ASIAN PAY TELEVISION TRUST

KEY FINANCIAL INFORMATION AND BUSINESS UPDATES

FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2023

CONTENTS

REPORT SUMMARY

KEY HIGHLIGHTS

- Revenue and EBITDA at $65.7 million[1] and $38.0 million for the quarter, and $201.0 million and $116.1 million for the nine months; EBITDA margin 57.8% for the quarter and 57.7% for the nine months
- Positive Broadband momentum continued – growing subscriber base, higher ARPU and over three years of revenue improvement in both S$ and NT$
- Re-affirmed distribution guidance of 0.525 cents per unit for the second half-year of 2023, subject to no material changes in planning assumptions
- Distribution guidance to remain at 1.05 cents per unit for full year 2024, to be paid half-yearly, subject to no material changes in planning assumptions
- Accelerated debt repayments during the nine months lowered gearing to 48.2%; total net debt repayments for 2023 expected to be approximately $50 million
- Capital expenditure increased by 5.8% for the quarter and decreased by 11.7% for the nine months, and continued to be within industry norms
- Approximately 90% of outstanding Onshore Facilities (equivalent to 83% of the Group's total debt) are hedged through to 30 June 2025; net exposure to rising interest rates is contained to only 17% of total outstanding debt

FINANCIAL HIGHLIGHTS

Asian Pay Television Trust ("APTT"[2]) reported revenue of $65.7 million for the quarter and $201.0 million for the nine months ended 30 September 2023. Earnings before interest, tax, depreciation and amortisation ("EBITDA") and EBITDA margin stood at $38.0 million and 57.8% for the quarter, and $116.1 million and 57.7% for the nine months.

Foreign exchange contributed to a negative variance of 7.3% for the quarter and 7.8% for the nine months compared to the prior corresponding period ("pcp") due to a relatively weaker Taiwan dollar ("NT$"). In constant NT$, revenue decreased by 0.4% for the quarter but increased by 0.6% for the nine months compared to the pcp.

Broadband continued to improve on all fronts – number of subscribers, ARPU[3] and over three years of consistent revenue growth in both S$ and NT$. The strong performance validates the success of TBC's growth strategy. During the quarter, c.5,000 subscribers were added, alongside higher ARPU which improved by NT$3 per month to NT$389 per month. In NT$, Broadband revenue, which includes revenue from data backhaul, recorded double-digit growth at 10.8% for the quarter and 12.1% for the nine months.

Group	Quarter ended 30 September			Nine months ended 30 September		
Amounts in $'000	2023	2022	Variance[4] (%)	2023	2022	Variance[4] (%)
Revenue						
Basic cable TV	45,877	51,901	(11.6)	142,447	159,475	(10.7)
Premium digital cable TV	2,817	2,882	(2.3)	8,261	8,862	(6.8)
Broadband	16,975	16,396	3.5	50,293	48,202	4.3
Total revenue	**65,669**	**71,179**	**(7.7)**	**201,001**	**216,539**	**(7.2)**
Total operating expenses[5]	**(27,701)**	**(29,278)**	**5.4**	**(84,946)**	**(89,012)**	**4.6**
EBITDA	**37,968**	**41,901**	**(9.4)**	**116,055**	**127,527**	**(9.0)**
EBITDA margin	57.8%	58.9%		57.7%	58.9%	

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

2 APTT refers to APTT and its subsidiaries taken as a whole.

3 ARPU refers to Average Revenue Per User.

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

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

Mr Brian McKinley, Chief Executive Officer of the Trustee-Manager said, *"We are pleased to record consistent double-digit Broadband revenue growth in NT$ terms. Contributions from our Broadband segment to total revenue has now increased to over 25% - thanks to the continued Broadband growth momentum, which has been adding new subscribers, while recording higher ARPU and revenue in both NT$ and S$. Over the long term, we aim to extract more value from our aggressive Broadband growth strategy and grow cash flows that consistently more than offset the decline in Basic cable TV."*

OPERATIONAL PERFORMANCE

TBC's[6] operational highlights for the quarter ended 30 September 2023 were as follows:

- **RGU adjustments:** During the quarter, TBC began a detailed exercise to remove all non-paying subscribers (greater than 90 days) across all three of TBC's service offerings. As a result, c.3,400 Basic cable TV subscribers were removed, c.4,800 Premium digital cable TV subscribers and c.1,700 Broadband subscribers were also removed. There has been minimal impact to revenue and cash flows from removing these customers as they had not been paying for a long time and were not included in revenue. The exercise is expected to be completed in the fourth quarter of 2023. Ignoring these adjustments, the steady increase in Premium digital cable TV and Broadband subscribers over the past five years has continued to more than offset the churn in Basic cable TV.

- **Basic cable TV:** Basic cable TV revenue of $45.9 million for the quarter was down 11.6% compared to the pcp. In constant NT$, Basic cable TV revenue for the quarter decreased by 4.3%. The decline in Basic cable TV revenue was mainly due to lower subscription revenue resulting from the decline in the number of subscribers and lower ARPU. TBC's c.659,000 Basic cable TV RGUs[7] contributed an ARPU of NT$448 per month in the quarter to access over 100 cable TV channels. Basic cable TV RGUs decreased by c.8,000 and ARPU was lower by NT$7 per month compared to the previous quarter ended 30 June 2023. The decline in Basic cable TV RGUs was due to a number of factors including c.3,400 non-paying subscribers that were removed as noted above, competition from aggressively priced IPTV, the growing popularity of online video, as well as expectations from consumers for discounts as they compare with the lower cable TV pricing outside of TBC's five franchise areas, particularly in the Taipei region. The leasing of television channels, which is mainly to third-party home shopping networks, will continue to face pressure from lower demand for home shopping and heightened competition from internet retailing. These trends will continue to impact channel leasing revenue.

- **Premium digital cable TV:** Premium digital cable TV revenue of $2.8 million for the quarter was down 2.3% compared to the pcp. In constant NT$, Premium digital cable TV revenue for the quarter increased by 5.0%. Revenue was generated predominantly from TBC's c.320,000 Premium digital cable TV RGUs each contributing an ARPU of NT$61 per month in the quarter for Premium digital cable TV packages and bundled DVR or DVR-only services. Premium digital cable TV RGUs decreased by c.1,000 compared to the previous quarter ended 30 June 2023 due to the removal of c.4,800 non-paying subscribers as noted above; ignoring the adjustment, Premium digital cable TV RGUs increased by c.3,800. ARPU was lower by NT$2 per month compared to the previous quarter ended 30 June 2023 due to promotions and discounted bundled packages that were offered to generate new RGUs and to retain existing RGUs. Video piracy issues and aggressively priced IPTV have also impacted ARPU.

- **Broadband:** Broadband RGUs increased by c.5,000 during the quarter, including the removal of c.1,700 non-paying subscribers as noted above; ignoring the adjustment, Broadband RGUs increased by c.6,700. Broadband revenue, including revenue from data backhaul, was $17.0 million for the quarter, an increase of 3.5% compared to the pcp. In constant NT$, Broadband revenue for the quarter increased by 10.8%. Broadband revenue was generated predominantly from TBC's c.335,000 Broadband RGUs each contributing an ARPU of NT$389 per month in the quarter, which was NT$3 per month higher than the previous quarter ended 30 June 2023. The growth in both Broadband subscribers and ARPU reflects the success of TBC's Broadband strategy to target the broadband-only segment, partner with mobile operators, as well as to offer higher speed plans at competitive prices to acquire new RGUs and re-contract existing ones.

[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.

Capital expenditure, comprising maintenance as well as network, broadband and other investments, increased 5.8%, or $0.5 million, for the quarter due to higher expenditure on network, broadband and other investments, and decreased 11.7%, or $3.0 million, for the nine months due to lower expenditure on maintenance as well as network, broadband and other investments. Capital expenditure is at a level that will sufficiently support TBC's Broadband growth strategy. As a percentage of revenue, capital expenditure was 13.2% for the quarter and 11.2% for the nine months. Going forward, the level of capital expenditure, which will continue to be within industry norms, will be closely monitored, limiting to areas that will have the best potential in generating growth and sustainability for the long term.

DEBT MANAGEMENT

As at 30 September 2023, interest rate swaps have been entered into to hedge approximately 90% of outstanding Onshore Facilities through to 30 June 2025, at an average fixed rate of 0.94% which is currently lower than the prevailing three-month Taipei Interbank Offered Rate ("TAIBOR"). As Onshore Facilities constitute approximately 92% of the Group's total outstanding debt, the net exposure to rising interest rates is contained; approximately 83% of total debt is protected against the risk of rising interest rates through to 2025.

The financial close of the new 30-month Offshore Facilities on the same major terms successfully completed on 14 July 2023, at the maturity of the previous Offshore Facilities. The new Offshore Facilities, comprising a $46.6 million term loan facility and a $75 million revolving loan facility, are $83.4 million lower than the previous Offshore Facilities ($125 million term loan facility and $80 million revolving loan facility) – a direct result of accelerated debt repayments as part of the debt management programme.

Accelerated debt repayments continued during the nine months. Net debt of $39 million was repaid which lowered gearing to 48.2%. For the remainder of 2023, the Trustee-Manager will set aside $11 million for debt repayments. Total net debt repayments during the year are expected to be approximately $50 million.

IMPACT OF RISING INTEREST RATES ON DEBT

APTT's total outstanding debt comprises 92% Onshore Facilities and 8% Offshore Facilities. Approximately 90% of outstanding Onshore Facilities are hedged through to 30 June 2025, while the Offshore Facilities are not hedged. This means that approximately 83% of APTT's total outstanding debt is protected against the risk of rising interest rates through to 2025.

The rising interest rates do have an impact on the cost of debt for the remaining 17% of total outstanding debt that remains unhedged. The Onshore Facilities are exposed to the floating interest rate of Taiwan's three-month TAIBOR, and the new Offshore Facilities are exposed to the floating interest rate of the Singapore Overnight Rate Average ("SORA"). The previous Offshore Facilities were exposed to the floating interest rate of the Singapore Interbank Offered Rate ("SIBOR"). While TAIBOR rates have not increased significantly over the last year, SORA and SIBOR rates have increased substantially. Although interest rate risk is well managed with hedges on approximately 83% of APTT's total outstanding debt, total interest costs for 2023 are expected to be affected by the changes in TAIBOR and SORA rates on the remaining 17% of total outstanding debt that remains unhedged.

OUTLOOK

Operationally, while the Trustee-Manager does not expect growth in Basic cable TV RGUs due to Taiwan's saturated cable TV market, we expect the number of Premium digital cable TV and Broadband RGUs to continue increasing in 2023. Total revenue will, however, be influenced by the ability to maintain ARPUs which will remain under pressure due to market dynamics. The decline in demand for home shopping and competition from internet retailing will continue to impact channel leasing revenue. The Trustee-Manager is managing every expense line item very closely. Total operating expenses in 2023 are expected to be in line with 2022.

DISTRIBUTIONS

The Board of Directors of the Trustee-Manager (the "Board") is re-affirming the distribution guidance for the second half-year ending 31 December 2023 of 0.525 cents per unit, subject to no material changes in planning assumptions.

The Board has also provided distribution guidance for the full year ending 31 December 2024, after taking into account various factors including the high interest rate environment, the weaker NT$ against S$, ARPU pressure and a declining Basic cable TV business. The distribution for 2024 is expected to remain unchanged at 1.05 cents per unit, subject to no material changes in planning assumptions. The distribution will continue to be paid in half-yearly instalments of 0.525 cents per unit each, calculated as at 30 June 2024 and 31 December 2024 for the six-month period ending on each of the said dates and paid in September 2024 and March 2025 respectively.

Mr McKinley said, *"We are exercising prudence with our 2024 distribution guidance of 1.05 cents per unit, which is the same as this year. Key considerations include the heightened interest rates and a weaker NT$ against S$. At this distribution level, we are comfortable that our disciplined debt repayments can continue, while capital expenditure can still continue to support our aggressive Broadband growth strategy."*

IMPAIRMENT ASSESSMENT FOR GOODWILL AND INTANGIBLE ASSETS

Goodwill and cable TV licences with indefinite useful lives are not subject to amortisation and are tested annually for impairment. The Trustee-Manager performs an assessment using the Discounted Cash Flow ("DCF") method. The Group's cash flow forecasts, along with relevant market discount rates and average long-term growth rates, are used to derive the value-in-use of the Group's single cash generating unit (CGU) which supports the impairment assessment.

While no impairment assessment was performed for the nine months ended 30 September 2023, the impairment assessment that was performed at the end of 2022 showed that APTT's discount rate was higher, due to rising interest rates, and the headroom between APTT's DCF value and book value was lower, compared to 2021. The headroom was still marginally positive, mainly due to healthy business assumptions. Therefore, no impairment was recognised by the Group as at the previous year ended 31 December 2022.

As noted in previous disclosures, if interest rates continue to stay elevated and/or the business environment continues to be challenging, combined with changes in other assumptions, e.g. a lower terminal growth rate, there is a possibility that this could result in an impairment loss on intangible assets in the future.

Interest rates have remained elevated and the business environment does continue to be challenging. Over the years, the operating environment in Taiwan, particularly the cable TV industry, has become more challenging. In 2018, Basic cable TV RGUs declined for the first time in TBC's history. Declining Basic cable TV RGUs is a trend that has continued through 2023 and is expected to continue in the future. Basic cable TV ARPU has also trended lower as TBC has been offering promotions and discounted bundled packages to compete with aggressively priced IPTV. 2023 will be the fifth straight year where the Basic cable TV churn and revenue decline have continued. Separately, the growth of data backhaul services through TBC's network has been lower than originally expected; network rollouts by wireless operators have been delayed as they manage their capital expenditure and rely on core 5G coverage by updating their headends, without rolling out as much network infrastructure. Notwithstanding this, Broadband growth continues, in terms of number of subscribers, ARPU and revenue. More recently, Broadband has shown the potential to offset the decline in Basic cable TV revenue. However, overall EBITDA has been on a downward trend over the last five years.

The annual impairment assessment will be performed for the year ending 31 December 2023. The Group's external auditors will engage their internal valuation specialists to perform an independent review of the DCF valuation prepared by the Trustee-Manager for the purpose of the impairment assessment. Given current exchange rates, elevated interest rates and the challenging business environment noted above, the DCF value of TBC's cable TV licences (i.e. value-in-use of the Group's single CGU) has reduced and an impairment loss may result in the year ending 31 December 2023.

Should there be an impairment loss on intangible assets, it would be recorded in the year-end consolidated statement of profit or loss. An impairment loss is a non-cash item and would not impact the operations of the Group or its cash flows; there would be no change to distribution guidance. The Trustee-Manager will make appropriate announcements, including a profit warning if necessary, in the event of any material developments on the impairment assessment of intangible assets.

SELECTED FINANCIAL INFORMATION AND OPERATING DATA

The selected financial information and operating data presented on the following pages support the distributions to unitholders and therefore are key financial and operating metrics that the Trustee-Manager focuses on to review the amount of distributions that will be paid to unitholders. Some of the selected financial information includes non-IFRS measures.

Non-IFRS measures

EBITDA and EBITDA margin are supplemental financial measures of the Group's performance and liquidity and are not required by, or presented in accordance with International Financial Reporting Standards ("IFRS") or any other generally accepted accounting principles. Furthermore, EBITDA and EBITDA margin are not measures of financial performance or liquidity under IFRS or any other generally accepted accounting principles and should not be considered as alternatives to net income, operating income or any other performance measures derived in accordance with IFRS or any other generally accepted accounting principles. EBITDA and EBITDA margin may not reflect all of the financial and operating results and requirements of the Group. In particular, EBITDA and EBITDA margin do not reflect the Group's needs for capital expenditures, debt servicing or additional capital that may be required to replace assets that are fully depreciated or amortised. Other companies may calculate EBITDA and EBITDA margin differently, limiting their usefulness as comparative measures.

The Trustee-Manager believes that these supplemental financial measures facilitate operating performance comparisons for the Group from period to period by eliminating potential differences caused by variations in capital structures (affecting interest expense), tax positions (such as the impact on periods of changes in effective tax rates or net operating losses) and the age and book depreciation of tangible and intangible assets (affecting relative depreciation and amortisation expense). In particular, EBITDA eliminates the non-cash depreciation and amortisation expense that arises from the capital-intensive nature of the Group's businesses and intangible assets recognised in business combinations. The Trustee-Manager presents these supplemental financial measures because it believes these measures are frequently used by securities analysts and investors in evaluating similar issuers.

SELECTED FINANCIAL INFORMATION

Group[1] Amounts in $'000	Note[2]	Quarter ended 30 September 2023	2022	Variance[3] (%)	Nine months ended 30 September 2023	2022	Variance[3] (%)
Revenue							
Basic cable TV	1(i)	45,877	51,901	(11.6)	142,447	159,475	(10.7)
Premium digital cable TV	1(ii)	2,817	2,882	(2.3)	8,261	8,862	(6.8)
Broadband	1(iii)	16,975	16,396	3.5	50,293	48,202	4.3
Total revenue		**65,669**	**71,179**	**(7.7)**	**201,001**	**216,539**	**(7.2)**
Operating expenses[4]							
Broadcast and production costs		(13,593)	(14,210)	4.3	(41,658)	(42,624)	2.3
Staff costs	2(i)	(5,832)	(6,323)	7.8	(17,775)	(19,773)	10.1
Trustee-Manager fees	2(ii)	(1,986)	(1,855)	(7.1)	(5,895)	(5,504)	(7.1)
Other operating expenses	2(iii)	(6,290)	(6,890)	8.7	(19,618)	(21,111)	7.1
Total operating expenses		**(27,701)**	**(29,278)**	**5.4**	**(84,946)**	**(89,012)**	**4.6**
EBITDA		**37,968**	**41,901**	**(9.4)**	**116,055**	**127,527**	**(9.0)**
EBITDA margin[5]		57.8%	58.9%		57.7%	58.9%	
Profit after income tax[6]		**10,218**	**13,526**	**(24.5)**	**29,833**	**37,305**	**(20.0)**
Capital expenditure	3						
Maintenance		3,339	5,232	36.2	10,490	12,432	15.6
Network, broadband and other		5,347	2,976	(79.7)	12,014	13,057	8.0
Total capital expenditure		**8,686**	**8,208**	**(5.8)**	**22,504**	**25,489**	**11.7**
Maintenance capital expenditure as % of revenue		5.1	7.4		5.2	5.7	
Total capital expenditure as % of revenue		13.2	11.5		11.2	11.8	
Income tax paid, net of refunds		(3,638)	(2,991)	(21.6)	(10,069)	(9,448)	(6.6)
Interest and other finance costs paid		(9,786)	(10,727)	8.8	(33,537)	(32,624)	(2.8)

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

SELECTED OPERATING DATA

Group	As at				
	2023			2022	
	30 September	30 June	31 March	31 December	30 September
RGUs ('000)					
Basic cable TV	659	667	672	675	680
Premium digital cable TV	320	321	314	308	299
Broadband	335	330	322	315	307

Group	Quarter ended				
	2023			2022	
	30 September	30 June	31 March	31 December	30 September
ARPU[1] (NT$ per month)					
Basic cable TV	448	455	460	462	466
Premium digital cable TV	61	63	64	65	68
Broadband	389	386	384	382	379
AMCR[2] (%)					
Basic cable TV	(0.7)	(0.5)	(0.5)	(0.6)	(0.5)
Premium digital cable TV	(1.9)	(1.1)	(1.0)	(0.8)	(0.8)
Broadband	(0.9)	(0.6)	(0.5)	(0.6)	(0.6)

1 Average Revenue Per User ("ARPU") is calculated by dividing the subscription revenue for Basic cable TV or Premium digital cable TV or Broadband, as applicable, by the average number of RGUs for that service during the period.

2 Average Monthly Churn Rate ("AMCR") is calculated by dividing the total number of churned RGUs for a particular service during a period by the number of RGUs for that service as at the beginning of that period. The total number of churned RGUs for a particular service for a period is calculated by adding together all deactivated subscriptions, including deactivations caused by failure to make payments for that service from the billing system for the period.

STATEMENTS OF FINANCIAL POSITION

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

Amounts in $'000	Note[1]	Group as at 30 September 2023	Group as at 31 December 2022	Trust as at 30 September 2023	Trust as at 31 December 2022
Assets					
Current assets					
Cash and cash equivalents	4	94,107	118,860	1,460	5,945
Trade and other receivables		12,047	13,180	-	-
Derivative financial instruments	5	4,044	4,393	4,044	4,393
Contract costs		657	884	-	-
Other assets		2,474	1,263	388	62
		113,329	**138,580**	**5,892**	**10,400**
Non-current assets					
Investment in subsidiaries		-	-	1,387,351	1,387,351
Property, plant and equipment		210,618	234,274	-	-
Intangible assets		2,248,323	2,315,258	-	-
Derivative financial instruments	5	12,177	11,276	763	665
Contract costs		158	262	-	-
Other assets		1,173	1,263	6	7
		2,472,449	**2,562,333**	**1,388,120**	**1,388,023**
Total assets		**2,585,778**	**2,700,913**	**1,394,012**	**1,398,423**
Liabilities					
Current liabilities					
Borrowings from financial institutions	6	60,460	72,974	-	-
Derivative financial instruments	5	24	-	24	-
Trade and other payables	7	31,610	51,269	1,986	3,710
Contract liabilities		31,579	32,907	-	-
Retirement benefit obligations		1,343	1,374	-	-
Income tax payable		5,428	6,179	-	-
Other liabilities		19,005	23,637	497	298
		149,449	**188,340**	**2,507**	**4,008**
Non-current liabilities					
Borrowings from financial institutions	6	1,185,855	1,243,397	-	-
Derivative financial instruments	5	139	-	139	-
Retirement benefit obligations		3,457	3,720	-	-
Deferred tax liabilities		103,871	102,348	-	-
Other liabilities		23,082	24,204	-	-
		1,316,404	**1,373,669**	**139**	**-**
Total liabilities		**1,465,853**	**1,562,009**	**2,646**	**4,008**
Net assets		**1,119,925**	**1,138,904**	**1,391,366**	**1,394,415**
Equity					
Unitholders' funds		1,389,351	1,389,351	1,389,351	1,389,351
Reserves		61,767	92,687	-	-
Accumulated (deficit)/surplus		(333,279)	(345,252)	2,015	5,064
Equity attributable to unitholders of APTT		**1,117,839**	**1,136,786**	**1,391,366**	**1,394,415**
Non-controlling interests		2,086	2,118	-	-
Total equity		**1,119,925**	**1,138,904**	**1,391,366**	**1,394,415**

1 Refer to accompanying notes for more details.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Group Amounts in $'000	Note[1]	Quarter ended 30 September 2023	 2022	 Variance[2] (%)	Nine months ended 30 September 2023	 2022	 Variance[2] (%)
Revenue							
Basic cable TV	1(i)	45,877	51,901	(11.6)	142,447	159,475	(10.7)
Premium digital cable TV	1(ii)	2,817	2,882	(2.3)	8,261	8,862	(6.8)
Broadband	1(iii)	16,975	16,396	3.5	50,293	48,202	4.3
Total revenue		**65,669**	**71,179**	**(7.7)**	**201,001**	**216,539**	**(7.2)**
Operating expenses							
Broadcast and production costs		(13,593)	(14,210)	4.3	(41,658)	(42,624)	2.3
Staff costs[3]	2(i)	(5,832)	(6,323)	7.8	(17,775)	(19,773)	10.1
Depreciation and amortisation expense[4]		(14,019)	(17,178)	18.4	(43,731)	(53,901)	18.9
Trustee-Manager fees	2(ii)	(1,986)	(1,855)	(7.1)	(5,895)	(5,504)	(7.1)
Net foreign exchange gain/(loss)[5]		585	(132)	>100	1,893	993	90.6
Mark to market gain on derivative financial instruments[6]		2,044	3,371	(39.4)	3,467	6,432	(46.1)
Other operating expenses	2(iii)	(6,290)	(6,890)	8.7	(19,618)	(21,111)	7.1
Total operating expenses		**(39,091)**	**(43,217)**	**9.5**	**(123,317)**	**(135,488)**	**9.0**
Operating profit		**26,578**	**27,962**	**(4.9)**	**77,684**	**81,051**	**(4.2)**
Amortisation of deferred arrangement fees		(824)	(811)	(1.6)	(2,374)	(2,478)	4.2
Interest and other finance costs		(10,550)	(10,974)	3.9	(32,276)	(31,378)	(2.9)
Profit before income tax		**15,204**	**16,177**	**(6.0)**	**43,034**	**47,195**	**(8.8)**
Income tax expense[7]		(4,986)	(2,651)	(88.1)	(13,201)	(9,890)	(33.5)
Profit after income tax		**10,218**	**13,526**	**(24.5)**	**29,833**	**37,305**	**(20.0)**
Profit after income tax attributable to:							
Unitholders of APTT		10,183	13,489	(24.5)	29,726	37,096	(19.9)
Non-controlling interests		35	37	(5.4)	107	209	(48.8)
Profit after income tax		**10,218**	**13,526**	**(24.5)**	**29,833**	**37,305**	**(20.0)**
Basic and diluted earnings per unit attributable to unitholders of APTT (cents)[8]		**0.56**	**0.75**		**1.65**	**2.05**	

1 Refer to accompanying notes for more details.

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

3 Decrease in staff costs was mainly due to lower staff costs in constant dollar terms. Refer note 2(i) for more details.

4 Decrease in depreciation and amortisation expense was mainly due to lower depreciation expense on network equipment and amortisation expense on programming rights compared to the pcp.

5 Variance in net foreign exchange gain/(loss) is mainly due to translations at the subsidiary level which are not expected to be realised.

6 Variance in mark to market gain on derivative financial instruments was due to exchange rate movements on foreign exchange contracts.

7 Increase in income tax expense was mainly due to higher current income tax expense and deferred income tax expense.

8 Earnings per unit is calculated by dividing profit after income tax attributable to unitholders of APTT by the weighted average number of APTT units outstanding during the period.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Group	Quarter ended 30 September			Nine months ended 30 September		
Amounts in $'000	2023	2022	Variance[1] (%)	2023	2022	Variance[1] (%)
Profit after income tax	**10,218**	**13,526**	**(24.5)**	**29,833**	**37,305**	**(20.0)**
Other comprehensive loss						
Items that may subsequently be reclassified to profit or loss:						
Exchange differences on translation of foreign operations	(32,259)	(45,938)	29.8	(35,567)	(102,052)	65.1
Movement on change in fair value of cash flow hedging financial instruments	676	(5,061)	>100	1,116	11,011	(89.9)
Deferred tax relating to items that may subsequently be reclassified to profit or loss	(135)	1,012	(>100)	(223)	(2,202)	89.9
Other comprehensive loss, net of tax	**(31,718)**	**(49,987)**	**36.5**	**(34,674)**	**(93,243)**	**62.8**
Total comprehensive loss	**(21,500)**	**(36,461)**	**41.0**	**(4,841)**	**(55,938)**	**91.3**
Total comprehensive (loss)/income attributable to:						
Unitholders of APTT	(21,535)	(36,498)	41.0	(4,948)	(56,147)	91.2
Non-controlling interests	35	37	(5.4)	107	209	(48.8)
Total comprehensive loss	**(21,500)**	**(36,461)**	**41.0**	**(4,841)**	**(55,938)**	**91.3**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Group Amounts in $'000	Quarter ended 30 September 2023	 2022	Nine months ended 30 September 2023	 2022
Operating activities				
Profit after income tax	**10,218**	**13,526**	**29,833**	**37,305**
Adjustments for:				
Depreciation and amortisation expense	14,019	17,178	43,731	53,901
Net foreign exchange (gain)/loss	(1,331)	548	(2,260)	2,087
Gain on lease modification	(2)	(2)	(2)	(2)
Mark to market gain on derivative financial instruments	(2,044)	(3,371)	(3,467)	(6,432)
Amortisation of deferred arrangement fees	824	811	2,374	2,478
Interest and other finance costs	10,550	10,974	32,276	31,378
Income tax expense	4,986	2,651	13,201	9,890
Operating cash flows before movements in working capital	**37,220**	**42,315**	**115,686**	**130,605**
Trade and other receivables	(1,134)	(3,054)	1,133	(4,079)
Trade and other payables	(353)	(28,341)	(19,659)	(6,754)
Contract costs	155	111	331	311
Contract liabilities	(1,021)	(1,124)	(1,328)	(2,895)
Retirement benefit obligations	(154)	(361)	(294)	(1,266)
Other assets	2,514	23,437	(1,121)	(1,294)
Other liabilities	(351)	(1,777)	(3,386)	(4,885)
Cash generated from operations	**36,876**	**31,206**	**91,362**	**109,743**
Income tax paid, net of refunds	(3,638)	(2,991)	(10,069)	(9,448)
Interest paid on lease liabilities	(29)	(32)	(93)	(108)
Net cash inflows from operating activities	**33,209**	**28,183**	**81,200**	**100,187**
Investing activities				
Acquisition of property, plant and equipment	(8,055)	(11,537)	(21,067)	(24,728)
Acquisition of intangible assets	(113)	(818)	(854)	(1,368)
Net cash used in investing activities	**(8,168)**	**(12,355)**	**(21,921)**	**(26,096)**
Financing activities				
Interest and other finance costs paid	(9,786)	(10,727)	(33,537)	(32,624)
Borrowings from financial institutions	131,114	25,266	136,114	25,266
Repayment of borrowings to financial institutions	(127,731)	(22,147)	(174,704)	(55,617)
Settlement of lease liabilities	(540)	(640)	(1,648)	(1,955)
Settlement of derivative financial instruments	794	1,104	3,881	1,983
Settlement of transactions with non-controlling interests	-	-	-	(365)
Distributions to non-controlling interests	-	-	(139)	(170)
Distributions to unitholders	(9,483)	(4,516)	(13,999)	(13,548)
Net cash used in financing activities	**(15,632)**	**(11,660)**	**(84,032)**	**(77,030)**
Net increase/(decrease) in cash and cash equivalents	**9,409**	**4,168**	**(24,753)**	**(2,939)**
Cash and cash equivalents at the beginning of the quarter/period	84,698	117,557	118,860	124,664
Cash and cash equivalents at the end of the quarter/period	**94,107**	**121,725**	**94,107**	**121,725**

RECONCILIATION OF PROFIT AFTER INCOME TAX TO EBITDA

Group Amounts in $'000	Quarter ended 30 September 2023	 2022	 Variance[1] (%)	Nine months ended 30 September 2023	 2022	 Variance[1] (%)
Profit after income tax	**10,218**	**13,526**	**(24.5)**	**29,833**	**37,305**	**(20.0)**
Add: Depreciation and amortisation expense	14,019	17,178	18.4	43,731	53,901	18.9
Add: Net foreign exchange (gain)/loss	(585)	132	>100	(1,893)	(993)	90.6
Add: Mark to market gain on derivative financial instruments	(2,044)	(3,371)	(39.4)	(3,467)	(6,432)	(46.1)
Add: Amortisation of deferred arrangement fees	824	811	(1.6)	2,374	2,478	4.2
Add: Interest and other finance costs	10,550	10,974	3.9	32,276	31,378	(2.9)
Add: Income tax expense	4,986	2,651	(88.1)	13,201	9,890	(33.5)
EBITDA	**37,968**	**41,901**	**(9.4)**	**116,055**	**127,527**	**(9.0)**
EBITDA margin	57.8%	58.9%		57.7%	58.9%	

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

MATERIAL UPDATES TO FINANCIAL INFORMATION

1) REVENUE

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

An additional analysis of the revenue items is as follows:

(i) Basic cable TV

Basic cable TV revenue of $45.9 million for the quarter comprised subscription revenue of $37.9 million and non-subscription revenue of $8.0 million. Basic cable TV revenue of $142.4 million for the nine months comprised subscription revenue of $118.5 million and non-subscription revenue of $24.0 million. Subscription revenue was generated from TBC's c.659,000 Basic cable TV RGUs each contributing an ARPU of NT$448 per month in the quarter to access over 100 cable TV channels. Non-subscription revenue was 17.3% of Basic cable TV revenue for the quarter and 16.8% for the nine months, which includes revenue from the leasing of television channels to third parties, the sale of airtime advertising and fees for the installation of set-top boxes.

(ii) Premium digital cable TV

Premium digital cable TV revenue of $2.8 million for the quarter comprised subscription revenue of $2.5 million and non-subscription revenue of $0.3 million. Premium digital cable TV revenue of $8.3 million for the nine months comprised subscription revenue of $7.7 million and non-subscription revenue of $0.5 million. Subscription revenue was generated from TBC's c.320,000 Premium digital cable TV RGUs each contributing an ARPU of NT$61 per month in the quarter for Premium digital cable TV packages and bundled DVR or DVR-only services. Non-subscription revenue predominantly comprised revenue from the sale of electronic programme guide data to other system operators.

(iii) Broadband

Broadband revenue of $17.0 million for the quarter, which includes revenue from data backhaul, comprised subscription revenue of $16.5 million and non-subscription revenue of $0.4 million. Broadband revenue of $50.3 million for the nine months, which includes revenue from data backhaul, comprised subscription revenue of $49.0 million and non-subscription revenue of $1.3 million. Subscription revenue was generated from TBC's c.335,000 Broadband RGUs each contributing an ARPU of NT$389 per month in the quarter for high-speed Broadband services. Subscription revenue includes revenue from data backhaul services, where mobile operators lease a number of fibre circuits to provide data backhaul. Non-subscription revenue predominantly comprised revenue from the provision of installation and other services.

2) EXPENSES

(i) Staff costs

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

(ii) Trustee-Manager fees

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

(iii) Other operating expenses

Other operating expenses were $6.3 million for the quarter ended 30 September 2023, down 8.7% compared to the pcp and $19.6 million for the nine months, down 7.1% compared to the pcp mainly due to lower marketing and selling expenses. A detailed breakdown of material items included in other operating expenses is provided in the table below:

Group	Quarter ended 30 September		Nine months ended 30 September	
Amounts in $'000	2023	2022	2023	2022
Lease rentals	(19)	(38)	(60)	(115)
Pole rentals	(1,520)	(1,585)	(4,632)	(4,847)
Legal and professional fees	(419)	(443)	(1,683)	(1,683)
Non-recoverable GST/VAT	(707)	(840)	(2,240)	(2,591)
Marketing and selling expenses	(908)	(1,351)	(3,167)	(4,002)
General and administrative expenses	(1,255)	(1,203)	(3,662)	(3,497)
Licence fees	(480)	(544)	(1,488)	(1,682)
Repairs and maintenance	(342)	(369)	(992)	(1,065)
Others	(640)	(517)	(1,694)	(1,629)
Total	**(6,290)**	**(6,890)**	**(19,618)**	**(21,111)**

3) CAPITAL EXPENDITURE

Total capital expenditure of $8.7 million for the quarter ended 30 September 2023 was 5.8% higher than the pcp. For the nine months ended 30 September 2023, total capital expenditure of $22.5 million was 11.7% lower than the pcp. Total capital expenditure as a percentage of revenue is within industry norms at 13.2% for the quarter and 11.2% for the nine months.

Total capital expenditure for the quarter was higher than the pcp primarily because of higher capital expenditure being incurred on network, broadband and other capital expenditure compared to the pcp. Total capital expenditure for the nine months was lower than the pcp primarily because of lower capital expenditure being incurred on maintenance, network, broadband and other capital expenditure compared to the pcp. The level of capital expenditure, which will be within industry norms, will be closely monitored to focus on areas that will have the best potential in generating growth and sustainability for the long term.

The deployment of fibre deeper into the network continues to be a key investment initiative as it will increase network capacity and speed to drive future growth. This investment is key to driving the Broadband business, positioning APTT to benefit from supporting mobile operators in their network rollouts and to pursue other opportunities for the long-term success of the Trust.

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

4) CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the Group level were $94.1 million as at 30 September 2023. The Trustee-Manager will reserve approximately $11 million for scheduled principal repayments on its onshore and offshore borrowing facilities for the rest of 2023.

5) DERIVATIVE FINANCIAL INSTRUMENTS

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

As at 30 September 2023, the notional amount of interest rate swaps on TAIBOR maturing in June 2025 was NT$24.6 billion, thus fixing approximately 90% of outstanding onshore facilities through to 30 June 2025. The average fixed rate on these swaps is 0.94%.

The movement in non-current assets also includes mark to market unrealised gains of $11.4 million on the Group's interest rate swaps which are designated as cash flow hedges. The unrealised gains represent the difference between the contract rates at which the interest rate swaps were entered into and the market rates as at the end of the reporting period.

6) BORROWINGS FROM FINANCIAL INSTITUTIONS

Group	As at	
Amounts in $'000	30 September 2023	31 December 2022
Current portion	63,783	75,871
Less: Unamortised arrangement fees	(3,323)	(2,897)
	60,460	**72,974**
Non-current portion	1,197,814	1,256,733
Less: Unamortised arrangement fees	(11,959)	(13,336)
	1,185,855	**1,243,397**
Total current and non-current portion[1]	1,261,597	1,332,604
Less: Total unamortised arrangement fees	(15,282)	(16,233)
Total	**1,246,315**	**1,316,371**

1 Comprised outstanding NT$ denominated borrowings of NT$27.2 billion at the TBC level and S$ denominated borrowings of S$105.6 million at the Bermuda holding companies' level.

The reduction in the total debt balance during the nine months is due mostly to net debt repayments of $39 million and positive foreign exchange movements of $31 million.

Onshore Facilities

The NT$ denominated facilities of NT$29.5 billion at TBC level ("Onshore Facilities") are repayable in tranches by 2028 and are secured by certain land, buildings, network equipment and plant and equipment held by TBC as well as by pledges over shares in onshore entities of TBC and over the shares in TBC Holdings B.V. and Harvest Cable Holdings B.V. held by Cable TV S.A. The onshore affiliates of TBC are jointly liable under the debt facilities. As at 30 September 2023, the total carrying value of property, plant and equipment pledged for the Onshore Facilities was $203.0 million. In addition, guarantees in favour of lenders under the debt facilities are provided by TBC Holdings B.V. and Harvest Cable Holdings B.V.

The Onshore Facilities bear a floating interest rate of Taiwan's three-month Taipei Interbank Offered Rate ("TAIBOR") plus an interest margin of 1.1% to 2.1% per annum depending on its leverage ratio. As discussed in Note 5, the Group uses interest rate swaps to swap a significant portion of its borrowings from floating rate to fixed rate.

Offshore Facilities

Offshore facilities consist of a multicurrency term loan facility in an aggregate amount of $46.6 million and a multicurrency revolving loan facility in an aggregate amount of $75.0 million secured by APTT Holdings 1 Limited and APTT Holdings 2 Limited ("Offshore Facilities").

The Trustee-Manager announced on 17 January 2023 that it has signed the facility agreement to refinance its Offshore Facilities on the same major terms. The financial close has been successfully completed on 14 July 2023, at the maturity of the previous Offshore Facilities. The new Offshore Facilities will mature 30 months from 14 July 2023.

The new Offshore Facilities are denominated in Singapore dollars and repayable in tranches by 2026. 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 30 September 2023, the total carrying value of assets pledged for the Offshore Facilities was $1,114 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 new Offshore Facilities bear a floating interest rate of Singapore Overnight Rate Average ("SORA") plus the applicable SIBOR adjustment spread and an interest margin of 4.1% to 4.9% per annum depending on the leverage ratio of the Group.

7) TRADE AND OTHER PAYABLES

	Group as at		Trust as at	
Amounts in $'000	**30 September 2023**	**31 December 2022**	**30 September 2023**	**31 December 2022**
Trade payables due to outside parties	29,624	47,559	-	-
Base fees payable to the Trustee-Manager	1,986	3,710	1,986	3,710
Total	**31,610**	**51,269**	**1,986**	**3,710**

The Group's trade and other payables as at 30 September 2023 of $31.6 million comprised mainly broadcast and production costs payable of $27.2 million, other payables of $2.4 million and base fees payable to the Trustee-Manager of $2.0 million.

DISCLAIMERS

Asian Pay Television Trust ("APTT") is a business trust registered under the Business Trusts Act 2004 and listed on the Main Board of the Singapore Exchange Securities Trading Limited. APTT Management Pte. Limited is the trustee-manager of APTT (the "Trustee-Manager"). The Trustee-Manager is a wholly owned subsidiary of Dynami Vision Pte. Ltd. ("Dynami") which is a Singapore-incorporated company ultimately owned by Mr Lu Fang-Ming, the former Chairman of Asia Pacific Telecom Co., Ltd.

This report is not an offer or invitation for subscription or purchase of or a recommendation of securities in APTT. It does not take into account the investment objectives, financial situation and particular needs of the investor. Before making an investment in APTT, the investor or prospective investor should consider whether such an investment is appropriate to their particular investment needs, objectives and financial circumstances and consult an investment adviser if necessary.

Information, including forecast financial information, in this report should not be considered as a recommendation in relation to holding, purchasing or selling securities or other instruments in APTT. Due care and attention have been used in the preparation of forecast information. However, such information is based on certain assumptions and is subject to certain risks, contingencies and uncertainties, many of which are outside the control of APTT, which could cause actual results to vary materially from those that are forecasted and any such variation may be materially positive or negative. Past performance is not a reliable indication of future performance.

In particular, no representation or warranty is given as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects or returns contained in the information. Such forecasts, prospects or returns are by their nature subject to significant uncertainties and contingencies. Each recipient of the information should make its own independent assessment of the information and take its own independent professional advice in relation to the information and any action taken on the basis of the information.

Investors should note that there are limitations on the rights of certain investors to own units in APTT under applicable Taiwan laws and regulations (the "Relevant Restrictions"). Such investors include individuals or certain corporate entities in the People's Republic of China ("PRC"), the Taiwan Government and political entities and other restricted entities and restricted persons (collectively, the "Restricted Persons"). Investors should note that the deed of trust constituting APTT dated 30 April 2013, as amended and restated by a First Amending and Restating Deed dated 28 April 2022 (the "Trust Deed") provides that the Trustee-Manager may, in the case of a breach of the Relevant Restrictions, take all steps and do all things as it may in its absolute discretion deem necessary to ensure that the Relevant Restrictions are complied with. In particular, the Trust Deed provides that the Trustee-Manager has the power to require the relevant Restricted Person to dispose of their units in APTT and, if such request is not complied with within 21 days after such request (or such shorter period as the Trustee-Manager shall consider reasonable), to arrange for the sale of the relevant units in APTT. The Trustee-Manager is not required to provide any reason for, and is not liable or responsible for any losses incurred as a result of, exercising such power under the Trust Deed. For further information, investors should refer to the prospectus dated 16 May 2013 issued by APTT and the Trust Deed.