

SGX-ST Release

RESPONSE TO SGX REGCO QUERY ON APTT'S RESULTS ANNOUNCEMENT FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2021

Singapore – 4 March 2022

APTT Management Pte. Limited (the “**Trustee-Manager**”), as Trustee-Manager of Asian Pay Television Trust (“**APTT**” or the “**Trust**”), refers to the query (see “[QUESTION](#)” below) by SGX RegCo on 2 March 2022 and wishes to respond as follows (see “[RESPONSE](#)” below).

QUESTION

We refer to the Trust’s full year financial results for the year ended 31 December 2021. We note the Trust’s negative working capital position and a significant increase in trade and other payables to \$53.5 million, out of which \$46.9 is attributable to broadcast and production costs payable. Please elaborate on the reason for the significant increase.

RESPONSE

The Group’s¹ trade and other payables as at 31 December 2021 of \$53.5 million comprised mainly broadcast and production costs payable of \$46.9 million, other payables of \$2.9 million and base fees payable to the Trustee-Manager of \$3.7 million.

Broadcast and production costs payable increased from \$13.6 million as at 31 December 2020 to \$46.9 million as at 31 December 2021.

The increase in broadcast and production costs payable is attributable to TBC² withholding payment to its content agent for most of the programming costs related to 2021, pending settlement of lawsuits filed against TBC claiming certain programming costs related to 2020.

As disclosed in the results announcement released on 25 February 2022, in the second quarter of 2021, one of TBC’s programming vendors filed lawsuits against TBC claiming certain programming costs for 2020. TBC has a contract in place with a content agent, who acquires content from programming vendors on behalf of TBC. TBC has paid all of the programming costs for 2020 under its contract with its agent. However, the content agent has not made payment to the programming vendor in question that has filed the lawsuits. TBC has formally reminded the content agent of its obligations.

The Group is of the view that this matter is between the content agent and programming vendor and that both parties will work towards reaching an agreement.

To be prudent in view of the above, the majority of the programming costs related to 2021 payable to the content agent have been withheld by TBC, pending settlement of the lawsuits related to 2020. This accounts for the increase in broadcast and production costs payable as at 31 December 2021. The Group expects broadcast and production costs payable to remain at increased levels until the lawsuits are settled.

The increase in broadcast and production costs payable is not a reflection of increased programming costs in 2021. All programming costs related to 2021 have already been recognised in the Group’s

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

² TBC refers to Taiwan Broadband Communications Group

consolidated statement of profit or loss for the year ended 31 December 2021, as broadcast and production costs.

As at 31 December 2021, the Group had negative working capital of \$37.6 million. As disclosed in the results announcement released on 25 February 2022, this includes contract liabilities of \$36.2 million which represent collections received in advance from subscribers, net of contract costs. These collections do not require any future cash outflow from the Group. After adjusting for this amount, the Group would have negative working capital of only \$1.5 million. The Group has committed undrawn debt facilities of \$84.5 million which could be drawn to address any potential shortfall in working capital requirements.

The Group therefore believes that it has adequate working capital for its present requirements and that its undrawn debt facilities of \$84.5 million, together with cash and cash equivalents of \$124.7 million, will provide sufficient funds to satisfy its working capital requirements and anticipated capital expenditure and other payment obligations for the next 12 months.

ABOUT APTT

APTT is the first listed business trust in Asia focused on pay-TV and broadband businesses. APTT has an investment mandate to acquire controlling interests in and to own, operate and maintain mature, cash generative pay-TV and broadband businesses in Taiwan, Hong Kong, Japan and Singapore. APTT is managed by its Trustee-Manager, APTT Management Pte. Limited. The Trustee-Manager has the dual responsibility of safeguarding the interests of Unitholders and managing the business conducted by APTT. The Trustee-Manager manages APTT's business with an objective of providing Unitholders with stable and sustainable distributions.

For further information, please contact:

Brian McKinley

Chief Executive Officer

Tel: +65 6727 8370

Email: contact@aptt.sg

Kreab

Nora Sng

Tel: +65 3163 7477

Email: aptt@kreab.com