and competencies of the Board in order to determine the desired expertise or experience required to strengthen or supplement the Board, and recommends the number of directors that shall comprise the Board in compliance with the Constitution of the Trustee-Manager and the applicable laws and regulations (including the BTA and the Business Trusts Regulations), taking into account the need for progressive renewal of the Board. Such reviews assist the NC in identifying and nominating suitable candidates for appointment to the Board.

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

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

Candidates will be considered against objective criteria, having due regard for the benefits of diversity (including gender diversity) on the Board, in line with the guidance under Provision 4.3 of the Code. The following guidelines apply to director selection and nomination:

- integrity;
- particular expertise (sector and functional) and the degree to which they complement the skill set of the existing Board members;
- reputation and standing in the market; and
- in the case of prospective independent directors, actual and perceived independence from Dynami and substantial unitholders.

The factors taken into consideration for the renomination of the directors are based on each director's competencies, commitment, contribution and performance (including attendance, preparedness, participation and candour) including, if applicable, as an independent director. When considering the incumbent directors, the NC will review on an annual basis the current composition of the Board, taking into account criteria such as independence, age, skills, knowledge, experience and availability of service to the Board, its members and of anticipated needs and will make an annual recommendation to the Board as to whether the composition of the Board and the individual Committees should be maintained in order to avoid groupthink and foster constructive debate.

The NC has adopted internal guidelines addressing competing time commitments that are faced when directors serve on multiple boards and have other principal commitments. However, the NC has not made a determination as to the maximum limit on the number of directorships a director can hold as the NC has taken the view that the limit on the number of directorships that an individual may hold should be considered on a case-by-case basis, given that a person's available time and attention may be affected by many different factors such as whether they are in full-time employment and the nature of their other responsibilities. A director with multiple directorships is expected to ensure that sufficient attention can be and is given to the affairs of APTT and the Trustee-Manager in managing the assets and liabilities of APTT for the benefit of unitholders. The Board believes that each director is best placed to determine and ensure that he or she is able to devote sufficient time and attention to discharge his or her duties and responsibilities as a director of the Trustee-Manager, bearing in mind his or her other commitments. In line with the guidance under Provision 4.5 of the Code, when reviewing the composition and number of directors on the Board, and in deciding whether the directors have the capacity to carry out their duties as directors of the Trustee-Manager, the NC will consider whether it believes that the directors have sufficient time and ability to perform their Board duties to the required standards, having regard to all their other commitments and directorships as disclosed. The NC monitors and determines annually whether directors who have multiple directorships and other principal commitments are able to give sufficient time and attention to the affairs of APTT and the Trustee-Manager and adequately carry out his or her duties as a director of the Trustee-Manager. The NC takes into account the results of the assessment of the effectiveness of the individual director and his or her actual conduct on the Board in making this determination.

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All directors have confirmed that notwithstanding the number of listed company board representations and other principal commitments which they hold, they were able to devote sufficient time and attention to the affairs of APTT and the Trustee-Manager. The NC is satisfied that all the directors have been able to and have adequately carried out their duties as directors notwithstanding their other listed company board representations and other principal commitments. APTT will continue to disclose each director's listed company board directorships and principal commitments, in line with the guidance under Provision 4.5 of the Code. Please refer to Board of Directors and Executive Officers of the Trustee-Manager on pages 32 and 33 of this Annual Report for more details on board directorships and principal commitments of each director, other than those held in the Trustee-Manager.

In line with the guidance under Provision 4.4 of the Code, the NC also determines annually, and as and when circumstances require, if a director is independent, having regard to the circumstances set forth in the Code, the BTA and the Business Trusts Regulations. Having regard to the foregoing, the NC is of the view that none of the independent directors has any relationship that could interfere, or be reasonably perceived to interfere, with the exercise of his or her independent business judgment and ability to act in the interests of all unitholders as a whole. As and when any relationship which is likely to interfere, or be reasonably perceived to interfere, an independent director's business judgment and ability to act in the interests of all unitholders as a whole arises, the affected director is required to disclose such relationship to the Board.

Principle 5: Board performance

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Board Committees and individual directors.

The NC recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each Board Committee separately, as well as the contribution by the Board chair and each individual director to the Board, in line with the guidance under Provision 5.1 of the Code, which allows for comparison with industry peers and addresses how the Board has enhanced long-term unitholder value.

In line with the guidance under Provision 5.2 of the Code, the NC has appointed an external party, Boardroom Corporate & Advisory Services Pte. Ltd., to assist the Board in collating the Board evaluation results for the appraisal process to ensure its objectivity and transparency. The Board assessment is conducted on an annual basis. The NC is satisfied that the external party has no connection with the Trustee-Manager or any of the directors, except in providing its corporate services to APTT and the Trustee-Manager.

The Board assessment is conducted by way of a questionnaire ("Questionnaire"), which is sent to the directors to obtain their feedback on the effectiveness of the Board as a whole and its Board Committees. The assessment examines the Board's role, composition, and its operation against a number of defined criteria. Feedback and comments received from the directors are reviewed by the NC. The Questionnaire covers areas such as Board composition, information management, Board processes, accountability, succession planning, top management, investor relations, managing APTT's performance, Board Committee effectiveness, standard of conduct, directors' development and management and risk assessment.

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

The reviews of the contribution of each individual director are carried out by the NC and the individual contributions are based on the performance of individual directors which is better reflected in, and evidenced by, each director's proper guidance, demonstration of commitment to the role (including commitment of time for meetings of the Board and Board Committees, independence as an independent director (where applicable) and any other duties), diligent oversight and able leadership, the support that they lend to the Trustee-Manager in steering APTT in the appropriate direction and the long-term performance of APTT, whether under favourable or challenging market conditions. The Board chair may act on the results of the performance evaluation and, in consultation with the NC, propose, where appropriate, new members to be appointed to the Board or seek the resignation of directors.

The Board chair and NC are satisfied that the Board as a whole and the various Board Committees are operating effectively and that each individual director is contributing to the overall effectiveness of the Board. The Board has also met its performance objectives for the year.

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Principle 6: Procedures for developing remuneration policies

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Principle 7: Level and mix of remuneration

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Principle 8: Disclosure on remuneration

The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

In line with the guidance under Provision 6.2 of the Code, the Board has appointed a RC which comprises only non-executive directors, which, for the year ended 31 December 2020, were Tan Chung Yaw, Richard (chair), Yong Lum Sung, Leong Shin Loong and Lu Fang-Ming, the majority of whom (including the chair) are independent directors. The RC has adopted a formal charter which sets out written terms of reference in line with the guidance under Provision 6.1 of the Code. Please refer to "Principle 1: The Board's conduct of affairs" for more details on Board and Committee charters.

The role of the RC is to recommend to the Board a framework for remuneration for the Board and key management personnel. The RC establishes remuneration policies that are in line with APTT's business strategies and risk policies as well as long-term interests of APTT and unitholders. In line with the guidance under Provision 7.3 of the Code, the RC periodically considers and reviews remuneration packages in order to maintain their attractiveness, to attract, retain and motivate the directors to provide good stewardship of APTT and key management personnel to successfully manage APTT for the long term and to align the interests of management with unitholders' interests.

In its deliberations, the RC takes into consideration industry practices and benchmarks against relevant industry players to ensure that its remuneration framework and employment conditions are competitive.

If necessary, the RC seeks expert advice inside and/or outside the Trust on remuneration of all directors and key management personnel. The RC ensures that existing relationships, if any, between the Trust and its appointed remuneration consultants does not affect the independence and objectivity of the remuneration consultants. Where appointed, the names and firms of the remuneration consultants as well as whether the remuneration consultants have any such relationships with the Trust are also disclosed in the annual report, in line with the guidance under Provision 6.4 of the Code. An external service provider, Aon Hewitt Singapore Pte. Ltd. was engaged as an independent remuneration consultant in 2019 to perform an independent benchmarking analysis of the remuneration of directors, the Chief Executive Officer and Chief Financial Officer. The consultant is not related to the Trustee-Manager, its key unitholders, its related entities or any of its directors. In 2020, the remuneration of TBC's Chairman was benchmarked against industry peers. The RC will continue to engage external service providers in the future for benchmarking remuneration of directors and key management personnel as and when necessary.

Lu Fang-Ming, as a nominee of Dynami, does not receive any remuneration from the Trust in connection with his role as vice-chair and non-executive director of the Trustee-Manager.

Chang Chia Hsiang, Daniel does not receive any remuneration from the Trust in connection with his role as executive director of the Trustee-Manager. However, he receives remuneration from TBC in his capacity as TBC's Chairman.

Brian McKinley, the Chief Executive Officer, also does not receive any remuneration from the Trust in connection with his role as executive director of the Trustee-Manager.

The Chief Executive Officer and Chief Financial Officer are employed by the Trustee-Manager under employment agreements, which stipulate remuneration terms, entitlements to leave and other benefits.

All remuneration and compensation payable to the independent directors, the Chief Executive Officer and Chief Financial Officer in respect of services rendered to the Trustee-Manager are and will be paid by the Trustee-Manager and not reimbursed out of the Trust property.

The policy and framework for determining the remuneration of directors, Chief Executive Officer, Chief Financial Officer and TBC's Chairman are reviewed and recommended to the Board by the RC.

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The independent directors receive a fixed annual fee payable quarterly, which was arrived at after taking into account the industry practices and norms. In line with the guidance under Provision 7.2 of the Code, it is considered that the remuneration of the non-executive directors is appropriate for the level of contribution, taking into account their responsibilities and the effort and time spent, such that the independence of the independent and non-executive directors is not compromised by their compensation. There are currently no schemes in place to encourage non-executive directors to hold units in the Trust.

The RC approves performance targets for assessing the performance of Directors, Chief Executive Officer, Chief Financial Officer and TBC's Chairman and reviews their performance against the achievement of key performance indicators on an individual basis, as well as on a corporate level, and after due consideration, recommends remuneration packages for Directors, Chief Executive Officer, Chief Financial Officer and TBC's Chairman for endorsement by the Board. The RC ensures that such targets are appropriate to their level of contribution and with a view that such remuneration is linked to corporate and individual performance to ensure an alignment of interests with unitholders of the Trust and other stakeholders and promote the long-term success of the Trust, in line with the guidance under Provision 7.1 of the Code. The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of APTT, taking into account APTT's strategic objectives.

The compensation of the Chief Executive Officer (who is also an executive director) and Chief Financial Officer was benchmarked against independent analysis performed by external consultants, with the most recent analysis conducted in January 2019. The compensation of TBC's Chairman (who is also an executive director) was benchmarked against industry peers in 2020. The compensation of the Chief Executive Officer, Chief Financial Officer and TBC's Chairman consists of: (i) a fixed component comprising base salary; (ii) a variable performance-based component; and (iii) a deferred variable performance-based component. The performance-based components of compensation for the Chief Executive Officer, Chief Financial Officer and TBC's Chairman form a significant portion of their total compensation, in line with the guidance under Provision 7.1 of the Code.

As APTT does not bear the remuneration of the independent directors, the Chief Executive Officer and Chief Financial Officer, the Trustee-Manager is of the view that Principle 8 of the Code is complied with, notwithstanding the guidance under Provision 8.1 of the Code to disclose the amounts and breakdown of such remuneration given that APTT had set out above the remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

None of the non-executive directors has any service contracts with the Trustee-Manager. No director is involved in deciding his or her own remuneration.

As the remuneration packages of the independent directors, Chief Executive Officer and Chief Financial Officer are not paid out of Trust property, the guidance under Provision 8.3 of the Code is not directly applicable.

There are no employee option schemes or long-term incentives currently in place in relation to APTT except for the long-term incentive plan, which was cancelled during the year under review, as disclosed in Note 24(ii) of Financial Statements on page 119 of this Annual Report.

The Trustee-Manager is entitled under the Trust Deed to a base fee, a performance fee, an acquisition fee and a divestment fee based on pre-agreed mechanisms in the Trust Deed, in respect of its services to APTT. Fees paid to the Trustee-Manager for the year ended 31 December 2020 are set out on page 134 of this Annual Report.

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

No employee of the Trustee-Manager was a substantial unitholder of the Trust, or an immediate family member of a director, the Chief Executive Officer or substantial unitholder of the Trust, and whose remuneration exceeded $100,000 during the year ended 31 December 2020, in line with the guidance under Provision 8.2 of the Code.

Principle 9: Risk management and internal controls

The Board is responsible for the governance of risk and ensures that management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The Board is responsible for establishing a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding unitholders' interests and APTT's assets. In line with the guidance under Provision 9.1 of the Code, the Board determines the nature and extent of the significant risks which APTT is willing to take in achieving its strategic objectives and value creation. While the Board does not have a separate board risk committee, it is assisted by the

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AC in carrying out its responsibility of overseeing management in the design, implementation and monitoring of the Trust's risk management framework and policies. The AC reviews and recommends to the Board the type and level of risk that the Trust undertakes on an integrated basis to achieve its business strategy and the appropriate framework and policies for managing risks that are consistent with the Trust's risk appetite. Additionally, where the AC or management becomes aware of or suspects any inadequacies, deficiencies or matters of concern, the AC will report this to the Board or management will report this to the AC and the Board (as the case may be) and undertake remedial action to resolve the same.

The Trustee-Manager has formal risk management policies in place which are monitored by the AC. The AC also reviews and reports to the Board at least annually on the adequacy and effectiveness of the Trustee-Manager and APTT's internal controls and risk management systems. Please refer to "Principle 1: The Board's conduct of affairs" and "Principle 10: Audit Committee".

For the year ended 31 December 2020, in line with the guidance under Provision 9.2 of the Code, the Board has received assurances from the Chief Executive Officer and Chief Financial Officer that the financial records have been properly maintained and that the financial statements give a true and fair view of APTT's operations and finances. The Board has also received assurances from the Chief Executive Officer, the IAD (as defined on page 47 of this Annual Report) and other key management personnel who are responsible that APTT's risk management and internal control systems are adequate and effective.

Based on the existing practices, assurances received from the key management personnel as mentioned above, internal controls (including financial, operational, compliance and information technology controls) and risk management systems established and maintained by the Group and the Trustee-Manager, work performed by the IAD and external auditors of the Group, and reviews performed by the Audit Committee, the Board and the Trustee-Manager, the Board is of the opinion that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective during the year ended 31 December 2020. The Audit Committee concurred with the Board's view that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective during the year ended 31 December 2020.

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

The Board and the Audit Committee did not identify any material weaknesses in the Group's internal controls or risk management systems.

Principle 10: Audit Committee

The Board has an Audit Committee which discharges its duties objectively.

In line with the guidance under Provision 10.2 of the Code, the Trustee-Manager has established an AC which comprises only independent and non-executive directors and the composition of which complies with the Code, the BTA and Regulation 15 of the Business Trusts Regulations. The AC members for the year ended 31 December 2020 were Ong Joo Mien, Joanna (chair), Yong Lum Sung, Tan Chung Yaw, Richard and Leong Shin Loong. The AC members have recent and appropriate accounting or related financial management expertise to discharge their responsibilities. At least two members of the AC, including the AC chair, have recent and relevant accounting or related financial management expertise or experience in line with the guidance under Provision 10.2 of the Code, as the Board interprets such qualification in its business judgment. The AC charter sets out the specific responsibilities delegated by the Board to the AC and details the manner in which the AC operates, as set out under "Principle 1: The Board's conduct of affairs". None of the AC members was previously a partner of the incumbent external auditors, Deloitte & Touche LLP, within the previous two years, nor do any of the AC members hold any financial interest in Deloitte & Touche LLP, in line with the guidance under Provision 10.3 of the Code.

The AC also reviews and reports to the Board on the adequacy and effectiveness of the Trustee-Manager and APTT's internal controls, including financial, operational, compliance and information technology controls and risk management policies and systems, at least annually, in line with the guidance under Provision 10.1(b) of the Code.

The AC has explicit authority to investigate any matter within its terms of reference, with full access to and cooperation by management and full discretion to invite any director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

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The role of the AC is to develop, maintain and monitor an effective system of internal controls. The AC also reviews the quality and reliability of information prepared for inclusion in financial reports, and is responsible for making recommendations to the Board on the proposals to unitholders on the appointment, reappointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors and reviewing the adequacy, effectiveness, independence, scope and results of the external audit, in line with the guidance under Provisions 10.1(d) and (e) of the Code. The AC has reviewed all non-audit services provided by the external auditors during the year to determine if such non-audit services would, in the AC's opinion, affect the independence of the external auditors. In assessing the independence of the external auditors, the AC considered several factors, including the nature and extent of the non-audit services provided. Based on the above reviews, in the AC's opinion, the volume of non-audit services provided in 2020 was not substantial, and would not affect the independence of the external auditors. The AC met four times during the year under review. The chair of the AC reported formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and appraised and reported to the Board on the audits undertaken by the external auditors, the adequacy of disclosure of information, and the appropriateness and quality of the system of management and internal controls. The AC also made recommendations to the Board as it deemed appropriate on any area within its remit where action or improvement was needed.

Refer to Note 24(x) of Financial Statements on page 121 of this Annual Report for the aggregate amount of fees paid to the external auditors for the year ended 31 December 2020.

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

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

The AC reviews the risk management policies and guidelines of the Trustee-Manager, and monitors compliance therewith.

The Trustee-Manager does not have a standalone internal audit function. However, the Trustee-Manager has engaged an independent accounting firm, KPMG Services Pte. Ltd. (in such capacity, the "IAD"), for internal audit services. The IAD, which reports to the AC and administratively to the Chief Executive Officer, carries out its internal audits with reference to the principles of the International Professional Practice Framework of the Institute of Internal Auditors. The IAD comprise a partner, who is a member of Institute of Singapore Chartered Accountants and the Institute of Internal Auditors Singapore, a manager and team members who are suitably qualified experienced professionals with the requisite skill sets. It has unrestricted direct access to the AC and access to all the Trustee-Manager's and APTT's documents, records, properties and personnel, in line with the guidance under Provision 10.4 of the Code. The internal audit function is guided by and meets the International Standards for the Professional Practice of Internal Auditing set by the Institute of the Internal Auditors or any internationally recognised professional body. These standards cover attributes as well as performance and implementation standards.

The AC monitors the scope of any internal audit to be conducted and the independence of any internal audit team, reviews and approves the appointment and reappointment of the internal auditor and the remuneration of the internal auditor, in line with the guidance under Provision 10.4 of the Code.

Given that the IAD has been outsourced to a reputable auditing firm, the AC is satisfied that the IAD is independent, effective, adequately resourced and has appropriate standing within APTT and the Trustee-Manager.

In line with the guidance under Provision 10.5 of the Code, the AC meets with the external and internal auditors without the presence of management at least annually. It also conducts an annual performance self-evaluation and reports to the Board the results of the self-evaluation.

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

Financial matters

The quarterly and year-end financial statements are reviewed and recommended by the AC to the Board for approval. In the review of the financial statements, the AC discussed with the management the accounting principles that were applied and the judgment of items that might affect the integrity of the financial statements. The following significant matters impacting the financial statements were discussed with the management and the Group's external auditors, and were reviewed by the AC:

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Significant matters	How the AC reviewed these matters and how decisions were made
Revenue recognition	The AC considered the scope of accounting standards relevant to revenue recognition by the Group and the Group's revenue recognition practices. Revenue from Basic cable TV, Premium digital cable TV and Broadband services is recognised over time. The transaction price is allocated among the different services on a relative standalone selling price basis. Revenue billed and received in advance of the rendering of services is deferred. The transaction price allocated to these services is recognised as a contract liability (collections received in advance) at the time of receipt and is released on a straight-line basis over the period of service. The Group's external auditors shared their approach to the audit of revenue recognition in their detailed audit plan, which included the evaluation of the relevant IT systems, the design and effectiveness of internal controls over the capture, recording, authorisation and calculation of revenue transactions. The AC reviewed management's assessment of the internal controls that exist over revenue recognition and the assessment of those controls by the Group's internal auditor. The AC also considered the appropriateness of the Group's operating systems that maintain customer data, billing and receipts, operating controls over the calculation and recording of revenue transactions and accounting treatment applied by the Trustee-Manager in relation to revenue recognition. The AC believes there is no significant issue within the Group's revenue recognition.
Indefinite useful lives of cable TV licences	The AC considered the appropriateness of the Trustee-Manager's assessment of cable TV licences having indefinite useful lives. Under the provisions of the Cable Radio and Television Act of Taiwan ("CRTA"), the National Communications Commission ("NCC") or similarly established regulatory body in accordance with the laws of Taiwan renews a cable TV licence every nine years. The renewal process is initiated when a company files a renewal application with the NCC, accompanied by a business plan, within six months following the eighth anniversary of the date of the licence's previous issuance. The Group's system operators ("SOs") first obtained cable TV licences in 1999 and 2000 and have previously renewed their cable TV licences in 2008 and 2009. The Group's existing cable TV licences were 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. In 2020, the two licences that were due for renewal were successfully renewed until 2029. Out of the three licences due for renewal in 2021, one licence has already been successfully renewed until 2030 and for the remaining two licences, the Group has submitted to the NCC the renewal application and corresponding business plans. The Group expects these applications to be approved by the NCC before the licence expiry dates, with certain performance conditions attached, in line with the standards of Taiwan's cable TV industry. The AC considered that: (i) cable TV licences are subject to renewal every nine years; (ii) based on historical experience, there is no significant risk of violating licence conditions; (iii) there is no significant additional cost to renew licences; (iv) for the renewal periods in 2017 and 2018, a three-year extension was given to the existing cable TV licences; (v) the Group completed the analogue broadcasting switch-off and 100% digitisation of all franchise areas in 2017; (vi) the lives of cable TV licences are not limited by any other technical, legal or commercial factors, either known or anticipated; (vii) there is a successful history of licence renewals for the Group and the industry as a whole; and (viii) the Trustee-Manager's accounting policy for cable TV licences is consistent with other industry participants in Taiwan. Based on the above, the AC is of the view that the cable TV licences will be renewed for an indefinite period and the Trustee-Manager's assessment of indefinite useful lives of cable TV licences is reasonable.

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Significant matters	How the AC reviewed these matters and how decisions were made
Impairment of goodwill, cable TV licences with indefinite useful lives and property, plant and equipment	The AC considered the approach and methodology applied to the impairment assessment process. The impairment assessment of property, plant and equipment is performed together with the annual impairment assessment of goodwill and cable TV licences with indefinite useful lives. As part of the annual impairment assessment of goodwill, cable TV licences with indefinite useful lives and property, plant and equipment, the Trustee-Manager performed an assessment of the recoverable amount of the Cash Generating Unit ("CGU") using the Discounted Cash Flow ("DCF") method. The cash flow forecasts, along with relevant market discount rates and average long-term growth rates, are used to derive value-in-use of the Group's single CGU which supports the impairment assessment. Major assumptions used in the impairment assessment include: (i) Seven-year valuation model using the latest business plans - the model is updated and reviewed by the Trustee-Manager on a regular basis; (ii) discount rate of 6.04% as per APTT's debt levels, peers and tax rate ("WACC"); and (iii) terminal growth rate of 1.35%, which is the lower of i) Taiwan's growth rate, ii) the final forecast year's EBITDA growth rate, iii) the final forecast year's revenue growth rate, or iv) the prior year's impairment assessment terminal growth rate. Based on the impairment assessment, the recoverable amount of the Group's CGU has a 24% margin above its carrying value as at 31 December 2020. The AC reviewed the long-term strategy of the Group including (i) capital expenditure plans for intangible assets and property, plant and equipment; and (ii) cash flow forecasts based on the Trustee-Manager's latest business plans. The AC challenged, among others, the appropriateness of the assumptions made for (i), (ii) and long-term growth rates. The impact of the COVID-19 pandemic on TBC has been limited to date due to the subscription-based nature of its business. While the COVID-19 outbreak in Taiwan is relatively contained as compared to other countries, Taiwan's outlook remains uncertain as the expected downturn in other countries will invariably have an impact on Taiwan's export-driven economy and GDP growth. A significant and prolonged deterioration in the national GDP, disposable income or overall economic conditions could in turn adversely affect TBC's ability to grow or maintain revenues, and its financial position. The Group's external auditors engaged their internal valuation specialists to review the DCF valuation prepared by the Trustee-Manager for the purpose of impairment assessment. The external auditor's valuation specialists team used the cash flow forecasts based on the Trustee-Manager's latest business plans, applied a discount rate and terminal growth rate incorporating other macroeconomic assumptions to arrive at a valuation range of the CGU's recoverable amount. Based on the internal valuation specialists' assessment, the key assumptions used in arriving at the CGU's recoverable amount were within their acceptable range. The impairment assessment of goodwill, cable TV licences with indefinite useful lives and property, plant and equipment remain an audit focus. The Group's external auditors perform their independent assessment and provided detailed reporting on these matters to the AC. Based on the above assessments and discussions with the Trustee-Manager and the Group's external auditors, the AC believes that the carrying amounts of goodwill, cable TV licences with indefinite useful lives and property, plant and equipment are not in excess of their respective recoverable amounts.

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The Group's external auditors have included these items as key audit matters in the Independent Auditor's Report for the year ended 31 December 2020, as set out on pages 62 to 66 of this Annual Report.

Following the reviews and discussions, the AC recommended to the Board to approve the financial statements for the year ended 31 December 2020.

In line with the guidance under Provision 10.1(f) of the Code, APTT has a whistleblowing policy in place and clearly communicates to employees the existence of such policy, which enables employees and other persons to, in confidence, voice genuine concerns in relation to (among others) malpractices and misconduct in the workplace and possible improprieties in financial reporting or other matters. Once raised, all reported concerns will be investigated to the extent permitted by law. The proposed information disclosed and the general investigation process will be discussed with the person raising the concern. APTT will treat all disclosures and concerns in a sensitive manner, and no action will be taken against the person raising the concern if made in good faith, even if the concern was not confirmed by subsequent investigation. APTT is committed to protect employees from victimisation for raising a concern. The AC has reviewed APTT's whistleblowing policy and was satisfied that arrangements are in place for the independent investigation of such matters raised under the whistleblowing policy and for appropriate follow-up action. To facilitate the management of incidences of alleged fraud or other misconduct, the AC follows a set of guidelines to ensure proper conduct of investigations and appropriate closure actions following completion of the investigations, including administrative, disciplinary, civil and/or criminal actions, and remediation of control weaknesses that perpetrated the fraud or misconduct so as to prevent a recurrence. In addition, the AC reviews the whistleblowing policy annually to ensure that it remains current.

Principle 11: Shareholder rights and conduct of general meetings

The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects

The Trustee-Manager makes immediate announcements in respect of changes in the Trust or its business which would be likely to materially affect the price or value of the units in the Trust.

In line with the guidance under Provision 11.1 of the Code, the Trustee-Manager informs unitholders of rules, including voting procedures, that govern general meetings of unitholders so as to allow unitholders the opportunity to participate effectively in and vote at general meetings of unitholders. The Trustee-Manager also allows corporations which provide nominee or custodial services to appoint more than two proxies so that unitholders who hold units through such corporations can attend and participate in general meetings as proxies and vote at general meetings.

Unitholders receive a CD-ROM containing the APTT Annual Report (printed copies are available upon request) and a copy of the notice of the Annual General Meeting ("AGM"). As and when an extraordinary general meeting is to be held, unitholders will receive a copy of the circular which contains details of the matters to be proposed for unitholders' consideration and approval. Notices of the general meetings are also advertised in the press and announced via SGXNet and posted on the websites of APTT and SGX-ST. The requisite notice period for general meetings is adhered to. All unitholders are given the opportunity to participate effectively in and vote at general meetings. At general meetings, unitholders are encouraged to communicate their views and discuss with the Board and management matters affecting APTT. The company secretary of the Trustee-Manager prepares minutes of unitholders' meetings, which incorporate comments or queries from unitholders and responses from the Board and management. In line with the guidance under Provision 11.5 of the Code, minutes of AGM starting from the year ended 31 December 2018 can be accessed from APTT's website at www.aptt.sg and will be published as soon as practicable. The minutes record substantial and relevant comments or queries from unitholders relating to the agenda of the AGM and responses from the Board and management.

In line with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 which was gazetted on 13 April 2020, the AGM held in respect of the financial year ended 31 December 2019 was held by way of electronic means on 30 June 2020. Unitholders were not able to attend the AGM in person. Alternative arrangements were made for all unitholders to be able to participate in the AGM by (a) watching the proceedings of the AGM online through a "live" audio-visual webcast via a smartphone, tablet or computer, or listening to the proceedings through a "live" audio-only stream via a telephone; and (b) appointing the Chair of the AGM as proxy to vote on their behalf at the AGM. Unitholders were encouraged to ask questions in relation to APTT's business or resolutions that were tabled for approval in advance of the AGM via a pre-registration website, email or by post. Responses to substantial and relevant questions from unitholders were posted on the websites of APTT and SGX-ST prior to the AGM. Minutes of the meeting were published on the websites of APTT and SGX-ST within 30 days from the date of AGM. All directors, the Chief Financial Officer and the external audit partner were present at the AGM either physically at the live recording venue or via a speaker-only dedicated line to be able to participate in the AGM proceedings.

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The appointment of DrewCorp Services Pte Ltd as scrutineer to count and validate the votes at the AGM was disclosed during the AGM proceedings and in the minutes of the AGM. Detailed information of the vote results was published on the websites of APTT and SGX-ST after the AGM.

General meetings of unitholders are convened at least once a year and unitholders are allowed to vote in person or via proxy. To ensure transparency in the voting process and better reflect unitholders' interest, the Trustee-Manager conducts electronic poll voting for unitholders/proxies present at the general meetings for all the resolutions proposed at the general meetings. Voting results and vote tabulation procedures are disclosed at the general meetings. An independent scrutineer is also appointed to validate the vote tabulation procedures. Votes cast for or against each resolution, and the respective percentages thereof, are tallied and displayed "live-on-screen" to unitholders immediately at the general meetings. The total number of votes cast for or against the resolutions and the respective percentages are announced via SGXNet and posted on the websites of APTT and SGX-ST after the general meetings. The Trustee-Manager is not implementing absentia voting methods such as voting via mail, email or fax until security, integrity and other pertinent issues are satisfactorily resolved. Notwithstanding the foregoing and the guidance under Provision 11.4 of the Code, as unitholders may appoint proxies to attend and vote on their behalf as set out above, the Board is of the view that unitholders will still be able to participate effectively in and vote at the general meetings even in the absence of absentia voting and have the opportunity to communicate their views on matters affecting APTT. To safeguard unitholders' interests and rights, there will be separate resolutions at general meetings on each substantially distinct issue in line with the guidance under Provision 11.2 of the Code and the chairs of the Board, AC, NC and RC will be present and available to address questions at the AGM, in line with the guidance under Provision 11.3 of the Code. All members of the Board attended the AGM on 30 June 2020 and no other unitholders' meeting was held during the year ended 31 December 2020. In line with the guidance under Provision 11.3 of the Code, the external auditors are also present to address queries from the unitholders regarding the conduct of audit and the preparation and content of the auditor's report.

Upon request, the Trustee-Manager avails the Trust Deed to unitholders, either via email or physical copy.

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.

APTT's distribution policy is to distribute 100% of its distributable free cash flows after (i) paying the operating expenses of the Trust, including the Trustee-Manager's fees, (ii) repaying principal amounts (including any premium or fee) under any debt or financing arrangement of the Trust, (iii) paying interest or any other financing expense on any debt or financing arrangement of the Trust, (iv) providing 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) providing for the cash needs of the Trust for capital expenditure purposes.

In line with the guidance under Provision 11.6 of the Code, the Trustee-Manager regularly communicates APTT's policy on payment of distributions to unitholders. APTT makes distributions to unitholders 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 are generally paid within five market days after the record date for each quarter, within the deadline set out above.

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Principle 12: Engagement with shareholders

The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

The Trustee-Manager is committed to keeping all stakeholders informed of APTT's performance and any updates in relation to its business which are likely to materially affect the APTT unit price.

Timely disclosure of information

The Trustee-Manager provides timely, open and accurate information to all stakeholders, including investors, regulators and the wider investment community. The Board has adopted policies and procedures in relation to compliance with the disclosure requirements under the Listing Manual, having regard to the principles and provisions of the Code. The Trustee-Manager ensures that unpublished price-sensitive information is not selectively disclosed, and in the unlikely event such information is inadvertently disclosed, it will be immediately released to the public via SGXNet and/or media releases and posted on the websites of APTT and SGX-ST.

In line with the guidance under Provision 12.1 of the Code, the Trustee-Manager has developed an Investor Relations Policy including guidelines to solicit and understand the views of unitholders. The cornerstone of this policy is the delivery of timely and relevant information, including information on corporate developments, to unitholders, as well as an open two-way communication channel between the Trustee-Manager and its stakeholders. Financial and other information (including press releases and SGX-ST announcements) are announced via SGXNet and posted on the websites of APTT at www.aptt.sg and SGX-ST at www.sgx.com.

The Trustee-Manager provides unitholders with quarterly and annual financial statements within the relevant periods prescribed by the Listing Manual. These statements were reviewed and approved by the Board prior to release to unitholders by announcement via SGXNet and made available on the websites of APTT and SGX-ST. The releases of periodic and annual financial statements were accompanied by news releases which were made available on the websites of APTT and SGX-ST. In presenting the financial statements to unitholders, the Board sought to provide unitholders with a balanced, clear and comprehensible assessment of APTT's performance, position and prospects.

In addition to the release of financial statements, the Trustee-Manager keeps unitholders, stakeholders and analysts informed of its performance and changes in relation to TBC and its business which might materially affect the APTT unit price on a timely basis, so as to assist unitholders in their investment decisions. Announcements are released via SGXNet and posted on the websites of APTT and SGX-ST, in compliance with regulatory reporting requirements.

APTT's investor relations team (the "IR Team") is tasked with, and focuses on, facilitating communications between the Trust and its unitholders, as well as with the investment community, so as to actively engage and promote regular, effective and fair communication with unitholders, in line with the guidance under Provision 12.1 of the Code. The IR Team is headed by the Chief Executive Officer, Brian McKinley, and is also supported by an external public relations firm.

The Board and management hold briefings with analysts and institutional and retail investors upon announcement of APTT's quarterly financial results and presentations are made, as appropriate, to regularly explain APTT's strategy, performance and developments. APTT's IR Team supports the management team to engage with unitholders, institutional and retail investors and analysts to obtain and understand investor views, concerns and feedback and sets out the mechanisms through which unitholders may contact the Trustee-Manager with questions and through which the Trustee-Manager may respond to such questions, in line with the guidance under Provision 12.2 of the Code.

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Principle 13: Engagement with stakeholders

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure the best interests of the company are served.

In line with the guidance under Provisions 13.1, 13.2 and 13.3 of the Code, the Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that APTT's best interests are served. The Trustee-Manager has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups. For example, it maintains a database of analysts and investors and issues invitations to them to participate in the quarterly results teleconference. An announcement via SGXNet is also posted every quarter and made available on the websites of APTT and SGX-ST to publicly invite unitholders to participate in the same teleconference. The Trustee-Manager maintains a current corporate website to communicate and engage with stakeholders. The website has a news alert subscription function, which allows stakeholders to opt in and receive updates on APTT's announcements. It also has an online enquiry form to facilitate a two-way communication between stakeholders and the Trustee-Manager. To enhance access to the Trustee-Manager, contact details of the IR Team are included in APTT's announcements posted on the websites of APTT and SGX-ST. More information on the Group's material stakeholders (including the Group's strategy and key areas of focus in relation to the management of stakeholder relationships) and sustainability efforts can be found in the Sustainability Report on pages 8 to 23 of this Annual Report.

SECURITIES TRADING

In line with Listing Rule 1207(19), the Trustee-Manager confirms that APTT has adopted a Securities Trading Policy with respect to dealings in securities by the Trustee-Manager, directors and officers of the Trustee-Manager, and directors and officers of APTT's subsidiaries (collectively the "Relevant Persons").

This policy dictates that trading in both securities and derivatives of APTT by Relevant Persons must not take place during the period commencing two weeks before the announcement of APTT's financial statements for each of the first three quarters of the financial year, or one month before the announcement of the financial statements for the financial year, and ending one trading day after the announcement of the relevant results (the "closed" trading periods) is made to enable the market to digest the information that has been disclosed.

The Relevant Persons are reminded not to trade in situations where the insider trading laws and rules would prohibit trading. Insider trading is an offence under the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"). Accordingly, notwithstanding the "open" trading periods, any of the Relevant Persons who is aware of or privy to any material unpublished price-sensitive information which is the subject of an impending announcement or potential media release should not deal in APTT's securities and derivatives until one trading day after the information is appropriately disseminated to the market.

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

The directors and officers of the Trustee-Manager are discouraged from trading on short-term considerations.

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BOARD DIVERSITY

APTT's Board Diversity Policy was approved and adopted on 14 August 2019 and embraces the importance and benefits of having a diverse Board to enhance the quality of its performance. It recognises that diversity at the Board level is an essential element in supporting the attainment of APTT's strategic objectives and sustainable development.

In designing the Board's composition, diversity has been considered from a number of aspects, including but not limited to gender, age, nationalities, educational background, experience, skills, knowledge and independence. All Board appointments are made based on merit, in the context of the skills, experience, independence and knowledge which the Board requires to ensure the effectiveness of this Policy.

In this regard, the NC has been monitoring the implementation of this Policy and is of the view that each director on the Board of the Trustee-Manager has different core competencies, including accounting, finance, business and management experience, strategic planning and customer-based knowledge, and offers an appropriate balance of perspectives, skills and experience in the boardroom.

Gender diversity is taken into account in relation to the composition of the Board. Out of the seven directors, one is female. Ong Joo Mien, Joanna was appointed to the Board on 1 July 2015, adding to the balance and gender diversity of the Board.

With the depth and breadth of his operational and management experience, particularly in the telecommunications and media industry in Taiwan, Mr Chang's appointment to the Board on 15 April 2020 further augmented the Board's diversity.

The NC will continue to monitor the implementation of this Policy and report annually, in the Corporate Governance Report, on the Board's composition with respect to diversity. It will review this Policy from time to time as appropriate, to ensure the effectiveness of this Policy. The NC will also discuss any revisions that may be required to the Policy, and recommend any such revisions to the Board for consideration and approval.

STATEMENT OF POLICIES AND PRACTICES

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

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

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

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

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

   Where matters concerning APTT relate to transactions entered into or to be entered into by the Trustee-Manager for and

CORPORATE GOVERNANCE STATEMENT

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

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

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

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

e) The expenses payable to the Trustee-Manager in its capacity as the Trustee-Manager of APTT out of the Trust property are appropriate and in accordance with the Trust Deed, and regular internal reviews are carried out to ensure such expenses payable are in order. Fees and expenses paid to the Trustee-Manager out of the Trust property for the year ended 31 December 2020 are disclosed in Note 24(iv) and Note 30 of Financial Statements on page 120 and page 134 of this Annual Report.

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

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

REPORT OF THE TRUSTEE-MANAGER

The directors of APTT Management Pte. Limited, the trustee-manager (the "Trustee-Manager") of Asian Pay Television Trust ("APTT" or the "Trust") and the Trustee-Manager of APTT, present their report to the unitholders of APTT together with the audited financial statements of APTT and its subsidiaries (collectively the "Group") for the year ended 31 December 2020.

DIRECTORS

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

Mr Yong Lum Sung (Chair and Independent Director)
Mr Tan Chung Yaw, Richard (Independent Director)
Mr Leong Shin Loong (Independent Director)
Ms Ong Joo Mien, Joanna (Independent Director)
Mr Lu Fang-Ming (Vice-Chair and Non-Executive Director)
Mr Chang Chia Hsiang, Daniel (Executive Director) (appointed on 15 April 2020)[1]
Mr Brian McKinley (Chief Executive Officer and Executive Director)

1 Appointed to the Board as Non-Independent and Non-Executive Director on 15 April 2020, and was redesignated from Non-Executive Director to Executive Director on 15 August 2020, following his appointment as Chairman of TBC.

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE UNITS

Neither at the end of nor at any time during the year ended 31 December 2020 was the Trustee-Manager a party to any arrangement whose object was to enable the directors to acquire benefits by means of acquisition of units in APTT.

DIRECTORS' INTERESTS IN UNITS

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

	Holdings registered in the name of director		Holdings in which a director is deemed to have an interest	
	As at end of the year	**As at beginning of the year or date of appointment, if later**	**As at end of the year**	**As at beginning of the year or date of appointment, if later**
Number of units held by:				
Mr Yong Lum Sung	-	-	-	-
Mr Tan Chung Yaw, Richard[2]	648,800	519,000	100,000	100,000
Mr Leong Shin Loong	375,000	300,000	-	-
Ms Ong Joo Mien, Joanna	-	-	-	-
Mr Lu Fang-Ming[3]	6,250,000	5,000,000	10,354,850	5,328,412
Mr Chang Chia Hsiang, Daniel	-	-	-	-
Mr Brian McKinley	1,375,100	1,100,001	-	-
Total	**8,648,900**	**6,919,001**	**10,454,850**	**5,428,412**

2 Deemed interest is held by Ms Lim Kim Suan, Cynthia (wife of Mr Tan Chung Yaw, Richard).

3 Deemed interest is held by APTT Management Pte. Limited, wholly owned by Dynami. As at the date of this report, Dynami is fully owned by Mr Lu Fang-Ming.

There were no changes in any of the abovementioned interests in APTT, except as disclosed, above between the end of the year and 21 January 2021. None of the directors holding office at the end of the year had any interests in the shares of APTT's related corporations in 2020.

OPTIONS

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

REPORT OF THE TRUSTEE-MANAGER

AUDIT COMMITTEE

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

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

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

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

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

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

(ii) to review:

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

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

(iv) to report to the Board:

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

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

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

REPORT OF THE TRUSTEE-MANAGER

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

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

(ix) to meet with external and internal auditors, without the presence of the Chief Executive Officer, Chief Financial Officer and TBC's Chairman, at least on an annual basis; and

(x) has explicit authority to investigate any matter within its terms of reference, with full access to and cooperation by management of the Trustee-Manager and full discretion to invite any director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

The external and internal auditors have unrestricted access to the Audit Committee.

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

INDEPENDENT AUDITORS

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

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

Yong Lum Sung
Chair and Independent Director

Brian McKinley
Chief Executive Officer and Executive Director

19 March 2021

STATEMENT BY THE TRUSTEE-MANAGER

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

(a) the consolidated financial statements of the Group and the statements of financial position and statements of changes in equity of APTT as set out on pages 67 to 134 are drawn up so as to give a true and fair view of the financial position of the Group and of APTT as at 31 December 2020, and of the financial performance, changes in equity and cash flows of the Group and changes in equity of APTT for the year ended on that date in accordance with the provisions of the Business Trusts Act, Chapter 31A of Singapore (the “BTA”) and International Financial Reporting Standards; and

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

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

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

(b) the interested person transactions entered into by the Group during the year ended 31 December 2020 are not detrimental to the interests of all the unitholders of APTT as a whole, based on the circumstances at the time of the relevant transactions; and

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

The Board has, on the date of this statement, authorised the above statements and the accounts of the Group as at and for the year ended 31 December 2020 for issue.

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

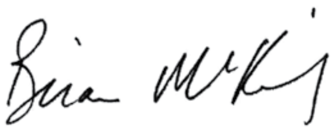
Yong Lum Sung
Chair and Independent Director

Brian McKinley
Chief Executive Officer and Executive Director

19 March 2021

STATEMENT BY THE CHIEF EXECUTIVE OFFICER

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



Brian McKinley
Chief Executive Officer and Executive Director

19 March 2021

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF ASIAN PAY TELEVISION TRUST

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Asian Pay Television Trust ("APTT" or the "Trust") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Trust as at 31 December 2020, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Trust for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 67 to 134.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Trust are properly drawn up in accordance with the provisions of the Singapore Business Trusts Act, Chapter 31A of Singapore (the "Act") and International Financial Reporting Standards ("IFRS") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Trust as at 31 December 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Trust for the year ended on that date.

Basis for opinion

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

Key audit matters

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

Key audit matters	How the scope of our audit responded to the key audit matters
Revenue recognition (Note 23)	
The accuracy and completeness of revenue recorded is an inherent industry risk due to complexity of the Group's operating system that maintains customer data and billing, as well as the Group's general ledger accounting system. The systems process large volumes of customer data with a combination of different product subscription packages pricing models offered. The revenue recognition policy is set out in Note 2(f) to the financial statements.	We evaluated the relevant IT systems and the design and operating effectiveness of controls over the: (a) capture and recording of revenue transactions; (b) authorisation and input of information changes to the systems; and (c) calculation of amounts billed to customers. In doing so, we involved our internal IT specialists to assist in the audit of general IT controls and testing of report data, including testing the accuracy and completeness of collections received in advance. We also performed the following audit procedures: (a) tested the manual reconciliation process to recognise revenue from collections received in advance to assess the accuracy and completeness of revenue; and (b) tested supporting evidence for manual journal entries posted monthly to revenue accounts to identify any unusual items.

INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF ASIAN PAY TELEVISION TRUST

Key audit matters	How the scope of our audit responded to the key audit matters
Indefinite useful lives of cable TV licences (Note 8)	
The assessment of indefinite useful lives of cable TV licences was significant to our audit due to: (a) The quantitative significance, where the carrying amount of cable TV licences as at 31 December 2020 amounted to $2,480 million, which accounted for 84% of the Group's total assets; and (b) The judgment involved, where APTT Management Pte. Limited (the "Trustee-Manager") has exercised judgment in estimating the useful lives of cable TV licences to be of an indefinite duration after taking into consideration all the relevant factors. One key factor considered is that the cable TV licences are subject to renewal every nine years at no significant additional cost. Following the Group's completion of the analogue broadcasting switch-off and 100% digitisation of all franchise areas in 2017, the Group's cable TV licences were extended to 12 years making the next renewal periods in 2020 and 2021. In 2020, the two licences that were due for renewal were successfully renewed until 2029. Out of the three licences due for renewal in 2021, one licence has already been successfully renewed until 2030 and for the remaining two licences, the Group has submitted to the National Communications Commission of Taiwan the renewal application and corresponding business plans. Other factors considered included the historical renewal experiences of the Group and other major industry players, compliance with the conditions for licence renewal, and any other technical, legal and commercial factors. The accounting policy for cable TV licences is set out in Note 2(m)(ii) to the financial statements.	Our audit procedures included, among others: (a) We tested the design and implementation of key controls surrounding the Group's intangible assets useful life assessment process; (b) We evaluated the Trustee-Manager's assessment of the indefinite useful lives of the cable TV licences and assessed the appropriateness of the relevant factors, including the historical and current year's renewal experiences of the Group and other major industry players, compliance with the conditions for licence renewal, and any other technical, legal and commercial factors; and (c) We compared the Group's useful life policy of cable TV licences for consistency with the policies used by other major industry players in Taiwan. We have also assessed the adequacy of the disclosures made in respect of the significant judgment on the indefinite useful life of cable TV licences in the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF ASIAN PAY TELEVISION TRUST

<table>
<tr><th>Key audit matters</th><th>How the scope of our audit responded to the key audit matters</th></tr>
<tr><td>Impairment of goodwill, cable TV licences with indefinite useful lives and property, plant and equipment (Notes 7 and 8)

The Group performs the impairment assessment of property, plant and equipment together with the annual impairment assessment of goodwill and cable TV licences.

This assessment of impairment was significant to our audit due to:

(a) The quantitative significance, where the carrying amount of goodwill, cable TV licences and property, plant and equipment as at 31 December 2020, amounted to $8 million, $2,480 million and $330 million respectively, totalling 95% of the Group's total assets; and

(b) The judgment involved, where the Trustee-Manager prepared the forecast cash flows based on the discounted cash flow model that incorporated a number of significant assumptions, in particular, the future cash flows generated from the cable TV business, which is affected by the expected future market or economic conditions in Taiwan.

The accounting policy for impairment of goodwill, cable TV licences with indefinite useful lives, and property, plant and equipment is set out in Notes 2(m)(ii), 2(n)(i) and 2(k) to the financial statements.</td><td>Our audit procedures included, among others:

(a) We tested the design and implementation of key controls surrounding the Group's impairment assessment process;

(b) We challenged assumptions used in the forecasts prepared by the Trustee-Manager, evaluated recent performance, and carried out trend analysis; and

(c) We evaluated the key management assumptions driving the analysis, in particular those relating to forecast revenue growth, capital expenditure, EBITDA and EBITDA margin, comparing these against those achieved historically; and

(d) We used our internal valuation specialists, who evaluated the methodology and independently developed expectations of key assumptions such as discount rate and terminal value, comparing the independent expectations to those used by the Trustee-Manager.

The key assumptions used in the forecasts were within a reasonable range of our expectations.

We have also assessed the adequacy of the disclosures made in respect of those assumptions to which the outcome of the impairment assessment is most sensitive, that is, those that have the most significant effect on the determination of the recoverable amount of goodwill, cable TV licences with indefinite useful lives, and property, plant and equipment, in the financial statements.</td></tr>
</table>

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF ASIAN PAY TELEVISION TRUST

Information other than the financial statements and auditor's report thereon

The Trustee-Manager is responsible for the other information. The other information comprises the information included in this Annual Report, but does not include the financial statements and our auditor's report thereon.

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

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

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

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

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF ASIAN PAY TELEVISION TRUST

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

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

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

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

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

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

Report on other legal and regulatory requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Mr Yang Chi Chih.

Public Accountants and Chartered Accountants

Singapore, 19 March 2021

STATEMENTS OF FINANCIAL POSITION

	Note	Group as at 31 December		Trust as at 31 December	
Amounts in $'000		**2020**	**2019**	**2020**	**2019**
Assets					
Current assets					
Cash and cash equivalents	4	96,996	79,101	3,387	4,788
Trade and other receivables	5	14,434	11,956	-	-
Derivative financial instruments	9	322	225	322	225
Contract costs	10	1,111	-	-	-
Other assets	11	1,412	17,670	72	73
		114,275	**108,952**	**3,781**	**5,086**
Non-current assets					
Investment in subsidiaries	6	-	-	1,387,351	1,342,351
Property, plant and equipment	7	330,490	338,796	2	12
Intangible assets	8	2,509,476	2,390,549	-	6
Derivative financial instruments	9	144	7	144	7
Contract costs	10	357	-	-	-
Other assets	11	1,071	1,225	2	-
		2,841,538	**2,730,577**	**1,387,499**	**1,342,376**
Total assets		**2,955,813**	**2,839,529**	**1,391,280**	**1,347,462**
Liabilities					
Current liabilities					
Borrowings from financial institutions	12	190,874	15,400	-	-
Derivative financial instruments	9	5,269	291	895	291
Trade and other payables	13	23,550	39,278	3,699	3,687
Contract liabilities	14	33,949	31,451	-	-
Retirement benefit obligations	15	1,483	1,427	-	-
Income tax payable	25	6,109	7,582	-	-
Other liabilities	17	27,903	21,333	181	187
		289,137	**116,762**	**4,775**	**4,165**
Non-current liabilities					
Borrowings from financial institutions	12	1,337,314	1,511,288	-	-
Derivative financial instruments	9	142	3,928	142	198
Retirement benefit obligations	15	9,852	10,118	-	-
Deferred tax liabilities	16	97,948	84,793	-	-
Other liabilities	17	29,527	28,110	-	-
		1,474,783	**1,638,237**	**142**	**198**
Total liabilities		**1,763,920**	**1,754,999**	**4,917**	**4,363**
Net assets		**1,191,893**	**1,084,530**	**1,386,363**	**1,343,099**
Equity					
Unitholders' funds	18	1,389,351	1,343,851	1,389,351	1,343,851
Reserves	19	166,927	100,388	-	-
Accumulated deficit	20	(366,719)	(362,187)	(2,988)	(752)
Equity attributable to unitholders of APTT		**1,189,559**	**1,082,052**	**1,386,363**	**1,343,099**
Non-controlling interests	21	2,334	2,478	-	-
Total equity		**1,191,893**	**1,084,530**	**1,386,363**	**1,343,099**

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

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

Group	**Note**	**Year ended 31 December**	
Amounts in $'000		**2020**	**2019**
Revenue			
Basic cable TV	23(i)	243,590	232,151
Premium digital cable TV	23(ii)	12,976	12,797
Broadband	23(iii)	50,812	47,677
Total revenue		**307,378**	**292,625**
Operating expenses			
Broadcast and production costs	24(i)	(56,883)	(53,431)
Settlement of programming fees	24(i)	(5,360)	-
Staff costs	24(ii)	(31,280)	(28,836)
Depreciation and amortisation expense	24(iii)	(89,745)	(86,563)
Trustee-Manager fees	24(iv)	(7,359)	(7,315)
Net foreign exchange gain/(loss)	24(v)	492	(847)
Mark to market (loss)/gain on derivative financial instruments	24(vi)	(1,386)	582
Other operating expenses	24(vii)	(30,890)	(28,583)
Total operating expenses		**(222,411)**	**(204,993)**
Operating profit		**84,967**	**87,632**
Amortisation of deferred arrangement fees	24(viii)	(3,642)	(3,339)
Interest and other finance costs	24(ix)	(47,542)	(50,161)
Profit before income tax		**33,783**	**34,132**
Income tax expense	25	(16,106)	(14,719)
Profit after income tax		**17,677**	**19,413**
Profit after income tax attributable to:			
Unitholders of APTT		17,340	19,093
Non-controlling interests		337	320
Profit after income tax		**17,677**	**19,413**
Basic and diluted earnings per unit attributable to unitholders of APTT (cents)	31	**1.06**	**1.33**

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

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Group	Year ended 31 December	
Amounts in $'000	**2020**	**2019**
Profit after income tax	**17,677**	**19,413**
Other comprehensive income		
Items that will not subsequently be reclassified to profit or loss:		
Remeasurement of defined benefit obligations	488	(280)
	488	**(280)**
Items that may subsequently be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	62,144	8,079
Unrealised movement on change in fair value of cash flow hedging financial instruments	(329)	44
Deferred tax relating to items that may subsequently be reclassified to profit or loss	66	(9)
	61,881	**8,114**
Other comprehensive income, net of tax	**62,369**	**7,834**
Total comprehensive income	**80,046**	**27,247**
Total comprehensive income attributable to:		
Unitholders of APTT	79,709	26,927
Non-controlling interests	337	320
Total comprehensive income	**80,046**	**27,247**

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

STATEMENTS OF CHANGES IN EQUITY

Group Amounts in $'000	Unitholders' funds	Reserves	Accumulated deficit	Equity attributable to unitholders of APTT	Non-controlling interests	Total equity
Balance as at 1 January 2020	**1,343,851**	**100,388**	**(362,187)**	**1,082,052**	**2,478**	**1,084,530**
Total comprehensive income						
Profit after income tax	-	-	17,340	17,340	337	17,677
Other comprehensive income, net of tax	-	62,369	-	62,369	-	62,369
Total	**-**	**62,369**	**17,340**	**79,709**	**337**	**80,046**
Transactions with unitholders, recognised directly in equity						
Units issued against settlement of management fees to Trustee-Manager	500	-	-	500	-	500
Issuance of Rights Units	45,000	-	-	45,000	-	45,000
Settlement of transactions with non-controlling interests	-	-	-	-	(118)	(118)
Transfer to capital reserves	-	4,170	(4,170)	-	-	-
Distributions paid	-	-	(17,702)	(17,702)	(363)	(18,065)
Total	**45,500**	**4,170**	**(21,872)**	**27,798**	**(481)**	**27,317**
Balance as at 31 December 2020	**1,389,351**	**166,927**	**(366,719)**	**1,189,559**	**2,334**	**1,191,893**
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 to Trustee-Manager	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**

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

STATEMENTS OF CHANGES IN EQUITY

Trust **Amounts in $'000**	**Unitholders' funds**	**Accumulated (deficit)/surplus**	**Total equity**
Balance as at 1 January 2020	**1,343,851**	**(752)**	**1,343,099**
Total comprehensive income			
Profit after income tax	-	15,466	15,466
Total	**-**	**15,466**	**15,466**
Transactions with unitholders, recognised directly in equity			
Units issued against settlement of management fees to Trustee-Manager	500	-	500
Issuance of Rights Units	45,000	-	45,000
Distributions paid	-	(17,702)	(17,702)
Total	**45,500**	**(17,702)**	**27,798**
Balance as at 31 December 2020	**1,389,351**	**(2,988)**	**1,386,363**
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 to Trustee-Manager	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**

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

Group	Year ended 31 December	
Amounts in $'000	**2020**	**2019**
Cash flows from operating activities		
Profit after income tax	**17,677**	**19,413**
Adjustments for:		
Depreciation and amortisation expense	89,745	86,563
Net foreign exchange (gain)/loss	(2,100)	534
Gain on disposal of property, plant and equipment	-	(6)
Mark to market loss/(gain) on derivative financial instruments	1,386	(582)
Amortisation of deferred arrangement fees	3,642	3,339
Interest and other finance costs	47,542	50,161
Income tax expense	16,106	14,719
Settlement of management fees in units to Trustee-Manager	500	1,000
Operating cash flows before movements in working capital	**174,498**	**175,141**
Trade and other receivables	(2,478)	1,515
Trade and other payables	(15,728)	16,145
Contract costs	(1,468)	-
Contract liabilities	2,498	(2,395)
Retirement benefit obligations	278	(5,286)
Other assets	16,412	(15,770)
Other liabilities	2,829	1,117
Cash generated from operations	**176,841**	**170,467**
Income tax paid, net of refunds	(7,925)	(10,182)
Interest paid on lease liabilities (Note 12)	(283)	(194)
Net cash inflows from operating activities	**168,633**	**160,091**
Cash flows from investing activities		
Acquisition of property, plant and equipment	(50,972)	(71,907)
Proceeds from disposal of property, plant and equipment	-	11
Acquisition of intangible assets	(8,646)	(20,015)
Net cash used in investing activities	**(59,618)**	**(91,911)**
Cash flows from financing activities		
Interest and other finance costs paid (Note 12)	(47,958)	(50,330)
Borrowings from financial institutions (Note 12)	23,908	10,985
Repayment of borrowings to financial institutions (Note 12)	(89,660)	(5,697)
Settlement of lease liabilities (Note 12)	(3,155)	(2,183)
Settlement of derivative financial instruments (Note 12)	(1,072)	2,019
Settlement of transactions with non-controlling interests	(118)	(115)
Proceeds from issuance of Rights Units	45,000	-
Distributions to non-controlling interests	(363)	(60)
Distributions to unitholders	(17,702)	(17,274)
Net cash used in financing activities	**(91,120)**	**(62,655)**
Net increase in cash and cash equivalents	**17,895**	**5,525**
Cash and cash equivalents at the beginning of the year	79,101	73,576
Cash and cash equivalents at the end of the year (Note 4)	**96,996**	**79,101**

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

NOTES TO THE FINANCIAL STATEMENTS

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

(1) GENERAL INFORMATION

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

APTT was admitted to the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") and was listed on the SGX-ST on 29 May 2013, when APTT also acquired the pay-TV and broadband businesses of Taiwan Broadband Communications Group ("TBC").

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

The financial statements of the Group and the statements of financial position and statements of changes in equity of APTT for the year ended 31 December 2020 were authorised for issue by the Board of Directors of the Trustee-Manager (the "Board") on 19 March 2021.

(2) SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 *Share-based Payment*, leasing transactions that are within the scope of IFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 *Inventories* or value-in-use in IAS 36 *Impairment of Assets*.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

(2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of preparation (continued)

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

The Group meets its day-to-day working capital requirements through its cash and bank facilities. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current cash and bank facilities. After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future based on the factors and assumptions as disclosed in Note 26(ii)(c). The Group therefore continues to adopt the going concern basis in preparing its financial statements.

Changes in accounting policy and disclosures

(i) New and amended standards adopted by the Group

In the current financial year, the Group has adopted all the new IFRSs that are relevant to its operations and effective for annual periods beginning on or after 1 January 2020. The adoption of these new IFRSs does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior years except as disclosed below.

Impact of initial application of amendments to IAS 1 *Presentation of Financial Statements* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*: Definition of material

In the current year, the Group has adopted the amendments to IAS 1 and IAS 8 that are effective for annual periods that begin on or after 1 January 2020.

The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the International Accounting Standards Board ("IASB") amended other Standards and the Conceptual Framework that contains a definition of 'material' or refer to the term 'material' to ensure consistency.

Impact of initial application of amendments to IFRS 3 *Business Combinations*: Definition of a business

In the current year, the Group has adopted the amendments to IFRS 3 that are effective for annual periods that begin on or after 1 January 2020.

The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

NOTES TO THE FINANCIAL STATEMENTS

(2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of preparation (continued)

Changes in accounting policy and disclosures (continued)

(i) New and amended standards adopted by the Group (continued)

Impact of initial application of amendments to IFRS 3 *Business Combinations*: Definition of a business (continued)

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after 1 January 2020.

Impact of initial application of amendments to References to the Conceptual Framework in IFRS

In the current year, the Group has adopted the amendments to References to the Conceptual Framework in IFRS that are effective for annual periods that begin on or after 1 January 2020.

The amendments include consequential amendments to affected Standards so that they refer to the new Framework. Not all amendments, however, update those pronouncements with regard to references to and quotes from the Framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework.

The Standards that are amended are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

Impact of initial application of amendments to IFRS 9 *Financial Instruments*, IAS 39 *Financial Instruments: Recognition and Measurement* and IFRS 7 *Financial Instruments: Disclosures*: Interest Rate Benchmark Reform

In the current year, the Group has adopted the amendments to IFRS 9, IAS 39 and IFRS 7 that are effective for annual periods that begin on or after 1 January 2020.

The amendments to IFRS 9, IAS 39 and IFRS 7 provide certain temporary reliefs in relation to the interest rate benchmark reforms that modify specific hedge accounting requirements to allow hedge accounting to continue assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform. The changes will mandatorily apply to all hedging relationships directly affected by the interest rate benchmark reform. The amendments are not intended to provide relief from any other consequences arising from the interest rate benchmark reform. If a hedging no longer meets the requirements for hedge accounting for reasons other than those specified by the amended Standards, then discontinuation of hedge accounting is still required.

The amendments to IFRS 9 and IAS 39 clarify the following:

- when determining the highly probable requirement for a forecasted transaction (or a component thereof), an entity shall assume that the interest rate benchmark on which the hedged cash flows (contractually or non-contractually specified) are based is not altered as a result of interest rate benchmark reform;
- when determining the amount of hedged future cash flows expected to occur for the reclassification of the amount accumulated in the cash flow hedge reserve to profit or loss upon discontinuation of hedge accounting for a cash flow hedge, an entity shall assume that the interest rate benchmark on which the hedged cash flows (contractually or non-contractually specified) are based is not altered as a result of interest rate benchmark reform;

NOTES TO THE FINANCIAL STATEMENTS

(2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of preparation (continued)

Changes in accounting policy and disclosures (continued)

(i) New and amended standards adopted by the Group (continued)

Impact of initial application of amendments to IFRS 9 *Financial Instruments*, IAS 39 *Financial Instruments: Recognition and Measurement* and IFRS 7 *Financial Instruments: Disclosures*: Interest Rate Benchmark Reform (continued)

- when assessing the economic relationship between the hedged item and hedging instrument for IFRS 9, an entity shall assume that the interest rate benchmark on which the hedged cash flows and/or the hedged risk are based, or the interest rate benchmark on which the cash flows of the hedging instrument are based, are not altered as a result of the interest rate benchmark reform;
- when performing the prospective and retrospective assessment for IFRS 9, an entity shall assume that the interest rate benchmark on which the hedged cash flows and/or hedged risk are based, or the interest rate benchmark on which the cash flows of the hedging instrument are based, is not altered as a result of the interest rate benchmark reform; and
- when determining whether a non-contractually specified risk component is separately identifiable, an entity is required to apply the separately identifiable requirement only at the inception of the hedging relationship.

The entity shall cease applying the above temporary reliefs when:

- the uncertainty arising from the interest rate benchmark reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows; or
- the hedging relationship is discontinued.

The end of application of the reliefs provided above does not apply to the relief for separately identifiable risk components, which will instead end on termination of the hedging relationship.

An entity shall apply these amendments retrospectively to those hedging relationships that existed at the beginning of the reported period in which the entity shall first apply the amendments or were designated thereafter, and to the gain or loss recognised in other comprehensive income that existed at the beginning of the reporting period in which an entity first applies these amendments.

The amendments to IFRS 7 sets out the disclosure requirements for the hedging relationships affected by the above amendments. An entity shall disclose:

- the significant interest rate benchmarks to which the entity's hedging relationships are exposed;
- the extent of the risk exposure the entity manages that is directly affected by the interest rate benchmark reform;
- how the entity is managing the process to transition to alternative benchmark rates;
- a description of significant assumptions or judgments the entity made in applying these paragraphs (for example, assumptions or judgments about when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows); and
- the nominal amount of the hedging instruments in those hedging relationships.

NOTES TO THE FINANCIAL STATEMENTS

(2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of preparation (continued)

Changes in accounting policy and disclosures (continued)

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

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

IFRS 17	*Insurance Contracts*
IFRS 10 and IAS 28 (amendments)	*Sale or Contribution of Assets between an investor and its Associate or Joint Venture*
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current*
Amendments to IFRS 3	*Reference to the Conceptual Framework*
Amendments to IAS 16	*Property, Plant and Equipment - Proceeds before Intended Use*
Amendments to IAS 37	*Onerous Contracts - Cost of Fulfilling a Contract*
Annual Improvements to IFRS 2018-2020 Cycle	*Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments*, *IFRS 16 Leases and IAS 41 Agriculture*

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

(b) Basis of consolidation

The consolidated financial statements incorporate the financial statement of the Trust and entities controlled by the Trust (its subsidiaries) made up to 31 December each year. Control is achieved when the Trust:

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

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

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

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

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

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Trust's accounting policies.

NOTES TO THE FINANCIAL STATEMENTS

(2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Basis of consolidation (continued)

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Trust are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interests of non-controlling shareholders represent ownership interests entitling their holders to a proportionate share of net assets upon liquidation. Such interests may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

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

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

(c) Business combination

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

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

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

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

When the consideration transferred by the Group in a business combination includes contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

NOTES TO THE FINANCIAL STATEMENTS

(2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Business combination (continued)

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

(d) Non-controlling interests

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

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

(e) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

NOTES TO THE FINANCIAL STATEMENTS

(2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Foreign currency translation (continued)

(iii) Group companies

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

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

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

(f) Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

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

Subscription revenue

Subscription revenues are billed and collected in advance. Revenue billed in advance of the rendering of services is deferred and presented in the statement of financial position as contract liabilities. Revenue from bundled products and services are recognised based on values allocated to the individual element of the bundled product and services in accordance to the earning process of each element. Subscription revenue is recognised over time as the Group satisfies its performance obligations over time. The transaction price allocated to these subscriptions is recognised as a contract liability at the time of the initial sales transaction and is released on a straight-line basis over the period of service.

Non-subscription revenue

Non-subscription revenue mostly comprised of channel leasing revenue, advertising revenue and installation revenue. Channel leasing revenue and advertising revenue are billed on a monthly basis and payments are due shortly after the bill date. Installation revenue is recognised when the installation of equipment is completed. Such services are non-refundable and recognised as a performance obligation satisfied at a point in time. A receivable is recognised by the Group when the goods or services are delivered or rendered as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

NOTES TO THE FINANCIAL STATEMENTS

(2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Distributions

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

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

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

The Trust intends to distribute 100% of its distributable free cash flows. Distributions will be made on a quarterly basis, with the amount calculated as at 31 March, 30 June, 30 September and 31 December each year for the three-month period ending on each of the said dates. The Trustee-Manager will pay the distributions no later than 90 days after the end of each distribution period.

(h) Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position at the date when the Group becomes a party to the contractual provisions of the financial instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE FINANCIAL STATEMENTS

(2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Financial instruments (continued)

Classification of financial assets (continued)

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

(2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Financial instruments (continued)

Amortised cost and effective interest method (continued)

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition; and
- debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 26(ii)(e).

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss; and
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost and trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

(2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Financial instruments (continued)

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- significant deterioration in external market indicators of credit risk for a particular debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- the financial instrument has a low risk of default;
- the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amount.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

NOTES TO THE FINANCIAL STATEMENTS

(2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Financial instruments (continued)

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred, such as significant financial difficulty of the debtor or a breach of contract, such as a default or past due event.

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the asset's gross carrying amount at the reporting date, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

NOTES TO THE FINANCIAL STATEMENTS

(2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Financial instruments (continued)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Trust's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Trust's own equity instruments.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies are measured in accordance with the specific accounting policies set out below.

Financial liabilities measured subsequently at amortised cost

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk, foreign exchange gains and losses are recognised in other comprehensive income and accumulated in a separate component of equity.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss. For a financial instrument that includes a prepayment option at par, with no break cost, the original financial instrument is derecognised, including any unamortised transaction costs, and the new instrument is recognised at fair value.

When the Group exchanges with the existing lender one debt instrument into another with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between the carrying amount of the liability before the modification and the present value of the cash flows after modification is recognised in profit or loss as modification gain or loss.

NOTES TO THE FINANCIAL STATEMENTS

(2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Financial instruments (continued)

Derivative financial instruments

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

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group has both legal right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

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

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

The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

The Group designates the full change in the fair value of a forward contract (i.e. including the forward elements) as the hedging instrument for all of its hedging relationships involving forward contracts.

The Group designates only the intrinsic value of option contracts as a hedged item, i.e. excluding the time value of the option. The changes in the fair value of the aligned time value of the option are recognised in other comprehensive income and accumulated in the cost of hedging reserve. If the hedged item is transaction-related, the time value is reclassified to profit or loss when the hedged item affects profit or loss. If the hedged item is time-period related, then the amount accumulated in the cost of hedging reserve is reclassified to profit or loss on a rational basis - the Group applies straight-line amortisation. Those reclassified amounts are recognised in profit or loss in the same line as the hedged item. If the hedged item is a non-financial item, then the amount accumulated in the cost of hedging reserve is removed directly from equity and included in the initial carrying amount of the recognised non-financial item. Furthermore, if the Group expects that some or all of the loss accumulated in cost of hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

(2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Financial instruments (continued)

Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if the Group expects that some or all of the loss accumulated in the cash flow hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in other comprehensive income and accumulated in cash flow hedge reserve at that time remains in equity and is reclassified to profit or loss when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in cash flow hedge reserve is reclassified immediately to profit or loss.

(i) Offsetting financial instruments

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

(j) Cash and cash equivalents

For the purpose of presentation in the consolidated statements of cash flows, cash and cash equivalents include cash on hand and deposits held at call with banks and are subject to an insignificant risk of changes in value.

(k) Property, plant and equipment

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

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

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

• Buildings	3-50 years
• Leasehold improvements	3-10 years
• Network equipment	2-10 years
• Transport equipment	5 years
• Plant and equipment	2-5 years
• Leased equipment	3 years
• Right-of-use assets	2-30 years

NOTES TO THE FINANCIAL STATEMENTS

(2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Property, plant and equipment (continued)

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

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

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

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

(l) Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate; or
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Group did not make any such adjustments during the periods presented.

NOTES TO THE FINANCIAL STATEMENTS

(2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Leases (continued)

The Group as lessee (continued)

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term or useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired under accounts for any identified impairment loss as described in the “Property, plant and equipment” policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “Other expenses” in the consolidated statement of profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient.

(m) Intangible assets

(i) Intangible assets acquired separately

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

(ii) Intangible assets acquired in a business combination

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

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

NOTES TO THE FINANCIAL STATEMENTS

(2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Intangible assets (continued)

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

Cable TV licences

Costs incurred in acquiring cable TV licences are brought to account as intangible assets. The assets are assessed as having indefinite useful life and therefore there is no amortisation charge booked against the carrying value.

Under the provisions of Cable Radio and Television Act of Taiwan (the "CRTA"), the National Communications Commission of Taiwan ("NCC") or similarly established regulatory body in accordance with the laws of Taiwan renews a cable TV licence every nine years at no significant cost. The Group has five cable TV system operators, with their nine-year cable TV licences renewed in either 2008 or 2009. For the next renewal period, the Group's cable TV licences were extended to 12 years following the Cable Law amendments to accelerate digitisation and analogue broadcasting switch-off, making the next renewal periods in 2020 and 2021. The Group completed the digitisation of its subscriber base across all five franchise areas in 2017 and switched off analogue TV broadcasting. The Group had submitted to the NCC the renewal applications and corresponding business plans for the two licences that were due for renewal in 2020, and both have already been successfully renewed until 2029. Further, the Group has also submitted to the NCC the renewal applications and corresponding business plans for the remaining three licences that are due for renewal in 2021. As at the date of this report, one licence expiring in February 2021 has been successfully renewed until 2030. The Group expects the renewal of the remaining two licences to be approved by the NCC before their expiry dates, with certain performance conditions attached, in line with the standards of Taiwan's cable TV industry. Unless there is a significant risk of an offence against the CRTA or a breach of conditions under the licence, there is no reason to believe the licences will not be renewed. Further, the lives of the cable TV licences are not limited by any other technical, legal or commercial factors, either known or anticipated.

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

Software

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

Programming rights

Costs incurred in acquiring programming rights, with a broadcasting period of more than one year, are brought to account as intangible assets. Programming rights are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is recognised on a straight-line basis over its estimated useful life of 18 months.

Goodwill

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

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

NOTES TO THE FINANCIAL STATEMENTS

(2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Intangible assets (continued)

(iii) Derecognition of intangible assets

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

(n) Impairment of intangible assets

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

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

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

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

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

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

(ii) Impairment of intangible assets with finite useful life

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

(o) Provisions

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

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

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

(p) Retirement benefit obligations

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

NOTES TO THE FINANCIAL STATEMENTS

(2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Retirement benefit obligations (continued)

(i) Defined benefit scheme

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

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

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

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

(ii) Defined contribution scheme

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

(q) Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

(r) Share-based payment transactions

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

(s) Borrowings and interest-bearing liabilities

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

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

NOTES TO THE FINANCIAL STATEMENTS

(2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Borrowing costs

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

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

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

(u) Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the company and subsidiaries operate by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable.

Deferred tax

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

The carrying amount of deferred tax assets is reviewed as at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Except for investment properties measured using the fair value model, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

NOTES TO THE FINANCIAL STATEMENTS

(2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Income tax (continued)

Current tax and deferred tax for the year

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively) or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

(v) Unitholders' funds

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

(w) Earnings per unit

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

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

(3) CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

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

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

NOTES TO THE FINANCIAL STATEMENTS

(3) CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS (continued)

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

The Trustee-Manager exercises judgment in estimating the useful lives of the cable TV licences. The cable TV licences are subject to renewal every nine years, at no significant additional cost. The Group has five cable TV system operators, with their nine-year cable TV licences renewed in either 2008 or 2009. For the next renewal period, the Group's cable TV licences were extended to 12 years following the Cable Law amendments to accelerate digitisation and analogue broadcasting switch-off, making the next renewal periods in 2020 and 2021. The Group completed the digitisation of its subscriber base across all five franchise areas in 2017 and switched off analogue TV broadcasting. The Group had submitted to the NCC the renewal applications and corresponding business plans for the two licences that were due for renewal in 2020, and both have already been successfully renewed until 2029. Further, the Group has also submitted to the NCC the renewal applications and corresponding business plans for the remaining three licences that are due for renewal in 2021. As at the date of this report, one licence expiring in February 2021 has been successfully renewed until 2030. The Group expects the renewal of the remaining two licences to be approved by the NCC before their expiry dates, with certain performance conditions attached, in line with the standards of Taiwan's cable TV industry. Unless there is a significant risk of a violation of CRTA or a breach of the conditions of any of the licences, there is no reason to believe the licences will not be renewed. In addition, the lives of the cable TV licences are not limited by any other technical, legal or commercial factors, either known or anticipated. Taking these factors into consideration, it is the judgment of the Trustee-Manager that the cable TV licences have useful lives of an indefinite duration. Consequently, no deferred tax liabilities have been provided on the temporary differences relating to the cable TV licences as at the acquisition date as it is deemed that recovery would be through a sale transaction, which the Trustee-Manager expects would not be subject to capital gains taxes. The Trustee-Manager reviews the determination of useful life at each reporting date to determine whether events and circumstances continue to support the indefinite useful life assessment. Costs incurred in acquiring the cable TV licences are brought to account as intangible assets. The cable TV licences are subject to annual impairment testing, as discussed below.

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

Goodwill and intangible assets with indefinite useful lives are not subject to amortisation and are tested annually for impairment. Determining whether goodwill and intangible assets with indefinite useful lives are impaired requires an estimation of their recoverable amounts (as an impairment loss is recognised for the amount by which an asset's carrying amount exceeds its recoverable amount). The recoverable amount is the higher of (i) an asset's fair value less costs-to-sell or (ii) the value-in-use of the CGU to which goodwill and intangible assets have been allocated. The fair values less costs-to-sell require the Trustee-Manager to estimate, based on the best information available, the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date after deducting the costs of disposal. Where there are no active markets, the Trustee-Manager has to exercise judgment in estimating the recoverable amounts of these assets, which are calculated based on discounted cash flow model using forecast cash flows generated by the Group and an appropriate discount rate. Having considered the above, the Trustee-Manager is of the view that there is no impairment of goodwill and cable TV licences amounting to $2,488.6 million as at 31 December 2020 (31 December 2019: $2,373.0 million).

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

As at 31 December 2020, the carrying value of property, plant and equipment was $330.5 million (31 December 2019: $338.8 million) as disclosed in Note 7. All items of property, plant and equipment are recorded at cost less accumulated depreciation and any accumulated impairment losses.

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

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

NOTES TO THE FINANCIAL STATEMENTS

(4) CASH AND CASH EQUIVALENTS

	Group as at 31 December		Trust as at 31 December	
Amounts in $'000	**2020**	**2019**	**2020**	**2019**
Cash on hand	46	44	-	-
Cash at bank	96,950	79,057	3,387	4,788
Total	**96,996**	**79,101**	**3,387**	**4,788**

The currency denomination and exposure to currency risk of cash and cash equivalents are disclosed in Note 26(ii)(a).

(5) TRADE AND OTHER RECEIVABLES

	Group as at 31 December		Trust as at 31 December	
Amounts in $'000	**2020**	**2019**	**2020**	**2019**
Trade receivables due from outside parties	14,465	11,957	-	-
Less: Loss allowance	(31)	(1)	-	-
Total	**14,434**	**11,956**	**-**	**-**

Analysis of trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 180 days credit term (31 December 2019: 30 to 180 days). They are initially recognised at fair value plus transaction costs, and subsequently measured at amortised cost using the effective interest method, less any impairment. The Group assesses the potential customer's credit quality and determines credit limits to be allowed before accepting any new customer. Credit limits granted to customers are reviewed regularly.

Loss allowance for trade receivables has always been measured at an amount equal to lifetime ECL. The ECL on trade receivables is estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate, and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier.

The currency denomination and exposure to currency risk and credit risk of trade receivables are disclosed in Note 26(ii)(a) and Note 26(ii)(b) respectively.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in IFRS 9:

Group	Lifetime ECL - Credit-impaired		
Amounts in $'000	**Collectively assessed**	**Individually assessed**	**Total**
Balance as at 1 January 2019	**-**	**1**	**1**
Amounts written-off	-	-	-
Balance as at 31 December 2019	**-**	**1**	**1**
Amounts written-off	-	(1)	(1)
Change in loss allowance due to new trade receivables originated, net of those derecognised due to settlement	-	31	31
Balance as at 31 December 2020	**-**	**31**	**31**

NOTES TO THE FINANCIAL STATEMENTS

(6) 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			2020	2019	2020	2019
APTT Holdings 1 Limited	Investment holding company	Bermuda	100	100	728,359	704,734
APTT Holdings 2 Limited	Investment holding company	Bermuda	100	100	658,992	637,617
Total					**1,387,351**	**1,342,351**

Net proceeds of $45.0 million raised from the Rights Issue were transferred by APTT to its two wholly owned Bermudian subsidiaries as investment, which were in turn utilised by the two Bermudian subsidiaries to partially repay Offshore Facilities by $45.0 million during the year.

The following entities were within the Group as at 31 December 2020:

Name of entity	Type	Principal activities	Country of incorporation	Proportion of ownership interest	Proportion of voting power held	Reporting date
APTT Holdings 1 Limited	Subsidiary	Investment holding company	Bermuda	100%	100%	31 December
APTT Holdings 2 Limited	Subsidiary	Investment holding company	Bermuda	100%	100%	31 December
Cable TV S.A.	Subsidiary	Investment holding company	Luxembourg	100%	100%	31 December
TBC Holdings B.V.	Subsidiary	Investment holding company	Netherlands	100%	100%	31 December
Harvest Cable Holdings B.V.[1]	Subsidiary	Investment holding company	Netherlands	15%	100%	31 December
Jie Guang Co., Ltd.	Subsidiary	Investment holding company	Taiwan	100%	100%	31 December
Jia Guang Co., Ltd.	Subsidiary	Investment holding company	Taiwan	77%	100%	31 December
Wo Jun Co., Ltd.	Subsidiary	Investment holding company	Taiwan	59.3%	100%	31 December
Tai Luo Tze Co., Ltd.[1]	Subsidiary	Investment holding company	Taiwan	11.6%	100%	31 December
Tau Luen Co., Ltd.[1]	Subsidiary	Investment holding company	Taiwan	8.9%	100%	31 December
Taiwan Broadband Communications Co., Ltd.	Subsidiary	A multisystem cable TV operator	Taiwan	59.3%	100%	31 December
Nan Taoyuan Cable TV Co., Ltd.	Subsidiary	A cable TV system operator	Taiwan	59.3%	100%	31 December
Best Cable TV Co., Ltd.	Subsidiary	A cable TV system operator	Taiwan	59.3%	100%	31 December
Shin Ho Cable TV Co., Ltd.	Subsidiary	A cable TV system operator	Taiwan	59.3%	100%	31 December
Chun Chien Cable TV Co., Ltd.	Subsidiary	A cable TV system operator	Taiwan	59.3%	99.9%	31 December
Chi Yuan Cable TV Co., Ltd.[1]	Subsidiary	A cable TV system operator	Taiwan	8.9%	100%	31 December

[1] Although the Group effectively holds 15%, 11.6%, 8.9% and 8.9% interest in Harvest Cable Holdings B.V. ("Harvest Cable Holdings"), Tai Luo Tze Co., Ltd. ("Tai Luo Tze"), Tau Luen Co., Ltd. ("Tau Luen") and Chi Yuan Cable TV Co., Ltd. ("Chi Yuan") respectively, it has the ability to use its power to affect its returns from Harvest Cable Holdings, Tai Luo Tze, Tau Luen and Chi Yuan pursuant to a series of arrangements among the shareholders in these entities, and the Group receives substantially all of Harvest Cable Holdings', Tai Luo Tze's, Tau Luen's and Chi Yuan's economic interest. Accordingly, the Group regards Harvest Cable Holdings, Tai Luo Tze, Tau Luen and Chi Yuan as subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

(7) PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment ("PPE") are initially recorded at cost, subsequently measured at cost less accumulated depreciation and any accumulated impairment losses. The Group's PPE as at 31 December 2020 included right-of-use assets. The right-of-use assets have lease terms of 2 to 30 years.

Group Cost Amounts in $'000	**As at 1 January 2020**	**Additions**	**Transfer within PPE**	**Disposals/ write-offs**	**Foreign exchange effect**	**As at 31 December 2020**
Land	4,757	-	-	-	232	4,989
Buildings	12,626	-	232	-	615	13,473
Leasehold improvements	6,102	-	418	-	299	6,819
Network equipment	605,319	2,668	48,358	(22,610)	29,168	662,903
Plant and equipment	26,230	-	6,342	(323)	1,302	33,551
Transport equipment	3,606	-	154	(128)	180	3,812
Assets under construction	14,944	50,887	(55,504)	-	713	11,040
	673,584	**53,555**	**-**	**(23,061)**	**32,509**	**736,587**
Right-of-use assets						
Land	1,038	1	-	(1)	50	1,088
Buildings	7,489	2,292	-	(188)	412	10,005
Plant and equipment	-	84	-	-	1	85
Transport equipment	4,700	158	-	(171)	233	4,920
	13,227	**2,535**	**-**	**(360)**	**696**	**16,098**
Total	**686,811**	**56,090**	**-**	**(23,421)**	**33,205**	**752,685**

Group Cost Amounts in $'000	**As at 1 January 2019**	**Additions**	**Transfer within PPE**	**Disposals/ write-offs**	**Foreign exchange effect**	**As at 31 December 2019**
Land	4,571	-	159	-	27	4,757
Buildings	9,529	-	3,031	(14)	80	12,626
Leasehold improvements	3,033	-	2,996	-	73	6,102
Network equipment	550,334	1,847	50,722	(1,669)	4,085	605,319
Plant and equipment	15,965	8	10,054	(30)	233	26,230
Transport equipment	4,486	-	(24)	(878)	22	3,606
Leased equipment	7	-	-	-	(7)	-
Assets under construction	15,097	66,716	(66,938)	-	69	14,944
	603,022	**68,571**	**-**	**(2,591)**	**4,582**	**673,584**
Right-of-use assets						
Land	1,015	-	-	-	23	1,038
Buildings	5,503	1,819	-	-	167	7,489
Transport equipment	424	4,467	-	(279)	88	4,700
	6,942	**6,286**	**-**	**(279)**	**278**	**13,227**
Total	**609,964**	**74,857**	**-**	**(2,870)**	**4,860**	**686,811**

Trust Cost Amounts in $'000	**As at 1 January 2020**	**Additions**	**Transfer within PPE**	**Disposals/ write-offs**	**Foreign exchange effect**	**As at 31 December 2020**
Leasehold improvements	3	-	-	-	-	3
Plant and equipment	54	-	-	-	-	54
Total	**57**	**-**	**-**	**-**	**-**	**57**

Trust Cost Amounts in $'000	**As at 1 January 2019**	**Additions**	**Transfer within PPE**	**Disposals/ write-offs**	**Foreign exchange effect**	**As at 31 December 2019**
Leasehold improvements	3	-	-	-	-	3
Plant and equipment	54	-	-	-	-	54
Total	**57**	**-**	**-**	**-**	**-**	**57**

NOTES TO THE FINANCIAL STATEMENTS

(7) PROPERTY, PLANT AND EQUIPMENT (continued)

Group Accumulated depreciation and impairment Amounts in $'000	As at 1 January 2020	Depreciation and impairment	Transfer within PPE	Disposals/ write-offs	Foreign exchange effect	As at 31 December 2020
Land	(67)	-	-	-	(4)	(71)
Buildings	(4,714)	(2,774)	-	-	(246)	(7,734)
Leasehold improvements	(2,442)	(1,408)	-	-	(126)	(3,976)
Network equipment	(321,766)	(67,541)	-	22,610	(15,550)	(382,247)
Plant and equipment	(12,953)	(4,916)	-	323	(649)	(18,195)
Transport equipment	(3,037)	(392)	-	128	(150)	(3,451)
Assets under construction	(692)	(477)	-	-	(32)	(1,201)
	(345,671)	**(77,508)**	**-**	**23,061**	**(16,757)**	**(416,875)**
Right-of-use assets						
Land	(285)	(297)	-	1	(15)	(596)
Buildings	(1,459)	(1,760)	-	136	(80)	(3,163)
Plant and equipment	-	(9)	-	-	(1)	(10)
Transport equipment	(600)	(1,031)	-	115	(35)	(1,551)
	(2,344)	**(3,097)**	**-**	**252**	**(131)**	**(5,320)**
Total	**(348,015)**	**(80,605)**	**-**	**23,313**	**(16,888)**	**(422,195)**

Group Accumulated depreciation and impairment Amounts in $'000	As at 1 January 2019	Depreciation and impairment	Transfer within PPE	Disposals/ write-offs	Foreign exchange effect	As at 31 December 2019
Land	-	(67)	-	-	-	(67)
Buildings	(2,956)	(1,723)	-	14	(49)	(4,714)
Leasehold improvements	(1,548)	(871)	-	-	(23)	(2,442)
Network equipment	(256,617)	(64,247)	-	1,666	(2,568)	(321,766)
Plant and equipment	(9,884)	(2,995)	-	30	(104)	(12,953)
Transport equipment	(3,509)	(382)	-	877	(23)	(3,037)
Leased equipment	(5)	-	-	-	5	-
Assets under construction	(295)	(394)	-	-	(3)	(692)
	(274,814)	**(70,679)**	**-**	**2,587**	**(2,765)**	**(345,671)**
Right-of-use assets						
Land	-	(280)	-	-	(5)	(285)
Buildings	-	(1,435)	-	-	(24)	(1,459)
Transport equipment	(324)	(511)	-	245	(10)	(600)
	(324)	**(2,226)**	**-**	**245**	**(39)**	**(2,344)**
Total	**(275,138)**	**(72,905)**	**-**	**2,832**	**(2,804)**	**(348,015)**

Trust Accumulated depreciation and impairment Amounts in $'000	As at 1 January 2020	Depreciation and impairment	Transfer within PPE	Disposals/ write-offs	Foreign exchange effect	As at 31 December 2020
Leasehold improvements	(3)	-	-	-	-	(3)
Plant and equipment	(42)	(10)	-	-	-	(52)
Total	**(45)**	**(10)**	**-**	**-**	**-**	**(55)**

Trust Accumulated depreciation and impairment Amounts in $'000	As at 1 January 2019	Depreciation and impairment	Transfer within PPE	Disposals/ write-offs	Foreign exchange effect	As at 31 December 2019
Leasehold improvements	(3)	-	-	-	-	(3)
Plant and equipment	(25)	(17)	-	-	-	(42)
Total	**(28)**	**(17)**	**-**	**-**	**-**	**(45)**

NOTES TO THE FINANCIAL STATEMENTS

(7) PROPERTY, PLANT AND EQUIPMENT (continued)

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

Group Carrying value Amounts in $'000	As at 1 January 2020	Additions	Transfer within PPE	Disposals/ write-offs	Depreciation and impairment	Foreign exchange effect	As at 31 December 2020
Land	4,690	-	-	-	-	228	4,918
Buildings	7,912	-	232	-	(2,774)	369	5,739
Leasehold improvements	3,660	-	418	-	(1,408)	173	2,843
Network equipment	283,553	2,668	48,358	-	(67,541)	13,618	280,656
Plant and equipment	13,277	-	6,342	-	(4,916)	653	15,356
Transport equipment	569	-	154	-	(392)	30	361
Assets under construction	14,252	50,887	(55,504)	-	(477)	681	9,839
	327,913	**53,555**	**-**	**-**	**(77,508)**	**15,752**	**319,712**
Right-of-use assets							
Land	753	1	-	-	(297)	35	492
Buildings	6,030	2,292	-	(52)	(1,760)	332	6,842
Plant and equipment	-	84	-	-	(9)	-	75
Transport equipment	4,100	158	-	(56)	(1,031)	198	3,369
	10,883	**2,535**	**-**	**(108)**	**(3,097)**	**565**	**10,778**
Total	**338,796**	**56,090**	**-**	**(108)**	**(80,605)**	**16,317**	**330,490**

Group Carrying value Amounts in $'000	As at 1 January 2019	Additions	Transfer within PPE	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	2	-	-	-	-	(2)	-
Assets under construction	14,802	66,716	(66,938)	-	(394)	66	14,252
	328,208	**68,571**	**-**	**(4)**	**(70,679)**	**1,817**	**327,913**
Right-of-use assets							
Land	1,015	-	-	-	(280)	18	753
Buildings	5,503	1,819	-	-	(1,435)	143	6,030
Transport equipment	100	4,467	-	(34)	(511)	78	4,100
	6,618	**6,286**	**-**	**(34)**	**(2,226)**	**239**	**10,883**
Total	**334,826**	**74,857**	**-**	**(38)**	**(72,905)**	**2,056**	**338,796**

Trust Carrying value Amounts in $'000	As at 1 January 2020	Additions	Transfer within PPE	Disposals/ write-offs	Depreciation and impairment	Foreign exchange effect	As at 31 December 2020
Leasehold improvements	-	-	-	-	-	-	-
Plant and equipment	12	-	-	-	(10)	-	2
Total	**12**	**-**	**-**	**-**	**(10)**	**-**	**2**

Trust Carrying value Amounts in $'000	As at 1 January 2019	Additions	Transfer within PPE	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**

NOTES TO THE FINANCIAL STATEMENTS

(7) PROPERTY, PLANT AND EQUIPMENT (continued)

As at 31 December 2020, the Group has pledged property, plant and equipment having carrying amounts of $299.5 million (31 December 2019: $298.8 million) to secure debt facilities granted to the Group (Note 12).

During the year ended 31 December 2020, the Group acquired property, plant and equipment with an aggregate cost of $53.6 million (31 December 2019: $68.6 million) of which $3.7 million remained unpaid as at 31 December 2020 (31 December 2019: $1.1 million). In addition, property, plant and equipment with an aggregate cost of $1.1 million, unpaid as at 31 December 2019, was paid during the year (31 December 2019: $4.5 million).

(8) INTANGIBLE ASSETS

Cable TV licences

Costs incurred in acquiring cable TV licences are brought to account as intangible assets. The assets are assessed as having indefinite useful lives and therefore there is no amortisation charge booked against the carrying value. Consequently, no deferred tax liabilities have been provided on the temporary differences relating to the cable TV licences as at the acquisition date as it is deemed that recovery would be through a sale transaction, which the Trustee-Manager expects would not be subject to capital gains taxes.

Software

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

Programming rights

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

Goodwill

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

Group Cost Amounts in $'000	As at 1 January 2020	Additions	Disposals/ write-offs	Foreign exchange effect	As at 31 December 2020
Cable TV licences	2,365,216	-	-	115,227	2,480,443
Software	12,685	1,922	(206)	613	15,014
Programming rights	28,657	9,691	(12,509)	1,119	26,958
Goodwill	7,821	-	-	381	8,202
Total	**2,414,379**	**11,613**	**(12,715)**	**117,340**	**2,530,617**

Group Cost Amounts in $'000	As at 1 January 2019	Additions	Disposals/ write-offs	Foreign exchange effect	As at 31 December 2019
Cable TV licences	2,351,682	-	-	13,534	2,365,216
Software	10,117	2,471	-	97	12,685
Programming rights	22,798	16,129	(10,483)	213	28,657
Goodwill	7,777	-	-	44	7,821
Total	**2,392,374**	**18,600**	**(10,483)**	**13,888**	**2,414,379**

NOTES TO THE FINANCIAL STATEMENTS

(8) INTANGIBLE ASSETS (continued)

Trust Cost Amounts in $'000	As at 1 January 2020	Additions	Disposals/ write-offs	Foreign exchange effect	As at 31 December 2020
Software	35	-	-	-	35
Total	**35**	**-**	**-**	**-**	**35**

Trust Cost Amounts in $'000	As at 1 January 2019	Additions	Disposals/ write-offs	Foreign exchange effect	As at 31 December 2019
Software	35	-	-	-	35
Total	**35**	**-**	**-**	**-**	**35**

Group Accumulated amortisation Amounts in $'000	As at 1 January 2020	Amortisation	Disposals/ write-offs	Foreign exchange effect	As at 31 December 2020
Cable TV licences	-	-	-	-	-
Software	(8,577)	(2,185)	206	(424)	(10,980)
Programming rights	(15,253)	(6,955)	12,509	(462)	(10,161)
Goodwill	-	-	-	-	-
Total	**(23,830)**	**(9,140)**	**12,715**	**(886)**	**(21,141)**

Group Accumulated amortisation Amounts in $'000	As at 1 January 2019	Amortisation	Disposals/ write-offs	Foreign exchange effect	As at 31 December 2019
Cable TV licences	-	-	-	-	-
Software	(6,310)	(2,193)	-	(74)	(8,577)
Programming rights	(14,226)	(11,465)	10,483	(45)	(15,253)
Goodwill	-	-	-	-	-
Total	**(20,536)**	**(13,658)**	**10,483**	**(119)**	**(23,830)**

Trust Accumulated amortisation Amounts in $'000	As at 1 January 2020	Amortisation	Disposals/ write-offs	Foreign exchange effect	As at 31 December 2020
Software	(29)	(6)	-	-	(35)
Total	**(29)**	**(6)**	**-**	**-**	**(35)**

Trust Accumulated amortisation Amounts in $'000	As at 1 January 2019	Amortisation	Disposals/ write-offs	Foreign exchange effect	As at 31 December 2019
Software	(18)	(11)	-	-	(29)
Total	**(18)**	**(11)**	**-**	**-**	**(29)**

NOTES TO THE FINANCIAL STATEMENTS

(8) INTANGIBLE ASSETS (continued)

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

Group Carrying value Amounts in $'000	As at 1 January 2020	Additions	Disposals/ write-offs	Amortisation	Foreign exchange effect	As at 31 December 2020
Cable TV licences	2,365,216	-	-	-	115,227	2,480,443
Software	4,108	1,922	-	(2,185)	189	4,034
Programming rights	13,404	9,691	-	(6,955)	657	16,797
Goodwill	7,821	-	-	-	381	8,202
Total	**2,390,549**	**11,613**	**-**	**(9,140)**	**116,454**	**2,509,476**

Group Carrying value Amounts in $'000	As at 1 January 2019	Additions	Disposals/ write-offs	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**

Trust Carrying value Amounts in $'000	As at 1 January 2020	Additions	Disposals/ write-offs	Amortisation	Foreign exchange effect	As at 31 December 2020
Software	6	-	-	(6)	-	-
Total	**6**	**-**	**-**	**(6)**	**-**	**-**

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

The value of the cable TV licences and goodwill is allocated to the Group's single CGU which is principally engaged in the Basic cable TV, Premium digital cable TV and high-speed Broadband services in Taiwan. The Trustee-Manager is of the view that there is no impairment of cable TV licences and goodwill as the CGU's recoverable amount was higher than its carrying amount as at 31 December 2020.

During the year ended 31 December 2020, the Group acquired intangible assets with an aggregate cost of $11.6 million (31 December 2019: $18.6 million) of which $3.3 million remained unpaid as at 31 December 2020 (31 December 2019: $0.3 million). In addition, intangible assets with an aggregate cost of $0.3 million, unpaid as at 31 December 2019, was paid during the year (31 December 2019: $1.7 million).

Impairment test for cable TV licences and goodwill

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

The Group prepares cash flow forecasts based on management's latest business plan for forecast horizon of seven years. For the year ended 31 December 2020, the Group derived the terminal value based on terminal growth rate of 1.35% (31 December 2019: 1.3%). This rate does not exceed the average long-term growth rate for the relevant markets. The rate used to discount the forecast cash flows from the CGU was 6.04% (31 December 2019: 5.9%). As at 31 December 2020, any reasonably possible change to the key assumptions applied were not likely to cause the recoverable amounts to be below the carrying amounts of the CGU.

NOTES TO THE FINANCIAL STATEMENTS

(9) DERIVATIVE FINANCIAL INSTRUMENTS

(i) Currency forwards

The Group and Trust use foreign exchange contracts to manage their exposure to foreign exchange movements of Taiwan dollar ("NT$") and US dollar ("US$") estimated future 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 programme 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 2020, the total notional amount of outstanding foreign exchange contracts to which the Group and Trust were committed to, is as follows:

	Group as at 31 December		Trust as at 31 December	
Amounts in $'000	**2020**	**2019**	**2020**	**2019**
Sell NT$1,244 million (2019: NT$1,417 million)	59,800	64,300	59,800	64,300
Buy NT$25 million (2019: nil)	(1,200)	-	(1,200)	-
Total	**58,600**	**64,300**	**58,600**	**64,300**

As at 31 December 2020, mark to market movements, classified as current and non-current assets, on such contracts were $0.3 million (31 December 2019: $0.2 million) and $0.1 million (31 December 2019: $0.01 million); and classified as current and non-current liabilities, on such contracts were $0.9 million (31 December 2019: $0.3 million) and $0.1 million (31 December 2019: $0.2 million) respectively both at the Group and Trust level.

(ii) Interest rate swaps

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

The fair value of interest rate swaps with nominal value of NT$28.0 billion as at 31 December 2020 (31 December 2019: NT$28.0 billion) was estimated at $4.4 million (31 December 2019: $3.7 million), which resulted in a derivative financial instrument current liability (31 December 2019: non-current liability) being recognised by the Group. These amounts were based on using valuation techniques at the balance sheet date. The aforementioned interest rate swaps qualify for hedge accounting. Therefore, the unrealised loss in the fair value of cash flow hedging interest rate derivatives of $0.3 million (31 December 2019: gain of $0.04 million), with a deferred tax benefit amounting to $0.1 million (31 December 2019: net of deferred tax expense of $0.01 million), with a net loss of $0.3 million for the year ended 31 December 2020 (31 December 2019: net gain of $0.04 million), was recognised directly in other comprehensive income.

(10) CONTRACT COSTS

	Group as at 31 December		Trust as at 31 December	
Amounts in $'000	**2020**	**2019**	**2020**	**2019**
Current	1,111	-	-	-
Non-current	357	-	-	-
Total	**1,468**	**-**	**-**	**-**

As at 31 December 2020, the Group had contract costs classified as current and non-current assets of $1.1 million and $0.4 million. These represent sales incentives provided for contracting Broadband revenue generating units ("RGUs"). These costs are amortised on a straight-line basis over the period of such contracts.

NOTES TO THE FINANCIAL STATEMENTS

(11) OTHER ASSETS

	Group as at 31 December		Trust as at 31 December	
Amounts in $'000	**2020**	**2019**	**2020**	**2019**
Current				
Prepayments	1,291	1,372	36	38
Tax receivables	70	72	18	17
Refundable deposits	18	16,150	18	18
Other assets	33	76	-	-
Total	**1,412**	**17,670**	**72**	**73**
Non-current				
Refundable deposits	1,071	1,225	2	-
Total	**1,071**	**1,225**	**2**	**-**
Total other assets	**2,483**	**18,895**	**74**	**73**

Analysis of refundable deposits

All deposits had been assessed to be placed with counterparties that were creditworthy and accordingly, no credit loss for potential non-recovery of deposits was required.

Further analysis of refundable deposits are disclosed in Note 26(ii)(b).

(12) BORROWINGS FROM FINANCIAL INSTITUTIONS

Group	As at 31 December	
Amounts in $'000	**2020**	**2019**
Current portion	191,249	15,400
Less: Unamortised arrangement fees	(375)	-
	190,874	**15,400**
Non-current portion	1,352,194	1,529,135
Less: Unamortised arrangement fees	(14,880)	(17,847)
	1,337,314	**1,511,288**
Total[1]	**1,528,188**	**1,526,688**

[1] Comprised outstanding NT$ denominated borrowings of $1,358.5 million (31 December 2019: $1,306.8 million) at TBC level and Singapore dollar denominated multicurrency borrowings of $169.7 million (31 December 2019: $219.9 million) at Bermuda holding companies' level.

(i) Onshore Facilities

The NT$ denominated seven-year facilities of NT$31.0 billion at TBC level ("Onshore Facilities") are repayable in tranches by 2025 and are secured by certain land, buildings, network equipment and plant and equipment held by TBC (Note 7) as well as by pledges over shares in onshore entities of TBC and over the shares in TBC Holdings B.V. and Harvest Cable Holdings B.V. held by Cable TV S.A. The onshore affiliates of TBC are jointly liable under the debt facilities. As at 31 December 2020, the total carrying value of property, plant and equipment pledged for the Onshore Facilities was $299.5 million (31 December 2019: $298.8 million). In addition, guarantees in favour of 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% (2019: 1.1% to 1.9%) per annum based on its leverage ratio. As discussed in Note 9(ii), the Group uses interest rate swaps to swap a portion of its borrowings from floating rate to fixed rate. As at 31 December 2020, the notional amount swapped was NT$28.0 billion (31 December 2019: NT$28.0 billion).

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.

NOTES TO THE FINANCIAL STATEMENTS

(12) BORROWINGS FROM FINANCIAL INSTITUTIONS (continued)

(ii) Offshore Facilities

Offshore facilities consist 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 ("Offshore Facilities").

The Offshore Facilities are denominated in Singapore dollars and are repayable in tranches by 2021. They 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 2020, the total carrying value of assets pledged for the Offshore Facilities was $1,121 million (31 December 2019: $1,117 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. As the financial effect of fair value of the corporate guarantees provided by the Group are not significant for the year ended 31 December 2020, the Trustee-Manager is of the view that no further disclosure is required.

The Offshore Facilities bear a floating interest rate of Singapore Interbank Offered Rate ("SIBOR") plus an interest margin of 4.1% to 5.5% (2019: 4.1% to 5.5%) per annum based on the leverage ratio of the Group.

Amendment fees on extension of maturity date from July 2019 to July 2021 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.

Net proceeds of $45.0 million raised from the Rights Issue were utilised to partially repay the Offshore Facilities during the year.

The Trustee-Manager began discussions with Taipei Fubon Commercial Bank Co., Ltd. (as "Agent" on behalf of a syndicate of lenders), in August 2020, to refinance APTT's Offshore Facilities, which are due for maturity in July 2021. In January 2021, an amendment request letter was issued to the facility agent seeking to extend the maturity date by two years to 14 July 2023. In March 2021, APTT received approvals from all the lenders, and successfully extended the maturity date ("Amendment") of its Offshore Facilities from July 2021 to July 2023, and on the same major terms. The Amendment Agreement was signed on 18 March 2021.

The Trustee-Manager specifically monitors the financial ratios of its debt covenants stated in the agreements with the financial institutions providing the borrowing facilities to the Group. The Group is in compliance with externally imposed debt covenants for the years ended 31 December 2020 and 2019.

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

NOTES TO THE FINANCIAL STATEMENTS

(12) BORROWINGS FROM FINANCIAL INSTITUTIONS (continued)

Reconciliation of liabilities arising from financing activities (continued)

Group Amounts in $'000	As at 1 January 2020	Financing cash flows	Non-cash changes: Amortisation of deferred arrangement fees	Lease liabilities, net	Interest and other finance costs	Equity component of change in fair value of cash flow hedging financial instruments	Fair value adjustment	Foreign exchange movement	As at 31 December 2020
Borrowings from financial institutions (Note 12)	1,526,688	(65,752)[1]	3,642	-	-	-	-	63,610	1,528,188
Interest rate swaps (Note 9(ii))	3,730	-	-	-	-	329	-	315	4,374
Foreign exchange contracts (Note 9(i))	257	(1,072)	-	-	-	-	1,386[2]	-	571
Lease liabilities (Note 17)	10,928	(3,155)	-	2,427	-	-	-	569	10,769
Interest and other finance costs (Note 17)	2,281	(48,241)[3]	-	-	47,542	-	-	6	1,588
Total	**1,543,884**	**(118,220)**	**3,642**	**2,427**	**47,542**	**329**	**1,386**	**64,500**	**1,545,490**

Group Amounts in $'000	As at 1 January 2019	Financing cash flows	Non-cash changes: Amortisation of deferred arrangement fees	Lease liabilities, net	Interest and other finance costs	Equity component of change in fair value of cash flow hedging financial instruments	Fair value adjustment	Foreign exchange movement	As at 31 December 2019
Borrowings from financial institutions (Note 12)	1,510,368	5,288[1]	3,339	-	-	-	-	7,693	1,526,688
Interest rate swaps (Note 9(ii))	3,741	-	-	-	-	(44)	-	33	3,730
Foreign exchange contracts (Note 9(i))	(1,181)	2,019	-	-	-	-	(582)[2]	1	257
Lease liabilities (Note 17)	-	(2,183)	-	12,870	-	-	-	241	10,928
Interest and other finance costs (Note 17)	2,505	(50,524)[3]	-	-	50,161	-	-	139	2,281
Total	**1,515,433**	**(45,400)**	**3,339**	**12,870**	**50,161**	**(44)**	**(582)**	**8,107**	**1,543,884**

1 The cash flows from borrowings from financial institutions make up the net amount of proceeds from borrowings and repayments of borrowings in the consolidated statements of cash flows.

2 The fair value adjustments of foreign exchange contracts consists of $0.3 million of unrealised losses from the mark to market movements during the year ended 31 December 2020 (31 December 2019: $1.4 million) and $1.1 million of realised losses from settlement of foreign exchange contracts during the year ended 31 December 2020 (31 December 2019: gains of $2.0 million).

3 The cash flows from interest and other finance costs comprised interest and commitment and other fees paid on Group's debt facilities and interest paid on lease liabilities.

NOTES TO THE FINANCIAL STATEMENTS

(13) TRADE AND OTHER PAYABLES

	Group as at 31 December		Trust as at 31 December	
Amounts in $'000	**2020**	**2019**	**2020**	**2019**
Trade payables due to outside parties	19,851	35,591	-	-
Base fees payable to the Trustee-Manager	3,699	3,687	3,699	3,687
Total	**23,550**	**39,278**	**3,699**	**3,687**

The currency denomination and exposure to currency risk of trade and other payables are disclosed in Note 26(ii)(a).

(14) CONTRACT LIABILITIES

Contract liabilities were $33.9 million as at 31 December 2020 (31 December 2019: $31.5 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 which related to brought-forward contract liabilities as at the end of the previous year was $31.5 million (31 December 2019: $33.8 million).

(15) RETIREMENT BENEFIT OBLIGATIONS

The Group operates two retirement benefit arrangements for all employees in accordance with legislation in the country of employment: for eligible employees in Taiwan, a defined benefit plan and for all other employees, a defined contribution plan. The defined benefit plan provides benefits based on years of service and average salary in the six-month period before retirement. The defined contribution plan receives fixed contributions from the Group companies and the Group legal or constructive obligation is limited to these contributions. As at 31 December 2020, the Group's retirement benefit obligations, classified as current and non-current liabilities, were $1.5 million (31 December 2019: $1.4 million) and $9.9 million (31 December 2019: $10.1 million) respectively.

(i) Defined contribution plan

The total expense recognised in the consolidated statements of profit or loss of $1.8 million for the year ended 31 December 2020 (31 December 2019: $1.7 million) represented contribution payable to these plans by the Group at rates specified in the rules of the plans. As at 31 December 2020, contribution of $0.4 million due in respect of 2020 has not been paid over to the plans (31 December 2019: $0.4 million). Such amount was paid subsequent to the end of the reporting period.

(ii) Defined benefit plan

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

The Group funds the defined benefit plan at 2% (31 December 2019: 2%) of salaries for employees who are members of the defined benefit plan, in accordance with legislative requirements and market practice in the country of employment. The actual return on plan assets during the year ended 31 December 2020 was $0.6 million (31 December 2019: $0.5 million).

NOTES TO THE FINANCIAL STATEMENTS

(15) RETIREMENT BENEFIT OBLIGATIONS (continued)

(ii) Defined benefit plan (continued)

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

Group	As at 31 December	
Amounts in $'000	**2020**	**2019**
Present value of funded defined benefit obligations	27,187	26,342
Less: Fair value of plan assets	(17,335)	(16,224)
Net liability arising from defined benefit obligations	**9,852**	**10,118**

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

Group	Year ended 31 December	
Amounts in $'000	**2020**	**2019**
Current service cost	84	87
Net interest cost on the defined benefit obligations	207	288
Interest income on plan assets	(129)	(121)
Components of defined benefit obligations recognised in profit or loss	**162**	**254**
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding net interest cost or income)	(519)	(353)
Actuarial losses arising from changes in demographic assumptions	73	116
Actuarial losses arising from changes in financial assumptions	778	1,129
Actuarial gains arising from changes in experience adjustments	(820)	(612)
Components of defined benefit obligations recognised in other comprehensive income	**(488)**	**280**
Total	**(326)**	**534**

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

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

Reconciliations

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

Group	As at 31 December	
Amounts in $'000	**2020**	**2019**
Balance at the beginning of the year	**26,342**	**25,799**
Current service cost	84	87
Interest cost	207	288
Remeasurement losses/(gains):		
Actuarial losses arising from changes in demographic assumptions	73	116
Actuarial losses arising from changes in financial assumptions	778	1,129
Actuarial gains arising from changes in experience adjustments	(820)	(612)
Benefits paid	(758)	(612)
Foreign exchange effect	1,281	147
Balance at the end of the year	**27,187**	**26,342**

NOTES TO THE FINANCIAL STATEMENTS

(15) RETIREMENT BENEFIT OBLIGATIONS (continued)

Reconciliations (continued)

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

Group	**As at 31 December**	
Amounts in $'000	**2020**	**2019**
Balance at the beginning of the year	**16,224**	**10,652**
Interest income	129	121
Contributions by employer	434	5,394
Return on plan assets	519	353
Benefits paid	(758)	(447)
Foreign exchange effect	787	151
Balance at the end of the year	**17,335**	**16,224**

Principal actuarial assumptions

An actuarial review of the plan assets and liabilities is undertaken at least annually. The last actuarial review was undertaken at 31 December 2020 by Professional Actuary Management Consulting Co., Ltd. The present values of employee benefits not expected to be settled within 12 months as at the reporting date have been calculated using the following weighted averages for the retirement benefit obligations:

Group	**As at 31 December**	
%	**2020**	**2019**
Discount rate used in determining present values	0.500	0.750-0.875
Future salary increase rate	2.750	2.750

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

Group	**As at 31 December**	
Amounts in $'000	**2020**	**2019**
Cash and cash equivalents	2,157	2,640
Short-term notes	541	696
Money market funds	175	-
Bonds	1,071	1,144
Other fixed income instruments	3,321	2,808
Equities	8,232	7,351
Others	1,838	1,585
Total	**17,335**	**16,224**

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

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

- If the discount rate is 25 basis points higher (lower), the defined benefit obligations would decrease by $0.8 million (increase by $0.8 million).
- If the expected salary growth increases (decreases) by 25 basis points, the defined benefit obligations would increase by $0.8 million (decrease by $0.7 million).

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

NOTES TO THE FINANCIAL STATEMENTS

(15) RETIREMENT BENEFIT OBLIGATIONS (continued)

Principal actuarial assumptions (continued)

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

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

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

The average duration of the benefit obligation as at 31 December 2020 was 11.3 years (31 December 2019: 11.8 years).

The Group expects to make a contribution to the defined benefit plans in 2021 amounting to $0.3 million (2020: $0.3 million).

(16) 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 1 January 2020**	**Recognised in profit or loss**	**Recognised in other comprehensive income**	**Foreign exchange effect**	**As at 31 December 2020**
Impairment loss	(902)	14	-	(43)	(931)
Cash flow hedging reserves	(746)	-	(66)	(63)	(875)
Intangible assets that are partially deductible for tax purposes[1]	88,120	6,807	-	4,331	99,258
Accelerated tax depreciation	145	(150)	-	5	-
Undistributed earnings of subsidiaries	4,976	575	-	281	5,832
Arrangement fees	(5,609)	989	-	(268)	(4,888)
Carry forward of losses	(1,904)	(559)	-	(91)	(2,554)
Provisions	(652)	-	-	(32)	(684)
Others	(37)	(36)	-	(1)	(74)
Unrealised exchange differences	1,402	1,405	-	57	2,864
Deferred tax liabilities, net	**84,793**	**9,045**	**(66)**	**4,176**	**97,948**

1 Following the settlement principles agreed between the Group and the Taiwan tax authorities in 2014, deferred tax liabilities of $99.3 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 2020 (31 December 2019: $88.1 million).

NOTES TO THE FINANCIAL STATEMENTS

(16) DEFERRED TAX LIABILITIES (continued)

Group Amounts in $'000	As at 1 January 2019	Recognised in profit or loss	Recognised in other comprehensive income	Foreign exchange effect	As at 31 December 2019
Impairment loss	(921)	24	-	(5)	(902)
Cash flow hedging reserves	(748)	-	9	(7)	(746)
Intangible assets that are partially deductible for tax purposes[1]	81,125	6,415	-	580	88,120
Accelerated tax depreciation	489	(341)	-	(3)	145
Undistributed earnings of subsidiaries	1,394	3,518	-	64	4,976
Arrangement fees	(6,520)	932	-	(21)	(5,609)
Carry forward of losses	(683)	(1,213)	-	(8)	(1,904)
Provisions	(648)	-	-	(4)	(652)
Others	(11)	(25)	-	(1)	(37)
Unrealised exchange differences	1,098	306	-	(2)	1,402
Deferred tax liabilities, net	**74,575**	**9,616**	**9**	**593**	**84,793**

The following is the analysis of the deferred tax balances:

Group	As at 31 December	
Amounts in $'000	**2020**	**2019**
Deferred tax liabilities to be disbursed after more than 12 months	97,948	84,793

1 Following the settlement principles agreed between the Group and the Taiwan tax authorities in 2014, deferred tax liabilities of $99.3 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 2020 (31 December 2019: $88.1 million).

(17) OTHER LIABILITIES

	Group as at 31 December		Trust as at 31 December	
Amounts in $'000	**2020**	**2019**	**2020**	**2019**
Current				
Accrued expenses	16,745	9,672	181	187
Withholding tax payable	1,957	923	-	-
Other tax payable	3,075	3,625	-	-
Lease liabilities	2,957	2,733	-	-
Long-term incentive plan (Note 24(ii))	1,402	1,939	-	-
Interest and other finance costs payable	1,588	2,281	-	-
Others	179	160	-	-
Total	**27,903**	**21,333**	**181**	**187**
Non-current				
Subscriber deposits	18,462	16,843	-	-
Lease liabilities	7,812	8,195	-	-
Long-term incentive plan (Note 24(ii))	-	1,589	-	-
Others	3,253	1,483	-	-
Total	**29,527**	**28,110**	**-**	**-**
Total other liabilities	**57,430**	**49,443**	**181**	**187**

Refer to Note 26(ii)(c) for the maturity analysis of lease liabilities.

NOTES TO THE FINANCIAL STATEMENTS

(18) UNITHOLDERS' FUNDS

Group and Trust	Number of units		$'000	
	As at 31 December		As at 31 December	
	2020	2019	2020	2019
Balance at the beginning of the year	**1,442,128,412**	**1,436,800,000**	**1,343,851**	**1,342,851**
Units issued against settlement of management fees to Trustee-Manager	2,955,468	5,328,412	500	1,000
Issuance of Rights Units	361,270,970	-	46,243	-
Less: Rights Issue expenses	-	-	(1,243)	-
Balance at the end of the year	**1,806,354,850**	**1,442,128,412**	**1,389,351**	**1,343,851**

On 22 July 2019, APTT issued 5,328,412 units to the Trustee-Manager at a price of $0.1877 per unit, for payment of $1.0 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.

On 10 January 2020, APTT issued 2,955,468 units to the Trustee-Manager at a price of $0.1692 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.

APTT completed a renounceable non-underwritten Rights Issue (the "Rights Issue") with the listing of and quotation for the 361,270,970 Rights Units (the "Rights Units") on 26 June 2020. All 361,270,970 Rights Units pursuant to the Rights Issue were issued on 25 June 2020 at an issue price of $0.128 per unit and the Rights Units were listed, quoted and traded on the Main Board of the SGX-ST with effect from 9.00 a.m. on 26 June 2020. Following the allotment and issue of the Rights Units, the total number of issued units in APTT increased to 1,806,354,850.

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

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

(19) RESERVES

Group	As at 31 December	
Amounts in $'000	**2020**	**2019**
Foreign currency translation reserves	146,406	84,262
Retirement benefit obligations reserves	(11,861)	(12,349)
Cash flow hedging reserves	(2,568)	(2,305)
Capital reserves	34,950	30,780
Total	**166,927**	**100,388**

(i) Foreign currency translation reserves

Group	As at 31 December	
Amounts in $'000	**2020**	**2019**
Balance at the beginning of the year	**84,262**	**76,183**
Exchange differences on translation of foreign operations	62,144	8,079
Balance at the end of the year	**146,406**	**84,262**

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

NOTES TO THE FINANCIAL STATEMENTS

(19) RESERVES (continued)

(ii) Retirement benefit obligations reserves

Group	As at 31 December	
Amounts in $'000	**2020**	**2019**
Balance at the beginning of the year	**(12,349)**	**(12,069)**
Remeasurement of defined benefit obligations	488	(280)
Balance at the end of the year	**(11,861)**	**(12,349)**

Retirement benefit obligations reserves represent the effects of the remeasurement of defined benefit plan (Note 15(ii)).

(iii) Cash flow hedging reserves

Group	As at 31 December	
Amounts in $'000	**2020**	**2019**
Balance at the beginning of the year	**(2,305)**	**(2,340)**
Unrealised movement on change in fair value of cash flow hedging financial instruments:		
Interest rate swaps	(329)	44
Deferred tax relating to items that may subsequently be reclassified to profit or loss	66	(9)
Balance at the end of the year	**(2,568)**	**(2,305)**

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

(iv) Capital reserves

Group	As at 31 December	
Amounts in $'000	**2020**	**2019**
Balance at the beginning of the year	**30,780**	**30,362**
Transfer from accumulated profits[1]	4,170	418
Balance at the end of the year	**34,950**	**30,780**

[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.

(20) ACCUMULATED DEFICIT

	Group as at 31 December		Trust as at 31 December	
Amounts in $'000	**2020**	**2019**	**2020**	**2019**
Balance at the beginning of the year	**(362,187)**	**(363,588)**	**(752)**	**4,104**
Profit after income tax attributable to unitholders of APTT	17,340	19,093	15,466	12,418
Transfer to capital reserve	(4,170)	(418)	-	-
Distributions paid	(17,702)	(17,274)	(17,702)	(17,274)
Balance at the end of the year	**(366,719)**	**(362,187)**	**(2,988)**	**(752)**

NOTES TO THE FINANCIAL STATEMENTS

(21) 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.

Group	As at 31 December	
Amounts in $'000	**2020**	**2019**
Balance at the beginning of the year	**2,478**	**2,333**
Total comprehensive income attributable to non-controlling interests	337	320
Settlement of transactions with non-controlling interests	(118)	(115)
Distributions paid	(363)	(60)
Balance at the end of the year	**2,334**	**2,478**

(22) DISTRIBUTIONS

The Group changed its distribution policy to move from semi-annual distributions to quarterly distributions as of 12 August 2014. Distributions will be made on a quarterly basis, with the amount calculated as at 31 March, 30 June, 30 September and 31 December each year for the three-month period ending on each of the said dates. The Trustee-Manager will pay the distributions no later than 90 days after the end of each distribution period.

The Board has declared an ordinary final distribution of 0.25 cents per unit in respect of the quarter ended 31 December 2020.

	Quarter ended 31 December	
	2020	**2019**
Ordinary distribution	0.25 cents per unit	0.30 cents per unit
Announcement date	1 March 2021	10 February 2020
Ex-distribution date	18 March 2021	19 March 2020
Record date	19 March 2021	20 March 2020
Date payable	26 March 2021	27 March 2020

Breakdown of total annual distribution

	Year ended 31 December	
Amounts in $'000	**2020**	**2019**
Ordinary	17,883[1]	17,298[2]
Special	-	-
Total	**17,883**	**17,298**

[1] Includes an amount of $4.5 million which is to be paid on 26 March 2021.

[2] Included an amount of $4.3 million which was paid on 27 March 2020.

NOTES TO THE FINANCIAL STATEMENTS

(22) DISTRIBUTIONS (continued)

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]	4.800
31 December 2013	4.130
30 June 2014	4.120
Quarter ended:	
30 September 2014	2.000
31 December 2014	2.130
31 March 2015	2.000
30 June 2015	2.000
30 September 2015	2.000
31 December 2015	2.250
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	0.300
31 March 2019	0.300
30 June 2019	0.300
30 September 2019	0.300
31 December 2019	0.300
31 March 2020	0.300
30 June 2020	0.250
30 September 2020	0.250
31 December 2020 (to be paid on 26 March 2021)	0.250
Total	**45.855**

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

These financial statements do not reflect the distribution for the quarter ended 31 December 2020, which will be accounted for in total equity as an appropriation of retained earnings in the year ending 31 December 2021.

NOTES TO THE FINANCIAL STATEMENTS

(23) REVENUE

For the year ended 31 December 2020, APTT reported total revenue of $307.4 million (31 December 2019: $292.6 million). Total revenue comprised: (i) Basic cable TV revenue of $243.6 million (31 December 2019: $232.2 million), (ii) Premium digital cable TV revenue of $13.0 million (31 December 2019: $12.8 million) and (iii) Broadband revenue of $50.8 million (31 December 2019: $47.7 million).

Group	**Year ended 31 December**	
Amounts in $'000	**2020**	**2019**
Revenue		
Basic cable TV		
Subscription revenue	195,635	192,041
Non-subscription revenue	47,955	40,110
	243,590	**232,151**
Premium digital cable TV		
Subscription revenue	12,403	12,219
Non-subscription revenue	573	578
	12,976	**12,797**
Broadband		
Subscription revenue	49,154	46,045
Non-subscription revenue	1,658	1,632
	50,812	**47,677**
Total	**307,378**	**292,625**
Timing of revenue recognition		
At a point in time	1,626	1,743
Over time	305,752	290,882
Total	**307,378**	**292,625**

The aggregate amount of transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) for installation services as at the end of the reporting period is $33.9 million (31 December 2019: $31.5 million). Management expects that full amount will be recognised as revenue during the next reporting period.

(i) Basic cable TV

Basic cable TV revenue, comprising subscription and non-subscription revenue, represents approximately 79% of total revenue (31 December 2019: approximately 79%). Basic cable TV non-subscription revenue comprised predominantly revenue generated from the leasing of television channels to third parties, sale of airtime advertising and fees for the installation of set-top boxes.

Basic cable TV revenue was $243.6 million for the year ended 31 December 2020 (31 December 2019: $232.2 million). This comprised subscription revenue of $195.6 million (31 December 2019: $192.0 million) and non-subscription revenue of $48.0 million (31 December 2019: $40.1 million).

(ii) Premium digital cable TV

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

Premium digital cable TV revenue was $13.0 million for the year ended 31 December 2020 (31 December 2019: $12.8 million). This comprised subscription revenue of $12.4 million (31 December 2019: $12.2 million) and non-subscription revenue of $0.6 million (31 December 2019: $0.6 million).

NOTES TO THE FINANCIAL STATEMENTS

(23) REVENUE (continued)

(iii) Broadband

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

Broadband revenue was $50.8 million for the year ended 31 December 2020 (31 December 2019: $47.7 million). This comprised subscription revenue of $49.2 million (31 December 2019: $46.0 million) and non-subscription revenue of $1.7 million (31 December 2019: $1.6 million).

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

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

(i) Broadcast and production costs

Broadcast and production costs were $56.9 million for the year ended 31 December 2020 (31 December 2019: $53.4 million). Broadcast and production costs comprised: (i) the cost of acquiring Basic cable TV and Premium digital cable TV content, (ii) the cost of acquiring bandwidth (which consists of the leasing of domestic and international bandwidth capacity from operators to support TBC's Broadband services) and (iii) costs for producing the Group's own programming.

Settlement of programming fees - Since 2019, TBC had been in the process of facilitating certain content programming discussions between its programming vendors and agent, and had placed a refundable deposit of NT$359 million (approximately $16.9 million) with the programming vendors to ensure no interruption of service while the discussions were in progress. In January 2020, again to ensure no interruption of service, the Group utilised the refundable deposit to pay programming fees of NT$359 million (approximately $16.9 million) directly to its programming vendors, such sum being claimable against the agent. Following final negotiations between TBC and the agent in April 2020, TBC has agreed to bear an additional programming cost of NT$113 million (approximately $5.4 million) from the agent, which has been recognised as a one-time settlement of programming fees during the year ended 31 December 2020.

(ii) Staff costs

Staff costs were $31.3 million for the year ended 31 December 2020 (31 December 2019: $28.8 million). Staff costs comprised direct employee costs and general and administrative employee costs including salaries, bonuses, long-term incentives and benefits.

The Group adopted a long-term incentive plan (the "LTIP") in 2013 for its senior management at TBC, under which TBC senior management were granted notional units of the Trust upon achieving prescribed performance targets. These notional units vested 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 received 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.

The Trustee-Manager cancelled the LTIP during the year ended 31 December 2020 and intends to replace the LTIP with a new plan for its senior management at TBC in 2021.

Expense attributable to the year ended 31 December 2020 against the cancellation of the LTIP of $1.7 million (31 December 2019: LTIP expense of $1.4 million) has been recognised in the financial statements. As the financial effect of LTIP expense is not material for the year ended 31 December 2020, the Trustee-Manager is of the view that no further disclosure is required.

NOTES TO THE FINANCIAL STATEMENTS

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

(iii) Depreciation and amortisation expense

Depreciation and amortisation expense was $89.7 million for the year ended 31 December 2020 (31 December 2019: $86.6 million).

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. For the year ended 31 December 2020, depreciation for right-of-use assets was $3.1 million (31 December 2019: $2.2 million).

(iv) Trustee-Manager fees

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

The Trustee-Manager base fees were $7.4 million for the year ended 31 December 2020 (31 December 2019: $7.3 million). There were no performance fees payable to the Trustee-Manager for the years 2020 and 2019.

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

(v) Net foreign exchange gain/(loss)

Net foreign exchange gain was $0.5 million for the year ended 31 December 2020 (31 December 2019: loss of $0.8 million).

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

The Group uses foreign exchange contracts to manage its exposure to foreign exchange movements as discussed in Note 9(i). For the year ended 31 December 2020, the period end mark to market loss on foreign currency contracts was $1.4 million (31 December 2019: gain of $0.6 million).

(vii) Other operating expenses

Group	**Year ended 31 December**	
Amounts in $'000	**2020**	**2019**
Lease rentals	147	146
Pole rentals	6,340	5,056
Legal and professional fees	3,765	3,976
Non-recoverable GST/VAT	3,587	3,504
Marketing and selling expenses	5,617	5,418
General and administrative expenses	5,271	5,061
Licence fees	2,449	2,388
Repairs and maintenance	1,796	1,655
Others	1,918	1,379
Total	**30,890**	**28,583**

Lease rentals for the year ended 31 December 2020 comprised short-term leases of $0.01 million (31 December 2019: $0.01 million) and leases of low-value assets of $0.1 million (31 December 2019: $0.1 million).

(viii) Amortisation of deferred arrangement fees

The Group pays financing fees to lenders when entering into new debt facilities or refinancing 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 $3.6 million for the year ended 31 December 2020 (31 December 2019: $3.3 million).

NOTES TO THE FINANCIAL STATEMENTS

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

(ix) Interest and other finance costs

Group	**Year ended 31 December**	
Amounts in $'000	**2020**	**2019**
Interest expense on loans	46,584	49,424
Interest expense on lease liabilities	283	194
Commitment and other fees on loans	675	543
Total interest and other finance costs	**47,542**	**50,161**

Interest and other finance costs were $47.5 million for the year ended 31 December 2020 (31 December 2019: $50.2 million). These comprised interest expense, commitment and other fees on the Group's debt facilities and finance charges on lease liabilities.

(x) Remuneration of auditors

Group	**Year ended 31 December**	
Amounts in $'000	**2020**	**2019**
Amounts paid or payable to Deloitte & Touche LLP (Singapore) for:		
Audit services	113	113
Audit-related services[1]	159	55
	272	**168**
Amounts paid or payable to Deloitte & Touche LLP network firms for:		
Audit services	727	670
Audit-related services[1]	36	24
Non-audit services	74	79
	837	**773**

[1] Included $104 thousand paid to Deloitte & Touche LLP (Singapore) and $12 thousand paid to Deloitte & Touche LLP (Taiwan) in relation to the Rights Issue.

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

(25) INCOME TAXES

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

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

NOTES TO THE FINANCIAL STATEMENTS

(25) INCOME TAXES (continued)

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

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

Group	**Year ended 31 December**	
Amounts in $'000	**2020**	**2019**
Current income tax	(3,157)	(3,228)
Over provision for tax in prior years	2,435	2,492
Deferred income tax (Note 16)	(9,045)	(9,616)
Withholding tax	(6,339)	(4,367)
Income tax expense	**(16,106)**	**(14,719)**

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

Group	**Year ended 31 December**	
Amounts in $'000	**2020**	**2019**
Profit before income tax	**33,783**	**34,132**
Income tax expense calculated at 20%	(6,757)	(6,826)
Effect of income exempt from taxation	21,116	16,600
Effect of expenses not deductible in determining taxable profit	(26,561)	(22,618)
Withholding tax	(6,339)	(4,367)
Over provision for tax in prior years	2,435	2,492
Income tax expense	**(16,106)**	**(14,719)**

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

Group	**As at 31 December**	
Amounts in $'000	**2020**	**2019**
Balance at the beginning of the year	**7,582**	**11,444**
Current income tax provision	3,157	3,228
Over provision for tax in prior years	(2,435)	(2,492)
Income tax payment	(987)	(4,330)
Prepaid and withheld income tax	(1,633)	(229)
Foreign exchange effect	425	(39)
Balance at the end of the year	**6,109**	**7,582**

NOTES TO THE FINANCIAL STATEMENTS

(26) FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(i) Categories of financial instruments

	Group as at 31 December		Trust as at 31 December	
Amounts in $'000	**2020**	**2019**	**2020**	**2019**
Financial assets				
at amortised cost:				
Cash and cash equivalents	96,996	79,101	3,387	4,788
Trade and other receivables	14,434	11,956	-	-
Other financial assets	1,122	17,451	20	18
at FVTPL:				
Derivative instruments:				
not designated in hedge accounting relationships	466	232	466	232
	113,018	**108,740**	**3,873**	**5,038**
Financial liabilities				
at amortised cost:				
Borrowings from financial institutions	(1,528,188)	(1,526,688)	-	-
Trade and other payables	(23,550)	(39,278)	(3,699)	(3,687)
Other financial liabilities	(48,966)	(43,252)	(181)	(187)
at FVTPL:				
Derivative instruments:				
not designated in hedge accounting relationships	(1,037)	(489)	(1,037)	(489)
at FVTOCI:				
Derivative instruments:				
in designated hedge accounting relationships	(4,374)	(3,730)	-	-
	(1,606,115)	**(1,613,437)**	**(4,917)**	**(4,363)**
Net financial (liabilities)/assets	**(1,493,097)**	**(1,504,697)**	**(1,044)**	**675**

(ii) Financial risk management policies and objectives

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

(a) Foreign currency risk

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

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

(a) Foreign currency risk (continued)

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

Group as at 31 December 2020 Amounts in $'000	**Singapore dollar**	**Taiwan dollar**	**US dollar**	**Other**	**Total**
Financial assets					
Cash and cash equivalents	8,413	81,752	6,694	137	96,996
Trade and other receivables	-	14,434	-	-	14,434
Other financial assets	20	1,102	-	-	1,122
Derivative instruments:					
not designated in hedge accounting relationships	466	-	-	-	466
	8,899	**97,288**	**6,694**	**137**	**113,018**
Financial liabilities					
Borrowings from financial institutions	(169,688)	(1,358,500)	-	-	(1,528,188)
Trade and other payables	(3,699)	(19,851)	-	-	(23,550)
Other financial liabilities	(2,625)	(45,289)	(1,052)	-	(48,966)
Derivative instruments:					
in designated hedge accounting relationships	-	(4,374)	-	-	(4,374)
not designated in hedge accounting relationships	(1,037)	-	-	-	(1,037)
	(177,049)	**(1,428,014)**	**(1,052)**	**-**	**(1,606,115)**
Net financial (liabilities)/assets	**(168,150)**	**(1,330,726)**	**5,642**	**137**	**(1,493,097)**
Less: Net financial (liabilities)/assets denominated in respective functional currencies of entities within the Group	1,504	1,330,726	(510)	-	1,331,720
Net currency exposure	**(166,646)**	**-**	**5,132**	**137**	**(161,377)**

Group as at 31 December 2019 Amounts in $'000	**Singapore dollar**	**Taiwan dollar**	**US dollar**	**Other**	**Total**
Financial assets					
Cash and cash equivalents	10,648	57,653	10,696	104	79,101
Trade and other receivables	-	11,956	-	-	11,956
Other financial assets	18	17,433	-	-	17,451
Derivative instruments:					
not designated in hedge accounting relationships	232	-	-	-	232
	10,898	**87,042**	**10,696**	**104**	**108,740**
Financial liabilities					
Borrowings from financial institutions	(219,915)	(1,306,773)	-	-	(1,526,688)
Trade and other payables	(3,687)	(35,591)	-	-	(39,278)
Other financial liabilities	(5,954)	(36,455)	(843)	-	(43,252)
Derivative instruments:					
in designated hedge accounting relationships	-	(3,730)	-	-	(3,730)
not designated in hedge accounting relationships	(489)	-	-	-	(489)
	(230,045)	**(1,382,549)**	**(843)**	**-**	**(1,613,437)**
Net financial (liabilities)/assets	**(219,147)**	**(1,295,507)**	**9,853**	**104**	**(1,504,697)**
Less: Net financial assets/(liabilities) denominated in respective functional currencies of entities within the Group	(200)	1,295,507	(1,475)	-	1,293,832
Net currency exposure	**(219,347)**	**-**	**8,378**	**104**	**(210,865)**

NOTES TO THE FINANCIAL STATEMENTS

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

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

(a) Foreign currency risk (continued)

Trust as at 31 December 2020 Amounts in $'000	Singapore dollar	Taiwan dollar	US dollar	Other	Total
Financial assets					
Cash and cash equivalents	2,927	-	460	-	3,387
Other financial assets	20	-	-	-	20
Derivative instruments not designated in hedge accounting relationships	466	-	-	-	466
	3,413	**-**	**460**	**-**	**3,873**
Financial liabilities					
Trade and other payables	(3,699)	-	-	-	(3,699)
Other financial liabilities	(181)	-	-	-	(181)
Derivative instruments not designated in hedge accounting relationships	(1,037)	-	-	-	(1,037)
	(4,917)	**-**	**-**	**-**	**(4,917)**
Net financial (liabilities)/assets	**(1,504)**	**-**	**460**	**-**	**(1,044)**
Less: Net financial liabilities denominated in Trust's functional currency	1,504	-	-	-	1,504
Net currency exposure	**-**	**-**	**460**	**-**	**460**

Trust as at 31 December 2019 Amounts in $'000	Singapore dollar	Taiwan dollar	US dollar	Other	Total
Financial assets					
Cash and cash equivalents	4,313	-	475	-	4,788
Other financial assets	18	-	-	-	18
Derivative instruments not designated in hedge accounting relationships	232	-	-	-	232
	4,563	**-**	**475**	**-**	**5,038**
Financial liabilities					
Trade and other payables	(3,687)	-	-	-	(3,687)
Other financial liabilities	(187)	-	-	-	(187)
Derivative instruments not designated in hedge accounting relationships	(489)	-	-	-	(489)
	(4,363)	**-**	**-**	**-**	**(4,363)**
Net financial assets	**200**	**-**	**475**	**-**	**675**
Less: Net financial assets denominated in Trust's functional currency	(200)	-	-	-	(200)
Net currency exposure	**-**	**-**	**475**	**-**	**475**

Foreign currency sensitivity

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

NOTES TO THE FINANCIAL STATEMENTS

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

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

(a) Foreign currency risk (continued)

Foreign currency sensitivity (continued)

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

Group

If foreign currency of the United States dollar is to strengthen/weaken by 5% against the functional currency of the Singapore dollar, the Group's profit will increase/decrease by approximately $0.02 million (31 December 2019: $0.02 million).

If foreign currency of the Singapore dollar is to strengthen/weaken by 5% against the functional currency of the United States dollar, the Group's profit will decrease/increase by approximately $8.3 million (31 December 2019: $11.0 million).

If foreign currency of the United States dollar is to strengthen/weaken by 5% against the functional currency of the Taiwan dollar, the Group's profit will increase/decrease by approximately $0.2 million (31 December 2019: $0.4 million).

Trust

If foreign currency of the United States dollar is to strengthen/weaken by 5% against the functional currency of the Singapore dollar, the Trust's profit will increase/decrease by approximately $0.02 million (31 December 2019: $0.02 million).

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as means of mitigating the risk of financial loss from such defaults. Credit risk on cash and bank balances and derivative financial instrument is limited as these balances are placed with or transacted with institutions of repute. The Group manages these risks by monitoring creditworthiness and limiting the aggregate use to any individual counterparty. The Group does not expect to incur material credit losses on its financial instruments.

The Group develops and maintains its credit risk gradings to categorise exposures according to their degree of risk of default. The Group uses its trading records to rate its major customers and other debtors. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

The Group had trade receivables amounting to $1.8 million as at 31 December 2020 (31 December 2019: $1.9 million) that are past due at the end of the reporting period but not impaired. These receivables are unsecured. The analysis of trade receivables at the end of the reporting period is provided in the table below:

	Group as at 31 December		Trust as at 31 December	
Amounts in $'000	**2020**	**2019**	**2020**	**2019**
Trade receivables neither past due nor impaired	12,642	10,011	-	-
Trade receivables past due not impaired				
<3 months	1,792	1,261	-	-
3-6 months	-	684	-	-
>6 months	-	-	-	-
Impaired receivables individually assessed	31	1	-	-
Less: Loss allowance	(31)	(1)	-	-
Total trade receivables	**14,434**	**11,956**	**-**	**-**

NOTES TO THE FINANCIAL STATEMENTS

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

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

(b) Credit risk (continued)

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

The assessment of the credit quality and exposure to credit risk are made based on the Group's collections experience. Allowance for doubtful receivables of $0.03 million (31 December 2019: $0.001 million) have been provided for the above specific trade receivables past due and impaired as at 31 December 2020 and 2019. The remaining past due amount has not been impaired as the Trustee-Manager believes that there has not been a significant change in credit quality and the amounts were considered recoverable. Accordingly, no further credit losses for doubtful receivables are required to be recorded by the Trustee-Manager as at 31 December 2020 and 2019.

The Group's current credit risk framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses ("ECL")
Performing	The counterparty has a low risk of default and does not have any past-due amounts	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written-off

The tables below detail the credit quality of the Group's financial assets as well as maximum exposure to credit risk by credit risk rating grades:

Group as at 31 December 2020 Amounts in $'000	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
Trade receivables due from outside parties (Note 5)	Note 1	Lifetime ECL (simplified approach)	14,465	(31)	14,434
Refundable deposits	Performing	12-month ECL	1,089	-	1,089
Other financial assets	Performing	12-month ECL	33	-	33
				(31)	

Group as at 31 December 2019 Amounts in $'000	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
Trade receivables due from outside parties (Note 5)	Note 1	Lifetime ECL (simplified approach)	11,957	(1)	11,956
Refundable deposits	Performing	12-month ECL	17,375	-	17,375
Other financial assets	Performing	12-month ECL	76	-	76
				(1)	

Note 1 - For trade receivables due from outside parties, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items based on the historical credit loss experience based on the past due status of debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

NOTES TO THE FINANCIAL STATEMENTS

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

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

(b) Credit risk (continued)

Trust as at 31 December 2020 Amounts in $'000	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
Refundable deposits	Performing	12-month ECL	20	-	20

Trust as at 31 December 2019 Amounts in $'000	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
Refundable deposits	Performing	12-month ECL	18	-	18

As at 31 December 2020, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group arises from:

- the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position; and
- the maximum amount the entity would have to pay if the financial guarantee is called upon, irrespective of the likelihood of the guarantee being exercised as disclosed in Note 26(ii)(c). There are no related loss allowances during the year.

In order to minimise credit risk, the Group has tasked its credit personnel to develop and maintain the Group's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available, and if not available, the credit personnel uses other publicly available financial information and the Group's own trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

(c) Liquidity risk

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

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

(c) Liquidity risk (continued)

Non-derivative financial liabilities

Group as at 31 December 2020 Amounts in $'000	Interest rate per annum	Demand within 1 year	Within 2 to 5 years	After 5 years	Adjustment	Total
Borrowings from financial institutions	2.20% - 6.77%	227,469	1,447,515	-	(146,796)	1,528,188
Lease liabilities	2.39% - 2.71%	3,188	7,465	717	(601)	10,769
Trade and other payables	-	23,550	-	-	-	23,550
Other liabilities	-	19,735	-	18,462	-	38,197
Total		**273,942**	**1,454,980**	**19,179**	**(147,397)**	**1,600,704**

Group as at 31 December 2019 Amounts in $'000	Interest rate per annum	Demand within 1 year	Within 2 to 5 years	After 5 years	Adjustment	Total
Borrowings from financial institutions	2.39% - 6.90%	62,000	802,733	866,923	(204,968)	1,526,688
Lease liabilities	2.39% - 3.13%	2,970	8,089	488	(619)	10,928
Trade and other payables	-	39,278	-	-	-	39,278
Other liabilities	-	13,892	1,589	16,843	-	32,324
Total		**118,140**	**812,411**	**884,254**	**(205,587)**	**1,609,218**

Trust as at 31 December 2020 Amounts in $'000	Interest rate per annum	Demand within 1 year	Within 2 to 5 years	After 5 years	Adjustment	Total
Trade and other payables	-	3,699	-	-	-	3,699
Other liabilities	-	181	-	-	-	181
Total		**3,880**	**-**	**-**	**-**	**3,880**

Trust as at 31 December 2019 Amounts in $'000	Interest rate per annum	Demand within 1 year	Within 2 to 5 years	After 5 years	Adjustment	Total
Trade and other payables	-	3,687	-	-	-	3,687
Other liabilities	-	187	-	-	-	187
Total		**3,874**	**-**	**-**	**-**	**3,874**

Non-derivative financial assets

Substantially all non-derivative financial assets of the Group amounting to $112.6 million as at 31 December 2020 (31 December 2019: $108.5 million) and of the Trust amounting to $3.4 million as at 31 December 2020 (31 December 2019: $4.8 million) respectively, are on demand or due within one year.

NOTES TO THE FINANCIAL STATEMENTS

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

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

(c) Liquidity risk (continued)

Derivative financial instruments

Group as at 31 December 2020 Amounts in $'000	**Demand within 1 year**	**Within 2 to 5 years**	**After 5 years**	**Total**
Assets				
Currency forward contracts - gross settled				
Gross inflow	17,500	8,400	-	25,900
Gross outflow	(17,178)	(8,256)	-	(25,434)
Total	**322**	**144**	**-**	**466**
Liabilities				
Currency forward contracts - gross settled				
Gross inflow	(21,900)	(10,800)	-	(32,700)
Gross outflow	22,795	10,942	-	33,737
	895	**142**	**-**	**1,037**
Interest rate swap contracts - net settled	4,374	-	-	4,374
Total	**5,269**	**142**	**-**	**5,411**

Group as at 31 December 2019 Amounts in $'000	**Demand within 1 year**	**Within 2 to 5 years**	**After 5 years**	**Total**
Assets				
Currency forward contracts - gross settled				
Gross inflow	28,200	1,200	-	29,400
Gross outflow	(27,975)	(1,193)	-	(29,168)
Total	**225**	**7**	**-**	**232**
Liabilities				
Currency forward contracts - gross settled				
Gross inflow	(17,700)	(17,200)	-	(34,900)
Gross outflow	17,991	17,398	-	35,389
	291	**198**	**-**	**489**
Interest rate swap contracts - net settled	-	3,730	-	3,730
Total	**291**	**3,928**	**-**	**4,219**

NOTES TO THE FINANCIAL STATEMENTS

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

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

(c) Liquidity risk (continued)

Derivative financial instruments (continued)

Trust as at 31 December 2020 Amounts in $'000	**Demand within 1 year**	**Within 2 to 5 years**	**After 5 years**	**Total**
Assets				
Currency forward contracts - gross settled				
Gross inflow	17,500	8,400	-	25,900
Gross outflow	(17,178)	(8,256)	-	(25,434)
Total	**322**	**144**	**-**	**466**
Liabilities				
Currency forward contracts - gross settled				
Gross inflow	(21,900)	(10,800)	-	(32,700)
Gross outflow	22,795	10,942	-	33,737
Total	**895**	**142**	**-**	**1,037**

Trust as at 31 December 2019 Amounts in $'000	**Demand within 1 year**	**Within 2 to 5 years**	**After 5 years**	**Total**
Assets				
Currency forward contracts - gross settled				
Gross inflow	28,200	1,200	-	29,400
Gross outflow	(27,975)	(1,193)	-	(29,168)
Total	**225**	**7**	**-**	**232**
Liabilities				
Currency forward contracts - gross settled				
Gross inflow	(17,700)	(17,200)	-	(34,900)
Gross outflow	17,991	17,398	-	35,389
Total	**291**	**198**	**-**	**489**

As at 31 December 2020, the Group had negative working capital of $174.9 million (31 December 2019: $7.8 million). This included contract liabilities of $32.8 million representing collections received in advance from subscribers, net of contract costs, which do not require any future cash outflow from the Group (31 December 2019: $31.5 million) and $169.7 million of current portion of Offshore Facilities which are due for maturity in July 2021. As discussed in Note 12, the Trustee-Manager began discussions with lenders, in August 2020, to refinance APTT's Offshore Facilities. In January 2021, an amendment request letter was issued to the facility agent seeking to extend the maturity date by two years to 14 July 2023. In March 2021, APTT received approvals from all the lenders, and successfully extended the maturity date ("Amendment") of its Offshore Facilities from July 2021 to July 2023, and on the same major terms. The Amendment Agreement was signed on 18 March 2021.

After adjusting for these amounts, the Group would have positive working capital of $27.6 million (31 December 2019: $23.6 million). The Group has undrawn debt facilities of $132.1 million (31 December 2019: $83.9 million) which can be drawn to address any shortfall in working capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

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

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

(c) Liquidity risk (continued)

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

- the Group has five cable TV system operators, with their nine-year cable TV licences renewed in either 2008 or 2009, that serve approximately 709,000 cable TV RGUs as at 31 December 2020, with more than 175 channels of exciting local and international content on its digital TV platforms in Taiwan. The Group's cable TV licences were extended to 12 years following the Cable Law amendments to accelerate digitisation and analogue broadcasting switch-off, making the next renewal periods in 2020 and 2021. The Group completed the digitisation of its subscriber base across all five franchise areas in 2017 and switched off analogue TV broadcasting. The Group had submitted to the NCC the renewal applications and corresponding business plans for the two licences that were due for renewal in 2020, and both have already been successfully renewed until 2029. Further, the Group has also submitted to the NCC the renewal applications and corresponding business plans for the remaining three licences that are due for renewal in 2021. As at the date of this report, one licence expiring in February 2021 has been successfully renewed until 2030. The Group expects the renewal of the remaining two licences to be approved by the NCC before their expiry dates, with certain performance conditions attached, in line with the standards of Taiwan's cable TV industry. 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 $168.6 million for the year ended 31 December 2020 (31 December 2019: $160.1 million);
- in view of the steady operating cash flows generated, good credibility over the past years and full compliance with the requirements as stipulated in the debt facilities, the Trustee-Manager is confident it can refinance such debt facilities when required; and
- the Trustee-Manager has carefully monitored and managed its cash flows. Management and operation reports are prepared and reviewed on a monthly basis and cash flow forecasts are prepared on a quarterly basis to project cash flow requirements of the Group using various general and operational assumptions.

(d) Interest rate risk

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

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

Further details of the interest rate swap contracts are disclosed in Note 9(ii).

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

NOTES TO THE FINANCIAL STATEMENTS

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

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

(e) Fair value of financial assets and financial liabilities

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

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

Financial assets/ liabilities Amounts in $'000	Fair value as at 31 December 2020	2019	Fair value hierarchy	Value technique(s) and key input(s)	Significant unobservable input(s)
Foreign exchange contracts	**Assets:** Current - 322 Non-current - 144 **Liabilities:** Current - 895 Non-current - 142	**Assets:** Current - 225 Non-current - 7 **Liabilities:** Current - 291 Non-current - 198	Level 2	The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value	N/A
Interest rate swaps	**Liabilities:** Current - 4,374 Non-current - nil **(designated for hedging)**	**Liabilities:** Current - nil Non-current - 3,730 **(designated for hedging)**	Level 2	Fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves	N/A

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

(iii) Capital management policies and objectives

The Group's capital management objectives are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise unitholders' value. The Group's overall strategy remains unchanged from 2019. To achieve its capital management objectives, the Group may adjust the amount of distribution payment, return capital to unitholders, issue new units and obtain new borrowings. In addition, the Group also specifically monitors the financial ratios of its debt covenants stated in the agreements with the financial institutions providing the debt facilities to the Group. The Group is in compliance with externally imposed capital requirements for the years ended 31 December 2020 and 2019.

(27) NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS

	Group as at 31 December		Trust as at 31 December	
	2020	2019	2020	2019
Net asset value attributable to unitholders				
Total net asset value attributable to unitholders ($'000)	1,189,559	1,082,052	1,386,363	1,343,099
Total number of units in issue used in calculation of net asset value per unit attributable to unitholders ('000)	1,806,355	1,442,128	1,806,355	1,442,128
Net asset value per unit attributable to unitholders ($)	**0.66**	**0.75**	**0.77**	**0.93**

(28) LEASES

Group as a lessee

As at 31 December 2020, the Group is committed to $0.01 million for short-term leases (31 December 2019: $0.01 million).

NOTES TO THE FINANCIAL STATEMENTS

(29) CONTINGENCIES

There were no contingent liabilities or contingent assets as at 31 December 2020 and 2019 both at the Group and Trust level other than guarantees as disclosed in Note 12.

(30) RELATED PARTY 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-incorporated company. As at the date of this report, Dynami is fully 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 year:

	Year ended 31 December	
Amounts in $'000	**2020**	**2019**
Trustee-Manager fees	7,359	7,315
Distributions paid	101	32
Total	**7,460**	**7,347**

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

	As at 31 December	
Amounts in $'000	**2020**	**2019**
Base fees payable to the Trustee-Manager (Note 13)	3,699	3,687

(ii) Others

For the year ended 31 December 2020, the Trustee-Manager recovered ancillary charges amounting to $0.3 million from the Trust (31 December 2019: $0.3 million).

(31) EARNINGS PER UNIT

Group	Year ended 31 December	
	2020	**2019**
Weighted average number of units in issue ('000)	1,632,556	1,439,180
Profit after income tax attributable to unitholders of APTT ($'000)	17,340	19,093
Basic and diluted earnings per unit (cents)	**1.06**	**1.33**

(32) SEGMENT INFORMATION

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

(33) EVENTS AFTER THE REPORTING PERIOD

As discussed in Note 12, the Trustee-Manager began discussions with lenders, in August 2020, to refinance APTT's Offshore Facilities.

Following the year end, in January 2021, an amendment request letter was issued to the facility agent seeking to extend the maturity date by two years to 14 July 2023. In March 2021, APTT received approvals from all the lenders, and successfully extended the maturity date ("Amendment") of its Offshore Facilities from July 2021 to July 2023, and on the same major terms. The Amendment Agreement was signed on 18 March 2021.

STATISTICS OF UNITHOLDINGS

AS AT 16 MARCH 2021

SUBSTANTIAL UNITHOLDERS BASED ON REGISTER OF SUBSTANTIAL UNITHOLDERS

Substantial unitholders	Direct interest	%	Deemed interest	%
Araedis Investment Pte. Ltd.[1]	270,152,877	14.96	-	-
Araedis International Development Co., Ltd.[1]	-	-	270,152,877	14.96
Araedis Global Investment Holdings Ltd.[1,2]	-	-	280,507,727	15.53
Araedis Investment Co., Ltd.[1,2]	-	-	280,507,727	15.53
Wang Hsueh-Mei[1,2]	-	-	280,507,727	15.53
Dai Yung Huei[1,2]	-	-	280,507,727	15.53

1 Araedis Investment Pte. Ltd. ("AIP") is wholly owned by Araedis International Development Co., Ltd. ("AIDC"), which is in turn wholly owned by Araedis Global Investment Holdings Ltd. ("AGIH"). Araedis Investment Co. Ltd. ("AIC") holds 15.82% of the voting rights of AGIH and is a corporate director of AGIH. Ms Wang Hsueh-Mei ("Ms Wang"), who is also Mr Dai Yung Huei's ("Mr Dai") wife, is a director of AIC and holds 95% of the voting rights in AIC. AIDC, AGIH, AIC, Ms Wang and Mr Dai are therefore deemed to be interested in the units held by AIP.

2 APTT Management Pte. Limited ("AMPL"), the Trustee-Manager of APTT, is wholly owned by Dynami Vision Pte. Ltd. ("Dynami") which is in turn wholly owned by Gear Rise Limited ("Gear Rise"). Gear Rise has entered into a share purchase agreement dated 10 February 2020 with Da Da Digital Convergence Co., Ltd. ("DDDC") and Mr Dai for the acquisition of 65% interest in Dynami ("Share Purchase Agreement"). DDDC is wholly owned by AGIH. AGIH, AIC, Ms Wang and Mr Dai are therefore also deemed to be interested in the units held by AMPL.

ADDITIONAL INFORMATION

	Total volume '000	Highest price $	Lowest price $
Unit performance in 2020	475,788	0.172	0.108

STATISTICS OF UNITHOLDINGS

AS AT 16 MARCH 2021

There were 1,806,354,850 units (voting rights: 1 vote per unit) in issue as of 16 March 2021. There is only one class of units in APTT.

DISTRIBUTION OF UNITHOLDINGS

Size of unitholdings	No. of unitholders	%	No. of units	%
1 - 99	298	2.73	12,451	0.00
100 - 1,000	650	5.96	475,429	0.03
1,001 - 10,000	3,655	33.53	21,597,528	1.20
10,001 - 1,000,000	6,188	56.76	533,104,758	29.51
1,000,001 and above	111	1.02	1,251,164,684	69.26
Total	**10,902**	**100.00**	**1,806,354,850**	**100.00**

TWENTY LARGEST UNITHOLDERS

No.	Name	No. of units	%
1	Araedis Investment Pte. Ltd.	270,152,877	14.96
2	DBS Nominees Pte. Ltd.	175,108,072	9.69
3	Raffles Nominees (Pte) Limited	103,484,306	5.73
4	Citibank Nominees Singapore Pte. Ltd.	100,067,159	5.54
5	Teo Cheng Tuan Donald	68,030,000	3.77
6	Hong Han Investment Co., Ltd.	43,103,999	2.39
7	Phillip Securities Pte. Ltd.	34,102,504	1.89
8	Tan Chwee Huat	30,038,000	1.66
9	DBSN Services Pte. Ltd.	29,479,910	1.63
10	Maybank Kim Eng Securities Pte. Ltd.	27,060,550	1.50
11	CGS-CIMB Securities (Singapore) Pte. Ltd.	25,309,732	1.40
12	HSBC (Singapore) Nominees Pte. Ltd.	22,777,470	1.26
13	Venezio Investments Pte. Ltd.	18,031,512	1.00
14	Arifin @ Lie Tjong Tjin @ Lie Chang Chin	15,750,000	0.87
15	UOB Kay Hian Pte. Ltd.	14,512,874	0.80
16	OCBC Securities Private Limited	13,551,221	0.75
17	OCBC Nominees Singapore Private Limited	11,249,399	0.62
18	United Overseas Bank Nominees (Private) Limited	10,698,221	0.59
19	APTT Management Pte. Limited	10,354,850	0.57
20	Lim & Tan Securities Pte. Ltd.	9,261,151	0.51
		1,032,123,807	**57.14**

Based on the information available to the Trustee-Manager as at 16 March 2021, 79.04% of the issued ordinary units of the Trust are held by the public and, therefore Rule 723 of the Listing Manual is complied with.

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

ADDITIONAL SINGAPORE EXCHANGE SECURITIES TRADING LIMITED LISTING MANUAL DISCLOSURE REQUIREMENTS

(A) REMUNERATION OF AUDITORS

Refer to Note 24(x) of Financial Statements on page 121 of this Annual Report.

(B) APPOINTMENT OF AUDITORS

The Group has complied with Rule 713 and engaged Deloitte & Touche LLP as statutory auditors for the year ended 31 December 2020.

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

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

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

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

There are no material contracts between the Trust and its subsidiaries involving the interests of the Chief Executive Officer, any director or controlling unitholder of the Trust (as defined in the Listing Manual), either still subsisting at the end of the year, 31 December 2020, or if not then subsisting, entered into since the constitution of the Trust.

(E) INTERESTED PERSON TRANSACTIONS ("IPTs")

Refer to Note 30 of Financial Statements on page 134 of this Annual Report.

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

(F) USE OF PROCEEDS

On 30 June 2020, APTT announced that the total gross proceeds of approximately $46.2 million raised from the Rights Issue were fully utilised, as (i) $45.0 million for partial repayment of the Offshore Facilities; and (ii) $1.2 million for payment of the expenses incurred in connection with the Rights Issue, compared to $1.1 million as stated in the announcement dated 28 April 2020 in relation to the launch of the Rights Issue ("28 April 2020 Announcement") and the Offer Information Statement dated 1 June 2020 issued in relation to the Rights Issue ("Offer Information Statement"). No amount has been used for working capital purposes, compared to $0.1 million as stated in the 28 April 2020 Announcement and the Offer Information Statement. Save as disclosed above, the utilisation of proceeds is in accordance with the stated use of proceeds from the Rights Issue, and is in accordance with the amounts and percentages allocated, as stated in the 28 April 2020 Announcement and the Offer Information Statement. The variance in expenses incurred in connection with the Rights Issue is not material and was primarily due to the actual Rights Issue expenses being determined in excess of the estimated Rights Issue expenses by $0.1 million. The amount allocated for working capital purposes as stated in the 28 April 2020 Announcement and the Offer Information Statement decreased by the same amount.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the eighth Annual General Meeting of the unitholders of Asian Pay Television Trust ("APTT") will be convened and held by way of electronic means on 29 April 2021, Thursday, at 10.00 a.m. (Singapore time) to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the Report of the Trustee-Manager, Statement by the Trustee-Manager and the audited financial statements of APTT Group for the year ended 31 December 2020 and the Auditor's Report thereon.
(Ordinary Resolution 1)

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

SPECIAL BUSINESS

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

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

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

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

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

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

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

provided that:

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

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

(I) new Units arising from the conversion or exercise of the Instruments which are issued and outstanding or subsisting at the time this Resolution is passed; and

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

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

NOTICE OF ANNUAL GENERAL MEETING

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

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

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

(See explanatory note)

(Ordinary Resolution 3)

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

Kim Yi Hwa
Company Secretary

Singapore, 9 April 2021

NOTICE OF ANNUAL GENERAL MEETING

Explanatory note:

Ordinary Resolution 3

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

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

Important notes:

Pre-register and participate in the Annual General Meeting ("AGM") via "live" audio-visual webcast or "live" audio-only stream

1. The AGM is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (as amended and/or modified, the "Temporary Measures Order"). A copy of this Notice of AGM has been disseminated to unitholders by electronic means via publication on the website of the SGX-ST at the URL https://www.sgx.com/securities/company-announcements and APTT's corporate website at the URL https://www.aptt.sg/news/news-2021. For convenience, printed copies of this Notice of AGM have also been sent by post to unitholders.

2. Unitholders will **<u>not</u>** be able to attend the AGM in person. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via "live" audio-visual webcast or "live" audio-only stream), submission of questions to the Chair of the AGM in advance of the AGM or during the AGM via an online chat box, addressing of substantial and relevant questions prior to or during the AGM, and voting by appointing the Chair of the AGM as proxy at the AGM, are set out in the Trustee-Manager's announcement dated 9 April 2021. The announcement may be accessed at the website of the SGX-ST at the URL https://www.sgx.com/securities/company-announcements and APTT's corporate website at the URL https://www.aptt.sg/news/news-2021.

Voting by proxy

3. A unitholder (whether individual or corporate) who wishes to exercise his/her/its voting rights at the AGM must submit a Proxy Form appointing the Chair of the AGM as proxy to vote on his/her/its behalf at the AGM. The Proxy Form for the AGM may be accessed at the website of the SGX-ST at the URL https://www.sgx.com/ securities/company-announcements and APTT's corporate website at the URL https://www.aptt.sg/news/news-2021. For convenience, printed copies of the Proxy Form have also been sent by post to unitholders.

4. The Chair of the AGM, as proxy, need not be a unitholder of APTT.

5. A unitholder (whether individual or corporate) appointing the Chair of the AGM as proxy must give specific instructions as to his/her/its manner of voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chair of the AGM as proxy for that resolution will be treated as invalid.

6. The instrument appointing the Chair of the AGM as proxy must be submitted in the following manner:

    a. if submitted by post, be deposited at the registered office of the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at the following address: Asian Pay Television Trust, c/o Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or

    b. if submitted electronically, be sent by email to the Unit Registrar at AGM.TeamE@boardroomlimited.com,

    in either case, not less than 48 hours before the time appointed for holding the AGM (the "Proxy Deadline").

NOTICE OF ANNUAL GENERAL MEETING

7. Unitholders who wish to submit an instrument of proxy must first complete and sign the Proxy Form, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above. **In view of the current COVID-19 situation in Singapore, unitholders are strongly encouraged to submit their completed Proxy Forms electronically by email.**

8. Investors who hold their Units through relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 of Singapore (including SRS investors) and who wish to exercise their votes should approach their respective relevant intermediaries (including their respective SRS Approved Banks) to submit their voting instructions by 5.00 p.m. on 19 April 2021, in order to allow sufficient time for their respective relevant intermediaries to in turn submit a Proxy Form to appoint the Chair of the AGM to vote on their behalf no later than the Proxy Deadline.

Access to all documents relating to the business of the AGM

9. All documents and information relating to the business of the AGM (including the 2020 Annual Report, the Proxy Form and this Notice of AGM) have been published on the website of the SGX-ST at the URL https://www.sgx.com/securities/company-announcements and have been made available on APTT's corporate website at the URL https://www.aptt.sg/news/news-2021.

Personal data privacy:

By submitting an instrument appointing the Chair of the Annual General Meeting as proxy to vote at the Annual General Meeting and/or any adjournment thereof, a unitholder consents to the collection, use and disclosure of the unitholder's personal data by the Trustee-Manager (or its agents) for the purpose of the processing and administration of the appointment of the Chair of the Annual General Meeting as proxy for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Trustee-Manager (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines, and recording and transmitting images and voice recordings when broadcasting the proceedings of the Meeting through a "live" audio-visual webcast or "live" audio-only stream.

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ASIAN PAY TELEVISION TRUST
(A business trust constituted on 30 April 2013
under the laws of the Republic of Singapore)
Registration Number: 2013005

APTT MANAGEMENT PTE. LIMITED
(Incorporated in the Republic of Singapore)
(As Trustee-Manager of Asian Pay Television Trust)
Company Registration Number: 201310241D

aptt
Asian Pay Television Trust

IMPORTANT:

1. The Annual General Meeting ("AGM") is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (as amended and/or modified, the "Temporary Measures Order"). The Notice of AGM has been disseminated to unitholders by electronic means via publication on the website of the Singapore Exchange Securities Trading Limited (the "SGX-ST") at the URL https://www.sgx.com/securities/company-announcements and Asian Pay Television Trust's ("APTT") corporate website at the URL https://www.aptt.sg/news/news-2021. For convenience, printed copies of the Notice of AGM have also been sent by post to unitholders.
2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via "live" audio-visual webcast or "live" audio-only stream), submission of questions to the Chair of the AGM in advance of the AGM or during the AGM via an online chat box, addressing of substantial and relevant questions prior to or during the AGM and voting by appointing the Chair of the AGM as proxy at the AGM, are set out in the Trustee-Manager's announcement dated 9 April 2021. The announcement may be accessed at the website of the SGX-ST at the URL https://www.sgx.com/securities/company-announcements and APTT's corporate website at the URL https://www.aptt.sg/news/news-2021.
3. **Unitholders will not be able to attend the AGM in person. A unitholder (whether individual or corporate) who wishes to exercise his/her/its voting rights at the AGM must appoint the Chair of the AGM as proxy to vote on his/ her/its behalf at the AGM.**
4. Investors who hold their units in APTT ("Units") through relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 of Singapore (including SRS investors) should approach their respective relevant intermediaries (including their respective SRS Approved Banks) to submit their voting instructions by 5.00 p.m. on 19 April 2021.
5. By submitting an Instrument appointing the Chair of the AGM as proxy, the unitholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 9 April 2021.
6. **Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chair of the AGM as a unitholder's proxy to vote on his/her/its behalf at the AGM.**

PROXY FORM

*I/We ____

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

of ____ (Address)

being a *unitholder/unitholders of APTT hereby appoint

the Chair of the AGM of APTT as *my/our proxy to vote for *me/us and on *my/our behalf, at the AGM of APTT, to be convened and held by way of electronic means on 29 April 2021, Thursday at 10.00 a.m. (Singapore time) and at any adjournment thereof.

*I/We direct the Chair of the AGM to vote for or against or abstain from voting on the Ordinary Resolutions to be proposed at the AGM as indicated hereunder. Unitholders should specifically indicate in this Proxy Form how they wish to vote for or against or abstain from voting on the Ordinary Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given in respect of an Ordinary Resolution, the appointment of the Chair of the AGM as proxy for that Ordinary Resolution will be treated as invalid.

No.	Resolutions relating to:	**For	**Against	**Abstain
	Ordinary business			
1	Adoption of the Report of the Trustee-Manager, Statement by the Trustee-Manager and audited financial statements of APTT Group for the year ended 31 December 2020 and the Auditor's Report thereon			
2	Reappointment of Deloitte & Touche LLP as the Auditor of APTT			
	Special business			
3	Authority to issue new units in APTT			

* Delete accordingly.

** If you wish the Chair of the AGM as your proxy to cast all your votes "For" or "Against" a resolution, indicate your vote "For" or "Against" with a tick (✔) within the box provided in respect of that resolution. Alternatively, please indicate the number of votes "For" or "Against" in the respective box provided in respect of that resolution. If you wish the Chair of the AGM as your proxy to abstain from a resolution, indicate with a tick (✔) in the "Abstain" box in respect of that resolution. Alternatively, indicate the number of units that the Chair of the AGM as your proxy is directed to abstain from voting in the "Abstain" box in respect of that resolution.

Dated this ________ day of ______________ 2021.

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

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

Notes:

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

2. **Unitholders will not be able to attend the AGM in person. A unitholder (whether individual or corporate) who wishes to exercise his/her/its voting rights at the AGM must submit this Proxy Form appointing the Chair of the AGM as proxy to vote on his/her/its behalf at the AGM.** This Proxy Form for the AGM may be accessed at the website of the SGX-ST at the URL https://www.sgx.com/securities/company-announcements and APTT's corporate website at the URL https://www.aptt.sg/news/news-2021. For convenience, a printed copy of this Proxy Form has also been sent to unitholders. A unitholder (whether individual or corporate) appointing the Chair of the AGM as proxy must give specific instructions as to his/her/its manner of voting, or abstentions from voting, in respect of a resolution in this Proxy Form, failing which the appointment of the Chair of the AGM as proxy for that resolution will be treated as invalid.

3. The Chair of the AGM, as proxy, need not be a unitholder of APTT.

4. The Instrument appointing the Chair of the AGM as proxy must be submitted in the following manner:

   a. if submitted by post, be deposited at the registered office of the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at the following address: Asian Pay Television Trust, c/o Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or

   b. if submitted electronically, be sent by email to the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at AGM.TeamE@boardroomlimited.com,

   in either case, not less than 48 hours before the time appointed for holding the AGM (the "Proxy Deadline").

5. Unitholders who wish to submit an Instrument of proxy must complete and sign this Proxy Form, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above. **In view of the current COVID-19 situation in Singapore, unitholders are strongly encouraged to submit their completed Proxy Forms electronically by email.**

6. Investors who hold their Units through relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 of Singapore (including SRS investors) and who wish to exercise their votes should approach their respective relevant intermediaries (including their respective SRS Approved Banks) to submit their voting instructions by 5.00 p.m. on 19 April 2021, in order to allow sufficient time for their respective relevant intermediaries to in turn submit a Proxy Form to appoint the Chair of the AGM to vote on their behalf no later than the Proxy Deadline.

7. The Instrument appointing the Chair of the AGM as proxy must be under the hand (or if submitted electronically via email, alternatively by way of affixation of an electronic signature) of the appointor or of his/her attorney duly authorised in writing. Where the Instrument appointing the Chair of the AGM as proxy is executed by a corporation, it must be executed either under its seal or under the hand (or if submitted electronically via email, alternatively by way of affixation of an electronic signature) of an officer or attorney duly authorised. Where the Instrument appointing the Chair of the AGM as proxy is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Trustee-Manager), if the Instrument appointing the Chair of the AGM as proxy is submitted by post, be lodged with the Instrument or, if the Instrument appointing the Chair of the AGM as proxy is submitted electronically via email, be emailed with the Instrument of proxy, failing which the Instrument may be treated as invalid.

Personal data privacy:

By submitting an Instrument appointing the Chair of the AGM as proxy, the unitholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 9 April 2021.

General:

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

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"). The Trustee-Manager is a wholly owned subsidiary of Dynami Vision Pte. Ltd. ("Dynami"), which is a Singapore-incorporated company. As at the date of this Annual Report, Dynami is fully owned by Mr Lu Fang-Ming, the Chairman of Asia Pacific Telecom Co., Ltd.

This report is not an offer or invitation for subscription or purchase of or a recommendation of securities 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 is based on certain assumptions and is 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.

Asian Pay Television Trust

APTT Management Pte. Limited
(As Trustee-Manager of Asian Pay Television Trust)

150 Beach Road, #35-39 The Gateway West, Singapore 189720
Telephone: +65 6727 8370   Facsimile: +65 6727 6889   Email: contact@aptt.sg

www.aptt.sg