

**Registered Office:**  
1 Harbourfront Avenue  
#14-07 Keppel Bay Tower  
Singapore 098632

Telephone +65 6011 5829  
Internet www.aptt.sg

## SGX-ST Release

### RESPONSE TO SGX REGCO QUERY ON APTT'S ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

**Singapore – 19 April 2024**

APTT Management Pte. Limited (the “**Trustee-Manager**”), in its capacity as the trustee-manager of Asian Pay Television Trust (“**APTT**” or the “**Trust**”), refers to the query (see “[QUESTION](#)” below) by SGX RegCo on 17 April 2024 and wishes to respond as follows (see “[RESPONSE](#)” below).

#### QUESTION

We refer to the Trust’s Annual Report for the financial year ended 31 December 2023. In its remuneration disclosures on page 55 to 58 of the Corporate Governance Statement, the Trust has not disclosed the remuneration of the Trustee-Managers’ directors, CEO, or top five key management personnel. The Trustee-Manager is of the view that the current disclosure generally complies with Principle 8 of the Code after taking into account that the Trust does not bear the remuneration of its independent directors, CEO and CFO, while the remaining two non-executive directors do not receive any remuneration from the Trust or Trustee-Manager.

Guideline number SFA04-G07 titled “Guidelines to all holders of a CMS licence for REIT Management” issued by the Monetary Authority of Singapore, last updated on 20 December 2021 (“**MAS Guideline**”), requires the same CG Code disclosures for remuneration paid to directors and executive officers of a REIT manager on a comply-or-explain basis, and that a statement to the effect that the remuneration of the CEO, directors and executive officers of the REIT manager is payable out of the assets of the REIT manager and not out of the deposited property of the REIT would not be considered a satisfactory explanation. This was included in SGX RegCo’s response to comments on its public consultation paper on “Board Renewal and Remuneration Disclosures”.

- (i) Notwithstanding that APTT is a business trust and not a REIT, please elaborate further on how its current remuneration disclosure is consistent with Principle 8 of the Code, taking into account the MAS Guideline.
- (ii) Please confirm that the Trust will disclose the names, amounts and breakdown of remuneration paid to each individual director and CEO as required under Listing Rule 1207(10D) in the Trust’s annual reports for the financial year ended 31 December 2024 onwards.

#### RESPONSE

Principle 8 of the Code of Corporate Governance 2018 (the “**Code**”) provides that “*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.*”

The Trustee-Manager is of the view that it has complied with Principle 8 of the Code taking into account the following disclosures set out in (A) pages 49, 56 and 57 of the Trust's annual report for the financial year ended 31 December 2023 (the "**Trust's Annual Report**") and (B) pages 6 and 20 of the Trustee-Manager's annual report for the financial year ended 31 March 2023 (the "**Trustee-Manager's Annual Report**"):

- (a) *"The RC considers all aspects of remuneration, including but not limited to director's fees, salaries, allowances, bonuses, deferred compensations, options, unit-based incentives and awards, benefits in kind and termination terms, to ensure they are fair ..."*;
- (b) *"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."*;
- (c) *"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 its unitholders ... 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."*;
- (d) *"If necessary, the RC seeks expert advice inside and/or outside the Trust on remuneration of all directors and key management personnel ... An external service provider, Aon Hewitt Singapore Pte. Ltd. ("Aon") was engaged as an independent remuneration consultant in 2023 to perform an independent benchmarking analysis of the remuneration of the directors, the Chief Executive Officer and Chief Financial Officer. Aon is not related to the Trustee-Manager, its key unitholders, its related entities or any of its directors."*;

- (e) *“In 2023, Aon also conducted an independent benchmarking analysis of the remuneration of independent directors who receive a fixed annual fee payable quarterly, which was arrived at after taking into account the industry practices and norms ... it is considered that the remuneration of the independent 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 non-executive directors is not compromised by their compensation.”;*
- (f) *“Lu Fang-Ming, as a nominee of Dynami, does not receive any remuneration from the Trust or the Trustee-Manager in connection with his role as vice-chair and non-executive director of the Trustee-Manager.”;*
- (g) *“Dai Yung Huei does not receive any remuneration from the Trust or the Trustee-Manager in connection with his role as non-executive director of the Trustee-Manager.”;*
- (h) *“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.”;*
- (i) *“Brian McKinley, the Chief Executive Officer, 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 their remuneration terms, entitlements to leave and other benefits. The compensation of the Chief Executive Officer (who is also an executive director) and Chief Financial Officer, including the various components of compensation, was benchmarked against independent analysis performed by Aon, as mentioned above, with the most recent analysis conducted in December 2023. The compensation of the Chief Executive Officer and Chief Financial Officer consists of: (i) a fixed component comprising base salary; (ii) a variable performance-based component (short-term incentives); and (iii) a deferred variable performance-based component (long-term incentives). The performance-based components of compensation for the Chief Executive Officer and Chief Financial Officer form a significant portion of their total compensation, ...”;*
- (j) *“The RC approves performance targets for assessing the performance of the directors, the Chief Executive Officer and Chief Financial Officer 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 the directors, the Chief Executive Officer and Chief Financial Officer 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 ... 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 policy and framework for determining the remuneration of the directors, the Chief Executive Officer and Chief Financial Officer are reviewed and recommended to the Board by the RC.”;*
- (k) *“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 out of the Trustee-Manager fees, and not reimbursed out of the Trust property.”;*

- (l) *“In this regard, the Trustee-Manager earned ‘Management fees’ of \$7.5 million for its financial year ended 31 March 2023, and incurred \$2.0 million as ‘Salaries and other benefits’ for the year then ended, as total remuneration for independent directors, the Chief Executive Officer, the Chief Financial Officer, and staff of the Trustee-Manager, as disclosed in the Trustee-Manager’s financial statements for the year ended 31 March 2023. In addition, as required under Principle 8 of the Code, APTT has 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. Accordingly, notwithstanding the guidance under Provision 8.1 of the Code to disclose the names, amounts and breakdown of remuneration of each (a) individual director and the Chief Executive Officer, and (b) at least the top five key management personnel (who are not directors or the Chief Executive Officer) in bands no wider than S\$250,000, the Trustee-Manager is of the view that Principle 8 of the Code is generally complied with, taking into account that APTT does not bear the remuneration and compensation of the independent directors, the Chief Executive Officer and Chief Financial Officer, whose remuneration and compensation are borne by the Trustee-Manager out of the Trustee-Manager fees and not reimbursed out of the Trust property, and further that the remaining two non-executive directors do not receive any remuneration from the Trust or the Trustee-Manager.”;*
- (m) *“In addition, no payments are made by APTT’s subsidiaries to the directors, the Chief Executive Officer and Chief Financial Officer. There are also no employee share schemes currently in place in relation to APTT. 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 S\$100,000 during the year ended 31 December 2023, in line with the guidance under Provision 8.2 of the Code.”*
- (n) *“For the year ended 31 December 2023, the RC has provided assurance to the Board that the level and structure of remuneration of the Board align with the long-term interests and risk management policies of the Trust.”; and*
- (o) *“The remuneration of the directors (including independent directors’ fees) and other members of key management are recognised under salaries and other benefits in the statement of profit or loss. Mr Lu-Fang Ming (Vice-Chair and Non-Executive Director) was not entitled to any remuneration from the Company other than reimbursement of expenses incurred on behalf of the Company. Mr Dai Yung Hwei (Non-Executive Director) was also not entitled to any remuneration from the Company other than reimbursement of expenses incurred on behalf of the Company.”. In this regard, it is disclosed under page 6 of the Trustee-Manager’s Annual Report that “salaries and other benefits” for the financial year ended 31 March 2023 amounted to approximately S\$2,026,000 as total remuneration for independent directors, the Chief Executive Officer, the Chief Financial Officer, and other staff of the Trustee-Manager.*

As noted by SGX RegCo, the MAS Guideline and the MAS Notice SFA04-N14 to All Holders of a Capital Markets Services Licence for Real Estate Investment Trust Management (the “**MAS Notice**”) are only applicable to REIT managers (as defined in the MAS Guideline and the MAS Notice) and do not apply to the trustee-managers of registered business trusts, such as the Trustee-Manager. The Trustee-Manager notes that provision 3.3 of the MAS Notice, is substantially similar to Provision 8.1 of the Code insofar as it requires disclosure in the annual report of the remuneration of (a) its chief executive officer and each individual director on a named basis and (b) at least its top five executive officers (which shall

not include the chief executive officer and executive officers who are directors) on a named basis in bands of S\$250,000, and that similar to Provisions of the Code, such disclosure requirement is on a comply-or-explain basis. As set out above, the Trustee-Manager has explained the reasons for the variation and how the practices it has adopted are consistent with the intent of Principle 8 of the Code. In particular, the Trustee-Manager would reiterate that it has disclosed that the total remuneration of the directors (including independent directors' fees), other members of key management and staff of the Trustee-Manager for the financial year ended 31 March 2023 amounted to approximately S\$2,026,000, and that Mr Lu Fang-Ming (Vice-Chair and Non-Executive Director) and Mr Dai Yung Hwei (Non-Executive Director) did not receive any remuneration from the Trustee-Manager other than reimbursement of expenses incurred on behalf of the Trustee-Manager. Taking into consideration the total quantum of remuneration (approximately S\$2,026,000) and the number of directors, management and staff that such remuneration relates to (eleven), the Trustee-Manager is of the view that further breakdown of the total remuneration may not be particularly meaningful.

The Trustee-Manager further wishes to highlight that it has adopted a consistent approach in the Trust's Annual Report as compared to the Trust's previous annual reports for the financial years ended 31 December 2022, 31 December 2021 and 31 December 2020 respectively, insofar as the amounts and breakdown of the remuneration of the directors, chief executive officer or top five key management personnel were similarly not disclosed in these previous annual reports of the Trust on the basis that, among other things, the remuneration of the independent directors, chief executive officer and chief financial officer are not paid out of the Trust property.

Notwithstanding the above, the Trustee-Manager is fully aware of Listing Rule 1207(10D), which requires issuers to disclose in their annual reports the "*names, amounts and breakdown of remuneration paid to each individual director and the chief executive officer by the issuer and its subsidiaries*" and such "*breakdown must include (in percentage terms) base or fixed salary, variable or performance-related income or bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives*", and notes that SGX RegCo had provided time for issuers to prepare for this requirement (as noted in its Responses to Comments on Consultation Paper on Board Renewal and Remuneration Disclosures dated 11 January 2023) and therefore only requires such disclosure requirement to take effect for annual reports in respect of financial years ending on or after 31 December 2024. Accordingly, the Trustee-Manager confirms that it will comply with Listing Rule 1207(10D) in respect of the Trust's annual reports for financial years ending on or after 31 December 2024.

## **ABOUT APTT**

APTT 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 is managed by its Trustee-Manager, APTT Management Pte. Limited. 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.

For further information, please contact:

### **Brian McKinley**

Chief Executive Officer

Tel: +65 6011 5829

Email: [investorrelations@aptt.sg](mailto:investorrelations@aptt.sg)