ASIAN PAY TELEVISION TRUST

KEY FINANCIAL INFORMATION AND BUSINESS UPDATES

FOR THE QUARTER ENDED 31 MARCH 2023

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REPORT SUMMARY

KEY HIGHLIGHTS

- Continued Broadband positive momentum – growing subscriber base, higher ARPU and 11 consecutive quarters of Broadband revenue improvement in both S$ and NT$
- Broadband and Premium digital cable TV subscribers increased by c.7,000 and by c.6,000, respectively, during the quarter; steady increase over the past four years has consistently more than offset Basic cable TV churn; added c.10,000 net subscribers in the quarter, increasing total subscriber base to c.1,308,000
- Revenue and EBITDA at $67.1 million[1] and $39.4 million for the quarter; EBITDA margin held steady at 58.7%
- Real revenue, in constant NT$, increased by 0.4% for the quarter, reflecting the higher contribution from Broadband
- Re-affirmed distribution guidance of 1.05 cents per unit for the full year 2023 – 5% higher than 2022; distributions to be paid half-yearly
- Repaid net debt of $31 million in the quarter and lowered gearing to 48.0%; $49 million to be set aside for repayments during the remainder of 2023
- Approximately 93% of outstanding Onshore Facilities are hedged through to 30 June 2025; as Onshore Facilities form 91% of the Group's total debt, the net exposure to rising interest rates is contained

FINANCIAL HIGHLIGHTS

Asian Pay Television Trust ("APTT"[2]) reported revenue of $67.1 million for the quarter ended 31 March 2023. Earnings before interest, tax, depreciation and amortisation ("EBITDA") and EBITDA margin was $39.4 million and 58.7% for the quarter.

Foreign exchange contributed to a negative variance of 9.2% for the quarter. Total revenue in constant Taiwan dollars ("NT$") increased by 0.4% for the quarter, reflecting the higher contribution from Broadband.

Positive momentum for Broadband continued with improvements on all fronts – number of subscribers, ARPU[3] and 11 consecutive quarters of revenue growth in both S$ and NT$. The strong performance validates the success of TBC's Broadband growth strategy. During the quarter, c.7,000 subscribers were added, alongside higher ARPU which improved by NT$2 per month to NT$384 per month. In NT$, Broadband revenue, which includes revenue from data backhaul, increased by 13.4% for the quarter.

Together with the c.6,000 increase in Premium digital cable TV subscribers, TBC's total number of subscribers increased to c.1,308,000 as at 31 March 2023. The continued growth in Premium digital cable TV and Broadband subscribers over the past four years has consistently more than offset the churn in Basic cable TV.

Group	Quarter ended 31 March		
Amounts in $'000	2023	2022	Variance[4] (%)
Revenue			
Basic cable TV	47,889	54,699	(12.4)
Premium digital cable TV	2,729	3,067	(11.0)
Broadband	16,462	15,800	4.2
Total revenue	**67,080**	**73,566**	**(8.8)**
Total operating expenses[5]	**(27,707)**	**(30,377)**	**8.8**
EBITDA	**39,373**	**43,189**	**(8.8)**
EBITDA margin	58.7%	58.7%	

1 All figures, unless otherwise stated, are presented in Singapore dollars ("$"), which is APTT's functional and presentation currency. Amounts in the financial information tables have been rounded to the nearest thousand dollars, unless otherwise indicated.

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

3 ARPU refers to Average Revenue Per User.

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

5 Operating expenses presented here exclude depreciation and amortisation expense, net foreign exchange gain/loss and mark to market movements on foreign exchange contracts appearing in the consolidated statement of profit or loss, in order to arrive at EBITDA and EBITDA margin presented here.

Mr Brian McKinley, Chief Executive Officer of the Trustee-Manager said, *"Our growing Broadband business is beginning to achieve the results that we have envisioned more than four years ago when we first announced our Broadband growth strategy. It is encouraging to see Broadband starting to cushion the impact of the decline in our Basic cable TV business. Total revenue in constant NT$ recorded growth for two consecutive quarters compared to the pcp, reflecting the higher contribution from Broadband. Our total subscriber base has also crossed the 1.3 million mark, as we continue to add Broadband and Premium digital cable TV subscribers to offset the Basic cable TV churn."*

OPERATIONAL PERFORMANCE

TBC's[6] operational highlights for the quarter ended 31 March 2023 were as follows:

- **Basic cable TV:** Basic cable TV revenue of $47.9 million for the quarter was down 12.4% compared to the prior corresponding period ("pcp"). In constant NT$, Basic cable TV revenue for the quarter decreased by 3.2%. The decline in Basic cable TV revenue was mainly due to lower subscription revenue resulting from the decline in the number of subscribers and lower ARPU. TBC's c.672,000 Basic cable TV RGUs[7] contributed an ARPU of NT$460 per month in the quarter to access over 100 cable TV channels. Basic cable TV RGUs decreased by c.3,000 and ARPU was lower by NT$2 per month compared to the previous quarter ended 31 December 2022. The decline in Basic cable TV RGUs was due to a number of factors including competition from aggressively priced IPTV, 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. The leasing of television channels, which is mainly to third-party home shopping networks, will continue to face pressures from lower demand for home shopping and heightened competition from internet retailing. These trends will continue to impact channel leasing revenue.

- **Premium digital cable TV:** Premium digital cable TV revenue of $2.7 million for the quarter was down 11.0% compared to the pcp. In constant NT$, Premium digital cable TV revenue for the quarter decreased by 1.8%. Revenue was generated predominantly from TBC's c.314,000 Premium digital cable TV RGUs each contributing an ARPU of NT$64 per month in the quarter for Premium digital cable TV packages and bundled DVR or DVR-only services. Premium digital cable TV RGUs increased by c.6,000 but ARPU was marginally lower by NT$1 per month compared to the previous quarter ended 31 December 2022 due to promotions and discounted bundled packages that were offered to generate new RGUs and to retain existing RGUs. Video piracy issues and aggressively priced IPTV have also impacted ARPU.

- **Broadband:** Broadband RGUs increased by c.7,000 during the quarter, alongside an NT$2 per month improvement in ARPU. Broadband revenue, including revenue from data backhaul, was $16.5 million for the quarter, an increase of 4.2% compared to the pcp. In constant NT$, Broadband revenue for the quarter increased by 13.4%. Broadband revenue was generated predominantly from TBC's c.322,000 Broadband RGUs each contributing an ARPU of NT$384 per month in the quarter, which was NT$2 per month higher than the previous quarter ended 31 December 2022. The growth in both Broadband subscribers and ARPU reflects the success of TBC's Broadband strategy to target the broadband-only segment, partner with mobile operators, as well as to offer higher speed plans at competitive prices to acquire new RGUs and re-contract existing ones.

Capital expenditure, comprising maintenance as well as network, broadband and other investments, decreased 5.1% or $0.3 million for the quarter. The decrease was primarily due to lower capital expenditure being incurred on maintenance, network, broadband and other capital expenditure compared to the pcp. As a percentage of revenue, capital expenditure is within industry norms at 9.4% for the quarter. Moving forward, capital expenditure will continue to be within industry norms.

6 TBC refers to Taiwan Broadband Communications Group.

7 RGUs refer to Revenue Generating Units, another term for subscribers or subscriptions; the terms are used interchangeably.

DEBT MANAGEMENT

As at 31 March 2023, interest rate swaps have been entered into to hedge approximately 93% of outstanding Onshore Facilities through to 30 June 2025, at an average fixed rate of 0.94% which is currently lower than the prevailing three-month Taipei Interbank Offered Rate ("TAIBOR"). As Onshore Facilities constitute approximately 91% of the Group's total outstanding debt, the net exposure to rising interest rates is contained; approximately 85% of total debt is protected against the risk of rising interest rates through to 2025.

As announced on 17 January 2023, the Trustee-Manager has signed the facility agreement to refinance its Offshore Facilities (9% of the Group's total outstanding debt) for a 30-month period, on the same major terms. The financial close is expected to be in July 2023, at the maturity of the existing Offshore Facilities. The refinanced Offshore Facilities, comprising a $46.6 million term loan facility and a $75 million revolving loan facility, is $83.4 million lower than the current Offshore Facilities ($125 million term loan facility and a $80 million revolving loan facility) – a direct result of accelerated debt repayments as part of the debt management programme.

Mr McKinley said, *"Overall, we are making good progress with our debt management. During the quarter, we have repaid net debt of $31 million and lowered our gearing to 48.0%. For the rest of 2023, we have set aside $49 million for principal repayments. We are also aiming to make discretionary repayments, where possible. When the new refinanced offshore facilities mature in approximately three years' time, there may be an opportunity to do a full refinancing for our offshore loan, which is significantly more expensive, and bring all our debt back onshore."*

OUTLOOK

Operationally, while the Trustee-Manager does not expect growth in Basic cable TV RGUs due to Taiwan's saturated cable TV market, we expect the number of Premium digital cable TV and Broadband RGUs to continue increasing in 2023. Total revenue will, however, be influenced by the ability to maintain ARPUs which will remain under pressure due to market dynamics. The decline in demand for home shopping and competition from internet retailing will continue to impact channel leasing revenue.

The Trustee-Manager is managing every expense line item very closely. Total operating expenses in 2023 are expected to be in line with 2022.

DISTRIBUTIONS

The Board of Directors of the Trustee-Manager (the "Board") is re-affirming the distribution guidance for the year ending 31 December 2023. The distribution for the full year 2023 is expected to be 1.05 cents per unit, which is 5% higher than 2022, to be paid in half-yearly instalments of 0.525 cents per unit, subject to no material changes in planning assumptions.

IMPACT OF RISING INTEREST RATES

On Debt:

APTT's total outstanding debt comprises 91% Onshore Facilities and 9% Offshore Facilities. Approximately 93% of outstanding Onshore Facilities are hedged through to 30 June 2025, while the Offshore Facilities are not hedged. This means that approximately 85% of APTT's total outstanding debt is protected against the risk of rising interest rates through to 2025.

The rising interest rates do have an impact on the cost of debt for the remaining 15% of total outstanding debt that remains unhedged. The Onshore Facilities are exposed to the floating interest rate of Taiwan's three-month Taipei Interbank Offered Rate ("TAIBOR"), and the Offshore Facilities are currently exposed to the floating interest rate of the Singapore Interbank Offered Rate ("SIBOR"). While TAIBOR rates have not increased significantly over the last year, SIBOR rates increased substantially. Although interest rate risk is well managed with hedges on approximately 85% of APTT's total outstanding debt, total interest costs for 2023 are expected to be affected by the changes in TAIBOR and SIBOR rates on the remaining 15% of total outstanding debt that remains unhedged.

On Intangible Assets:

The rising interest rates also affect the calculation of APTT's Weighted Average Cost of Capital ("WACC") used in the annual impairment assessment of goodwill, cable TV licences with indefinite useful lives and property, plant and equipment. The Trustee-Manager performs an assessment of the recoverable amount of the Cash Generating Unit ("CGU") using the Discounted Cash Flow ("DCF") method. The Group's cash flow forecasts, along with relevant market discount rates and average long-term growth rates, are used to derive the value-in-use of the Group's single CGU which supports the impairment assessment.

While no impairment assessment was performed for the quarter ended 31 March 2023, the impairment assessment that was performed at the end of 2022 showed that APTT's WACC was higher, due to rising interest rates, and headroom between APTT's DCF value and book value was lower, compared to 2021. The headroom was still marginally positive, mainly due to healthy business assumptions and net cash flow forecasts. Therefore, no impairment was recognised by the Group as at the previous year ended 31 December 2022.

If interest rates continue to stay elevated and/or the business environment continues to be challenging, combined with changes in other assumptions, e.g. a lower terminal growth rate, there is a possibility that this could result in an impairment loss on intangible assets in the future. Should an impairment loss on intangible assets be required, it would be recorded in the consolidated statement of profit or loss. An impairment loss would be a non-cash item and would not impact the operations of the Group or its cash flows; there would be no change to distribution guidance. The Trustee-Manager will make appropriate announcements, including a profit warning, if necessary, in the event of any material developments on the impairment assessment of intangible assets.

SELECTED FINANCIAL INFORMATION AND OPERATING DATA

The selected financial information and operating data presented on the following pages 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 and intangible assets (affecting relative depreciation and amortisation expense). In particular, EBITDA eliminates the non-cash depreciation and amortisation expense that arises from the capital-intensive nature of the Group's businesses and intangible assets recognised in business combinations. The Trustee-Manager presents these supplemental financial measures because it believes these measures are frequently used by securities analysts and investors in evaluating similar issuers.

SELECTED FINANCIAL INFORMATION

Group[1] Amounts in $'000	Note[2]	Quarter ended 31 March 2023	2022	Variance[3] (%)
Revenue				
Basic cable TV	1(i)	47,889	54,699	(12.4)
Premium digital cable TV	1(ii)	2,729	3,067	(11.0)
Broadband	1(iii)	16,462	15,800	4.2
Total revenue		**67,080**	**73,566**	**(8.8)**
Operating expenses[4]				
Broadcast and production costs		(13,108)	(14,286)	8.2
Staff costs	2(i)	(6,043)	(6,968)	13.3
Trustee-Manager fees	2(ii)	(1,944)	(1,814)	(7.2)
Other operating expenses	2(iii)	(6,612)	(7,309)	9.5
Total operating expenses		**(27,707)**	**(30,377)**	**8.8**
EBITDA		**39,373**	**43,189**	**(8.8)**
EBITDA margin[5]		58.7%	58.7%	
Profit after income tax[6]		**7,176**	**12,236**	**(41.4)**
Capital expenditure	3			
Maintenance		3,461	3,501	1.1
Network, broadband and other		2,834	3,134	9.6
Total capital expenditure		**6,295**	**6,635**	**5.1**
Maintenance capital expenditure as % of revenue		5.2	4.8	
Total capital expenditure as % of revenue		9.4	9.0	
Income tax paid, net of refunds		(383)	(1,453)	73.6
Interest and other finance costs paid		(13,099)	(11,359)	(15.3)

1 Group refers to APTT and its subsidiaries taken as a whole.
2 Refer to accompanying notes for more details.
3 A positive variance is favourable to the Group and a negative variance is unfavourable to the Group.
4 Operating expenses presented here exclude depreciation and amortisation expense, net foreign exchange gain/loss and mark to market movements on foreign exchange contracts appearing in the consolidated statement of profit or loss, in order to arrive at EBITDA and EBITDA margin presented here.
5 EBITDA margin is a non-IFRS financial measure and is calculated by dividing EBITDA by total revenue.
6 Profit after income tax is calculated in the consolidated statement of profit or loss and a reconciliation is presented in reconciliation of profit after income tax to EBITDA.

SELECTED OPERATING DATA

Group	As at				
	2023	2022			
	31 March	31 December	30 September	30 June	31 March
RGUs ('000)					
Basic cable TV	672	675	680	684	688
Premium digital cable TV	314	308	299	289	281
Broadband	322	315	307	298	289

Group	Quarter ended				
	2023	2022			
	31 March	31 December	30 September	30 June	31 March
ARPU[1] (NT$ per month)					
Basic cable TV	460	462	466	469	472
Premium digital cable TV	64	65	68	70	73
Broadband	384	382	379	377	373
AMCR[2] (%)					
Basic cable TV	(0.5)	(0.6)	(0.5)	(0.5)	(0.5)
Premium digital cable TV	(1.0)	(0.8)	(0.8)	(0.8)	(0.7)
Broadband	(0.5)	(0.6)	(0.6)	(0.6)	(0.7)

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 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.

STATEMENTS OF FINANCIAL POSITION

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

		Group as at		Trust as at	
Amounts in $'000	**Note[1]**	**31 March 2023**	**31 December 2022**	**31 March 2023**	**31 December 2022**
Assets					
Current assets					
Cash and cash equivalents	4	106,499	118,860	1,395	5,945
Trade and other receivables		10,924	13,180	-	-
Derivative financial instruments	5	3,566	4,393	3,566	4,393
Contract costs		836	884	-	-
Other assets		4,565	1,263	327	62
		126,390	**138,580**	**5,288**	**10,400**
Non-current assets					
Investment in subsidiaries		-	-	1,387,351	1,387,351
Property, plant and equipment		226,396	234,274	-	-
Intangible assets		2,310,234	2,315,258	-	-
Derivative financial instruments	5	12,178	11,276	533	665
Contract costs		255	262	-	-
Other assets		1,449	1,263	7	7
		2,550,512	**2,562,333**	**1,387,891**	**1,388,023**
Total assets		**2,676,902**	**2,700,913**	**1,393,179**	**1,398,423**
Liabilities					
Current liabilities					
Borrowings from financial institutions	6	66,387	72,974	-	-
Trade and other payables	7	55,184	51,269	1,944	3,710
Contract liabilities		33,156	32,907	-	-
Retirement benefit obligations		1,374	1,374	-	-
Income tax payable		7,972	6,179	-	-
Other liabilities		20,857	23,637	315	298
		184,930	**188,340**	**2,259**	**4,008**
Non-current liabilities					
Borrowings from financial institutions	6	1,217,865	1,243,397	-	-
Derivative financial instruments	5	20	-	20	-
Retirement benefit obligations		3,683	3,720	-	-
Deferred tax liabilities		105,372	102,348	-	-
Other liabilities		24,696	24,204	-	-
		1,351,636	**1,373,669**	**20**	**-**
Total liabilities		**1,536,566**	**1,562,009**	**2,279**	**4,008**
Net assets		**1,140,336**	**1,138,904**	**1,390,900**	**1,394,415**
Equity					
Unitholders' funds		1,389,351	1,389,351	1,389,351	1,389,351
Reserves		91,459	92,687	-	-
Accumulated (deficit)/surplus		(342,628)	(345,252)	1,549	5,064
Equity attributable to unitholders of APTT		**1,138,182**	**1,136,786**	**1,390,900**	**1,394,415**
Non-controlling interests		2,154	2,118	-	-
Total equity		**1,140,336**	**1,138,904**	**1,390,900**	**1,394,415**

[1] Refer to accompanying notes for more details.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Group Amounts in $'000	Note[1]	Quarter ended 31 March 2023	 2022	 Variance[2] (%)
Revenue				
Basic cable TV	1(i)	47,889	54,699	(12.4)
Premium digital cable TV	1(ii)	2,729	3,067	(11.0)
Broadband	1(iii)	16,462	15,800	4.2
Total revenue		**67,080**	**73,566**	**(8.8)**
Operating expenses				
Broadcast and production costs		(13,108)	(14,286)	8.2
Staff costs[3]	2(i)	(6,043)	(6,968)	13.3
Depreciation and amortisation expense[4]		(15,044)	(18,777)	19.9
Trustee-Manager fees	2(ii)	(1,944)	(1,814)	(7.2)
Net foreign exchange (loss)/gain[5]		(150)	164	(>100)
Mark to market gain on derivative financial instruments[6]		401	2,441	(83.6)
Other operating expenses	2(iii)	(6,612)	(7,309)	9.5
Total operating expenses		**(42,500)**	**(46,549)**	**8.7**
Operating profit		**24,580**	**27,017**	**(9.0)**
Amortisation of deferred arrangement fees		(776)	(844)	8.1
Interest and other finance costs		(11,050)	(9,615)	(14.9)
Profit before income tax		**12,754**	**16,558**	**(23.0)**
Income tax expense[7]		(5,578)	(4,322)	(29.1)
Profit after income tax		**7,176**	**12,236**	**(41.4)**
Profit after income tax attributable to:				
Unitholders of APTT		7,140	12,102	(41.0)
Non-controlling interests		36	134	(73.1)
Profit after income tax		**7,176**	**12,236**	**(41.4)**
Basic and diluted earnings per unit attributable to unitholders of APTT (cents)[8]		**0.40**	**0.67**	

1 Refer to accompanying notes for more details.
2 A positive variance is favourable to the Group and a negative variance is unfavourable to the Group.
3 Decrease in staff costs was mainly due to lower staff costs in constant dollar terms. Refer note 2(i) for more details.
4 Decrease in depreciation and amortisation expense was mainly due to lower depreciation expense on network equipment and amortisation expense on programming rights compared to the pcp.
5 Variance in net foreign exchange (loss)/gain is mainly due to translations at the subsidiary level which are not expected to be realised.
6 Variance in mark to market gain on derivative financial instruments was due to exchange rate movements on foreign exchange contracts.
7 Increase in income tax expense was mainly due to higher current income tax expense and deferred income tax expense.
8 Earnings per unit is calculated by dividing profit after income tax attributable to unitholders of APTT by the weighted average number of APTT units outstanding during the period.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Group	Quarter ended 31 March		
Amounts in $'000	**2023**	**2022**	**Variance[1] (%)**
Profit after income tax	**7,176**	**12,236**	**(41.4)**
Other comprehensive income/(loss)			
Items that may subsequently be reclassified to profit or loss:			
Exchange differences on translation of foreign operations	(2,075)	(40,648)	94.9
Movement on change in fair value of cash flow hedging financial instruments	1,059	16,230	(93.5)
Deferred tax relating to items that may subsequently be reclassified to profit or loss	(212)	(3,246)	93.5
Other comprehensive loss, net of tax	**(1,228)**	**(27,664)**	**95.6**
Total comprehensive income/(loss)	**5,948**	**(15,428)**	**>100**
Total comprehensive income/(loss) attributable to:			
Unitholders of APTT	5,912	(15,562)	>100
Non-controlling interests	36	134	(73.1)
Total comprehensive income/(loss)	**5,948**	**(15,428)**	**>100**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Group Amounts in $'000	Quarter ended 31 March 2023	 2022
Operating activities		
Profit after income tax	**7,176**	**12,236**
Adjustments for:		
Depreciation and amortisation expense	15,044	18,777
Net foreign exchange loss	39	2,024
Mark to market gain on derivative financial instruments	(401)	(2,441)
Amortisation of deferred arrangement fees	776	844
Interest and other finance costs	11,050	9,615
Income tax expense	5,578	4,322
Operating cash flows before movements in working capital	**39,262**	**45,377**
Trade and other receivables	2,256	2,681
Trade and other payables	3,915	8,173
Contract costs	55	137
Contract liabilities	249	(1,361)
Retirement benefit obligations	(37)	(772)
Other assets	(3,488)	(1,982)
Other liabilities	(194)	(3,105)
Cash generated from operations	**42,018**	**49,148**
Income tax paid, net of refunds	(383)	(1,453)
Interest paid on lease liabilities	(31)	(40)
Net cash inflows from operating activities	**41,604**	**47,655**
Investing activities		
Acquisition of property, plant and equipment	(5,840)	(7,333)
Acquisition of intangible assets	(347)	(449)
Net cash used in investing activities	**(6,187)**	**(7,782)**
Financing activities		
Interest and other finance costs paid	(13,099)	(11,359)
Borrowings from financial institutions	5,000	-
Repayment of borrowings to financial institutions	(35,985)	(20,610)
Settlement of lease liabilities	(558)	(669)
Settlement of derivative financial instruments	1,380	353
Settlement of transactions with non-controlling interests	-	(139)
Distributions to non-controlling interests	-	(22)
Distributions to unitholders	(4,516)	(4,516)
Net cash used in financing activities	**(47,778)**	**(36,962)**
Net (decrease)/increase in cash and cash equivalents	**(12,361)**	**2,911**
Cash and cash equivalents at the beginning of the year	118,860	124,664
Cash and cash equivalents at the end of the quarter	**106,499**	**127,575**

RECONCILIATION OF PROFIT AFTER INCOME TAX TO EBITDA

Group Amounts in $'000	Quarter ended 31 March 2023	 2022	 Variance[1] (%)
Profit after income tax	**7,176**	**12,236**	**(41.4)**
Add: Depreciation and amortisation expense	15,044	18,777	19.9
Add: Net foreign exchange loss/(gain)	150	(164)	(>100)
Add: Mark to market gain on derivative financial instruments	(401)	(2,441)	(83.6)
Add: Amortisation of deferred arrangement fees	776	844	8.1
Add: Interest and other finance costs	11,050	9,615	(14.9)
Add: Income tax expense	5,578	4,322	(29.1)
EBITDA	**39,373**	**43,189**	**(8.8)**
EBITDA margin	58.7%	58.7%	

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

MATERIAL UPDATES TO FINANCIAL INFORMATION

1) REVENUE

Total revenue was influenced by a number of factors, including the continued challenges in the economic and operating environment. Refer to the operational performance section in the report summary for further details.

An additional analysis of the revenue items is as follows:

(i) Basic cable TV

Basic cable TV revenue of $47.9 million for the quarter comprised subscription revenue of $40.7 million and non-subscription revenue of $7.2 million. Subscription revenue was generated from TBC's c.672,000 Basic cable TV RGUs each contributing an ARPU of NT$460 per month in the quarter to access over 100 cable TV channels. Non-subscription revenue was 15.0% of Basic cable TV revenue for the quarter, which includes revenue from the leasing of television channels to third parties, the sale of airtime advertising and fees for the installation of set-top boxes.

(ii) Premium digital cable TV

Premium digital cable TV revenue of $2.7 million for the quarter comprised subscription revenue of $2.6 million and non-subscription revenue of $0.1 million. Subscription revenue was generated from TBC's c.314,000 Premium digital cable TV RGUs each contributing an ARPU of NT$64 per month in the quarter for Premium digital cable TV packages and bundled DVR or DVR-only services. Non-subscription revenue predominantly comprised revenue from the sale of electronic programme guide data to other system operators.

(iii) Broadband

Broadband revenue of $16.5 million for the quarter, which includes revenue from data backhaul, comprised subscription revenue of $16.1 million and non-subscription revenue of $0.4 million. Subscription revenue was generated from TBC's c.322,000 Broadband RGUs each contributing an ARPU of NT$384 per month in the quarter for high-speed Broadband services. Subscription revenue includes revenue from data backhaul, where mobile operators lease a number of fibre circuits to provide data backhaul. Non-subscription revenue predominantly comprised revenue from the provision of installation and other services.

2) EXPENSES

(i) Staff costs

Staff costs for the quarter were lower compared to the pcp mainly due to lower staff costs in constant dollar terms and also as a result of tighter cost management.

(ii) Trustee-Manager fees

In accordance with the APTT Trust Deed, the Trustee-Manager fees are subject to an annual increment, measured by the percentage increase (if any) in the year-on-year Singapore Consumer Price Index ("CPI"). The Trustee-Manager fees in 2023 are subject to the 2022 CPI increase of 6.17%, amounting to $464.5 thousand. The Trustee-Manager approved a credit of $110.6 thousand, for 2023 Trustee-Manager fees. This move underscores the Trustee-Manager's commitment to cost management and its direct contribution to it. Accordingly, the net fees for 2023 will increase by 4.7% to $7.88 million.

(iii) Other operating expenses

Other operating expenses were $6.6 million for the quarter ended 31 March 2023, down 9.5% compared to the pcp mainly due to lower marketing and selling expenses. A detailed breakdown of material items included in other operating expenses is provided in the table below:

Group	Quarter ended 31 March	
Amounts in $'000	2023	2022
Lease rentals	(19)	(39)
Pole rentals	(1,560)	(1,651)
Legal and professional fees	(518)	(598)
Non-recoverable GST/VAT	(819)	(899)
Marketing and selling expenses	(1,144)	(1,351)
General and administrative expenses	(1,184)	(1,174)
Licence fees	(509)	(579)
Repairs and maintenance	(322)	(378)
Others	(537)	(640)
Total	**(6,612)**	**(7,309)**

3) CAPITAL EXPENDITURE

Total capital expenditure of $6.3 million for the quarter ended 31 March 2023 was 5.1% lower than the pcp. Total capital expenditure as a percentage of revenue is within industry norms at 9.4% for the quarter.

Total capital expenditure for the quarter was lower than the pcp because of lower capital expenditure being incurred on maintenance, network, broadband and other capital expenditure compared to the pcp. The level of capital expenditure, which will be within industry norms, 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 mobile operators in their network rollouts and to pursue other opportunities for the long-term success of the Trust.

TBC's network is already providing data backhaul to a few mobile operators. With continued wireless network development, data backhaul through TBC's network is expected to add a meaningful income stream to its Broadband business within the next few years as mobile operators tap into TBC's superior network for their network rollouts.

4) CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the Group level were $106.5 million as at 31 March 2023. The Trustee-Manager will reserve approximately $49 million for scheduled principal repayments on its onshore and offshore borrowing facilities during the remainder of 2023.

5) DERIVATIVE FINANCIAL INSTRUMENTS

Mark to market unrealised gain or loss positions on the Trust's foreign exchange contracts are classified as current and non-current assets, as well as current and non-current liabilities respectively both at the Group and Trust level.

As at 31 March 2023, the notional amount of interest rate swaps on TAIBOR maturing in June 2025 was NT$25.1 billion, thus fixing approximately 93% of outstanding onshore facilities through to 30 June 2025. The average fixed rate on these swaps is 0.94%.

The movement in non-current assets also includes mark to market unrealised gains of $11.6 million on the Group's interest rate swaps which are designated as cash flow hedges. The unrealised gains represent the difference between the contract rates at which the interest rate swaps were entered into and the market rates as at the end of the reporting period.

6) BORROWINGS FROM FINANCIAL INSTITUTIONS

Group	As at	
Amounts in $'000	31 March 2023	31 December 2022
Current portion	69,173	75,871
Less: Unamortised arrangement fees	(2,786)	(2,897)
	66,387	**72,974**
Non-current portion	1,230,513	1,256,733
Less: Unamortised arrangement fees	(12,648)	(13,336)
	1,217,865	**1,243,397**
Total current and non-current portion[1]	1,299,686	1,332,604
Less: Total unamortised arrangement fees	(15,434)	(16,233)
Total	**1,284,252**	**1,316,371**

1 Comprised outstanding NT$ denominated borrowings of NT$27.1 billion at the TBC level and S$ denominated borrowings of S$117.0 million at the Bermuda holding companies' level.

The reduction in the total debt balance during the quarter is due mostly to net debt repayments of $31 million and positive foreign exchange movements of $2 million.

Onshore Facilities

The NT$ denominated facilities of NT$29.5 billion at TBC level ("Onshore Facilities") are repayable in tranches by 2028 and are secured by certain land, buildings, network equipment and plant and equipment held by TBC as well as by pledges over shares in onshore entities of TBC and over the shares in TBC Holdings B.V. and Harvest Cable Holdings B.V. held by Cable TV S.A. The onshore affiliates of TBC are jointly liable under the debt facilities. As at 31 March 2023, the total carrying value of property, plant and equipment pledged for the Onshore Facilities was $221.0 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 2.1% per annum depending on its leverage ratio. As discussed in Note 5, the Group uses interest rate swaps to swap a significant portion of its borrowings from floating rate to fixed rate.

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 $80.0 million secured by APTT Holdings 1 Limited and APTT Holdings 2 Limited ("Offshore Facilities").

The Offshore Facilities are denominated in Singapore dollars and repayable in tranches by 2023. 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 March 2023, the total carrying value of assets pledged for the Offshore Facilities was $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.

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

The Trustee-Manager announced on 17 January 2023 that it has signed the facility agreement to refinance its Offshore Facilities on the same major terms. The financial close is expected to be in July 2023, at the maturity of the existing Offshore Facilities. After including the impact of scheduled repayments until the financial close, the size of the refinanced facilities will be reduced to a $46.6 million term loan facility and a $75 million revolving loan facility on financial close.

7) TRADE AND OTHER PAYABLES

	Group as at		Trust as at	
Amounts in $'000	**31 March 2023**	**31 December 2022**	**31 March 2023**	**31 December 2022**
Trade payables due to outside parties	53,240	47,559	-	-
Base fees payable to the Trustee-Manager	1,944	3,710	1,944	3,710
Total	**55,184**	**51,269**	**1,944**	**3,710**

The Group's trade and other payables as at 31 March 2023 of $55.2 million comprised mainly broadcast and production costs payable of $50.2 million, other payables of $3.0 million and base fees payable to the Trustee-Manager of $1.9 million.

DISCLAIMERS

Asian Pay Television Trust ("APTT") is a business trust registered under the Business Trusts Act 2004 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 fully owned by Mr Lu Fang-Ming, the former 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, as amended and restated by a First Amending and Restating Deed dated 28 April 2022 (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.