ASIAN PAY TELEVISION TRUST

SGX QUARTERLY REPORT
FOR THE QUARTER ENDED 31 MARCH 2021

CONTENTS

REPORT SUMMARY

REPORT SUMMARY

KEY HIGHLIGHTS

- Revenue and EBITDA at $74.4 million[1] and $45.4 million; EBITDA margin increased marginally to 61.0%
- Premium digital cable TV and Broadband subscribers have been steadily increasing for the past 12 quarters; added c.6,000 Premium digital cable TV and c.5,000 Broadband subscribers during the quarter, which more than offset Basic cable TV churn for the quarter; total subscribers increased to c.1,208,000
- Despite intense competition, Broadband subscribers rose 18% over the last 27 months, underscoring the success of TBC's Broadband growth strategy; Broadband revenue improved in both S$ and NT$ for three consecutive quarters compared to the pcp
- Distribution of 0.25 cents per unit declared for the quarter; re-affirmed distribution guidance of 1.0 cent per unit for 2021, subject to no material changes in planning assumptions

FINANCIAL HIGHLIGHTS

Asian Pay Television Trust ("APTT"[2]) reported revenue of $74.4 million and EBITDA of $45.4 million for the quarter ended 31 March 2021.

Foreign exchange contributed to a positive variance of 3.1% for the quarter compared to the prior corresponding period ("pcp"). In constant Taiwan dollar ("NT$"), total revenue for the quarter decreased by 9.3%, compared to the pcp mainly due to lower revenue generated from channel leasing, the absence of one-off basic cable TV revenue arising from the sale of certain in-house content to channel providers in the pcp, as well as less airtime advertising sales.

Basic cable TV ARPU[3] improved to NT$489 per month. While Broadband ARPU for the quarter declined marginally by NT$1 to NT$355 per month, Broadband revenue, which includes revenue from data backhaul, increased 9.5% and 6.4% in S$ and NT$, respectively, validating the success of TBC's Broadband growth strategy.

As at 31 March 2021, the total number of subscribers increased to c.1,208,000, driven by continued growth in Premium digital cable TV and Broadband subscribers which have been steadily increasing for the past 12 quarters. During the quarter, the number of Premium digital cable TV and Broadband subscribers increased by c.6,000 and c.5,000, which more than offset Basic cable TV churn.

Operating expenses for the quarter decreased primarily due to lower staff costs and other operating expenses, as well as marginally lower broadcast and production costs in constant NT$. EBITDA margin for the quarter improved by 0.1 percentage points to 61.0%, from 60.9%.

Group	Quarter ended 31 March		
Amounts in $'000	2021	2020	Variance[4] (%)
Revenue			
Basic cable TV	57,477	63,669	(9.7)
Premium digital cable TV	3,353	3,254	3.0
Broadband	13,561	12,381	9.5
Total revenue	**74,391**	**79,304**	**(6.2)**
Total operating expenses[5]	**(29,006)**	**(31,044)**	**6.6**
EBITDA	**45,385**	**48,260**	**(6.0)**
EBITDA margin	61.0%	60.9%	

[1] All figures, unless otherwise stated, are presented in Singapore dollars ("$").
[2] APTT refers to APTT and its subsidiaries taken as a whole.
[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 statements of profit or loss on page 17, in order to arrive at EBITDA and EBITDA margin presented here.

OPERATIONAL PERFORMANCE

TBC's[6] operational highlights for the quarter ended 31 March 2021 were as follows:

- **Basic cable TV:** Basic cable TV revenue of $57.5 million for the quarter, which comprised subscription revenue of $49.1 million and non-subscription revenue of $8.4 million, was down 9.7% on the pcp. In constant NT$, Basic cable TV revenue for the quarter decreased by 12.8% mainly due to lower revenue generated from channel leasing, the absence of one-off revenue arising from the sale of certain in-house content to channel providers in the pcp, as well as less airtime advertising sales. TBC's c.703,000 Basic cable TV RGUs[7] contributed an ARPU of NT$489 per month in the quarter to access over 100 cable TV channels. Basic cable TV RGUs decreased by c.6,000 but ARPU was higher compared to the previous quarter ended 31 December 2020 (RGUs: c.709,000; ARPU: NT$482 per month). The decline in Basic cable TV RGUs was due to a number of factors including video piracy issues, competition from aggressively priced IPTV, 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. Non-subscription revenue for the quarter, including revenue from the leasing of television channels to third parties, the sale of airtime advertising and fees for the installation of set-top boxes, was lower than the pcp mainly due to lower revenue generated from airtime advertising sales and channel leasing. 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 not just for TBC, but for the entire cable industry in Taiwan.

- **Premium digital cable TV:** Premium digital cable TV revenue of $3.4 million for the quarter ended 31 March 2021 was up 3.0% on the pcp. In constant NT$, Premium digital cable TV revenue for the quarter decreased by 0.1%. Revenue was generated predominantly from TBC's c.250,000 Premium digital cable TV RGUs each contributing an ARPU of NT$86 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 lower compared to the previous quarter ended 31 December 2020 (RGUs: c.244,000; ARPU: NT$90 per month) due to promotions and discounted bundled packages that were offered to generate new RGUs and to retain existing RGUs. Video piracy issues and aggressively priced IPTV have also impacted ARPU.

- **Broadband:** Despite the strong competition from mobile operators offering inexpensive unlimited wireless data plans, Broadband RGUs continued to increase during the quarter. Broadband revenue of $13.6 million for the quarter ended 31 March 2021, which includes revenue from data backhaul, was up 9.5% on the pcp. In constant NT$, Broadband revenue for the quarter increased by 6.4%. Broadband revenue was generated predominantly from TBC's c.255,000 Broadband RGUs each contributing an ARPU of NT$355 per month in the quarter for high-speed Broadband services. Broadband RGUs increased by c.5,000 but ARPU was marginally lower by NT$1 compared to the previous quarter ended 31 December 2020 (RGUs: c.250,000; ARPU: NT$356 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.

Mr Brian McKinley, Chief Executive Officer of the Trustee-Manager said, *"We are pleased with our Broadband performance. For three consecutive quarters compared to the pcp we have recorded revenue growth in both S$ and NT$ as we continue to win subscribers away from our main competitor. The number of Broadband subscribers have increased by 18% in the last 27 months. Our already low churn rates for Broadband trended even lower to 0.7%, from 0.9% in the preceding quarter. All of these validate our strategy of offering higher speed plans at lower prices, and providing value-added solutions that leverage the Android gateway."*

Apart from growing its Broadband subscribers, TBC remains on track to capture data backhaul opportunities in Taiwan. Its network investments are now past the peak, after increasing its fibre density from an average of more than 750 end-homes per fibre node three years ago to less than 250 end-homes per fibre node today – removing network congestion and allowing data to be transmitted at higher speeds.

[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.

Mr McKinley explained, *"We have reached a fibre density that can adequately deliver higher speed plans and, at the same time, support wireless operators in their 5G network rollout. This places us in a good position to capitalise on data backhaul opportunities arising from wireless operators' multi-year investment in the build out of their 5G networks. In our five franchise areas, TBC is one of two players that owns a distributed and dense underground fibre network that could be leveraged in a 5G build-out. Wireless operators recognise that TBC does not compete with them in the wireless space and are therefore more inclined to include TBC's network in their planning process. Although revenue from data backhaul is not yet significant, it has been gradually increasing over the last two years. We are confident that our data backhaul revenue will continue growing and add a meaningful income stream to our Broadband business within the next few years."*

On capital management, following the extension of the Offshore Facilities in March 2021, the Trustee-Manager has begun discussions to refinance the Onshore Facilities ahead of maturity. The Trustee-Manager is confident of successfully refinancing the Onshore Facilities within the next 12 months with no impact on the distribution, subject to no material changes in planning assumptions.

OUTLOOK

While capital expenditure to increase network capacity and speed will continue, the Trustee-Manager expects to spend less compared to the last three years. With capital expenditure trending down, APTT's balance sheet is expected to strengthen further. The Trustee-Manager aims to use the excess cash generated from operations to make debt repayments, subject to operating conditions.

While the Trustee-Manager does not expect growth in Basic cable TV RGUs due to Taiwan's saturated cable TV market, it expects the number of Premium digital cable TV and Broadband RGUs to continue increasing in 2021. 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 put pressure on channel leasing revenue for the cable industry. Total operating expenses in 2021 are expected to be in line with 2020.

DISTRIBUTIONS

The Board of directors of the Trustee-Manager has declared an ordinary interim distribution of 0.25 cents per unit for the quarter ended 31 March 2021. The record date will be 18 June 2021 and the distribution will be paid on 25 June 2021.

The Board has re-affirmed the distribution guidance for the year ending 31 December 2021. The distribution for 2021 is expected to remain at 1.0 cent per unit, to be paid in quarterly instalments of 0.25 cents per unit, subject to no material changes in planning assumptions.

IMPACT OF COVID-19

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

TBC activated its Business Continuity Plan ("BCP") since the start of the virus 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.

Likewise, the Trustee-Manager in Singapore has activated its BCP plan that adheres to the relevant regulations in Singapore.

Additional expenses incurred to implement COVID-19 related measures during the year ended 31 December 2020 were not material. While some additional expenses are expected to be incurred to implement COVID-19 related measures in 2021, they are not expected to be material.

While the COVID-19 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. 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 Trustee-Manager will continue to:

- monitor developments of COVID-19 and their related impact on operations; and
- exercise prudence, manage its operational and capital expenditure and strengthen APTT's debt management programme. A stronger balance sheet will provide APTT with the flexibility to navigate and compete more effectively in today's uncertain economic climate.

PERFORMANCE REVIEW OF ASIAN PAY TELEVISION TRUST

INTRODUCTION

ABOUT APTT

Asian Pay Television Trust ("APTT" or the "Trust") is a business trust constituted on 30 April 2013 under the laws of the Republic of Singapore and registered under Chapter 31A of the Business Trusts Act ("BTA"). APTT is managed by APTT Management Pte. Limited (the "Trustee-Manager"). The Trustee-Manager is a wholly owned subsidiary of Dynami Vision Pte. Ltd. ("Dynami"), which is a Singapore-incorporated company. 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. APTT is the first listed business trust in Asia focused on pay-TV and broadband businesses. APTT has approximately 10,900 unitholders as at 31 March 2021, including retail investors and some of the world's foremost institutional investors.

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.

SOLE ASSET

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

TBC owns 100% of the 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 fixed-line Broadband services to subscribers in these areas. TBC has more than 1.2 million RGUs across its subscriber base, providing them the choice from over 175 channels of exciting local and international content on its digital TV platforms and a full range of quality high-speed broadband access packages with speeds ranging up to 1 Gbps.

DISTRIBUTION POLICY

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

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

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

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

DISTRIBUTIONS

The Board of directors of the Trustee-Manager has declared an ordinary interim distribution of 0.25 cents per unit for the quarter ended 31 March 2021.

	Quarter ended 31 March	
	2021	2020
Ordinary interim distribution	0.25 cents per unit	0.30 cents per unit
Announcement date	12 May 2021	28 April 2020
Ex-distribution date	17 June 2021	6 May 2020
Record date	18 June 2021	8 May 2020
Date payable	25 June 2021	15 May 2020

The Board has re-affirmed the distribution guidance for the year ending 31 December 2021. The distribution for 2021 is expected to remain at 1.0 cent per unit, to be paid in quarterly instalments of 0.25 cents per unit, subject to no material changes in planning assumptions.

Historical distributions

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

Distribution period	Distribution Cents per unit
Six months ended:	
30 June 2013[1]	4.80
31 December 2013	4.13
30 June 2014	4.12
Quarter ended:	
30 September 2014	2.00
31 December 2014	2.13
31 March 2015	2.00
30 June 2015	2.00
30 September 2015	2.00
31 December 2015	2.25
31 March 2016	1.625
30 June 2016	1.625
30 September 2016	1.625
31 December 2016	1.625
31 March 2017	1.625
30 June 2017	1.625
30 September 2017	1.625
31 December 2017	1.625
31 March 2018	1.625
30 June 2018	1.625
30 September 2018	1.625
31 December 2018	0.30
31 March 2019	0.30
30 June 2019	0.30
30 September 2019	0.30
31 December 2019	0.30
31 March 2020	0.30
30 June 2020	0.25
30 September 2020	0.25
31 December 2020	0.25
31 March 2021 (to be paid on 25 June 2021)	0.25
Total	**46.105**

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

TAXATION

Taxation of the Trust

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

Taxation of the unitholders

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

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

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

SELECTED FINANCIAL INFORMATION AND OPERATING DATA

The selected financial information and operating data presented on pages 12 and 13 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.

SELECTED FINANCIAL INFORMATION

Group[1] Amounts in $'000	Note[2]	Quarter ended 31 March 2021	2020	Variance[3] (%)
Revenue				
Basic cable TV	A(i)	57,477	63,669	(9.7)
Premium digital cable TV	A(ii)	3,353	3,254	3.0
Broadband	A(iii)	13,561	12,381	9.5
Total revenue		**74,391**	**79,304**	**(6.2)**
Operating expenses[4]				
Broadcast and production costs	B(i)	(14,117)	(13,713)	(2.9)
Staff costs	B(ii)	(6,321)	(8,274)	23.6
Trustee-Manager fees	B(iv)	(1,814)	(1,830)	0.9
Other operating expenses	B(vii)	(6,754)	(7,227)	6.5
Total operating expenses		**(29,006)**	**(31,044)**	**6.6**
EBITDA		**45,385**	**48,260**	**(6.0)**
EBITDA margin[5]		61.0%	60.9%	
Profit after income tax[6]		**7,362**	**6,107**	**20.6**
Capital expenditure				
Maintenance		4,997	4,312	(15.9)
Network, Broadband and other		2,353	6,800	65.4
Total capital expenditure		**7,350**	**11,112**	**33.9**
Maintenance capital expenditure as a % of revenue		**6.7**	**5.4**	
Total capital expenditure as a % of revenue		**9.9**	**14.0**	
Income tax paid, net of refunds		(1,250)	(1,117)	(11.9)
Interest and other finance costs paid		(11,058)	(12,460)	11.3

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

2 Notes can be found on pages 25 to 29.

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

4 Operating expenses presented here exclude depreciation and amortisation expense, net foreign exchange gain/loss and mark to market movements on foreign exchange contracts appearing in the consolidated statements of profit or loss on page 17, in order to arrive at EBITDA and EBITDA margin presented here.

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

6 Profit/loss after income tax is calculated in accordance with IFRS on page 17. Refer to page 23 for reconciliation of net profit/loss to EBITDA.

SELECTED OPERATING DATA

Group	As at				
	2021	2020			
	31 March	31 December	30 September	30 June	31 March
RGUs ('000)					
Basic cable TV	703	709	716	721	725
Premium digital cable TV	250	244	235	225	219
Broadband	255	250	248	246	242

Group	Quarter ended				
	2021	2020			
	31 March	31 December	30 September	30 June	31 March
ARPU[1] (NT$ per month)					
Basic cable TV	489	482	482	483	486
Premium digital cable TV	86	90	95	100	104
Broadband	355	356	355	356	360
AMCR[2] (%)					
Basic cable TV	(0.6)	(0.7)	(0.6)	(0.6)	(0.6)
Premium digital cable TV	(1.0)	(1.2)	(1.4)	(1.2)	(1.5)
Broadband	(0.7)	(0.9)	(0.9)	(0.8)	(0.9)

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.

REVIEW OF SELECTED FINANCIAL INFORMATION AND OPERATING DATA

(i) Revenue

Total revenue for the quarter ended 31 March 2021 was $74.4 million (31 March 2020: $79.3 million). Total revenue for the quarter was 6.2% lower than the pcp; in constant NT$, total revenue for the quarter was 9.3% lower compared to the pcp mainly due to lower revenue generated from channel leasing, the absence of one-off revenue arising from the sale of certain in-house content to channel providers in the pcp, as well as less airtime advertising sales. Foreign exchange contributed to a positive variance of 3.1% for the quarter compared to the pcp. Total revenue was influenced by a number of factors including the continued challenges in the economic and operating environment.

(ii) Operating expenses

Total operating expenses of $29.0 million for the quarter ended 31 March 2021 were 6.6% lower than the pcp (31 March 2020: $31.0 million). The lower total operating expenses for the quarter were mainly due to lower staff costs and other operating expenses, as well as marginally lower broadcast and production costs in constant NT$.

(iii) EBITDA and EBITDA Margin

EBITDA of $45.4 million for the quarter ended 31 March 2021 was 6.0% lower than the pcp (31 March 2020: $48.3 million). EBITDA margin for the quarter of 61.0% was marginally higher than the pcp (31 March 2020: 60.9%).

(iv) Capital expenditure

Total capital expenditure of $7.4 million for the quarter ended 31 March 2021 was 33.9% lower than the pcp (31 March 2020: $11.1 million). Total capital expenditure as a percentage of revenue was 9.9% for the quarter (31 March 2020: 14.0%).

Total capital expenditure for the quarter was lower than the pcp because of lower capital expenditure being incurred on 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 has been trending down. 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 add a meaningful income stream to our 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.

ASIAN PAY TELEVISION TRUST

FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2021

STATEMENTS OF FINANCIAL POSITION

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

		Group as at		Trust as at	
Amounts in $'000	Note[1]	31 March 2021	31 December 2020	31 March 2021	31 December 2020
Assets					
Current assets					
Cash and cash equivalents	C(i)	108,718	96,996	3,568	3,387
Trade and other receivables	C(ii)	14,071	14,434	-	-
Derivative financial instruments	C(vi)	551	322	551	322
Contract costs	C(vii)	1,128	1,111	-	-
Other assets	C(viii)	2,933	1,412	330	72
		127,401	**114,275**	**4,449**	**3,781**
Non-current assets					
Investment in subsidiaries	C(iii)	-	-	1,387,351	1,387,351
Property, plant and equipment	C(iv)	317,359	330,490	1	2
Intangible assets	C(v)	2,513,765	2,509,476	-	-
Derivative financial instruments	C(vi)	114	144	114	144
Contract costs	C(vii)	371	357	-	-
Other assets	C(viii)	1,366	1,071	2	2
		2,832,975	**2,841,538**	**1,387,468**	**1,387,499**
Total assets		**2,960,376**	**2,955,813**	**1,391,917**	**1,391,280**
Liabilities					
Current liabilities					
Borrowings from financial institutions	D(i)	38,544	190,874	-	-
Derivative financial instruments	D(ii)	3,250	5,269	232	895
Trade and other payables	D(iii)	22,589	23,550	1,814	3,699
Contract liabilities	D(iv)	36,344	33,949	-	-
Retirement benefit obligations	D(v)	1,485	1,483	-	-
Income tax payable	D(vi)	6,195	6,109	-	-
Other liabilities	D(viii)	20,009	27,903	132	181
		128,416	**289,137**	**2,178**	**4,775**
Non-current liabilities					
Borrowings from financial institutions	D(i)	1,495,374	1,337,314	-	-
Derivative financial instruments	D(ii)	75	142	75	142
Retirement benefit obligations	D(v)	9,797	9,852	-	-
Deferred tax liabilities	D(vii)	100,650	97,948	-	-
Other liabilities	D(viii)	27,323	29,527	-	-
		1,633,219	**1,474,783**	**75**	**142**
Total liabilities		**1,761,635**	**1,763,920**	**2,253**	**4,917**
Net assets		**1,198,741**	**1,191,893**	**1,389,664**	**1,386,363**
Equity					
Unitholders' funds		1,389,351	1,389,351	1,389,351	1,389,351
Reserves	D(ix)	170,940	166,927	-	-
Accumulated (deficit)/surplus		(363,951)	(366,719)	313	(2,988)
Equity attributable to unitholders of APTT		**1,196,340**	**1,189,559**	**1,389,664**	**1,386,363**
Non-controlling interests	D(x)	2,401	2,334	-	-
Total equity		**1,198,741**	**1,191,893**	**1,389,664**	**1,386,363**

[1] Notes can be found on pages 30 to 37.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

Group		Quarter ended 31 March		
Amounts in $'000	Note[1]	2021	2020	Variance[2] (%)
Revenue				
Basic cable TV	A(i)	57,477	63,669	(9.7)
Premium digital cable TV	A(ii)	3,353	3,254	3.0
Broadband	A(iii)	13,561	12,381	9.5
Total revenue		**74,391**	**79,304**	**(6.2)**
Operating expenses				
Broadcast and production costs	B(i)	(14,117)	(13,713)	(2.9)
Staff costs[3]	B(ii)	(6,321)	(8,274)	23.6
Depreciation and amortisation expense	B(iii)	(23,382)	(21,554)	(8.5)
Trustee-Manager fees	B(iv)	(1,814)	(1,830)	0.9
Net foreign exchange gain[4]	B(v)	928	1,168	(20.5)
Mark to market gain/(loss) on derivative financial instruments[5]	B(vi)	482	(2,734)	>100
Other operating expenses	B(vii)	(6,754)	(7,227)	6.5
Total operating expenses		**(50,978)**	**(54,164)**	**5.9**
Operating profit		**23,413**	**25,140**	**(6.9)**
Amortisation of deferred arrangement fees	B(viii)	(1,137)	(864)	(31.6)
Interest and other finance costs	B(ix)	(11,101)	(12,476)	11.0
Profit before income tax		**11,175**	**11,800**	**(5.3)**
Income tax expense[6]	B(x)	(3,813)	(5,693)	33.0
Profit after income tax		**7,362**	**6,107**	**20.6**
Profit after income tax attributable to:				
Unitholders of APTT		7,284	6,031	20.8
Non-controlling interests		78	76	2.6
Profit after income tax		**7,362**	**6,107**	**20.6**
Basic and diluted earnings per unit attributable to unitholders of APTT (cents)[7]		**0.40**	**0.42**	

1 Notes can be found on pages 25 to 29.
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 B(ii) for more details.
4 Variance in net foreign exchange gain is mainly due to translations at the subsidiary level which are not expected to be realised. Refer Note B(v) for more details.
5 Variance in mark to market gain/(loss) on derivative financial instruments was due to exchange rate movements on foreign exchange contracts. Refer Note B(vi) for more details.
6 Variance in income tax expense was mainly due to lower current income tax expense. Refer Note B(x) for more details.
7 Earnings per unit is calculated by dividing profit/loss after income tax attributable to unitholders of APTT by the weighted average number of APTT units outstanding during the period.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Group	Quarter ended 31 March		
Amounts in $'000	2021	2020	Variance[1] (%)
Profit after income tax	**7,362**	**6,107**	**20.6**
Other comprehensive income			
Items that may subsequently be reclassified to profit or loss:			
Exchange differences on translation of foreign operations	2,913	61,903	(95.3)
Unrealised movement on change in fair value of cash flow hedging financial instruments	1,375	(5,512)	>100
Deferred tax relating to items that may subsequently be reclassified to profit or loss	(275)	1,102	(>100)
Other comprehensive income, net of tax	**4,013**	**57,493**	**(93.0)**
Total comprehensive income	**11,375**	**63,600**	**(82.1)**
Total comprehensive income attributable to:			
Unitholders of APTT	11,297	63,524	(82.2)
Non-controlling interests	78	76	2.6
Total comprehensive income	**11,375**	**63,600**	**(82.1)**

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

STATEMENTS OF CHANGES IN EQUITY

Group Amounts in $'000	Unitholders' funds	Reserves	Accumulated deficit	Equity attributable to unitholders of APTT	Non-controlling interests	Total equity
Balance as at 1 January 2021	**1,389,351**	**166,927**	**(366,719)**	**1,189,559**	**2,334**	**1,191,893**
Total comprehensive income						
Profit after income tax	-	-	7,284	7,284	78	7,362
Other comprehensive income, net of tax	-	4,013	-	4,013	-	4,013
Total	**-**	**4,013**	**7,284**	**11,297**	**78**	**11,375**
Transactions with unitholders, recognised directly in equity						
Settlement of transactions with non-controlling interests	-	-	-	-	(11)	(11)
Distributions paid	-	-	(4,516)	(4,516)	-	(4,516)
Total	-	-	**(4,516)**	**(4,516)**	**(11)**	**(4,527)**
Balance as at 31 March 2021	**1,389,351**	**170,940**	**(363,951)**	**1,196,340**	**2,401**	**1,198,741**

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	-	-	6,031	6,031	76	6,107
Other comprehensive income, net of tax	-	57,493	-	57,493	-	57,493
Total	**-**	**57,493**	**6,031**	**63,524**	**76**	**63,600**
Transactions with unitholders, recognised directly in equity						
Units issued against settlement of management fees to Trustee-Manager	500	-	-	500	-	500
Settlement of transactions with non-controlling interests	-	-	-	-	(26)	(26)
Distributions paid	-	-	(4,335)	(4,335)	-	(4,335)
Total	**500**	**-**	**(4,335)**	**(3,835)**	**(26)**	**(3,861)**
Balance as at 31 March 2020	**1,344,351**	**157,881**	**(360,491)**	**1,141,741**	**2,528**	**1,144,269**

Trust Amounts in $'000	Unitholders' funds	Accumulated (deficit)/surplus	Total equity
Balance as at 1 January 2021	**1,389,351**	**(2,988)**	**1,386,363**
Total comprehensive income			
Profit after income tax	-	7,817	7,817
Total	**-**	**7,817**	**7,817**
Transactions with unitholders, recognised directly in equity			
Distributions paid	-	(4,516)	(4,516)
Total	**-**	**(4,516)**	**(4,516)**
Balance as at 31 March 2021	**1,389,351**	**313**	**1,389,664**

Trust Amounts in $'000	Unitholders' funds	Accumulated deficit	Total equity
Balance as at 1 January 2020	**1,343,851**	**(752)**	**1,343,099**
Total comprehensive income			
Profit after income tax	-	3,576	3,576
Total	**-**	**3,576**	**3,576**
Transactions with unitholders, recognised directly in equity			
Units issued against settlement of management fees to Trustee-Manager	500	-	500
Distributions paid	-	(4,335)	(4,335)
Total	**500**	**(4,335)**	**(3,835)**
Balance as at 31 March 2020	**1,344,351**	**(1,511)**	**1,342,840**

DETAIL OF CHANGES IN UNITHOLDERS' FUNDS

Trust Number of units in '000	Quarter ended 31 March 2021	 2020
At beginning of the quarter	**1,806,355**	**1,442,128**
Units issued against settlement of management fees to Trustee-Manager	-	2,956
At end of the quarter	**1,806,355**	**1,445,084**

Trust Amounts in $'000	Quarter ended 31 March 2021	 2020
At beginning of the quarter	**1,389,351**	**1,343,851**
Units issued against settlement of management fees to Trustee-Manager	-	500
At end of the quarter	**1,389,351**	**1,344,351**

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

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. Following the allotment and issue of the Rights Units, the total number of issued units in APTT increased to 1,806,354,850.

With reference to paragraphs 1(d)(ii), 1(d)(iv) and 1(d)(v) of Appendix 7.2 of the SGX-ST Listing Manual, the Trustee-Manager confirms that for the quarters ended 31 March 2021 and 2020, the Trust did not have any convertible securities, treasury units or subsidiary holdings on issue.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Group Amounts in $'000	Quarter ended 31 March 2021	 2020
Cash flows from operating activities		
Profit after income tax	**7,362**	**6,107**
Adjustments for:		
Depreciation and amortisation expense	23,382	21,554
Net foreign exchange gain	(1,055)	(1,848)
Gain on lease modification	(18)	-
Mark to market (gain)/loss on derivative financial instruments	(482)	2,734
Amortisation of deferred arrangement fees	1,137	864
Interest and other finance costs	11,101	12,476
Income tax expense	3,813	5,693
Settlement of management fees in units to Trustee-Manager	-	500
Operating cash flows before movements in working capital	**45,240**	**48,080**
Trade and other receivables	363	(2,926)
Trade and other payables	(961)	5,086
Contract costs	(31)	(1,434)
Contract liabilities	2,395	3,081
Retirement benefit obligations	(53)	371
Other assets	(1,816)	(2,186)
Other liabilities	(4,956)	(460)
Cash generated from operations	**40,181**	**49,612**
Income tax paid, net of refunds	(1,250)	(1,117)
Interest paid on lease liabilities	(54)	(67)
Net cash inflows from operating activities	**38,877**	**48,428**
Cash flows from investing activities		
Acquisition of property, plant and equipment	(7,453)	(8,314)
Acquisition of intangible assets	(3,735)	(11)
Net cash used in investing activities	**(11,188)**	**(8,325)**
Cash flows from financing activities		
Interest and other finance costs paid	(11,058)	(12,460)
Borrowings from financial institutions	8,996	-
Repayment of borrowings to financial institutions	(8,288)	(4,502)
Settlement of lease liabilities	(644)	(700)
Settlement of derivative financial instruments	(446)	(351)
Settlement of transactions with non-controlling interests	(11)	(26)
Distributions to unitholders	(4,516)	(4,335)
Net cash used in financing activities	**(15,967)**	**(22,374)**
Net increase in cash and cash equivalents	**11,722**	**17,729**
Cash and cash equivalents at the beginning of the year	96,996	79,101
Cash and cash equivalents at the end of the quarter	**108,718**	**96,830**

RECONCILIATION OF NET PROFIT TO EBITDA

Group	Quarter ended 31 March		
Amounts in $'000	2021	2020	Variance[1] (%)
Profit after income tax	**7,362**	**6,107**	**20.6**
Add: Depreciation and amortisation expense	23,382	21,554	(8.5)
Add: Net foreign exchange gain	(928)	(1,168)	(20.5)
Add: Mark to market (gain)/loss on derivative financial instruments	(482)	2,734	>100
Add: Amortisation of deferred arrangement fees	1,137	864	(31.6)
Add: Interest and other finance costs	11,101	12,476	11.0
Add: Income tax expense	3,813	5,693	33.0
EBITDA	**45,385**	**48,260**	**(6.0)**
EBITDA margin	61.0%	60.9%	

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

ASIAN PAY TELEVISION TRUST

MANAGEMENT REVIEW FOR THE QUARTER ENDED 31 MARCH 2021

REVIEW OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE QUARTER ENDED 31 MARCH 2021

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

A) REVIEW OF REVENUE

Total revenue for the quarter ended 31 March 2021 was $74.4 million (31 March 2020: $79.3 million). Total revenue for the quarter was 6.2% lower than the pcp; in constant NT$, total revenue for the quarter was 9.3% lower compared to the pcp. Foreign exchange contributed to a positive variance of 3.1% for the quarter compared to the pcp. Total revenue was influenced by a number of factors including the continued challenges in the economic and operating environment.

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

(i) Basic cable TV

Basic cable TV revenue of $57.5 million for the quarter ended 31 March 2021 was down 9.7% on the pcp (31 March 2020: $63.7 million). In constant NT$, Basic cable TV revenue was down 12.8% on the pcp. This comprised subscription revenue of $49.1 million (31 March 2020: $48.7 million) and non-subscription revenue of $8.4 million (31 March 2020: $14.9 million). The decrease in Basic cable TV revenue in constant NT$ was mainly due to lower non-subscription revenue as described below.

Subscription revenue was generated from TBC's c.703,000 Basic cable TV RGUs each contributing an ARPU of NT$489 per month in the quarter to access over 100 cable TV channels. Basic cable TV RGUs decreased by c.6,000 but ARPU was higher compared to the previous quarter ended 31 December 2020 (RGUs: c.709,000; ARPU: NT$482 per month). The decline in Basic cable TV RGUs was due to a number of factors including video piracy issues, competition from aggressively priced IPTV, the growing popularity of online video, as well as expectations from consumers for discounts as they compare with the lower cable TV pricing outside of TBC's five franchise areas, particularly in the Taipei region. Subscription revenue for the quarter was marginally lower than the pcp in constant NT$ mainly due to a lower number of subscribers.

Non-subscription revenue was 14.6% of Basic cable TV revenue for the quarter (31 March 2020: 23.4%). 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 quarter was lower than the pcp mainly due to lower revenue generated from channel leasing, the absence of one-off revenue arising from the sale of certain in-house content to channel providers in the pcp, as well as less airtime advertising sales. 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 $3.4 million for the quarter ended 31 March 2021 was up 3.0% on the pcp (31 March 2020: $3.3 million). In constant NT$, Premium digital cable TV revenue was 0.1% lower than the pcp. This comprised subscription revenue of $3.0 million (31 March 2020: $3.1 million) and non-subscription revenue of $0.3 million (31 March 2020: $0.1 million).

Subscription revenue was generated from TBC's c.250,000 Premium digital cable TV RGUs each contributing an ARPU of NT$86 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 lower compared to the previous quarter ended 31 December 2020 (RGUs: c.244,000; ARPU: NT$90 per month) due to promotions and discounted bundled packages that were offered to generate new RGUs and to retain existing RGUs. Video piracy issues and aggressively priced IPTV have also impacted ARPU.

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

(iii) Broadband

Despite the strong competition from mobile operators offering unlimited wireless data, Broadband RGUs continued to increase during the quarter. Broadband revenue of $13.6 million for the quarter ended 31 March 2021, which includes revenue from data backhaul, was up 9.5% on the pcp (31 March 2020: $12.4 million). In constant NT$, Broadband revenue for the quarter was 6.4% higher than the pcp. This comprised subscription revenue of $12.8 million (31 March 2020: $11.9 million) and non-subscription revenue of $0.8 million (31 March 2020: $0.5 million).

Subscription revenue was generated from TBC's c.255,000 Broadband RGUs each contributing an ARPU of NT$355 per month in the quarter for high-speed Broadband services. Broadband RGUs increased by c.5,000 but ARPU was marginally lower by NT$1 compared to the previous quarter ended 31 December 2020 (RGUs: c.250,000; ARPU: NT$356 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. Subscription revenue also included revenue from 4G data backhaul services, where wireless 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.

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 $14.1 million for the quarter ended 31 March 2021, up 2.9% on the pcp (31 March 2020: $13.7 million); in constant NT$, broadcast and production costs were down 0.2%. Foreign exchange contributed to a negative variance of 3.1% for the quarter compared to the pcp.

Broadcast and production costs comprised: (i) the cost of acquiring Basic cable TV and Premium digital cable TV content, (ii) the cost of acquiring bandwidth (which consists of the leasing of domestic and international bandwidth capacity from operators to support TBC's Broadband services) and (iii) costs for producing the Group's own programming.

(ii) Staff costs

Staff costs were $6.3 million for the quarter ended 31 March 2021, down 23.6% on the pcp (31 March 2020: $8.3 million) mainly due to lower staff costs in constant dollar terms, as described below.

Staff costs, which comprise direct employee costs and general and administrative employee costs including salaries, bonuses, long-term incentives and benefits, were lower in the quarter as a result of extra prudence and tighter cost management.

During the year ended 31 December 2020, the Trustee-Manager cancelled the long-term incentive plan (the "LTIP") for senior management at TBC that was adopted in 2013 by the previous owners of the Trustee-Manager. As a result, staff costs for the pcp included LTIP expense of $0.2 million.

The Trustee-Manager intends to start a new long-term incentive plan for its senior management at TBC in 2021. More details of the plan will be announced when it is finalised.

(iii) Depreciation and amortisation expense

Depreciation and amortisation expense was $23.4 million for the quarter ended 31 March 2021, up 8.5% on the pcp (31 March 2020: $21.6 million). The increase in depreciation and amortisation expense for the quarter was mainly due to higher amortisation expense on programming rights compared to the pcp. Refer Note C(v) for more details.

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

(iv) Trustee-Manager fees

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

The Trustee-Manager base fees were $1.8 million for the quarter ended 31 March 2021 (31 March 2020: $1.8 million). There were no performance fees payable to the Trustee-Manager for the quarter ended 31 March 2021 (31 March 2020: 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

Net foreign exchange gain for the quarter ended 31 March 2021 was $0.9 million (31 March 2020: $1.2 million). Net foreign exchange gain for the quarter ended 31 March 2021 included unrealised foreign exchange movements from translations at the subsidiary level which are not expected to be realised.

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

The Group uses foreign exchange contracts to manage its exposure to foreign exchange movements as discussed in Note C(vi). For the quarter ended 31 March 2021, the period end mark to market gain on foreign currency contracts was $0.5 million (31 March 2020: loss of $2.7 million). Mark to market gain/(loss) on derivative financial instruments included loss of $0.4 million (31 March 2020: $0.4 million) on NT$ foreign exchange contracts settled during the quarter.

(vii) Other operating expenses

Other operating expenses were $6.8 million for the quarter ended 31 March 2021, down 6.5% on the pcp (31 March 2020: $7.2 million).

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	2021	2020
Lease rentals	(36)	(58)
Pole rentals	(1,544)	(1,537)
Legal and professional fees	(629)	(955)
Non-recoverable GST/VAT	(864)	(883)
Marketing and selling expenses	(1,093)	(1,066)
General and administrative expenses	(1,197)	(1,242)
Licence fees	(606)	(609)
Repairs and maintenance	(367)	(367)
Others	(418)	(510)
Total	**(6,754)**	**(7,227)**

Other operating expenses for the quarter were lower mainly due to lower legal and professional fees and general and administrative expenses. The reduction in other operating expenses was a result of extra prudence and tighter cost management.

(viii) Amortisation of deferred arrangement fees

The Group pays financing fees to lenders when entering into debt facilities or refinance existing facilities. At inception, the financing fees are recorded as unamortised arrangement fees. The fees are amortised over the period of the debt facilities as an expense to the consolidated statements of profit or loss. Amortisation of deferred arrangement fees was $1.1 million for the quarter ended 31 March 2021 (31 March 2020: $0.9 million). Amortisation of deferred arrangement fees for the quarter ended 31 March 2021 was higher due to the write-off of unamortised arrangement fees of $0.3 million as at the date of Amendment, associated with the Offshore Facilities which were amended during the quarter. Refer Note D(i) for more details.

(ix) Interest and other finance costs

Interest and other finance costs were $11.1 million for the quarter ended 31 March 2021, 11.0% lower than the pcp (31 March 2020: $12.5 million). These comprised interest expense and commitment and other fees on the Group's debt facilities. Interest and other finance costs for the quarter ended 31 March 2021 also included finance charges on lease liabilities of $0.1 million (31 March 2020: $0.1 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.

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

Group	Quarter ended 31 March	
Amounts in $'000	2021	2020
Current income tax	(476)	(2,038)
Deferred income tax	(2,159)	(2,722)
Withholding tax	(1,067)	(933)
Under provision of tax in prior years[1]	(111)	-
Total	**(3,813)**	**(5,693)**

[1] Under provision of tax in prior years represents adjustments made to prior years' tax provisions in the current quarter to reflect the current position of tax provision related to those years based on tax assessment, or otherwise, and does not relate to the current quarter.

REVIEW OF STATEMENTS OF FINANCIAL POSITION AND NET ASSETS AS AT 31 MARCH 2021

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

C) ASSETS

(i) Cash and cash equivalents

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

Cash and cash equivalents at the Trust level increased from $3.4 million as at 31 December 2020 to $3.6 million as at 31 March 2021. The increase was primarily due to the receipt of distributions from TBC net of payment of distributions to unitholders during the quarter ended 31 March 2021.

Cash and cash equivalents at the Group level increased from $97.0 million as at 31 December 2020 to $108.7 million as at 31 March 2021. The increase was primarily driven by operating cash flows and changes in working capital, partially offset by the payment of distributions to unitholders, capital expenditure and interest payments during the quarter. Refer to the consolidated statements of cash flows on page 22 for more details. The Trustee-Manager has reserved some cash for higher scheduled principal repayments in 2021.

(ii) Trade and other receivables

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

Trade and other receivables at the Group level decreased from $14.4 million as at 31 December 2020 to $14.1 million as at 31 March 2021 mainly due to decrease in the amounts due from trade debtors for channel leasing and advertising revenue.

(iii) Investment in subsidiaries

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

Held by the Trust	Principal activities	Country of incorporation	Equity holding			
			As at			
			%		$'000	
Name of subsidiary			31 March 2021	31 December 2020	31 March 2021	31 December 2020
APTT Holdings 1 Limited	Investment holding company	Bermuda	100	100	728,359	728,359
APTT Holdings 2 Limited	Investment holding company	Bermuda	100	100	658,992	658,992
Total cost					**1,387,351**	**1,387,351**

(iv) Property, plant and equipment

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

Group Carrying value Amounts in $'000	As at 1 January 2021	Additions	Transfer within PPE	Disposals/ write-offs	Depreciation and impairment	Foreign exchange effect	As at 31 March 2021
Land	4,918	-	-	-	-	14	4,932
Buildings	5,739	-	-	-	(545)	18	5,212
Leasehold improvements	2,843	-	-	-	(364)	9	2,488
Network equipment	280,656	705	7,424	-	(16,486)	836	273,135
Plant and equipment	15,356	-	33	-	(1,300)	50	14,139
Transport equipment	361	-	-	-	(66)	1	296
Assets under construction	9,839	6,141	(7,457)	-	-	33	8,556
	319,712	**6,846**	**-**	**-**	**(18,761)**	**961**	**308,758**
Right-of-use assets							
Land	492	259	-	-	(75)	1	677
Buildings	6,842	245	-	(2,068)	(326)	29	4,722
Plant and equipment	75	-	-	-	(7)	1	69
Transport equipment	3,369	-	-	-	(247)	11	3,133
	10,778	**504**	**-**	**(2,068)**	**(655)**	**42**	**8,601**
Total	**330,490**	**7,350**	**-**	**(2,068)**	**(19,416)**	**1,003**	**317,359**

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**

Trust Carrying value Amounts in $'000	As at 1 January 2021	Additions	Transfer within PPE	Disposals/ write-offs	Depreciation and impairment	Foreign exchange effect	As at 31 March 2021
Plant and equipment	2	-	-	-	(1)	-	1
Total	**2**	**-**	**-**	**-**	**(1)**	**-**	**1**

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
Plant and equipment	12	-	-	-	(10)	-	2
Total	**12**	**-**	**-**	**-**	**(10)**	**-**	**2**

During the quarter ended 31 March 2021, the Group acquired property, plant and equipment with an aggregate cost of $6.8 million (31 March 2020: $9.0 million), of which $3.1 million remained unpaid as at 31 March 2021 (31 March 2020: $1.8 million). In addition, property, plant and equipment with an aggregate cost of $3.7 million, unpaid as at 31 December 2020, was paid during the quarter (31 December 2019: $1.1 million).

(v) Intangible assets

Cable TV licences

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

Software

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

Programming rights

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

Goodwill

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

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

Group Carrying value Amounts in $'000	As at 1 January 2021	Additions	Amortisation	Foreign exchange effect	As at 31 March 2021
Cable TV licences	2,480,443	-	-	7,058	2,487,501
Software	4,034	1,102	(520)	9	4,625
Programming rights	16,797	-	(3,446)	62	13,413
Goodwill	8,202	-	-	24	8,226
Total	**2,509,476**	**1,102**	**(3,966)**	**7,153**	**2,513,765**

Group Carrying value Amounts in $'000	As at 1 January 2020	Additions	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**

Trust Carrying value Amounts in $'000	As at 1 January 2021	Additions	Amortisation	Foreign exchange effect	As at 31 March 2021
Software	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

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

During the quarter ended 31 March 2021, the Group acquired intangible assets with an aggregate cost of $1.1 million (31 March 2020: $0.1 million), of which $0.7 million remained unpaid as at 31 March 2021 (31 March 2020: $0.1 million). In addition, intangible assets with an aggregate cost of $3.3 million, unpaid as at 31 December 2020 (31 December 2019: $0.3 million), was paid during the quarter (31 March 2020: $0.01 million).

(vi) Derivative financial instruments

The Group and Trust use foreign exchange contracts to manage their exposure to foreign exchange movements of NT$ and US$ future estimated cash flows from dividends and principal and interest payments received by the Trust from the entities held within the Group. The Group and Trust employ a 24-month rolling hedging 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 March 2021, mark to market movements, classified as current and non-current assets, on such contracts were $0.6 million (31 December 2020: $0.3 million) and $0.1 million (31 December 2020: $0.1 million) both at the Group and Trust level.

(vii) Contract costs

As at 31 March 2021, the Group had contract costs classified as current and non-current assets of $1.1 million (31 December 2020: $1.1 million) and $0.4 million (31 December 2020: $0.4 million). These represent sales incentives provided for contracting Broadband RGUs. These costs are amortised on a straight-line basis over the period of such contracts.

(viii) Other assets

As at 31 March 2021, the Group and Trust had other current assets of $2.9 million and $0.3 million (31 December 2020: $1.4 million and $0.1 million). These predominantly comprised GST recoverable, refundable deposits and expense prepayments.

Other non-current assets at the Group and Trust level of $1.4 million and $0.002 million as at 31 March 2021 (31 December 2020: $1.1 million and $0.002 million) predominantly comprised refundable deposits.

D) LIABILITIES

(i) Borrowings from financial institutions

Group	As at	
Amounts in $'000	31 March 2021	31 December 2020
Current portion	38,544	191,249
Less: Unamortised arrangement fees	-	(375)
	38,544	**190,874**
Non-current portion	1,510,541	1,352,194
Less: Unamortised arrangement fees	(15,167)	(14,880)
	1,495,374	**1,337,314**
Total[1]	**1,533,918**	**1,528,188**

[1] Comprised outstanding NT$ denominated borrowings of $1,358.0 million (31 December 2020: $1,358.5 million) at TBC level and Singapore dollar denominated multicurrency borrowings of $175.9 million (31 December 2020: $169.7 million) at Bermuda holding companies' level.

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 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 2021, the total carrying value of property, plant and equipment pledged for the Onshore Facilities was $300.4 million (31 December 2020: $299.5 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% per annum based on its leverage ratio. As discussed in Note D(ii), the Group uses interest rate swaps to swap a significant portion of its borrowings from floating rate to fixed rate.

Arrangement fees on the refinancing of Onshore Facilities were agreed at 1.25%. At inception, such fees are recorded as unamortised arrangement fees. The fees are amortised over the period of the debt facilities as an expense to the consolidated statements of profit or loss.

The Trustee-Manager has begun discussions to refinance the Onshore Facilities ahead of maturity, and is confident of successfully refinancing the Onshore Facilities within the next 12 months with no impact on the distribution, subject to no material changes in planning assumptions.

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").

In March 2021, APTT extended the maturity date ("Amendment") of its existing Offshore Facilities to July 2023. The Amendment reached financial close on 18 March 2021.

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 March 2021, the total carrying value of assets pledged for the Offshore Facilities was $1,118 million (31 December 2020: $1,121 million). In addition, guarantees in favour of lenders under the debt facilities are provided by APTT Management Pte. Limited, in its capacity as Trustee-Manager of APTT, and Cable TV S.A.

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

Amendment fees on extension of maturity date to July 2023 were agreed at 0.40% 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.

(ii) Derivative financial instruments

The Group and Trust use foreign exchange contracts to manage their exposure to foreign exchange movements as discussed in Note C(vi). As at 31 March 2021, mark to market movements, classified as current and non-current liabilities, on such contracts were $0.2 million and $0.1 million (31 December 2020: $0.9 million and $0.1 million) at Group and Trust level.

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

As at 31 March 2021, the notional amount of interest rate swaps on TAIBOR maturing in December 2021 was NT$28.0 billion (31 December 2020: NT$28.0 billion), thus fixing approximately 96% of outstanding Onshore Facilities through to the end of 2021.

As at 31 March 2021, mark to market movements, classified as current liabilities, on such swaps were $3.0 million (31 December 2020: $4.4 million) at the Group level. Current derivative financial instruments at the Group level of $3.3 million as at 31 March 2021 (31 December 2020: $5.3 million) also included the mark to market movements on foreign exchange contracts of $0.2 million (31 December 2020: $0.9 million) as mentioned above.

(iii) Trade and other payables

	Group as at		Trust as at	
Amounts in $'000	**31 March 2021**	**31 December 2020**	**31 March 2021**	**31 December 2020**
Trade payables due to outside parties	20,775	19,851	-	-
Base fees payable to the Trustee-Manager	1,814	3,699	1,814	3,699
Total	**22,589**	**23,550**	**1,814**	**3,699**

The Group's trade and other payables as at 31 March 2021 of $22.6 million (31 December 2020: $23.6 million) comprised mainly broadcast and production costs payable of $13.8 million (31 December 2020: $13.6 million) and base fees payable to the Trustee-Manager of $1.8 million (31 December 2020: $3.7 million).

The Trust's trade and other payables as at 31 March 2021 comprised mainly base fees payable to the Trustee-Manager of $1.8 million (31 December 2020: $3.7 million).

(iv) Contract liabilities

Contract liabilities were $36.3 million as at 31 March 2021 (31 December 2020: $33.9 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 quarter ended 31 March 2021 which related to brought-forward contract liabilities as at the end of the previous year was $31.5 million (31 March 2020: $30.1 million).

(v) Retirement benefit obligations

The Group operates both a defined benefit scheme and a defined contribution scheme. Eligibility for participation in each of the schemes is governed by employment and related laws in the country of employment for employees of the Group. As at 31 March 2021, the Group's retirement benefit obligations, classified as current and non-current liabilities, were $1.5 million (31 December 2020: $1.5 million) and $9.8 million (31 December 2020: $9.9 million).

(vi) Income tax payable

The Group is not required to and does not prepare a combined consolidated income tax return. The following information represents the combined income tax data of the combined consolidated entities.

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

Group Amounts in $'000	As at 31 March 2021	 31 December 2020
Balance at the beginning of the year	**6,109**	**7,582**
Current income tax provision	476	3,157
Under/(over) provision of tax in prior years	111	(2,435)
Income tax payment	(518)	(987)
Prepaid and withheld income tax	-	(1,633)
Foreign exchange effect	17	425
Balance at the end of the period/year	**6,195**	**6,109**

(vii) Deferred tax liabilities

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

Group Amounts in $'000	As at 31 March 2021	 31 December 2020
Impairment loss	(934)	(931)
Cash flow hedging reserves	(603)	(875)
Intangible assets that are partially deductible for tax purposes[1]	101,257	99,258
Undistributed earnings of subsidiaries	6,467	5,832
Arrangement fees	(4,653)	(4,888)
Carry forward of losses	(2,561)	(2,554)
Provisions	(686)	(684)
Others	(74)	(74)
Unrealised exchange differences	2,437	2,864
Deferred tax liabilities, net	**100,650**	**97,948**

[1] Following the settlement principles agreed between the Group and the Taiwan tax authorities in 2014, deferred tax liabilities of $101.3 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 March 2021 (31 December 2020: $99.3 million).

(viii) Other liabilities

The Group's current other liabilities as at 31 March 2021 of $20.0 million (31 December 2020: $27.9 million) predominantly comprised accrued expenses of $9.7 million (31 December 2020: $16.7 million), withholding and other tax payable of $5.9 million (31 December 2020: $5.0 million), interest and other finance costs payable of $1.5 million (31 December 2020: $1.6 million) and lease liabilities of $2.6 million (31 December 2020: $3.0 million). The Group's current other liabilities as at 31 December 2020 also included amounts payable against the cancellation of the LTIP of $1.4 million.

The Trust's current other liabilities as at 31 March 2021 of $0.1 million (31 December 2020: $0.2 million) comprised accruals for regular operating expenses.

The Group's non-current other liabilities as at 31 March 2021 of $27.3 million (31 December 2020: $29.5 million) predominantly comprised subscriber deposits received of $18.2 million (31 December 2020: $18.5 million) and lease liabilities of $6.0 million (31 December 2020: $7.8 million).

(ix) Reserves

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

Group Amounts in $'000	Foreign currency translation reserves	Cash flow hedging reserves	Capital reserves	Retirement benefit obligations reserves	Total
Balance as at 1 January 2021	**146,406**	**(2,568)**	**34,950**	**(11,861)**	**166,927**
Exchange differences on translation of foreign operations	2,913	-	-	-	2,913
Unrealised movement on change in fair value of cash flow hedging financial instruments:					
Interest rate swaps	-	1,375	-	-	1,375
Deferred tax relating to items that may subsequently be reclassified to profit or loss	-	(275)	-	-	(275)
Balance as at 31 March 2021	**149,319**	**(1,468)**	**34,950**	**(11,861)**	**170,940**
Balance as at 1 January 2020	**84,262**	**(2,305)**	**30,780**	**(12,349)**	**100,388**
Exchange differences on translation of foreign operations	62,144	-	-	-	62,144
Unrealised movement on change in fair value of cash flow hedging financial instruments:					
Interest rate swaps	-	(329)	-	-	(329)
Deferred tax relating to items that may subsequently be reclassified to profit or loss	-	66	-	-	66
Transfer from accumulated profits[1]	-	-	4,170	-	4,170
Remeasurement of defined benefit obligations	-	-	-	488	488
Balance as at 31 December 2020	**146,406**	**(2,568)**	**34,950**	**(11,861)**	**166,927**

[1] As per articles of incorporation of Jie Guang Co., Ltd. and Tai Luo Tze Co., Ltd., the current year's earnings, after paying all taxes and offsetting prior years' operating losses, if any, should be appropriated and distributed 10% as capital reserve before dividend declaration.

(x) Non-controlling interests

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

E) NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS

	Group as at		Trust as at	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
Net asset value attributable to unitholders				
Total net asset value attributable to unitholders ($'000)	1,196,340	1,189,559	1,389,664	1,386,363
Total number of units in issue used in calculation of net asset value per unit attributable to unitholders ('000)	1,806,355	1,806,355	1,806,355	1,806,355
Net asset value per unit attributable to unitholders ($)	**0.66**	**0.66**	**0.77**	**0.77**

As at 31 March 2021, the Group had negative working capital of $1.0 million (31 December 2020: $174.9 million). This included contract liabilities of $35.2 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 2020: $32.8 million). The Group's current liabilities as at 31 December 2020 also included the current portion of Offshore Facilities of $169.7 million which were due for maturity in July 2021. As discussed in Note D(i), in March 2021, APTT extended the maturity date of its existing Offshore Facilities to July 2023.

After adjusting for these amounts, the Group would have positive working capital of $34.2 million (31 December 2020: $27.6 million). The Group has undrawn debt facilities of $77.4 million (31 December 2020: $132.1 million) which can be drawn to address any shortfall in working capital requirements.

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

- The Group has five cable TV system operators, with their nine-year cable TV licences renewed in either 2008 or 2009, that serve approximately 703,000 cable TV RGUs as at 31 March 2021, 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 two licences that were due for renewal in 2020 have been successfully renewed until 2029. For the remaining three licences, that are due in 2021, one licence has already been successfully renewed until 2030 and the Group has submitted to the NCC the renewal applications and corresponding business plans for the other two licences. 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 $38.9 million for the quarter ended 31 March 2021 (year ended 31 December 2020: $168.6 million);
- In view of the steady operating cash flows generated, good credibility over the past years and full compliance with the requirements as stipulated in the debt facilities, the Trustee-Manager is confident it can refinance such debt facilities when required; and
- The Trustee-Manager has carefully monitored and managed its cash flows. Management and operation reports are prepared and reviewed on a monthly basis and cash flow forecasts are prepared on a quarterly basis to project cash flow requirements of the Group using various general and operational assumptions.

F) INTERESTED PERSON TRANSACTIONS ("IPTs")

(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. 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 quarter:

	Quarter ended 31 March	
Amounts in $'000	**2021**	**2020**
Trustee-Manager fees	1,814	1,830
Distributions paid	26	25
Total	**1,840**	**1,855**

On 10 January 2020, APTT issued 2,955,468 units to the Trustee-Manager at a price of $0.1691778996 per unit, for payment of $0.5 million, out of the total $3.7 million Trustee-Manager base fees for the six-month period from 1 July 2019 to 31 December 2019. Refer to detail of changes in unitholders' funds on page 21 for more details.

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

	As at	
Amounts in $'000	**31 March 2021**	**31 December 2020**
Base fees payable to the Trustee-Manager	1,814	3,699

For the quarter ended 31 March 2021, the Trustee-Manager recovered ancillary charges amounting to $0.1 million (31 March 2020: $0.1 million) from the Trust.

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

G) ADDITIONAL INFORMATION

(i) Announcement of financial statements

Pursuant to Rule 705(2) of the SGX-ST Listing Manual, the financial statements for the quarter ended 31 March 2021 have been disclosed within 45 days after the end of the relevant financial period.

(ii) Confirmation on undertakings from directors and executive officers

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

(iii) Review by independent auditor

The financial statements for the quarter ended 31 March 2021 have not been audited or reviewed by the Group's auditors, Deloitte & Touche LLP.

(iv) Basis of preparation

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current year as specified in the audited financial statements of the Group for the year ended 31 December 2020 except for the adoption of revised IFRS (including its consequential amendments) and interpretations effective for the financial period beginning 1 January 2021. The adoption of these revised IFRS and interpretations did not result in material changes to the Group's accounting policies and has no material effect on the amounts reported for the current financial period. Accordingly, comparative financial information presented in this report has not been restated.

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

(v) Functional and presentation currency

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

(vi) Rounding of amounts in the financial statements

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

(vii) Group accounting - subsidiaries

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

(viii) Forecast or prospect statement

All variances between forecasts or prospect statements ("Prospect Statement") made in previous results announcements, if any, and actual results have been explained in the report summary on pages 2 to 5 and throughout this report. The variances did not warrant that a profit warning or similar announcement be released.

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

On behalf of the Board of directors of APTT Management Pte. Limited, as Trustee-Manager of APTT, we, the undersigned hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of directors which may render the financial statements for the quarter ended 31 March 2021 to be false or misleading in any material aspect.

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

Yong Lum Sung
Chair and Independent Director

Brian McKinley
Chief Executive Officer and Executive Director

Singapore
12 May 2021

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. 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.