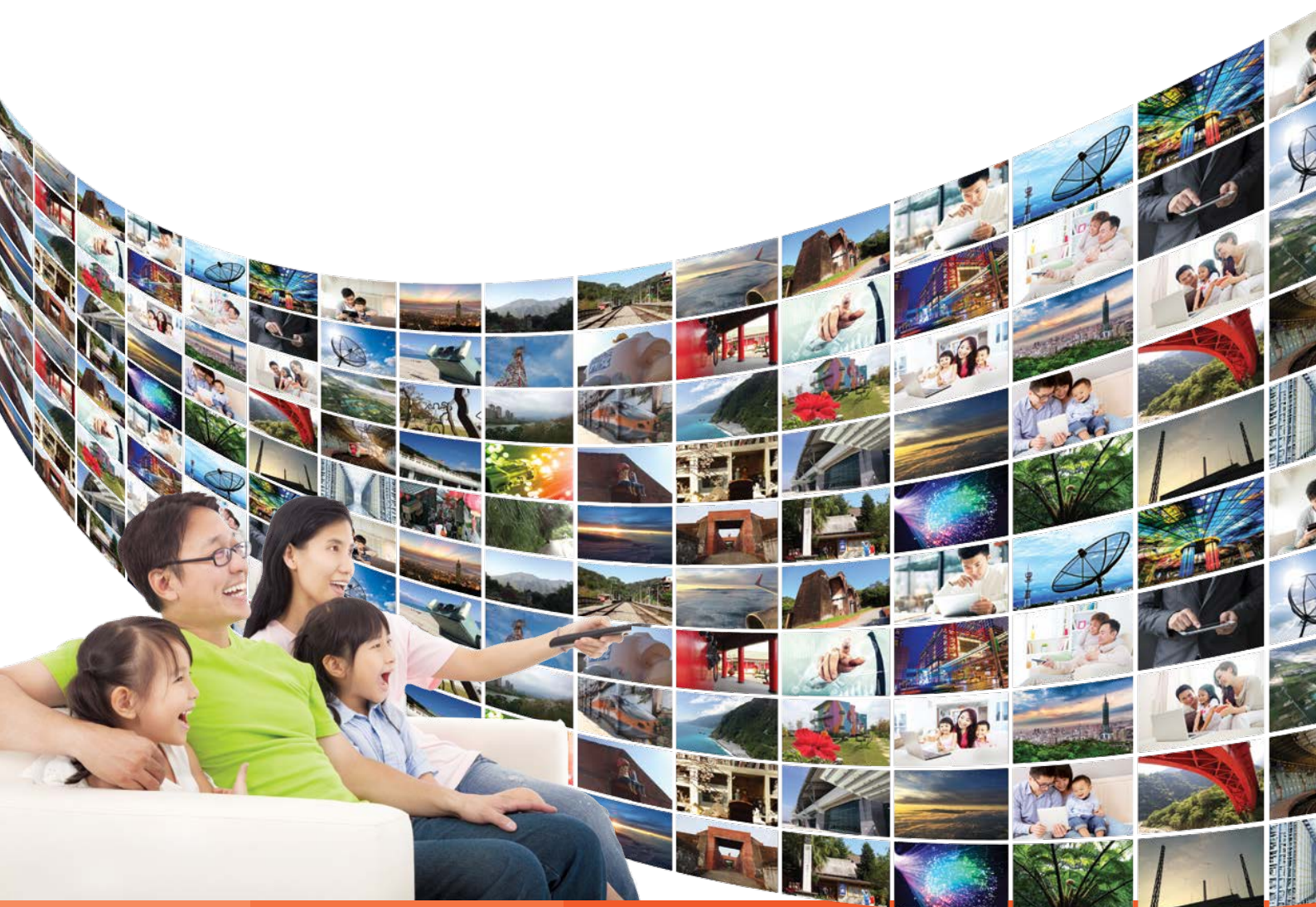




ANNUAL REPORT 2015



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PRC Investor Notice

Investors should note that there are limitations on the right of certain investors to own units in APTT under applicable Taiwan laws and regulations (the Relevant Restrictions). Such investors include PRC individuals and corporate entities, 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 units. 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. For further information, investors should refer to the prospectus dated 16 May 2013 issued by APTT and the Trust Deed.

TRUST PROFILE



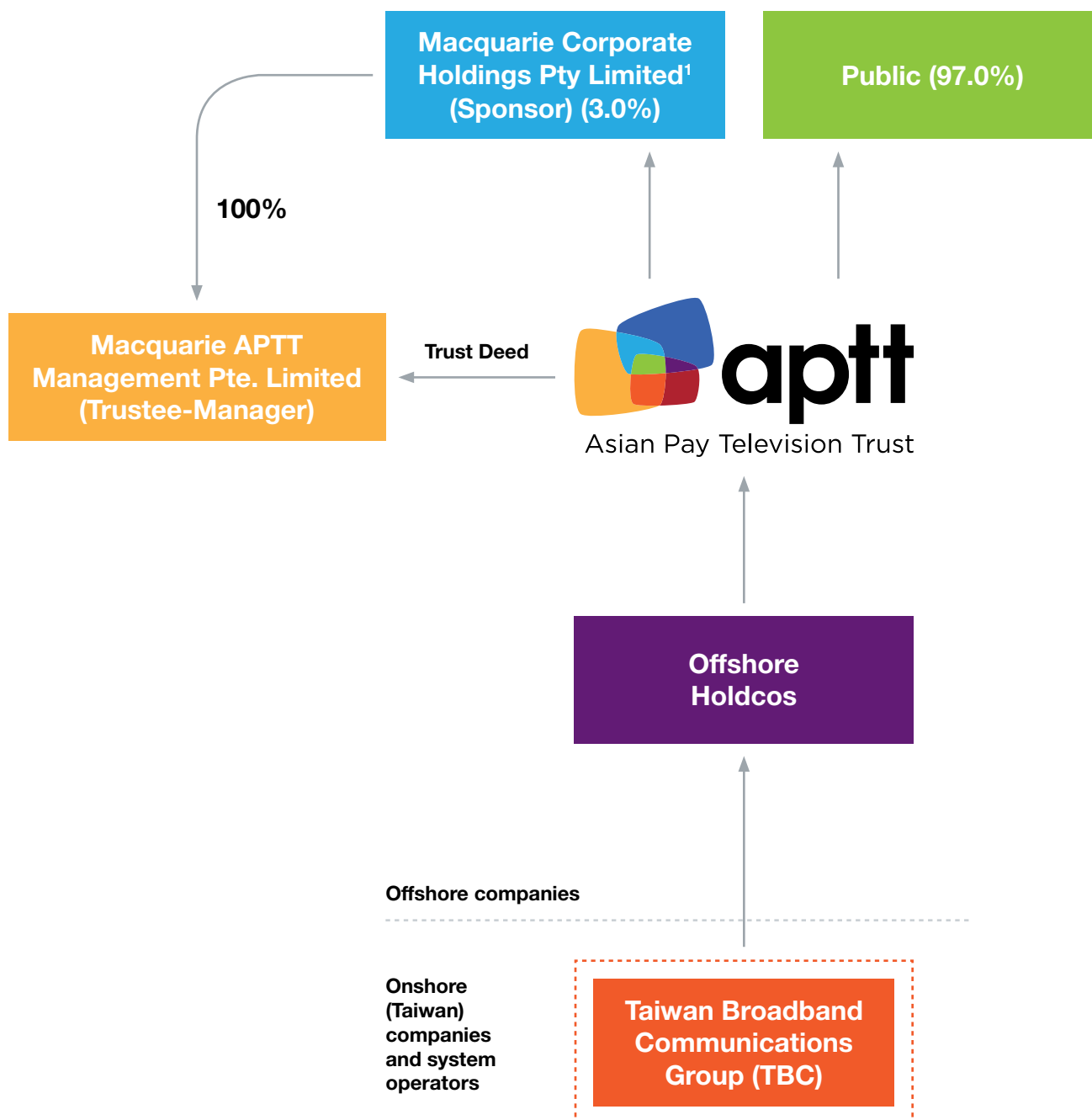
Asian Pay Television Trust (APTT or the Trust) is the first listed business trust in Asia focused on pay-TV businesses. APTT intends to distribute 100% of its distributable free cash flows, and has an investment mandate to acquire controlling interests and to own, operate and maintain mature, cash generative pay-TV and broadband businesses in Taiwan, Hong Kong, Japan and Singapore.

APTT's seed asset, Taiwan Broadband Communications Group (TBC), is Taiwan's third-largest cable TV operator and has been owned and managed by Macquarie Group entities since 2006.

APTT is managed by Macquarie APTT Management Pte. Limited (the Trustee-Manager) which operates within Macquarie Infrastructure and Real Assets (MIRA), a division of Macquarie Group and a global alternative asset manager with approximately A\$148 billion¹ in assets under management through specialised funds focused on real estate, infrastructure and related sectors. The Trustee-Manager is led by an executive management team that has extensive experience in the pay-TV and broadband industries and complementary skill sets in acquisition, asset and capital management.

¹ Based on proportionate enterprise value, calculated as proportionate net debt and equity value at 30 June 2015 for the majority of assets.

CORPORATE STRUCTURE



¹ Formerly known as Macquarie Capital Group Limited.

FINANCIAL HIGHLIGHTS

Total Revenue (S\$)

332.2 million

Net Profit (S\$)

45.5 million

EBITDA Margin (%)

60.5

Distributions per Unit (Singapore Cents)

8.25

Total Assets (S\$)

2,607.8 million



CHAIR'S STATEMENT



APTT delivered another year of stable performance in 2015 against a backdrop of challenging economic conditions in Taiwan.

Dear unitholders,

I am pleased to present the Asian Pay Television Trust (APTT or the Trust) annual report for the year ended 31 December 2015.

It was another year of stable performance for APTT in 2015. Highlights included the declaration of 8.25 Singapore cents per unit of distributions, which was consistent with the guidance provided to unitholders in our last annual report. Taiwan Broadband Communications Group (TBC), APTT's sole investment, achieved both higher year on year revenue and EBITDA. Total revenue¹ and EBITDA¹ increased by 4.2% and 3.4% respectively over 2014. These were achieved against a backdrop of challenging economic conditions in Taiwan, which in turn underscores the resilient and stable nature of TBC's business.

TBC is a leading provider of pay-TV and broadband services in Taiwan. It owns the cable network that passes over 1.1 million homes in five franchise areas across Taiwan. Through this network TBC delivers Basic cable TV, Premium digital cable TV and high-speed Broadband services to these homes.

OPERATIONAL PERFORMANCE

APTT reported total revenue and EBITDA on a consolidated basis of S\$332.2 million and S\$201.0 million for the year ended 31 December 2015.

Operational highlights of TBC include:

- There were more subscribers across TBC's three service offerings in 2015 than in the previous year. Basic cable TV, Premium digital cable TV and Broadband subscribers as at 31 December 2015 amounted to 758,000 (2014: 756,000), 145,000 (2014: 133,000) and 193,000 (2014: 183,000) respectively.
- The expansion into the greater Taichung region has progressed to cover the majority of the specified expansion region. This has enabled the requisite regulatory licences to operate in the new coverage areas to be secured. Consequently, TBC started marketing broadband services in the new expansion area since the fourth quarter of 2014. Full commercial operations in the greater Taichung region are anticipated in 2016 with the completion of the network expansion during the year.
- TBC remains at the forefront of digitisation in Taiwan and is well positioned to provide subscribers with the opportunity to watch the latest TV offerings in high definition digital format.

¹ Total revenue in 2015 was S\$332.2 million and in 2014 was S\$318.7 million. EBITDA in 2015 was S\$201.0 million and in 2014 was S\$194.4 million.

CHAIR'S STATEMENT



DISTRIBUTIONS

APTT declared and paid total distributions of 8.25 Singapore cents per unit for 2015. The distributions were underpinned by the cash flows from APTT's investment in TBC and it is expected that these will continue to form the basis of APTT's future distributions to unitholders. The Trust intends to continue to distribute 100% of its distributable free cash flow on a quarterly basis.

Distributions for 2016 are anticipated to be between 6.5 and 7.0 Singapore cents per unit to be paid in instalments of 1.625 Singapore cents per unit for the first, second and third quarters of 2016 and at least 1.625 Singapore cents per unit for the fourth and final quarter ending 31 December 2016. The 2016 distribution guidance is subject to no material changes in planning assumptions including for asset performance and refinancing.

KEY DEVELOPMENTS

The following are recent developments that have an impact on TBC's business:

- On 18 December 2015, the Taiwanese Legislative Yuan approved a package of Cable Law amendments which became effective on 8 January 2016. The key amendment that impacts TBC is the requirement to switch-off analogue broadcasting and the associated requirement to deploy digital set-top boxes to all of TBC's franchise areas as a condition for the renewal of its operating licences. The review of TBC's operating licences is scheduled for 2017-18.

TBC is required to submit its analogue switch-off/digitisation plan to its regulator, the National Communications Commission (NCC), within three months from the effective date of the amended Cable Law. In line with this regulatory change, TBC's capital expenditure plan has been revised to reflect a significantly higher concentration of capital expenditure in 2016 and 2017. However, once completed, the analogue switch-off/digitisation process is anticipated to be favourable for TBC over the longer term. Compliance with this process will aid in protecting TBC's Basic cable TV rates, enable gains in revenue arising from the conversion of pirate Basic cable TV subscribers and facilitate more effective bundling of Premium digital cable TV products.

- On 25 January 2016, Macquarie APTT Management Pte. Limited, as trustee manager of APTT (the Trustee-Manager), announced that it had been informed by its sole shareholder, Macquarie Group Holdings (Singapore) Pte. Limited (Macquarie Singapore) that it has entered into a sale and purchase agreement with Dynami Vision Pte. Ltd (the Purchaser) whereby Macquarie Singapore will divest its entire interest in the Trustee-Manager to the Purchaser (the Proposed Transaction). The completion of the Proposed Transaction is subject to approvals from relevant Taiwanese regulatory bodies and lenders to APTT's sole investment, TBC. More details are available at APTT's website or the SGX website.
- The Trustee-Manager will continue to make further announcements via SGXNet as and when it is made aware of further material developments.

CHAIR'S STATEMENT



OUTLOOK

The focus in 2016 remains on driving growth in future cash flows through up-selling and cross-selling of services across TBC's subscriber base as well as completing the network and operational expansion in the greater Taichung region.

While growth in subscriber numbers is anticipated across TBC's service offerings, total revenue for 2016 is expected to be influenced by a number of factors. These include the continued weakness in Taiwan's economy, marginally lower Basic cable TV rates in three of TBC's five franchise areas and the non-recurrence one-off revenue generated in 2015 as a result of one-off items. In addition, operating expenses are expected to be higher due to additional staff and programming costs as more basic channel providers complete the upgrade of their content to high definition format. Consequently, TBC's overall EBITDA is expected to be marginally lower in 2016 compared to 2015.

ACKNOWLEDGEMENTS

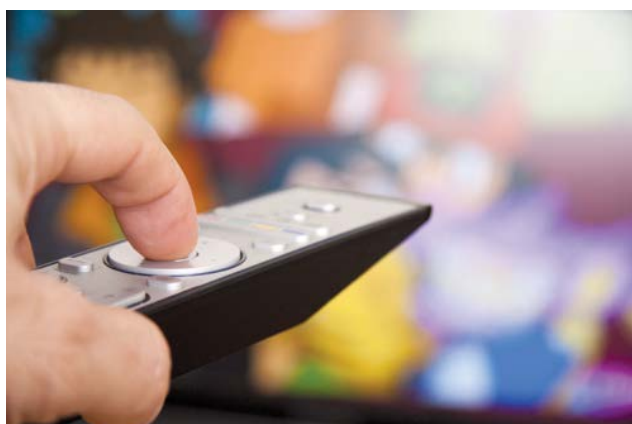
It has been a pleasure for me to work with my fellow directors on the Board of the Trustee-Manager in the past year. I would like to acknowledge their dedicated service and support, and also the management team for their hard work throughout the year.

Finally, on behalf of the Trustee-Manager Board, I would like to thank you, our unitholders and our other stakeholders, for your continued support of APTT.

A handwritten signature in black ink, appearing to read 'Yong Lum Sung'.

Yong Lum Sung
Chair

ASSET PORTFOLIO



TAIWAN BROADBAND COMMUNICATIONS GROUP (TBC)

Asset description

TBC is a leading, integrated cable operator in Taiwan that generates stable cash flows and has an attractive growth profile. Established in 1999, TBC is a provider of cable TV and broadband services in closely clustered franchise areas in northern and central Taiwan.

With network coverage of approximately 1.2 million homes, TBC offers Basic cable TV, Premium digital cable TV and Broadband services to households in these areas.



SUSTAINABILITY



Macquarie APTT Management Pte. Limited, the Trustee-Manager of APTT (Trustee-Manager), is a wholly owned subsidiary of Macquarie Corporate Holdings Pty Limited (formerly Macquarie Capital Group Limited) and operates in accordance with the policies and procedures of Macquarie Group Limited (Macquarie), which has made a public statement on corporate citizenship which is available on its website at www.macquarie.com.

The commitment is based on Macquarie taking a long-term view of its business activities and acknowledging the importance of good custodianship to the communities in which it operates. As set out on Macquarie's website, this commitment is underpinned by:

- A clear expectation of ethical behaviour from all Macquarie staff, which has been adopted by the Board of the Trustee-Manager (in its capacity as the Trustee-Manager of APTT) and which is set out in the Trustee-Manager's code of conduct (available on request); and
- A robust framework of policies including those relevant to environmental, social and governance responsibilities.

All Macquarie staff, including those working on behalf of APTT, have a collective responsibility to ensure that Macquarie continues to be a good corporate citizen. The Trustee-Manager is supported by Macquarie's integrity officers and risk management group.

Macquarie staff may also contribute their time, expertise and/or finances to community organisations through the Macquarie Group Foundation. Macquarie is committed to supporting the charitable, sponsorship and volunteer work of the Macquarie Group Foundation and Macquarie staff in the communities in which Macquarie operates.

POLICIES ADOPTED BY APTT

APTT is committed to operating within the laws of any jurisdiction in which it does business and rejects absolutely the use of any form of bribery or corruption either directly or indirectly on its behalf to advance its business interests or those of its associates. The Trustee-Manager has adopted a code of conduct, which includes anti-bribery, anti-corruption and anti-money laundering policies, intended to help directors and staff to understand their responsibilities, to uphold the goals and values to which Macquarie aspires and to conduct business in accordance with applicable laws and regulations.

In addition, APTT recognises that its investment in and development and management of operating businesses may have environmental and social impacts. APTT acknowledges that many people are impacted by the activities of its businesses' operations and will work to ensure its operations are conducted in an environmentally and socially responsible manner.

APTT has adopted policies and procedures to manage these risks, which are consistent with Macquarie's policies and reflect the risk specifically associated with APTT's portfolio and the management thereof.

The framework is applied throughout APTT's investment and portfolio management process as follows:

- Asset selection – environmental and social issues are reviewed as part of the acquisition due diligence process;
- Ongoing portfolio management – the environmental and social risk management framework of assets and businesses in APTT's portfolio is assessed to ensure it is appropriate to the level of environmental and social risks. APTT's ability to control or influence such a framework will be determined through its level of ownership/control. Regular reporting to the Board enables compliance with environmental requirements to be monitored and environmental and social responsibility issues to be identified; and
- Stakeholder reporting – policies, social and environmental initiatives, and compliance performance are reported internally and, where appropriate, externally.

SUSTAINABILITY

ENVIRONMENTAL AND SOCIAL RESPONSIBILITY-RELATED INITIATIVES AT APTT BUSINESSES IN FY2015

APTT understands the importance of sustainable business growth, and APTT and its businesses adopt practices and cooperative measures that ensure sustainability.

Taiwan Broadband Communications (TBC), the sole asset of APTT, is an active member of its community and plays an integral role in the wide range of social, cultural and environmental activities in its operating areas. Examples of notable environmental and social responsibility-related initiatives undertaken during the past financial year include the following initiatives by the TBC system operators:

- In 2015, Nan Tao Yuan Cable Television Co., Ltd (Nan Tao Yuan) supported a wide range of community activities including the annual Taoyuan City New Year's Eve Grand Party Celebrations, the Charity Performance of the Chio-Tian Folk Drums and Arts Troupe, Elder Mental Retardation Film Festival, as well as the tree planting activities on Arbor Day and the Taoyuan City Dragon Boat Competition among others.
- Best Cable Television Co., Ltd's (Best) community initiatives in 2015 included sponsorship of the 2015 Taiwan International Festival of Hakka Culture, the Hsinchu City New Year's Eve Grand Party Celebrations, the Annual Lantern Festival, and the Sister Cities renewal with Ipswich City, Queensland, Australia.

- Shin Ho Cable Television Co., Ltd's (Shin Ho) in 2015, supported a wide range of community activities in Miaoli including providing internship opportunities to universities, sponsorship of the Vegetative nursing home, as well as providing scholarship to high school students.
- Chi Yuan Cable Television Co., Ltd's (Chi Yuan) involvement in the Miaoli community is seen in its active participation in local activities. In 2015, these included fundraising events for disabled students. Other local community activities Chi Yuan participated in included sponsoring maintenance of local streets and historical sites.
- Chun Chien Cable TV Co., Ltd's (Chun Chien) community contributions in 2015 include sponsorship of the 2015 Taiwan Lantern Festival in Taichung, and the 2015 Taichung New Year's Eve Celebrations. It also continued to provide live telecasts of key Taichung City Hall meetings.
- As before, TBC maintained its support for local events including cancer research and campaigns against violence at home, and for Down syndrome children. TBC continued to provide free airtime and financial support for community announcements, as well as subscription subsidies for low-income homes. Most recently, in February 2016, TBC donated NT\$2 million to Tainan City Government for earthquake victims.





OPERATIONAL AND FINANCIAL REVIEW

SELECTED FINANCIAL INFORMATION AND OPERATING DATA

The selected financial information and operating data presented on pages 11 and 12 supports 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 Trust'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 Trust. In particular, EBITDA and EBITDA margin do not reflect the Trust'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 Trust 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 Trust'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.

OPERATIONAL AND FINANCIAL REVIEW

SELECTED FINANCIAL INFORMATION

	Group ¹ Year ended 31 December 2015 \$'000	Group Year ended 31 December 2014 \$'000
Revenue		
Basic cable TV	264,962	255,774
Premium digital cable TV	15,366	13,792
Broadband	51,824	49,163
Total revenue	332,152	318,729
Operating expenses²		
Broadcast and production costs	(62,486)	(60,088)
Staff costs	(29,663)	(26,988)
Trustee-Manager fees	(7,241)	(7,167)
Other operating expenses	(31,717)	(30,041)
Total operating expenses	(131,107)	(124,284)
EBITDA	201,045	194,445
EBITDA margin	60.5%	61.0%
Capital expenditure		
Maintenance	(26,652)	(20,862)
Network expansion growth	(10,248)	(33,300)
Premium digital cable TV growth	(52,626)	(18,718)
Other capital expenditure	(11,833)	(13,643)
Total capital expenditure	(101,359)	(86,523)
Total maintenance capital expenditure as a % of revenue	8.0	6.5
Total capital expenditure as a % of revenue	30.5	27.1
Income taxes paid, net of refunds ³	(25,906)	(15,364)
Interest and other finance costs paid	(49,695)	(40,146)

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

² Operating expenses presented here exclude depreciation and amortisation expenses, net foreign exchange loss, mark to market movements on foreign exchange swaps at Trust level, one-time debt advisory fee paid to Macquarie Capital (Hong Kong) Limited for services provided in relation to refinancing the borrowing facilities and a one-time tax advisory fee paid to Deloitte (Taiwan) for services performed in relation to the settlement of the tax dispute appearing in the consolidated statements of profit or loss on page 41, in order to arrive at EBITDA and EBITDA margin.

³ Income taxes paid, net of refunds presented here exclude amounts paid in relation to settlement of outstanding tax disputes of \$1.2 million for the year ended 31 December 2015 (31 December 2014: \$39.9 million).

OPERATIONAL AND FINANCIAL REVIEW

SELECTED OPERATING DATA

	Group Year Ended 31 December 2015	Group Year Ended 31 December 2014
ARPU¹ (NT\$ per month)		
Basic cable TV	536	537
Premium digital cable TV	183	195
Broadband	515	525
AMCR² (%)		
Basic cable TV	(0.8)	(0.8)
Premium digital cable TV	(1.8)	(1.8)
Broadband	(1.5)	(1.5)
	Group as at 31 December 2015	Group as at 31 December 2014
Subscribers ('000)		
Basic cable TV	758	756
Premium digital cable TV	145	133
Broadband	193	183

The table below sets out TBC's monthly Basic cable TV rates for its franchise areas from 2011 to 2016:

Franchise area	2011 (NT\$)	2012 (NT\$)	2013 (NT\$)	2014 (NT\$)	2015 (NT\$)	2016 (NT\$)
South Taoyuan	540	540	530	530	530	530
Hsinchu County	570	570	570	570	570	570
North Miaoli	580	580	570	570	570	560
South Miaoli	580	580	570	570	570	560
Taichung City	580	580	565	565	565	550

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

² Average Monthly Churn Rate (AMCR) is calculated by dividing the total number of churned subscribers for a particular service during a period by the number of subscribers for that service as at the beginning of that period and further dividing the result by the number of months in that period. The total number of churned subscribers 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.

OPERATIONAL AND FINANCIAL REVIEW

REVIEW OF SELECTED FINANCIAL INFORMATION AND OPERATING DATA

Total revenue for the year ended 31 December 2015 of \$332.2 million comprised: (i) Basic cable TV revenue of \$265.0 million, (ii) Premium digital cable TV revenue of \$15.4 million and (iii) Broadband revenue of \$51.8 million.

Total revenue of \$332.2 million for the year ended 31 December 2015 was higher due to higher revenue generated across each of TBC's service offerings with the main contribution from Basic cable TV revenue of \$265.0 million for the year ended 31 December 2015, which was 3.6% higher compared to 31 December 2014. The increase in Basic cable TV revenue was mainly due to foreign exchange.

Total operating expenses of \$131.1 million for the year ended 31 December 2015 comprised: (i) Broadcast and production costs of \$62.5 million, (ii) Staff costs of \$29.7 million, (iii) Trustee-Manager fees of \$7.2 million and (iv) Other operating expenses of \$31.7 million. The increase in operating expenses for the year ended 31 December 2015 was mainly due to foreign exchange and higher staff costs.

For the year ended 31 December 2015, EBITDA and EBITDA margin amounted to \$201.0 million and 60.5%. The full year EBITDA of \$201.0 million was higher than EBITDA of \$194.4 million for the full year ended 31 December 2014.

Basic cable TV subscribers of 758 thousand, Premium digital cable TV subscribers of 145 thousand and Broadband subscribers of 193 thousand as at 31 December 2015 were higher than the prior year. Despite the higher subscriber numbers, the ARPU performances for Basic cable TV, Premium digital cable TV and Broadband were varied compared to the prior year. Basic cable TV ARPU of Taiwan dollars (NT\$)536 per month as at 31 December 2015 was marginally lower as compared to prior year. Premium digital cable TV ARPU of NT\$183 per month and Broadband ARPU of NT\$515 per month as at 31 December 2015 were lower than the prior year.

Total capital expenditure of \$101.4 million as a percentage of revenue for the year ended 31 December 2015 was 30.5%. The higher total capital expenditure was primarily due to expenditure to acquire and install digital set-top boxes to support TBC's digitisation program and higher maintenance expenditure due to network replacement requirements as a result of an unusually active typhoon season in 2015.

Total capital expenditure comprised the following:

- Maintenance capital expenditure which was utilised to support TBC's existing infrastructure and business was funded from the operating cash flows of TBC. Such capital expenditure included, inter alia, items such as network maintenance, network reliability improvements and investments in shared-pipe deployment.
- Network expansion growth was expenditure to expand TBC's network into the greater Taichung region. Such capital expenditure was funded from TBC's borrowing facilities.
- Premium digital cable TV growth was expenditure to acquire digital set-top boxes to support TBC's digitalisation program, installation related expenditure and digital head-end upgrades. Such capital expenditure was funded from TBC's borrowing facilities.
- Other capital expenditure included, inter alia, items such as high-speed broadband modems and cable line extensions for new buildings. Such capital expenditure was funded from TBC's borrowing facilities.

Capital expenditure relating to the network expansion and Premium digital cable TV is set out below:

	2013 Actual	2014 Actual	2015 Actual	2016 Forecast	2017 Forecast
Network expansion	<\$10m	\$33m	\$10m	\$20 - \$25m	-
Home connections (success based capital expenditure)	Not applicable	← \$200 - \$250 per home →			
Premium digital cable TV	<\$15m ¹	\$19m	\$53m	\$50 - \$55m	\$50 - \$55m

¹ Actual full year 2013 reflected to facilitate a like-for-like comparison. APTT's ownership of TBC commenced from 29 May 2013.

OPERATIONAL AND FINANCIAL REVIEW

RECONCILIATION OF NET PROFIT TO EBITDA

	Group Year ended 31 December 2015 \$'000	Group Year ended 31 December 2014 \$'000
Net profit for the year	45,450	114,660
Add: Depreciation and amortisation expenses	44,609	48,737
Add: Net foreign exchange loss	2,459	3,357
Add: Mark to market loss/(gain) on derivative financial instruments	1,475	(787)
Add: Debt advisory fee	5,521	-
Add: Tax advisory fee	-	1,248
Add: Amortisation of deferred arrangement fees	26,033	4,030
Add: Interest and other finance costs	49,711	40,060
Add: Income tax expense/(benefit)	25,787	(16,860)
EBITDA	201,045	194,445
EBITDA margin¹	60.5%	61.0%

¹ EBITDA margin is a non-IFRS financial measure and is calculated by dividing EBITDA by total revenue.

A) REVIEW OF REVENUE

For the financial year ended 31 December 2015, APTT reported total revenue of \$332.2 million (for the year ended 31 December 2014: \$318.7 million). Total revenue comprised: (i) Basic cable TV revenue of \$265.0 million (for the year ended 31 December 2014: \$255.8 million), (ii) Premium digital cable TV revenue of \$15.4 million (for the year ended 31 December 2014: \$13.8 million) and (iii) Broadband revenue of \$51.8 million (for the year ended 31 December 2014: \$49.2 million).

(i) Basic cable TV

Basic cable TV revenue of \$265.0 million for the year ended 31 December 2015 (31 December 2014: \$255.8 million) comprised subscription revenue of \$210.8 million (31 December 2014: \$203.4 million) and non-subscription revenue of \$54.2 million (31 December 2014: \$52.4 million).

Subscription revenue was generated from TBC's c.758,000 Basic cable TV subscribers paying an ARPU of NT\$536 per month for the year to access over 100 cable TV channels. Basic cable TV subscribers increased by c.2,000 and ARPU was marginally lower at NT\$536 per month for the year compared to the previous year ended 31 December 2014 (subscribers: c.756,000; ARPU: NT\$537 per month).

Non-subscription revenue was approximately 20.5% of Basic cable TV revenue for the year ended 31 December 2015. This was generated from the leasing of television channels to third parties, sale of advertising airtime and fees for the installation of set-top boxes. It is noted that TBC benefited from non-recurring revenue in 2015 such as higher advertising airtime sales generated in the lead-up to the Taiwanese Presidential and Legislative Yuan election in January 2016.

OPERATIONAL AND FINANCIAL REVIEW

(ii) Premium digital cable TV

Premium digital cable TV revenue of \$15.4 million for the year ended 31 December 2015 (31 December 2014: \$13.8 million) comprised subscription revenue of \$14.3 million (31 December 2014: \$13.3 million) and non-subscription revenue of \$1.0 million (31 December 2014: \$0.4 million).

Subscription revenue was generated from TBC's c.145,000 Premium digital cable TV subscribers paying an ARPU of NT\$183 per month for the year for Premium digital cable TV packages and bundled DVR services. Premium digital cable TV subscribers increased by c.12,000 and ARPU was lower at NT\$183 per month for the year compared to the previous year ended 31 December 2014 (subscribers: c.133,000; ARPU: NT\$195 per month). The lower ARPU was due to promotions and discounted bundled packages that were offered to generate new subscriptions and to retain existing subscribers.

Non-subscription revenue was generated from DVR-only services, fees for the installation of digital set-top boxes and sale of electronic programme guide data to other system operators.

(iii) Broadband

Broadband revenue of \$51.8 million for the year ended 31 December 2015 (31 December 2014: \$49.2 million) comprised subscription revenue of \$49.5 million (31 December 2014: \$47.8 million) and non-subscription revenue of \$2.4 million (31 December 2014: \$1.3 million).

Subscription revenue was generated from TBC's c.193,000 Broadband subscribers paying an ARPU of NT\$515 per month for the year for broadband services. Broadband subscribers increased by c.10,000 and ARPU was lower at NT\$515 per month for the year compared to the previous year ended 31 December 2014 (subscribers: c.183,000; ARPU: NT\$525 per month). The lower ARPU was due to promotions and discounted bundled packages that were offered to generate new subscriptions and to retain existing subscribers.

Non-subscription revenue was generated from the provision of installation services.

OPERATIONAL AND FINANCIAL REVIEW

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 \$62.5 million for the year ended 31 December 2015 (31 December 2014: \$60.1 million). 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 \$29.7 million for the year ended 31 December 2015 (31 December 2014: \$27.0 million). The higher staff costs were due to salary adjustments, overtime pay and new staff hires to support the delivery of TBC's services. Staff costs comprised direct employee costs and general and administrative employee costs including salaries, bonuses, long-term incentives and benefits.

The Group adopted a long-term incentive plan (the LTIP) in 2013 for its senior management at TBC, under which TBC senior management are granted notional units of the Trust upon achieving prescribed performance targets. These notional units vest in tranches over a prescribed period of time, initially commencing two years after the grant of the notional units. Upon vesting of such notional units under the LTIP, TBC's senior management will receive a cash payment equal to the number of vested notional units multiplied by the market price of the units as determined in accordance with the LTIP. Performance targets for years 2013, 2014 and 2015 were met and as a result 7.5 million notional units were granted and are outstanding under the LTIP. LTIP expense attributable to the year ended 31 December 2015 has been recognised in the financial statements to reflect the estimate of the future obligations under the LTIP. As the financial effect of LTIP expense is not significant for the year ended 31 December 2015, the Trustee-Manager is of the view that no further disclosure is required.

(iii) Depreciation and amortisation expenses

Depreciation and amortisation expenses were \$44.6 million for the year ended 31 December 2015 (31 December 2014: \$48.7 million). Depreciation and amortisation expenses comprised depreciation and amortisation of the Group's capital expenditures in relation to network equipment, set-top boxes, other plant and equipment, programming rights and software.

(iv) Trustee-Manager fees

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

The Trustee-Manager base fee was \$7.2 million for the year ended 31 December 2015 (31 December 2014: \$7.2 million). There was no performance fee payable to the Trustee-Manager for the year ended 31 December 2015 (31 December 2014: nil).

The base fee is payable semi-annually in arrears for every six months ending 30 June and 31 December of each year. Payment of the base fee, 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 loss

Net foreign exchange loss was \$2.5 million for the year ended 31 December 2015 (31 December 2014: \$3.4 million).

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

The Trust uses foreign exchange swaps to manage its exposure to foreign exchange movements. For the year ended 31 December 2015, the period end mark to market loss on the Trust's foreign currency swaps was \$1.5 million (31 December 2014: gain of \$0.8 million) both at the Group and Trust level.

OPERATIONAL AND FINANCIAL REVIEW

(vii) Debt advisory fee

Debt advisory fee for the year ended 31 December 2015 represents a one-time advisory fee of \$5.5 million paid to Macquarie Capital (Hong Kong) Limited for services provided in relation to the refinancing of TBC's borrowing facilities.

(viii) Tax advisory fee

Tax advisory fee for the year ended 31 December 2014 represented a one-time advisory fee of \$1.2 million paid to Deloitte (Taiwan) for services performed in relation to the settlement of the tax dispute.

(ix) Other operating expenses

Other operating expenses were \$31.7 million for the year ended 31 December 2015 (31 December 2014: \$30.0 million).

Other operating expenses include Trust expenses, comprising administrative expenses, corporate services fees, audit fees, annual filing fees, occupancy fees, legal costs, other professional fees, insurance and other miscellaneous expenses and other Group expenses, comprising rent for office buildings, fibre and utility poles, installation costs, local and National Communications Commission of Taiwan (NCC) taxes, billing expenses, utility expenses, marketing expenses as well as offshore administrative expenses.

(x) Amortisation of deferred arrangement fees

The Group pays financing fees to the lenders when entering into new borrowing facilities. At inception, the financing fees are recorded as unamortised arrangement fees. The fees are amortised over the period of the borrowing facilities as an expense to the statement of profit or loss. Amortisation of deferred arrangement fees was \$26.0 million for the year ended 31 December 2015 (31 December 2014: \$4.0 million). Amortisation of deferred arrangement fees for the year ended 31 December 2015 was higher due to the write-off of unamortised arrangement fees on the previous borrowing facilities.

(xi) Interest and other finance costs

Interest and other finance costs were \$49.7 million for the year ended 31 December 2015 (31 December 2014: \$40.1 million). These comprised interest expense and commitment fees on the Group's borrowing facilities.

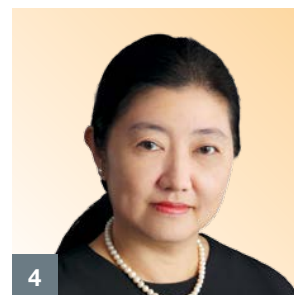
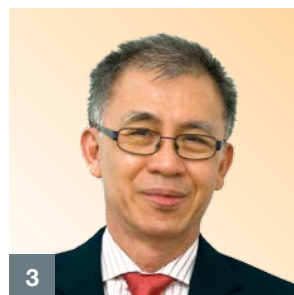
(xii) Income tax (expense)/benefit

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 their judgment regarding the adequacy of existing income tax liabilities, these changes to income tax liabilities are duly recognised in income tax expense in the year in which the determination is made.

In the year 2014, the Group reached agreements with the various tax authorities in Taiwan to settle outstanding tax disputes for the years from 2006 to 2012. As a result, excess tax provisions related to these years of \$88.0 million (NT\$2.1 billion) were reversed and deferred tax liabilities of \$43.9 million (NT\$1,050.0 million) were recorded in respect of the accumulated amortisation of intangible assets claimed by the Group as at 31 December 2014.

BOARD OF DIRECTORS AND EXECUTIVE OFFICERS OF THE TRUSTEE-MANAGER



YONG LUM SUNG

1

Chair and Independent Director

Yong Lum Sung is an independent director and chair of the Board of the Trustee-Manager. He was appointed on 29 April 2013. Mr Yong was formerly the chief operating officer of StarHub Ltd from 2002 to 2006, and President of Singapore Cable Vision Ltd from 1998 to 2002. Since 2007, he has served as a Board member of several companies. Mr Yong holds a Master of Engineering degree from the University of Singapore and a Certified Diploma in Accounting and Finance from the Chartered Association of Certified Accountants, United Kingdom. He has also attended the Advanced Management Program at Harvard Business School.

TAN CHUNG YAW, RICHARD

2

Independent Director

Tan Chung Yaw, Richard is an independent director of the Trustee-Manager. He was appointed on 29 April 2013. He has since 2011 been the chair and an independent director of Polaris Ltd., and is also the chair of the Audit Committee and Remuneration Committee and a member of the Nominating Committee of Polaris Ltd. Mr Tan has also since 2008 held various senior leadership positions in PT Smartfren Telekom Tbk, and is currently responsible for corporate strategy. In 2008, Mr Tan held the post of director of Commerce at PT Telekomunikasi, Indonesia (Telkomsel) where he was responsible for sales and marketing. From 2001 to 2007, Mr Tan was Vice President (Wholesale) at SingTel Ltd., where he was responsible for the wholesale of voice and data products. Mr Tan holds a Bachelor of Engineering in Electrical Engineering (Honours) and Master of Science in Electrical Engineering from the National University of Singapore.

LEONG SHIN LOONG

3

Independent Director

Leong Shin Loong is an independent director of the Trustee-Manager. He was appointed on 29 April 2013. He is currently executive officer of New Asurion Singapore Pte. Ltd. From 2011 to 2013, he was chief executive officer of PT Berca Global Access. From 1997 to 2011, Mr Leong was a Vice President at Singapore Telecommunications. From 2002 to 2004 and 2008 to 2011, he was seconded to PT Telkomsel, Indonesia, where he was director of Commerce responsible for sales and marketing. From 2005 to 2006, he was seconded to AIS, Thailand where he was executive vice-chair responsible for investment monitoring. Mr Leong is also a member of the Singapore Institute of Directors. Mr Leong holds a Bachelor of Science in Electrical and Electronic Engineering from Northwestern University and a Master of Engineering (Computer and Systems Engineering) from Rensselaer Polytechnic Institute. He has also attended the Advanced Management Program at Harvard Business School.

ONG JOO MIEN, JOANNA

4

Independent Director

Ong Joo Mien, Joanna is an independent director of the Trustee-Manager. She was appointed on 1 July 2015. From 2010, she started her corporate services business which provides a wide range of finance and management consultancy business to SMEs. From 2002 to 2006, she was the Vice President Finance of StarHub Limited and responsible for all finance matters under a division that managed top major product groups and services including pay-TV, Broadband internet, the consumer marketing department and all sales streams within the consumer market. Ms Ong holds a Bachelor of Accountancy from National University of Singapore and is a Chartered Accountant of the Institute of Singapore Chartered Accountants.

BOARD OF DIRECTORS AND EXECUTIVE OFFICERS OF THE TRUSTEE-MANAGER



BENJAMIN IAN WAY

Vice-Chair and Non-Executive Director

Benjamin Ian Way is a non-executive director and vice-chair of the Trustee-Manager. He was appointed on 17 April 2013.

Mr Way is the Chief Executive Officer of Macquarie Group Asia. In this role, Mr Way leads a team of more than 3,500 people across 14 offices in 11 markets. Since joining Macquarie in 2006, Mr Way, who also co-heads Macquarie Infrastructure and Real Assets (MIRA) in Asia, has led the establishment of infrastructure and private equity funds across the region. In the last five years these funds have made investments in diverse sectors including water, renewables, utilities, transport and communications.

A director of several non-profit and professional organisations, Mr Way is Vice-Chair of the Hong Kong-ASEAN Economic Cooperation Foundation, a member of the Australia-Guangdong Business Council, the Chairman's Council of the Australia-China Relations Institute and the Hong Kong Trade and Development Council. He is a Board member of HAGAR International and the Macquarie Group Foundation, a signatory to the 30% Club and also #HeForShe.

Mr Way has been based in Asia for 15 years. He was previously the Chief Executive Officer of Taiwan Broadband Communications, where he continues to serve as chairman.



CHEONG WEI YUE

Chief Executive Officer and Executive Director

Cheong Wei Yue is an executive director and the Chief Executive Officer of the Trustee-Manager. He joined Macquarie Group Limited in 2006 and had responsibilities within the SGX-listed Macquarie International Infrastructure Fund Limited (MIIF), which included fund and asset management. Mr Cheong also served on the Board of a number of investee companies in transportation, renewable energy and storage infrastructure. In addition, Mr Cheong served concurrently as Head of Investor Solutions Group in South East Asia and Taiwan for Macquarie Infrastructure and Real Assets. Prior to joining Macquarie, Mr Cheong worked in venture capital, corporate banking and debt advisory. Mr Cheong holds a Bachelor of Commerce from Curtin University and a Master of Business Administration from the University of Western Australia.

BRIAN MCKINLEY

Chief Financial Officer

Brian McKinley is the Chief Financial Officer (CFO) of the Trustee-Manager. Mr McKinley rejoined Macquarie in 2012 and has been the CFO of the Trustee-Manager since the listing of Asian Pay Television Trust in May 2013. From 2011 to 2012, Mr McKinley was CFO of Chandler Corporation, where he provided overall financial leadership to the company. From 2009 to 2011, he was CFO of the Banking and Financial Services Group, North America, of Macquarie Group Limited and from 2006 to 2009, he was Head of Finance of Macquarie Group Limited's MIRA division in Canada. In both roles he provided overall financial leadership to the respective divisions. Mr McKinley began his professional career in 1995 with PricewaterhouseCoopers where he worked for three years prior to moving to the telecommunications industry and into financial services. Mr McKinley holds a Bachelor of Commerce (High Honours) from Carleton University, Canada and is a Chartered Accountant of the Institute of Chartered Accountants of Ontario, Canada.



CORPORATE INFORMATION

BOARD OF DIRECTORS

Yong Lum Sung
Chair and Independent Director

Tan Chung Yaw, Richard
Independent Director

Leong Shin Loong
Independent Director

Ong Joo Mien, Joanna
Independent Director

Benjamin Ian Way
Vice-Chair and Non-Executive Director

Cheong Wei Yue
Chief Executive Officer and Executive Director

AUDIT COMMITTEE

Ong Joo Mien, Joanna
Chair and Independent Director

Yong Lum Sung
Independent Director

Tan Chung Yaw, Richard
Independent Director

COMPANY SECRETARY

Lee Wai Sum

REGISTERED OFFICE

Macquarie APTT Management Pte. Limited
10 Marina Boulevard
#17-01, Marina Bay Financial Centre Tower 2
Singapore 018983
Telephone: +65 6601 0888
Facsimile: +65 6601 0653
Email: contact@aptt.com.sg
Web: www.aptt.com.sg

TRUSTEE-MANAGER

Macquarie APTT Management Pte. Limited
10 Marina Boulevard
#17-01, Marina Bay Financial Centre Tower 2
Singapore 018983
Company Registration Number: 201310241D

UNIT REGISTRAR AND UNIT TRANSFER OFFICE

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623
Telephone: +65 6536 5355
Facsimile: +65 6536 1360

AUDITORS

Deloitte & Touche LLP
6 Shenton Way, OUE Downtown 2
#33-00
Singapore 068809
Partner in charge: Loi Chee Keong
(Appointment with effect from financial year 2014)
Telephone: +65 6224 8288
Facsimile: +65 6538 6166

STOCK INFORMATION

SGX ID: S7OU
Bloomberg: APTT SP
Reuters: ASIA SI
WPK Number: A1WZBD
SEDOL1: B6VG8G0 SG
ISIN: SG2F77993036

MEDIA AND INVESTOR RELATIONS

Fiona McDonald
Corporate Communications, Asia
Telephone: +852 3922 3591
Email: fiona.mcdonald@macquarie.com



CORPORATE GOVERNANCE STATEMENT

LEGAL STATEMENT

APTT is a business trust constituted on 30 April 2013 under the laws of the Republic of Singapore by a declaration of trust by Macquarie APTT Management Pte. Limited, as Trustee-Manager of APTT (Trustee-Manager), under the trust deed dated 30 April 2013 (Trust Deed). APTT is registered under the Business Trusts Act, Chapter 31A of Singapore (BTA) and was listed on the Singapore Exchange Securities Trading Limited (SGX-ST) on 29 May 2013.

The Trustee-Manager is incorporated in Singapore and is a wholly owned subsidiary of Macquarie Corporate Holdings Pty Limited. The Trustee-Manager is responsible for managing the business conducted by APTT.

SINGAPORE CODE OF CORPORATE GOVERNANCE

In conjunction with the Singapore Code of Corporate Governance 2012 (the Code), the SGX-ST requires all listed issuers to describe their corporate governance practices with specific reference to the principles of the Code in their annual report, as part of their continuing obligations under the SGX-ST Listing Rules.

APTT's corporate governance practices conform largely to the principles and guidelines of the Code, as well as the BTA and the Business Trusts Regulations 2005. Deviations from the Code are noted and explained in the following statement, which outlines APTT's main corporate governance practices as at 31 December 2015.

The Trustee-Manager operates in accordance with the policies and procedures of Macquarie Group Limited.

APTT CORPORATE GOVERNANCE STATEMENT

Principle 1: The Board's conduct of affairs

Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with management to achieve this objective and management remains accountable to the Board.

Responsibility for corporate governance and oversight of the internal workings of APTT rests with the Board of Directors of the Trustee-Manager (Board or directors).

The Board is responsible for the overall corporate governance of the Trustee-Manager including establishing goals for management and monitoring the achievement of these goals. The Board is also responsible for the strategic business direction and risk management of APTT. All directors participate in matters relating to corporate governance, business operations and risks, financial performance and the nomination and review of directors.

Board meetings are held quarterly and more frequently as required. To facilitate the Board's decision-making processes, the Constitution of the Trustee-Manager provides for directors to participate in Board meetings by teleconference or videoconference, and for Board resolutions to be passed in writing including by electronic means.

The Board meets to review the key activities and business strategies of the Trustee-Manager, to deliberate on the strategic policies of APTT, approve the budgets and review the performance of APTT. The Board also reviews APTT's key financial risk areas. Having conducted a review of APTT's key financial risk areas, the Board has concluded that there are no findings that are relevant and material to APTT's operations.

The Board has established a separate Audit Committee, Nominating Committee and Remuneration Committee, each comprising independent directors only and subject to formalised terms of reference. Certain functions of the Board have been delegated to these Committees, including the following key terms of reference for the respective Committees:

CORPORATE GOVERNANCE STATEMENT

Audit Committee (AC)

- (i) to review with the auditor of the Trust:
 - the audit plan of the Trust;
 - the auditor's evaluation of the system of internal accounting controls of the Trustee-Manager;
 - the auditor's audit report for the Trust; and
 - the auditor's management letter and management's response;
- (ii) to review:
 - the assistance given by the officers of the Trustee-Manager to the auditor of the Trust;
 - the scope and results of the internal audit procedures of the Trustee-Manager;
 - the policies and practices put in place by the Trustee-Manager to ensure compliance with the BTA and the Trust Deed;
 - the procedures put in place by the Trustee-Manager for managing any conflict that may arise between the interests of the unitholders and the interests of the Trustee-Manager, including interested person transactions, the indemnification of expenses or liabilities incurred by the Trustee-Manager and the setting of fees or charges payable out of the Trust property;
 - interested person transactions for potential conflicts of interest;
 - risk management policies and guidelines and monitor compliance therewith; and
 - the statement of financial position and statement of profit or loss of the Trustee-Manager and statements of financial position, statements of profit or loss and statements of cash flows of the Trust submitted to it by the Trustee-Manager, and thereafter to submit them to the Board of Directors of the Trustee-Manager (the Board);
- (iii) to review significant reporting issues and judgments to ensure the integrity of the financial statements and any formal announcements relating to financial performance;
- (iv) to report to the Board:
 - any inadequacies, deficiencies or matters of concern of which the AC becomes aware or that it suspects arising from its review of the items referred to in sub-paragraphs (i), (ii) and (iii); and
 - any breach of the BTA or any breach of the provisions of the Trust Deed, of which the AC becomes aware or that it suspects;
- (v) to report to the Monetary Authority of Singapore (MAS) if the AC is of the view that the Board has not taken, or does not propose to take, appropriate action to deal with a matter reported under sub-paragraph (iv);
- (vi) to nominate a person or persons as auditor of the Trust, notwithstanding anything contained in the Trust Deed;
- (vii) to approve and review all hedging policies and instruments to be implemented by the Trust, if any;
- (viii) to monitor the implementation of outstanding internal control recommendations highlighted by the auditors in the course of their audit of the financial statements of the Trust, the Trustee-Manager and their subsidiaries taken as a whole; and
- (ix) to meet with external and internal auditors, without the presence of the chief executive officer and the chief financial officer, at least on an annual basis.

Nominating Committee (NC)

- (i) to review the composition of the Board annually to ensure an appropriate balance of expertise, skills, attributes and abilities among the directors;
- (ii) to establish procedures for and making recommendations to the Board on all Board nominations and renominations;
- (iii) to recommend to the Board on relevant matters relating to the review of Board succession plans for directors, the development of a process for evaluating the performance of the Board, its Board Committees and directors, the review of training and professional development programs for the Board, and the appointment and reappointment of directors;

CORPORATE GOVERNANCE STATEMENT

- (iv) to review and determine annually if a director is independent of management and business relationships with the Trustee-Manager and independent from every substantial shareholder of the Trustee-Manager; and
- (v) where a director has multiple Board representations, to decide whether the director is able to and has been adequately carrying out his duties as director, taking into consideration the director's number of listed company Board representations and other principal commitments.

Remuneration Committee (RC)

- (i) to review and recommend to the Board, in consultation with the Board chair, a comprehensive remuneration policy, and general framework and guidelines for remuneration of the directors;
- (ii) within the terms of the agreed policy, to recommend to the Board, the total individual remuneration packages for each of the directors;
- (iii) to review the Trustee-Manager's obligations arising in the event of termination of the directors' contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous, with a view to be fair and avoid rewarding poor performance and to recognise the duty to mitigate loss;
- (iv) to approve performance targets for assessing the performance of each of the directors and recommending such targets as well as employee-specific remuneration packages for each director for endorsement by the Board; and
- (v) to administer and review all unit incentive plans (if any), including those pertaining to directors (if any) in accordance with the rules of such unit.

The Board and management have also put in place formal delegations for, among other things, financial authorisation and approval limits for capital and operating expenditure, bank borrowings and cheque signatories. Transactions requiring Board approval include:

- Investment due diligence budgets above \$500,000;
- Appointment of financial advisers;
- Investment or divestment decisions (infrastructure assets);
- Related party transactions – controlled assets, significant stake in Macquarie-sponsored consortium bidding or negotiating for an asset;
- Additional equity raisings and underwriting;
- Adoption of Board and Committee charters and key policies, including significant changes to them; and
- APTT's quarterly and full year financial results for release to the SGX-ST.

Each director has received a formal letter of appointment that details the key terms of their appointment, including their duties and obligations. They are also given access to the Trustee-Manager's and APTT's constitutional documents, Board and Committee charters, minutes of Board and Committee meetings and other pertinent information for reference.

Incoming directors participate in a formal induction program, including presentations by members of management, to ensure that they are familiar with the Trustee-Manager's and APTT's business and governance practices, as well as directors' duties and the SGX-ST Listing Rules.

The directors are also provided with continuing education in areas such as directors' duties and responsibilities, corporate governance, changes in the Companies Act, Chapter 50 of Singapore, the BTA and the SGX-ST Listing Rules and changing commercial risks, so as to update and refresh them on matters that may affect and/or enhance their performance as directors.

The Board has adopted a code of conduct (including whistleblowing arrangements), which sets out principles and standards necessary to maintain confidence in the Trustee-Manager's integrity and the responsibility and accountability of individuals for reporting and investigating reports of unethical behaviour.

CORPORATE GOVERNANCE STATEMENT

Board and Committee meetings held in the year ended 31 December 2015

	Regular Board meetings ¹		Ad-hoc Board meetings		Audit Committee meetings (Chair: Tri Luu Pham ² Ong Joo Mien, Joanna ³)		Remuneration Committee meetings (Chair: Tan Chung Yaw, Richard)		Nominating Committee meetings (Chair: Leong Shin Loong)	
	Number of meetings		Number of meetings		Number of meetings		Number of meetings		Number of meetings	
	held	attended	held	attended	held	attended	held	attended	held	attended
Yong Lum Sung	4	4	1	1	4	4	1	1	N/A	N/A
– Chair and Independent Director										
Tan Chung Yaw, Richard	4	4	1	1	4	4	1	1	1	1
– Independent Director										
Leong Shin Loong	4	4	1	1	N/A	N/A	1	1	1	1
– Independent Director										
Tri Luu Pham ²	2	1	N/A	N/A	2	1	N/A	N/A	1	0
– Independent Director										
Ong Joo Mien, Joanna ³	2	2	1	1	2	2	N/A	N/A	N/A	N/A
– Independent Director										
Benjamin Ian Way	4	4	1	1	N/A	N/A	N/A	N/A	N/A	N/A
– Vice-Chair and Non-Executive Director										
Cheong Wei Yue	4	4	1	1	N/A	N/A	N/A	N/A	N/A	N/A
– Chief Executive Officer and Executive Director										

¹ Ad-hoc or independent directors only Board meetings.

² Resigned on 30 June 2015.

³ Appointed on 1 July 2015.

Principle 2: Board composition and guidance

There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The BTA, read with Regulation 12 of the Business Trusts Regulations 2005, provides that the Board of the trustee-manager of a registered business trust must consist of:

- at least a majority of directors who are independent from management and business relationships with the trustee-manager;
- at least one-third of directors who are independent from management and business relationships with the trustee-manager and from every substantial shareholder of the trustee-manager; and
- at least a majority of directors who are independent from any single substantial shareholder of the trustee-manager.

In addition to compliance with requirements under the BTA, the composition of the Board is determined using the following principles:

- the chair of the Board should be a non-executive director; and
- the Board should consist of directors with a broad range of commercial experience including expertise in the pay-TV and broadband industries.

The Board comprises six directors of whom four are independent. The Board has reviewed the independence of the independent directors and deemed them to be independent for the purposes of the Code, the BTA and Regulation 12 of the Business Trusts Regulations 2005. This enables management to benefit from the external, diverse and objective perspective of these independent directors, on issues that are brought before the Board.

CORPORATE GOVERNANCE STATEMENT

It also enables the Board to interact and work with management through a robust exchange of ideas and views to help shape the strategic process. This, together with a clear separation of the roles of the chair of the Board (Board chair) and the chief executive officer, provides a healthy professional relationship between the Board and management, with clarity of roles and robust oversight as they deliberate on the business activities of the Trustee-Manager.

In respect of matters in which Macquarie Corporate Holdings Pty Limited and/or its subsidiaries have an interest, direct or indirect, any nominees appointed by Macquarie Corporate Holdings Pty Limited and/or its subsidiaries to the Board to represent its/their interests will abstain from voting. In such matters, the quorum must comprise a majority of the independent directors and must exclude any nominee directors of Macquarie Corporate Holdings Pty Limited and/or its subsidiaries.

Information on the directors is provided in the Board of Directors and Executive Officers of the Trustee-Manager section on page 18 of this Annual Report. None of the directors has served beyond nine years from the date of their first appointment.

The current directors have the necessary core competencies set out in the Code and who, as a group, provide an appropriate balance and diversity of skills, experience and knowledge of APTT. Core competencies include accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge. The Board is of an appropriate size to facilitate effective decision making, taking into account the nature and scope of operations of APTT and the resources agreement dated 30 April 2013 (Resources Agreement) with Macquarie Infrastructure and Real Assets (Singapore) Pte. Limited pursuant to which Macquarie Infrastructure and Real Assets (Singapore) Pte. Limited provides the chief executive officer and chief financial officer and other staff and services to the Trustee-Manager to enable the Trustee-Manager to perform its duties as Trustee-Manager of APTT. Ong Joo Mien, Joanna was appointed to the Board during the financial year adding to the balance and gender diversity of the Board.

Principle 3: Chair and chief executive officer

There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

The positions of Board chair and chief executive officer are separately held by two persons in order to maintain effective checks and balances. The Board chair is Yong Lum Sung, an independent director. The chief executive officer is Cheong Wei Yue, who is an executive director. The Board chair and chief executive officer are not related to each other.

There is a clear separation of the roles and responsibilities between the Board chair and the chief executive officer. The Board chair is responsible for the overall management of the Board as well as ensuring that the members of the Board and management work together with integrity and competency, and that the Board engages management in constructive debate on strategy, business operations, enterprise risk and other plans. The chief executive officer has full executive responsibilities over the business directions and operational decisions in the day-to-day management of the Trustee-Manager.

In addition to the independent Board chair, three of the other five directors are non-executive and independent, to provide balance within the workings of the Board and oversight of unitholders' interests.

Principle 4: Board membership

There should be a formal and transparent process for the appointment and reappointment of directors to the Board.

The NC oversees Board composition and processes to ensure the effectiveness of the Board. It also monitors compliance with the Trustee-Manager's code of conduct (including whistleblowing arrangements) and developments in the laws, regulations and practices relating to corporate governance.

In addition, it annually assesses the performance of the Board, the Board Committees and the individual directors. It has adopted a formal charter which outlines written terms of reference (the NC charter). The NC for the year comprised independent directors only, being Leong Shin Loong (chair), Tri Luu Pham (resigned and replaced by Ong Joo Mien, Joanna on 1 July 2015) and Tan Chung Yaw, Richard.

The appointment of the directors will continue until such time as they resign, are required to vacate their office as directors, or are removed by way of an ordinary resolution of the shareholder(s) of the Trustee-Manager, in each case, in accordance with the Constitution of the Trustee-Manager.

CORPORATE GOVERNANCE STATEMENT

The NC reviews the existing attributes and competencies of the Board in order to determine the desired expertise or experience required to strengthen or supplement the Board, and recommends the number of directors that shall comprise the Board in compliance with the Constitution of the Trustee-Manager. Such reviews assist the NC in identifying and nominating suitable candidates for appointment to the Board.

The NC identifies and nominates for the approval of the Board, candidates to fill Board vacancies as and when they arise.

The NC may seek assistance from external search consultants for the selection of potential candidates. Directors and management may also put forward potential candidates for consideration. The NC, together with the Board chair, then meet with the short-listed candidates to assess their suitability, before submitting the appropriate recommendations as to the appointment of any candidate to the Board for its approval.

Candidates will be considered against objective criteria, having due regard for the benefits of diversity (including gender diversity) on the Board. The following guidelines apply to director selection and nomination:

- Integrity;
- Particular expertise (sector and functional) and the degree to which they complement the skill set of the existing Board members;
- Reputation and standing in the market; and
- In the case of prospective independent directors, actual and perceived independence from the Macquarie Group and substantial unitholders.

Although the directors are not evaluated individually, the factors taken into consideration for the renomination of the directors at the AGM are based on the directors' attendance at meetings held during the financial year and the contribution made by the directors at the meetings. When considering the incumbent directors, the NC will review on an annual basis the current composition of the Board, taking into account criteria such as independence, age, skills, experience and availability of service to the Board, its members and of anticipated needs and will make an annual recommendation to the Board as to whether the composition of the Board and the individual Committees should be maintained.

The NC has not made a determination as to the maximum limit on the number of directorships a director can hold as the NC believes that prescribing such a maximum limit is arbitrary, given that the time requirements for each directorship vary. When reviewing the composition and number of directors on the Board, the NC will consider whether it believes that the directors have sufficient time and ability to perform their Board duties to the required standards having regard to all their other commitments and directorships as disclosed.

All directors had confirmed that notwithstanding the number of listed company Board representations and other principal commitments which they held, they were able to devote sufficient time and attention to the affairs of APTT.

Principle 5: Board performance

There should be a formal annual assessment of the effectiveness of the Board as a whole and its Board Committees and the contribution by each director to the effectiveness of the Board.

The NC will decide how the Board's performance is to be evaluated and propose objective performance criteria which allow for comparison with industry peers and address how the Board has enhanced long-term unitholder value.

The NC has appointed an external party to assist the Board in conducting the Board evaluation and appraisal process for the Board to ensure objectivity and transparency in the process. The Board assessment will be conducted on an annual basis. The NC was satisfied that the external party has no connection with the Trustee-Manager or any of the directors, except in providing its corporate services to the Trustee-Manager.

The Board assessment will be conducted by way of a questionnaire (the Questionnaire), which will be sent to the directors to secure their feedback on the effectiveness of the Board as a whole. Feedback and comments received from the directors would then be reviewed by the NC. The Questionnaire covers areas such as Board composition, information management, Board processes, investor relations, managing APTT's performance, strategic review, Board Committee effectiveness, directors' development and management and risk assessment.

CORPORATE GOVERNANCE STATEMENT

The procedure for evaluation of the performance of the Board and Board Committees is that the Board discusses the performance of each Board Committee with a view to identifying any issues that need to be addressed or desirable initiatives in respect of both the operation of the Board and the Board Committees.

The assessment examines the Board's role, composition, and its operation against a number of defined criteria.

Reviews of the individual directors are carried out on an informal basis. The Trustee-Manager believes that the performance of individual directors are better reflected in, and evidenced by, their proper guidance, diligent oversight and able leadership, and the support that they lend to the Trustee-Manager in steering APTT in the appropriate direction, and the long-term performance of APTT whether under favourable or challenging market conditions.

Based on NC's review, the Board and the various Board Committees operate effectively and are contributing to the overall effectiveness of the Board.

Principle 6: Access to information

In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to Board meetings and on an ongoing basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

The non-executive directors are routinely briefed by senior management at Board meetings or separate sessions, and provided with all necessary updates on regulatory and policy changes as well as developments affecting APTT. All non-executive directors may request additional information from senior management and/or the company secretary to familiarise themselves with APTT's business. The Board has separate and independent access to senior management and the company secretary at all times. Management provides the Board with complete and adequate information in a timely manner through regular updates on financial results, market trends and business developments. The Board also has access to independent professional advice, where appropriate.

In addition, the Board is provided with detailed papers and reports in advance of Board meetings. The papers contain sufficient information to enable informed discussion of all agenda items.

The company secretary attends all Board meetings and, together with the Board chair, ensures proper information flows within the Board and its Committees and between senior management and non-executive directors. The appointment and removal of the company secretary is a matter for the Board as a whole.

Principle 7: Procedures for developing remuneration policies

There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

Principle 8: Level and mix of remuneration

The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

Principle 9: Disclosure on remuneration

Every company should provide clear disclosure of its remuneration policy, level and mix of remuneration, and the procedure for setting remuneration, in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

The Board has appointed a RC, which comprises only independent directors, which for the year were Tan Chung Yaw, Richard (chair), Yong Lum Sung and Leong Shin Loong. The RC has adopted a formal charter which sets out written terms of reference.

The role of the RC is to recommend to the Board the framework for remuneration of the directors. The RC periodically considers and reviews remuneration packages in order to maintain their attractiveness, to retain and motivate the directors and to align the interests of management with the Trustee-Manager and unitholders.



CORPORATE GOVERNANCE STATEMENT

Benjamin Ian Way, as a nominee of Macquarie Corporate Holdings Pty Limited, does not receive any remuneration in connection with his role as vice-chair and a non-executive director of the Trustee-Manager.

Cheong Wei Yue, the chief executive officer, also does not receive any remuneration in connection with his role as an executive director of the Trustee-Manager.

The chief executive officer and the chief financial officer are seconded to the Trustee-Manager pursuant to the Resources Agreement. They are employed by affiliates of Macquarie Group Limited under employment agreements, which stipulate remuneration terms, entitlement to leave and other benefits consistent with Macquarie Capital Group's prevailing policies.

All remuneration and compensation payable to the independent directors, the chief executive officer and the chief financial officer in respect of services rendered to the Trustee-Manager are and will be paid by the Trustee-Manager and not reimbursed out of Trust property. As APTT does not bear the remuneration of the directors, the chief executive officer and the chief financial officer, the Trustee-Manager does not consider it necessary to include information on their remuneration. The Trustee-Manager has no key management personnel aside from the chief executive officer and the chief financial officer.

None of the directors has any service contracts with the Trustee-Manager. The independent directors receive a fixed annual fee payable quarterly, which was arrived at after taking into account the industry practices and norms. It is considered that the remuneration of the independent directors is appropriate for the level of contribution, taking into account their responsibilities and the effort and time spent. No remuneration consultants were engaged in respect of the remuneration of directors during the financial year.

The directors, chief executive officer and chief financial officer are not entitled to any options, nor units, nor any termination, retirement or post-employment benefits as part of their remuneration package from the Trustee-Manager or out of Trust property. In addition, none of the directors, chief executive officer and chief financial officer are entitled to any performance-related income or bonuses from the Trustee-Manager or out of Trust property.

The Trustee-Manager is entitled under the Trust Deed to a base fee, a performance fee, an acquisition fee and a divestment fee based on pre-agreed mechanisms in the Trust Deed, in respect of its services to APTT. Fees paid to the Trustee-Manager for the year ended 31 December 2015 are set out on page 95 of this Annual Report. In addition, if the Trustee-Manager is removed as Trustee-Manager by way of extraordinary resolution within five years from 29 May 2013, the Trustee-Manager is entitled under the Trust Deed to a termination fee.

There are no employee option schemes currently in place in relation to APTT except for the long-term incentive plan as disclosed in Note 25(ii) of the Consolidated Financial Statements set out on page 82 of this Annual Report.

Pursuant to Rule 704(13) of the Listing Manual, the Trustee-Manager confirms that there is no person occupying a managerial position in the Trust or in any of its subsidiaries who is a relative of a director, chief executive officer or substantial unitholders.

No employee of the Trustee-Manager was an immediate family member of a director or the chief executive officer and whose remuneration exceeded \$50,000 during the year ended 31 December 2015.

Principle 10: Accountability

The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Board provides APTT's unitholders with a balanced and understandable assessment of APTT's performance, position and prospects via APTT's SGX-ST quarterly reports, which are prepared in accordance with relevant accounting standards. These quarterly reports will contain, among other things, (i) the financial statements of APTT for the relevant quarter, (ii) the earnings per unit (calculated in accordance with the requirements of the SGX-ST) and (iii) a review of the performance of APTT that contains significant factors affecting turnover, costs, and earnings of APTT for the financial period reported on, and any material factors that affected the cash flows, working capital, assets or liabilities of APTT during the financial period reported on.

CORPORATE GOVERNANCE STATEMENT

Principle 11: Risk management and internal controls

The Board is responsible for the governance of risk. The Board should ensure that management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Trustee-Manager has formal risk management policies in place which are monitored by the AC. The AC also reviews and reports to the Board on the adequacy and effectiveness of the Trustee-Manager and APTT's internal controls. Please refer to "Principle 1: The Board's conduct of affairs – Audit Committee", "Principle 12: Audit Committee" and "Principle 13: Internal audit".

For the year ended 31 December 2015, the Board has received assurance from the chief executive officer, chief financial officer and Macquarie's Internal Audit Division (IAD) (a) that the financial records have been properly maintained and the financial statements give a true and fair view of APTT's operations and finances, and (b) regarding the effectiveness of APTT's risk management and internal control systems.

Principle 12: Audit Committee

The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The Trustee-Manager has established an AC which comprises only independent directors and the composition of which complies with the Code, the BTA and Regulation 15 of the Business Trusts Regulations 2005. The AC members for the year were Tri Luu Pham (chair) (replaced by Ong Joo Mien, Joanna (chair) from 1 July 2015), Yong Lum Sung and Tan Chung Yaw, Richard. The AC members have the appropriate accounting or related financial management expertise to discharge their responsibilities. The AC charter sets out the specific responsibilities delegated by the Board to the AC and details the manner in which the AC will operate, as set out under Principle 1.

The role of the AC is to develop, maintain and monitor an effective system of internal controls. The AC also reviews the quality and reliability of information prepared for inclusion in financial reports, and is responsible for the nomination of an external auditor and reviewing the adequacy of external audits in respect of cost, scope and performance. The AC met four times during the financial year under review. The chair of the AC reported formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and appraised and reported to the Board on the audits undertaken by the external auditors, the adequacy of disclosure of information, and the appropriateness and quality of the system of management and internal controls. The Committee also made recommendations to the Board as it deemed appropriate on any area within its remit where action or improvement is needed.

The AC reviews annually the scope and results of the external audit and its cost effectiveness, as well as the independence and objectivity of the external auditor. The AC has reviewed all non-audit services provided by the external auditor during the financial year to determine if such non-audit services would, in the AC's opinion, affect the independence of the external auditor. In assessing the independence of the external auditor, the AC considered several factors, including the nature and extent of the non-audit services provided. Based on the above reviews, in the AC's opinion, the non-audit services provided in 2015 would not affect the independence of the external auditor.

Please refer to page 84 of this Annual Report for the aggregate amount of fees paid to the external auditor for the year ended 31 December 2015.

The AC meets with the external auditor and the internal auditor without the presence of the chief executive officer and the chief financial officer at least annually, and also conducts an annual performance self-evaluation, and reports to the Board the results of the self-evaluation. The AC also monitors and reviews the independence of the internal audit team at least annually.

The external auditors update and keep the AC informed about relevant changes to accounting standards and issues that have a direct impact on financial statements. Changes to regulations and accounting standards will be monitored closely by the members of the AC. To keep pace with regulatory changes, where these changes have an important bearing on the Trustee-Manager's or directors' disclosure obligations, the directors will be briefed either during Board meetings or at specially convened sessions involving the relevant professionals.

APTT has a whistleblowing policy in place which enables employees to voice genuine concerns in relation to (among others) malpractices and misconduct in the workplace. Once raised, all reported concerns will be investigated to the extent permitted by law. The proposed information disclosed and the general investigation process will be discussed with the person raising the concern. APTT will treat all disclosures and concerns in a sensitive manner, and no action will be taken against the person raising the concern if made in good faith, even if the concern was not confirmed by subsequent investigation. APTT is committed to protect employees from victimisation for raising a concern.

CORPORATE GOVERNANCE STATEMENT

Principle 13: Internal audit

The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The Trustee-Manager has formal risk management policies in place which are monitored by the AC. In particular, the AC reviews with the internal auditor:

- The internal auditor's evaluation of the system of internal accounting controls of the Trustee-Manager; and
- The internal auditor's management letter and management's response.

The AC reviews risk management policies and guidelines of the Trustee-Manager, and monitors compliance therewith. The AC also reviews and reports to the Board on the adequacy and effectiveness of the Trustee-Manager and APTT's internal controls, including financial, operational, compliance and information technology controls and risk management policies and systems, at least annually.

The Trustee-Manager does not have a stand-alone internal audit function. However, the Trustee-Manager is part of Macquarie Group Limited within the Macquarie Group, and IAD conducts periodic internal control reviews of all Macquarie businesses. The IAD has direct access to the Board chair of the Trustee-Manager if required. The AC monitors the scope of any internal audit to be conducted and the independence of any internal audit team. Generally, the IAD meets the standards set by nationally or internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

Please refer below for the Board's assessment of the adequacy and effectiveness of internal controls.

Compliance with APTT's code of conduct (including whistleblowing arrangements) is monitored by the NC.

Principle 14: Unitholder rights

Companies should treat all unitholders fairly and equitably, and should recognise, protect and facilitate the exercise of unitholders' rights, and continually review and update such governance arrangements.

Principle 15: Communication with unitholders

Companies should actively engage their unitholders and put in place an investor regulations policy to promote regular, effective and fair communication with unitholders.

The Trustee-Manager will provide timely, open and accurate information to all stakeholders, including investors, regulators and the wider investment community. The Board has adopted policies and procedures in relation to compliance with the disclosure requirements under the SGX-ST Listing Rules, having regard to the recommendations of the Code.

The Trustee-Manager has developed a unitholder communications policy. The cornerstone of this policy is the delivery of timely and relevant information, including information on corporate developments, to unitholders. Financial and other information (including press releases and SGX-ST announcements) are made available on APTT's website at www.aptt.com.sg.

The Board and senior management has held briefings with analysts and institutional and retail investors upon announcement of APTT's quarterly financial results and presentations are made, as appropriate, to regularly meet and explain APTT's strategy, performance and developments. APTT's investor relations team supports the management team to engage with unitholders, institutional and retail investors and analysts to obtain and understand investor views, concerns and feedback.

Principle 16: Conduct of unitholder meetings

Companies should encourage greater unitholder participation at general meetings of unitholders, and allow unitholders the opportunity to communicate their views on various matters affecting the company.

General meetings of unitholders will be convened at least once a year and unitholders will be allowed to vote in person or via proxy. There will be separate resolutions at general meetings on each distinct issue and the chair of the AC, NC and RC will be present and available to address questions at the AGM. The external auditors are also invited to address queries from the unitholders regarding the audit.

CORPORATE GOVERNANCE STATEMENT

INTERNAL CONTROLS

Based on internal controls and risk management established and maintained by the Group and the Trustee-Manager, work performed by the IAD and external auditors of the Group, and reviews performed by the Audit Committee, the Board and the Trustee-Manager, the Board, with the concurrence of the Audit Committee, is of the opinion that the Group's internal controls including financial, operational, compliance and information technology controls and risk management systems were adequate and effective during 2015 to address financial, operational, compliance and information technology risks, which the Group considers relevant and material to its operations.

The Board notes that the system of internal controls and risk management provides reasonable, but not absolute, assurance that the Group will not be affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. In this regard, the Board also notes that no system can provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, fraud or other irregularities.

SECURITIES TRADING

In line with Listing Rule 1207(19), the Trustee-Manager confirms that APTT has adopted a Securities Trading (Window) Policy with respect to dealings in securities by directors and officers of the Trustee-Manager. This policy means that trading in both securities and derivatives of APTT can only occur during the four-week window commencing on the day after:

- (i) The release of annual or quarterly results;
- (ii) The AGM; or
- (iii) Lodgement of a disclosure document for capital raising.

The trading window is not to be opened until the day after these events to enable the market to digest the information that has been disclosed.

If the trading window is not opened after these events for any reason, a special trading window may be permitted at a later date in compliance with requirements under Listing Rule 1207(19).

The directors and officers of MIRA and the Trustee-Manager are discouraged from trading on short-term considerations. Additionally, the directors, the directors and officers of MIRA and the Trustee-Manager are reminded not to trade in situations where the insider trading laws and rules would prohibit trading.

STATEMENT OF POLICIES AND PRACTICES

The Trustee-Manager has established the following policies and practices in relation to its management and governance:

- (a) The Trust property of APTT is properly accounted for and Trust property is kept distinct from the property of the Trustee-Manager held in its own capacity. Different bank accounts are maintained for the Trustee-Manager in its capacity as Trustee-Manager of APTT and the Trustee-Manager in its own capacity, and regular internal reviews are carried out to ascertain that all Trust property has been fully accounted for.
- (b) Management provides regular updates to the Board and the Audit Committee about potential projects that it is looking into on behalf of APTT, and the Board and the Audit Committee ensure that all such projects are within the permitted business scope under the Trust Deed. Prior to the carrying out of any significant business transaction, the Board, the Audit Committee and/or management will have careful regard to the provisions of the Trust Deed and when in doubt seek advice from professional advisers.
- (c) The Trustee-Manager is not involved in any other businesses other than managing APTT. All potential conflicts, if arising, will be identified by the Board and management and reviewed. In addition, the majority of the Board are independent directors who do not have management or business relationships with the Trustee-Manager and are independent from any substantial shareholder of the Trustee-Manager and are therefore able to examine independently and objectively, any potential conflicts between the interest of the Trustee-Manager in its own capacity and the interests of all unitholders.

CORPORATE GOVERNANCE STATEMENT

All resolutions in writing of the directors in relation to matters concerning APTT must be approved by a majority of the directors, including at least one independent director. In respect of matters in which the Sponsor and/or its subsidiaries have an interest, direct or indirect, any nominees appointed by the Sponsor and/or its subsidiaries to the Board to represent its/their interests will abstain from voting. In such matters, the quorum must comprise a majority of the independent directors and must exclude any nominee directors of the Sponsor and/or its subsidiaries.

Where matters concerning APTT relate to transactions entered into or to be entered into by the Trustee-Manager for and on behalf of APTT with an interested person, the Board is required to consider the terms of the transactions to satisfy itself that the transactions are conducted on normal commercial terms, are not prejudicial to the interests of APTT and the unitholders and are in compliance with all applicable requirements of the Listing Manual and the BTA relating to the transaction in question. If the Trustee-Manager is to sign any contract with a related party of the Trustee-Manager or APTT, the Trustee-Manager will review the contract to ensure that it complies with the provisions of the Listing Manual and the BTA relating to interested person transactions (as may be amended from time to time).

There is (i) a Non-Compete Undertaking pursuant to which the Sponsor has undertaken that it shall not, and shall procure that none of the existing or future funds managed by MIRA, nor MIRA, will compete with APTT for pay-TV businesses and broadband businesses located in Taiwan, Hong Kong, Japan and Singapore (Relevant Business); (ii) a Right of First Refusal pursuant to which the Sponsor has undertaken to procure that the Macquarie Capital business division of the Sponsor (Macquarie Capital) gives the Trustee-Manager a written notice of any proposed offer of sale or investment opportunity by a third party to Macquarie Capital of any Relevant Business and (iii) a Right of First Offer pursuant to which the Sponsor has undertaken to procure that Macquarie Capital gives the Trustee-Manager a written notice of any proposed offer of sale by Macquarie Capital of its interests in a Relevant Business.

The Trustee-Manager maintains a register of all opportunities/transactions arising from the implementation of the Non-Compete Undertaking, the Right of First Refusal and the Right of First Offer. Also, the Trustee-Manager incorporates in its internal audit plan, a review of the implementation of the Non-Compete Undertaking, the Right of First Refusal and the Right of First Offer and the Audit Committee reviews the internal audit procedures and function of the Trustee-Manager at least annually, including to ascertain that the terms of the Non-Compete Agreement and the ROFR Agreement have been complied with.

- (d) Management identifies interested person transactions in relation to APTT. The Trustee-Manager maintains a register to record all interested person transactions that are entered into by APTT and the bases, including any quotations from unrelated parties obtained to support such bases, on which they are entered into. The Trustee-Manager incorporates into its internal audit plan a review of all interested person transactions entered into by the Trust EAR Group (as defined in the Prospectus) during the financial year. The Audit Committee reviews at least quarterly in each financial year the interested person transactions entered into during such quarterly period to ascertain that the guidelines and procedures established to monitor interested person transactions have been complied with. The review includes the examination of the nature of the transaction and its supporting documents or such other data that the Audit Committee deems necessary. If a member of the Audit Committee has an interest in a transaction, he or she is to abstain from participating in the review and approval process in relation to that transaction.

The Trustee-Manager has in place an internal control system to ensure that all future interested person transactions will be undertaken on an arm's-length basis and on normal commercial terms and will not be prejudicial to the interests of APTT and its minority unitholders.

In addition, all such interested person transactions conducted and any contract entered into by the Trustee-Manager on behalf of APTT with a related party of the Trustee-Manager or APTT shall comply with and be in accordance with all applicable requirements of the Listing Manual and the BTA as well as such other guidelines as may from time to time be prescribed to apply to business trusts.

- (e) The expenses payable to the Trustee-Manager in its capacity as the Trustee-Manager of APTT out of the Trust property are appropriate and in accordance with the Trust Deed, and regular internal reviews are carried out to ensure such expenses payable are in order. Fees and expenses paid to the Trustee-Manager out of Trust property for the year ended 31 December 2015 are disclosed in Note 25(iv) of the Consolidated Financial Statements, on page 82 of this Annual Report.
- (f) The Trustee-Manager has engaged the services of and obtained advice from professional advisers and consultants from time to time, and has complied with the requirements of the BTA and the Listing Manual.



CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

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REPORT OF THE TRUSTEE-MANAGER

The directors of Macquarie APTT Management Pte. Limited, the Trustee-Manager of Asian Pay Television Trust (APTT or the Trust) and the Trustee-Manager of APTT (the Trustee-Manager), present their report to the unitholders of APTT together with the audited financial statements of APTT and its subsidiaries (collectively the Group) for the year ended 31 December 2015.

DIRECTORS

The directors of the Trustee-Manager (directors) in office at the date of this Annual Report are as follows:

Mr Yong Lum Sung (Chair and Independent Director)
 Mr Tan Chung Yaw, Richard (Independent Director)
 Mr Leong Shin Loong (Independent Director)
 Ms Ong Joo Mien, Joanna (Independent Director) (appointed on 1 July 2015)
 Mr Benjamin Ian Way (Vice-Chair and Non-Executive Director)
 Mr Cheong Wei Yue (Chief Executive Officer and Executive Director)

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE UNITS

Neither at the end of nor at any time during the financial year ended 31 December 2015 was the Trustee-Manager a party to any arrangement whose object was to enable the directors to acquire benefits by means of acquisition of units in APTT.

DIRECTORS' INTERESTS IN UNITS

According to the register kept by the Trustee-Manager for the purposes of Sections 13 and 76 of the Business Trusts Act, Chapter 31A of Singapore (the BTA), particulars of the interests of directors who held office at the end of the financial year in units in APTT are as follows:

	Holdings registered in the name of director		Holdings in which a director is deemed to have an interest	
	As at 31 December 2015	As at beginning of the year, or date of appointment, if later	As at 31 December 2015	As at beginning of the year, or date of appointment, if later
Number of units held by:				
Mr Yong Lum Sung	-	-	-	-
Mr Tan Chung Yaw, Richard ¹	115,000	115,000	100,000	100,000
Mr Leong Shin Loong	-	-	-	-
Ms Ong Joo Mien, Joanna	-	-	-	-
Mr Benjamin Ian Way	150,000	150,000	-	-
Mr Cheong Wei Yue ²	25,000	25,000	14,000	14,000
Total	290,000	290,000	114,000	114,000

¹ Deemed interest is held by Mrs Lim Kim Suan, Cynthia (spouse of Mr Tan Chung Yaw, Richard).

² Deemed interest is held by Mr Cheong Wei Yue through his Supplementary Retirement Scheme Account.

There were no changes in any of the above-mentioned interests in APTT between the end of the financial year and 21 January 2016.

REPORT OF THE TRUSTEE-MANAGER

OPTIONS

There were no options granted during the financial year by the Trustee-Manager to any person to take up unissued units in APTT. No units have been issued during the financial year by virtue of the exercise of options to take up unissued units of APTT. There were no unissued units of APTT under option at the end of the financial year.

AUDIT COMMITTEE

The members of the Audit Committee of the Trustee-Manager (the Audit Committee) during the financial year, at the end of the financial year and as at the date of this Annual Report were as follows:

Ms Ong Joo Mien, Joanna (Chair)
Mr Yong Lum Sung
Mr Tan Chung Yaw, Richard

The members of the Audit Committee are independent and non-executive directors with relevant business and financial management experience and skills to understand financial statements and contribute to the financial governance, internal controls and risk management of APTT.

The role of the Audit Committee is to develop, maintain and monitor an effective system of internal controls. The Audit Committee also reviews the quality and reliability of information prepared for inclusion in financial reports, and is responsible for the nomination of an external auditor and reviewing the adequacy of external audits in respect of cost, scope and performance. The Audit Committee's responsibilities also include, but are not limited to, the following:

- (i) to review with the auditor of the Trust:
 - the audit plan of the Trust;
 - the auditor's evaluation of the system of internal accounting controls of the Trustee-Manager;
 - the auditor's audit report for the Trust; and
 - the auditor's management letter and management's response;
- (ii) to review:
 - the assistance given by the officers of the Trustee-Manager to the auditor of the Trust;
 - the scope and results of the internal audit procedures of the Trustee-Manager;
 - the policies and practices put in place by the Trustee-Manager to ensure compliance with the BTA and the Trust Deed;
 - the procedures put in place by the Trustee-Manager for managing any conflict that may arise between the interests of the unitholders and the interests of the Trustee-Manager, including interested person transactions, the indemnification of expenses or liabilities incurred by the Trustee-Manager and the setting of fees or charges payable out of the Trust property;
 - interested person transactions for potential conflicts of interest;
 - risk management policies and guidelines and monitor compliance therewith; and
 - the statement of financial position and statement of profit or loss of the Trustee-Manager and statements of financial position, statements of profit or loss and statements of cash flows of the Trust submitted to it by the Trustee-Manager, and thereafter to submit them to the Board;
- (iii) to review significant reporting issues and judgments to ensure the integrity of the financial statements and any formal announcements relating to financial performance;

REPORT OF THE TRUSTEE-MANAGER

- (iv) to report to the Board:
- any inadequacies, deficiencies or matters of concern of which the Audit Committee becomes aware or that it suspects arising from its review of the items referred to in sub-paragraphs (i), (ii) and (iii); and
 - any breach of the BTA or any breach of the provisions of the Trust Deed, of which the Audit Committee becomes aware or that it suspects;
- (v) to report to the Monetary Authority of Singapore (MAS) if the Audit Committee is of the view that the Board has not taken, or does not propose to take, appropriate action to deal with a matter reported under sub-paragraph (iv);
- (vi) to nominate a person or persons as auditor of the Trust, notwithstanding anything contained in the Trust Deed;
- (vii) to approve and review all hedging policies and instruments to be implemented by the Trust, if any;
- (viii) to monitor the implementation of outstanding internal control recommendations highlighted by the auditors in the course of their audit of the financial statements of the Trust, the Trustee-Manager and their subsidiaries taken as a whole; and
- (ix) to meet with external and internal auditors, without the presence of the chief executive officer and the chief financial officer, at least on an annual basis.

The Audit Committee has full access to and has the cooperation of the management of the Trustee-Manager and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer of the Trustee-Manager to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the Board that the independent auditor, Deloitte & Touche LLP, be nominated for reappointment as the auditor of APTT at the forthcoming Annual General Meeting of the unitholders.

INDEPENDENT AUDITOR

The independent auditor, Deloitte & Touche LLP, has expressed its willingness to accept reappointment.

On behalf of the Board of Directors
Macquarie APTT Management Pte. Limited
As Trustee-Manager of Asian Pay Television Trust



Cheong Wei Yue
Chief Executive Officer and Executive Director

24 February 2016



Yong Lum Sung
Chair and Independent Director

24 February 2016

STATEMENT BY THE TRUSTEE-MANAGER

In the opinion of the directors of the Trustee-Manager,

- (a) the consolidated financial statements of the Group and the statements of financial position and statements of changes in equity of APTT as set out on pages 40 to 96 are drawn up so as to give a true and fair view of the financial position of the Group and of APTT as at 31 December 2015, and of the financial performance, changes in equity and cash flows of the Group and changes in equity of APTT for the financial year ended on that date in accordance with the provisions of the Business Trusts Act, Chapter 31A of Singapore (the BTA) and International Financial Reporting Standards; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Trustee-Manager will be able to pay APTT's debts when they fall due.

In accordance with Section 86(2) of the BTA, Chapter 31A of Singapore, we further certify:

- (a) the fees or charges paid or payable out of the Trust property to the Trustee-Manager are in accordance with the Trust Deed dated 30 April 2013 constituting the Trust;
- (b) the interested person transactions entered into by the Group during the year ended 31 December 2015 are not detrimental to the interests of all the unitholders of APTT as a whole, based on the circumstances at the time of the relevant transactions; and
- (c) the Board of Directors of the Trustee-Manager (the Board) is not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of APTT or on the interests of all the unitholders of APTT as a whole.

The Board has, on the date of this statement, authorised the above statements and the accounts of the Group as at and for the financial year ended 31 December 2015 for issue.

On behalf of the Board of Directors
Macquarie APTT Management Pte. Limited
As Trustee-Manager of Asian Pay Television Trust



Cheong Wei Yue
Chief Executive Officer and Executive Director

24 February 2016



Yong Lum Sung
Chair and Independent Director

24 February 2016

STATEMENT BY THE CHIEF EXECUTIVE OFFICER

In accordance with Section 86(3) of the Business Trusts Act, Chapter 31A of Singapore, I certify that I am not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of APTT or on the interests of all the unitholders of APTT as a whole.



Cheong Wei Yue

Chief Executive Officer and Executive Director

24 February 2016

INDEPENDENT AUDITORS' REPORT

TO THE UNITHOLDERS OF ASIAN PAY TELEVISION TRUST

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Asian Pay Television Trust (APTT or the Trust) and its subsidiaries (the Group), which comprise the statements of financial position of the Group and the Trust as at 31 December 2015, the consolidated statements of profit or loss, the consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of the Group and the statements of changes in equity of APTT for the financial year ended on that date, and a summary of significant accounting policies and other explanatory notes, as set out on pages 40 to 96.

Trustee-Manager's responsibility for the financial statements

Macquarie APTT Management Pte. Limited (the Trustee-Manager) is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Business Trusts Act, Chapter 31A, (the Act) and International Financial Reporting Standards (IFRS), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Trustee-Manager, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statements of financial position and statements of changes in equity of APTT are properly drawn up in accordance with the Act and IFRS so as to give a true and fair view of the financial position of the Group and of the Trust as at 31 December 2015, and of the financial performance, changes in equity and cash flows of the Group and changes in equity of APTT for the financial year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Trustee-Manager on behalf of the Trust, have been properly kept in accordance with the provisions of the Act.



Public Accountants and Chartered Accountants

Singapore, 24 February 2016

STATEMENTS OF FINANCIAL POSITION

	Note	Group as at 31 December 2015 \$'000	Group as at 31 December 2014 \$'000	Trust as at 31 December 2015 \$'000	Trust as at 31 December 2014 \$'000
Assets					
Current assets					
Cash and cash equivalents	4	60,926	74,490	7,458	7,317
Trade and other receivables	5	17,650	11,538	32	213
Derivative financial instruments	10	150	362	150	362
Other assets	11	1,079	1,759	266	526
		79,805	88,149	7,906	8,418
Non-current assets					
Investment in subsidiaries	6	-	-	1,342,351	1,342,351
Property, plant and equipment	7	242,751	175,749	-	-
Intangible assets	8	2,283,440	2,223,424	-	-
Income tax refund receivable	9	938	1,091	-	-
Derivative financial instruments	10	4	-	4	-
Other assets	11	862	745	-	-
		2,527,995	2,401,009	1,342,355	1,342,351
Total assets		2,607,800	2,489,158	1,350,261	1,350,769
Liabilities					
Current liabilities					
Borrowings from financial institutions	12	8,617	17,460	-	-
Retirement benefit obligations	14(i)	1,328	929	-	-
Derivative financial instruments	10	1,308	42	1,308	42
Trade and other payables	13	20,486	20,005	9,997	9,047
Income tax payable	26	9,672	10,609	4	1
Other liabilities	16	62,800	54,686	156	120
		104,211	103,731	11,465	9,210
Non-current liabilities					
Borrowings from financial institutions	12	1,183,231	1,035,877	-	-
Retirement benefit obligations	14(ii)	15,640	11,320	-	-
Derivative financial instruments	10	9,346	994	294	294
Deferred tax liabilities	15	52,501	53,808	-	-
Other liabilities	16	11,754	7,601	-	-
		1,272,472	1,109,600	294	294
Total liabilities		1,376,683	1,213,331	11,759	9,504
Net assets		1,231,117	1,275,827	1,338,502	1,341,265
Equity					
Unitholders' funds	17	1,342,851	1,342,851	1,342,851	1,342,851
Reserves	18	28,386	(8,428)	-	-
Accumulated deficit	19	(142,439)	(60,930)	(4,349)	(1,586)
Equity attributable to unitholders of APTT		1,228,798	1,273,493	1,338,502	1,341,265
Non-controlling interests	20	2,319	2,334	-	-
Total equity		1,231,117	1,275,827	1,338,502	1,341,265

The above statements of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Note	Group Year ended 31 December 2015 \$'000	Group Year ended 31 December 2014 \$'000
Revenue			
Basic cable TV	24(i)	264,962	255,774
Premium digital cable TV	24(ii)	15,366	13,792
Broadband	24(iii)	51,824	49,163
Total revenue		332,152	318,729
Operating expenses			
Broadcast and production costs	25(i)	(62,486)	(60,088)
Staff costs	25(ii)	(29,663)	(26,988)
Depreciation and amortisation expense	25(iii)	(44,609)	(48,737)
Trustee-Manager fees	25(iv)	(7,241)	(7,167)
Net foreign exchange loss	25(v)	(2,459)	(3,357)
Mark to market (loss)/gain on derivative financial instruments	25(vi)	(1,475)	787
Debt advisory fee	25(vii)	(5,521)	-
Tax advisory fee	25(viii)	-	(1,248)
Other operating expenses	25(ix)	(31,717)	(30,041)
Total operating expenses		(185,171)	(176,839)
Operating profit		146,981	141,890
Amortisation of deferred arrangement fees	25(x)	(26,033)	(4,030)
Interest and other finance costs	25(xi)	(49,711)	(40,060)
Profit before income tax		71,237	97,800
Income tax (expense)/benefit	26	(25,787)	16,860
Profit after income tax		45,450	114,660
Profit after income tax attributable to:			
Unitholders of APTT		45,156	114,328
Non-controlling interests		294	332
Profit after income tax		45,450	114,660
Basic and diluted earnings per unit attributable to unitholders of APTT	31	3.14 cents	7.96 cents

The above consolidated statements of profit or loss should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Group Year ended 31 December 2015 \$'000	Group Year ended 31 December 2014 \$'000
Profit after income tax	45,450	114,660
Other comprehensive income		
Items that will not subsequently be reclassified to profit or loss:		
Remeasurement of defined benefit obligations	(4,531)	(1,702)
	(4,531)	(1,702)
Items that may subsequently be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	38,345	(10,137)
Unrealised movement in fair value of cash flow hedging financial instruments	(8,352)	(456)
Deferred tax relating to items that may subsequently be reclassified to profit or loss	1,499	-
	31,492	(10,593)
Other comprehensive income/(loss) for the year, net of tax	26,961	(12,295)
Total comprehensive income	72,411	102,365
Total comprehensive income attributable to:		
Unitholders of APTT	72,117	102,033
Non-controlling interests	294	332
Total comprehensive income	72,411	102,365

The above consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

STATEMENTS OF CHANGES IN EQUITY

Group	Unitholders' funds	Reserves	Accumulated deficit	Total attributable to unitholders of APTT	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2015	1,342,851	(8,428)	(60,930)	1,273,493	2,334	1,275,827
Total comprehensive income for the year						
Profit after income tax	-	-	45,156	45,156	294	45,450
Other comprehensive income, net of tax	-	26,961	-	26,961	-	26,961
Total	-	26,961	45,156	72,117	294	72,411
Transactions with unitholders, recognised directly in equity						
Settlement of transactions with non-controlling interests	-	-	-	-	(126)	(126)
Transfer to capital reserves	-	9,853	(9,853)	-	-	-
Distributions paid	-	-	(116,812)	(116,812)	(183)	(116,995)
Total	-	9,853	(126,665)	(116,812)	(309)	(117,121)
Balance as at 31 December 2015	1,342,851	28,386	(142,439)	1,228,798	2,319	1,231,117
Balance as at 1 January 2014	1,342,851	(292)	(23,827)	1,318,732	2,326	1,321,058
Total comprehensive income for the year						
Profit after income tax	-	-	114,328	114,328	332	114,660
Other comprehensive loss, net of tax	-	(12,295)	-	(12,295)	-	(12,295)
Total	-	(12,295)	114,328	102,033	332	102,365
Transactions with unitholders, recognised directly in equity						
Settlement of transactions with non-controlling interests	-	-	-	-	(127)	(127)
Transfer to capital reserves	-	4,159	(4,159)	-	-	-
Distributions paid	-	-	(147,272)	(147,272)	(197)	(147,469)
Total	-	4,159	(151,431)	(147,272)	(324)	(147,596)
Balance as at 31 December 2014	1,342,851	(8,428)	(60,930)	1,273,493	2,334	1,275,827

The above statements of changes in equity should be read in conjunction with the accompanying notes.

STATEMENTS OF CHANGES IN EQUITY

Trust	Unitholders' funds \$'000	Accumulated deficit \$'000	Total equity \$'000
Balance as at 1 January 2015	1,342,851	(1,586)	1,341,265
Total comprehensive income for the year			
Profit after income tax	-	114,049	114,049
Total	-	114,049	114,049
Transactions with unitholders, recognised directly in equity			
Distributions paid	-	(116,812)	(116,812)
Total	-	(116,812)	(116,812)
Balance as at 31 December 2015	1,342,851	(4,349)	1,338,502
Balance as at 1 January 2014	1,342,851	(2,760)	1,340,091
Total comprehensive income for the year			
Profit after income tax	-	148,446	148,446
Total	-	148,446	148,446
Transactions with unitholders, recognised directly in equity			
Distributions paid	-	(147,272)	(147,272)
Total	-	(147,272)	(147,272)
Balance as at 31 December 2014	1,342,851	(1,586)	1,341,265

The above statements of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Group Year ended 31 December 2015 \$'000	Group Year ended 31 December 2014 \$'000
Cash flows from operating activities		
Profit after income tax	45,450	114,660
Adjustments for:		
Depreciation and amortisation expense	44,609	48,737
Net foreign exchange loss	3,249	3,359
Mark to market loss/(gain) on derivative financial instruments	1,475	(787)
Amortisation of deferred arrangement fees	26,033	4,030
Interest and other finance costs	49,711	40,060
Income tax expense/(benefit)	25,787	(16,860)
Operating cash flows before movements in working capital	196,314	193,199
Trade and other receivables	(6,112)	(55)
Income tax refund receivable	72	111
Trade and other payables	481	889
Retirement benefit obligations	188	(245)
Other assets	(6,384)	(4,367)
Other liabilities	11,112	3,597
Cash generated from operations	195,671	193,129
Income tax paid, net of refunds	(27,132)	(55,299)
Net cash inflows from operating activities	168,539	137,830
Cash flows from investing activities		
Acquisition of property, plant and equipment ¹	(88,147)	(69,434)
Proceeds from disposal of property, plant and equipment	66	-
Acquisition of intangible assets ²	(6,265)	(13,379)
Net cash used in investing activities	(94,346)	(82,813)
Cash flows from financing activities		
Interest and other finance costs paid	(49,695)	(40,146)
Borrowings from financial institutions	1,193,263	116,303
Repayment of borrowings to financial institutions	(1,111,312)	(6,044)
Settlement of derivative financial instruments	(2,892)	728
Settlement of transactions with non-controlling interests	(126)	(127)
Distribution to non-controlling interests	(183)	(197)
Distributions to unitholders	(116,812)	(147,272)
Net cash used in financing activities	(87,757)	(76,755)
Net decrease in cash and cash equivalents	(13,564)	(21,738)
Cash and cash equivalents at beginning of financial year	74,490	96,228
Cash and cash equivalents at end of financial year (Note 4)	60,926	74,490

¹ During the financial year, the Group acquired property, plant and equipment with an aggregate cost of \$94.6 million (2014: \$73.0 million) of which \$12.3 million remained unpaid as at 31 December 2015 (2014: \$5.8 million).

² During the financial year, the Group acquired intangible assets with an aggregate cost of \$6.7 million (2014: \$13.6 million) of which \$0.6 million remained unpaid as at 31 December 2015 (2014: \$0.2 million).

The above consolidated statements of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1) GENERAL INFORMATION

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 the Business Trusts Act, Chapter 31A of Singapore (the BTA). APTT is managed by Macquarie APTT Management Pte. Limited (the Trustee-Manager), a wholly owned subsidiary of Macquarie Corporate Holdings Pty Limited (formerly Macquarie Capital Group Limited). The Trust has acquired the pay-TV and broadband businesses of Taiwan Broadband Communications Group (TBC) from Macquarie International Infrastructure Fund Limited and MKOF Media Investment Limited on the listing date of 29 May 2013.

APTT's prospectus was registered with the Monetary Authority of Singapore (MAS) on 16 May 2013 in connection with the proposed listing of the units in APTT. The Trust was admitted to the mainboard of the Singapore Exchange Securities Trading Limited (SGX-ST) and was listed on the SGX-ST on 29 May 2013.

APTT's investment mandate is to acquire controlling interests and to own, operate and maintain mature, cash generative pay-TV and broadband businesses in Taiwan, Hong Kong, Japan and Singapore.

The consolidated financial statements of the Group and the statements of financial position and statements of changes in equity of APTT for the year ended 31 December 2015 were authorised for issue by the Board of Directors of the Trustee-Manager (the Board) on 24 February 2016.

2) SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

(a) Basis of preparation

The financial statements of APTT and the Group have been prepared in accordance with the International Financial Reporting Standards (IFRS). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 *Share-based Payment*, leasing transactions that are within the scope of IAS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 *Inventories* or value-in-use in IAS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The financial statements are presented in Singapore dollars (SGD), rounded to the nearest thousand dollar unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS

2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of preparation (continued)

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and assumptions. It also requires the Trustee-Manager to exercise judgment in the process of applying the Group's accounting policies. Estimates and judgments used in preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

The Group meets its day-to-day working capital requirements through its cash and bank facilities. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current cash and bank facilities. After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future based on the factors and assumptions as disclosed in Note 27(ii)(c). The Group therefore continues to adopt the going concern basis in preparing its financial statements.

Changes in accounting policy and disclosures

(i) New and amended standards adopted by the Group

There are no IFRS or IFRIC interpretations that are effective for the financial year beginning on or after 1 January 2015 that would be expected to have a material impact on the Group.

(ii) New standards, amendments and interpretations issued but not yet effective

At the date of authorisation of the financial statements, the following standards and interpretations that are relevant to the Group have been issued but not yet effective:

Amendments to IAS 16, IAS 38	<i>Clarification of Acceptable Methods of Depreciation and Amortisation</i> ¹
Amendments to IFRSs	<i>Annual Improvements to IFRSs 2012-2014 Cycle</i> ¹
Amendments to IAS 1	<i>Disclosure Initiative</i> ¹
Amendments to IAS 7	<i>Disclosure Initiative</i> ²
IFRS 9	<i>Financial Instruments</i> ³
IFRS 15	<i>Revenue from contracts with customers</i> ³
IFRS 16	<i>Leases</i> ⁴

¹ Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

² Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.

³ Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

⁴ Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted for entities that have also adopted IFRS 15 *Revenue from contracts with customers*.

NOTES TO THE FINANCIAL STATEMENTS

2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of preparation (continued)

(ii) New standards, amendments and interpretations issued but not yet effective (continued)

The Trustee-Manager anticipates that the adoption of the above new or revised standards and amendments to IFRS in future periods will not have a material impact on the financial statements of the Group and of the Trust in the period of their initial adoption except for the following:

IFRS 15 Revenue from contracts with customers

In May 2014, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related Interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

The Group anticipates that the initial application of the new IFRS 15 may result in changes to the accounting policies relating to revenue recognition and additional disclosures will be made with respect of revenue and deferred revenue, including information about contracts with customers, contract balances and performance obligation. The Group has commenced an assessment of the possible impact of implementing IFRS 15. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group's financial statements in the period of initial application as the Group has yet to complete its detailed assessment. The Group does not plan to early adopt the new IFRS 15.

IFRS 16 Leases

IFRS 16 was issued in January 2016 and it supersedes IAS 17 *Leases* and its associated interpretative guidance.

The standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). The standard maintains substantially the lessor accounting approach under the predecessor IAS 17.

The Group anticipates that the initial application of the new IFRS 16 may result in changes to the Group's lessee accounting policies. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group's financial statements in the period of initial application as the Group has yet to complete its detailed assessment. The Group does not plan to early adopt the new IFRS 16.

NOTES TO THE FINANCIAL STATEMENTS

2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Subsidiary companies

Subsidiaries are all entities (including special purpose entities) over which control is achieved when the Trust:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Trust reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Trust has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Trust considers all relevant facts and circumstances in assessing whether or not the Trust's voting rights in an investee are sufficient to give it power, including:

- the size of the Trust's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Trust, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Trust has, or does not have, the current ability to direct the relevant activities at that time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Trust obtains control over the subsidiary and ceases when the Trust loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statements of profit or loss from the date the Trust gains control until the date when the Trust ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the unitholders of APTT and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the unitholders of APTT and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The Trust carries investment in subsidiaries at cost less allowance for impairment losses in its separate financial statements.

(c) Business combination

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree.

The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 *Share-based Payment* at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

Acquisition related costs are expensed as incurred.

NOTES TO THE FINANCIAL STATEMENTS

2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Business combination (continued)

If the business combination is achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 *Financial Instruments: Recognition and Measurement*, either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Inter company transactions, balances, income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from intercompany transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(d) Non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Group, and are presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Group.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions, i.e. as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of the net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

The Group recognises any non-controlling interests in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

(e) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The financial statements are presented in Singapore dollars (SGD), which is the APTT's functional currency as APTT is listed in Singapore and its main investors are also based in Singapore.

NOTES TO THE FINANCIAL STATEMENTS

2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Foreign currency translation (continued)

(ii) Transactions and balances

Transactions in a currency other than the functional currency (foreign currency) are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing exchange rates at the reporting date are recognised in the statement of profit or loss.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(iii) Group companies

The results and financial position of the entities within the Group (none of which have the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency of the Group are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing exchange rate at the date of that statement of financial position;
- income and expenses for each statement of profit or loss are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing exchange rates at the reporting date. Exchange differences arising on such transaction are recognised in other comprehensive income.

(f) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below. The amount of revenue is not considered to be reliably measureable until all contingencies relating to the sale have been resolved.

Revenue comprises fees earned from Basic cable TV, Premium digital cable TV, Broadband services and other non-subscription revenue.

Revenue is recognised in profit or loss as follows:

- revenue from Basic cable TV, Premium digital cable TV and Broadband services is recognised at the time such services are rendered. Revenue billed in advance of the rendering of services is deferred and presented in the statement of financial position as unearned revenue; and
- revenue from bundled products and services is recognised based on values allocated to the individual element of the bundled products and services in accordance to the earning process of each element.

NOTES TO THE FINANCIAL STATEMENTS

2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Distributions

Distributions to APTT's unitholders are recognised as a liability in the Group's financial statement in the period in which the distributions are approved by the directors.

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.

(h) Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The activities of the Group expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group uses foreign exchange forward contracts and interest rate swap agreements to hedge these exposures. Those contracts that can also be settled in cash are treated as a financial instrument. The Group does not use derivative financial instruments for speculative purposes. The use of leveraged instruments is not permitted.

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedge transactions.

The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

(i) Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in the line of the statement of profit or loss and other comprehensive income relating to the hedged item.

NOTES TO THE FINANCIAL STATEMENTS

2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Derivative financial instruments (continued)

(ii) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognised in profit or loss, in the same line of the statement of profit or loss and other comprehensive income as the recognised hedged item.

Hedge accounting is discontinued when the Group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or it no longer qualifies for hedge accounting. Any gain or loss accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

(i) Financial instruments recognition, measurement and derecognition

Financial assets and liabilities are recognised in the statement of financial position at the date when the Group becomes a party to the contractual provisions of the financial instruments. Regular purchases and sales, if any, of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

(j) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(k) Cash and cash equivalents

For the purpose of presentation in the consolidated statements of cash flows, 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.

(l) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period which are classified as non-current assets. Loans and receivables are recognised initially at fair value plus transaction costs, and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

NOTES TO THE FINANCIAL STATEMENTS

2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Loans and receivables (continued)

The Group assesses at each reporting date whether there is objective evidence that loans and receivables are impaired and recognises an allowance for impairment when such evidence exists. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectable, it is written off against the allowance account. Subsequent recoveries of the amounts previously written off are credited against the allowance accounts. Changes in the carrying amount of the allowance account are recognised in profit or loss.

The allowance for impairment loss account is reduced through the consolidated statement of profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

(m) Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost, subsequently measured at cost less accumulated depreciation and any accumulated impairment losses. The cost includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. Freehold land is not depreciated.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

• Buildings	2-50 years
• Leasehold improvements	3-10 years
• Network equipment	6-10 years
• Transport equipment	5-7 years
• Plant and equipment	2-6 years
• Leased equipment	3 years

Depreciation on assets under construction commences when the assets are ready for the intended use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS

2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Leases

The Group as lessee

Leases of property, plant and equipment of which the Group has substantially transferred all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other long-term payables. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The interest element of the finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Property, plant and equipment acquired under finance lease is depreciated over the shorter of the asset's useful life and the lease term. Where there is reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset should be depreciated over its useful life.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating lease (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

(o) Intangible assets

(i) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

(ii) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

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 life and therefore there is no amortisation charge booked against the carrying value.

Under the provisions of the Taiwan's Cable Radio and Television Law (Taiwan) (the CRTL), the National Communications Commission (NCC) or similarly established regulatory body in accordance with the laws of Taiwan renews a cable TV licence every nine years at no significant cost. Unless there is a significant risk of an offence against the CRTL or a breach of conditions under the licence, there is no reason to believe the licence will not be renewed. Further, the lives of the cable TV licences are not limited by any technical, legal, commercial or other factors either known or anticipated.

The Trustee-Manager reviews the determination of indefinite life at each reporting date to determine whether events and circumstances continue to support the indefinite useful life assessment. The cable TV licences are subject to an annual impairment test.

NOTES TO THE FINANCIAL STATEMENTS

2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Intangible assets (continued)

(ii) Intangible assets acquired in a business combination (continued)

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 of three years.

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 its estimated useful life of 15 months.

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the aggregate of the fair value of the consideration transferred and the fair value of non-controlling interests over the net identifiable assets acquired and liabilities assumed.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value-in-use and the fair value less costs-to-sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(iii) Derecognition of intangible assets

An intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

(p) Impairment of intangible assets

(i) Impairment of goodwill and intangible assets with indefinite useful life

Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired. For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's Cash Generating Unit (CGU) expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. Recoverable amount of a CGU is the higher of the CGU's fair value less costs-to-sell or value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss on goodwill and assets that have an indefinite useful life is recognised directly in profit or loss and is not reversed in a subsequent period.

NOTES TO THE FINANCIAL STATEMENTS

2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Impairment of intangible assets (continued)

(ii) Impairment of intangible assets with finite useful life

The carrying values of intangible assets with finite useful lives are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

(q) Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. The amounts are unsecured and are usually paid within a reasonable period of time from their recognition. Trade and other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value net of transaction costs, and subsequently measured at amortised cost using the effective interest method.

(r) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events (it is more likely than not that an outflow of resources will be required to settle the obligation) and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(s) Retirement benefit obligations

The Group operates both a defined benefit scheme and a defined contribution scheme. Eligibility for participation in each of the plans is governed by employment and related law in the country of employment for employees of the Group.

(i) Defined benefit scheme

The defined benefit scheme, for certain eligible employees in Taiwan, provides defined benefits based on years of service and average salary for the six-month period before retirement.

A liability or asset in respect of the defined benefit scheme is recognised in the statements of financial position and is measured at the present value of the defined benefit obligations at the reporting date less the fair value of the plan's assets at that date and any unrecognised past service cost. The present value of the defined benefit obligations is based on expected future payments which arise from membership in the scheme to the reporting date, calculated at least annually by independent actuaries.

Expected future payments are discounted using market yields at the reporting date on high-quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future outflows.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised directly in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Retirement benefit obligations (continued)

(ii) Defined contribution scheme

The defined contribution scheme comprises fixed contributions made by the Group with the Group's legal or constructive obligation being limited to these contributions. Contributions to the defined contribution scheme are recognised as an expense when employees have rendered services entitling them to the contributions. Prepaid contributions are recognised in the statement of financial position as an asset to the extent that a cash refund or a reduction in the future payments is available.

(t) Share-based payment transactions

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

(u) Borrowings and interest-bearing liabilities

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statements of profit or loss over the period of the borrowings using the effective interest method.

Borrowings that are due to be settled within 12 months after the reporting date are included in current borrowings in the statement of financial position. Other borrowings due to be settled more than 12 months after the reporting date are included in non-current borrowings in the statement of financial position.

(v) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(w) Current and deferred tax

Income tax payable on profits, based on the applicable tax law in each jurisdiction, is recognised as an expense in the period in which profits arise. The tax effects of income tax losses available for carry forward are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction as at the reporting date. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income tax levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is certain that future taxable amounts will be available to utilise those temporary differences and losses.

NOTES TO THE FINANCIAL STATEMENTS

2) SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Current and deferred tax (continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively) or where they arise from the initial accounting for a business combination.

(x) Unitholders' funds

Ordinary units of the Trust are classified as equity. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Incremental costs directly attributable to the issuance of new ordinary units are deducted against the unitholders' funds account.

(y) Earnings per unit

(i) Basic

Basic earnings per unit is calculated by dividing the profit after income tax attributable to unitholders of APTT by the weighted average number of ordinary units in issue during the year.

(ii) Diluted

Diluted earnings per unit adjusts the figures used in the determination of basic earnings per unit to take into account the profit after income tax effect of interest and other finance costs associated with dilutive potential ordinary units and the weighted average number of units assumed to have been issued for no consideration in relation to dilutive potential ordinary units.

3) CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

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 judgment in the process of applying the accounting estimates. Estimates and judgments are continually evaluated and are based on historical 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.

The following are the critical judgments and key sources of estimation uncertainty that the Trustee-Manager has made in the process of applying the Group accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

NOTES TO THE FINANCIAL STATEMENTS

3) CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS (continued)

(i) Indefinite useful lives of the cable TV licences (Note 8)

The Trustee-Manager exercises judgment in estimating the useful lives of the cable TV licences. The cable TV licences are subject to renewal every nine years, at no significant additional cost. Unless there is a significant risk of a violation of CRTL or a breach of the conditions of any of the licences, there is no reason to believe the licence will not be renewed. In addition, the lives of the cable TV licences are not limited by any technical, legal, commercial or other factors, either known or anticipated. Taking these factors into consideration, it is the judgment of the Trustee-Manager that the cable TV licences have useful lives of an indefinite duration. Consequently, no deferred tax liabilities have been provided on the temporary differences relating to the cable TV licence as at acquisition date as it is deemed that recovery is through sales and sales tax rate is zero. The Trustee-Manager reviews the determination of useful life at each reporting date to determine whether events and circumstances continue to support the indefinite useful life assessment. Costs incurred in acquiring the cable TV licences are brought to account as intangible assets. The cable TV licences are subject to annual impairment testing, as discussed below.

(ii) Impairment of goodwill and intangible assets with indefinite useful lives (Note 8)

Goodwill and intangible assets with indefinite useful lives are not subject to amortisation and are tested annually for impairment. Determining whether goodwill and intangible assets with indefinite useful lives are impaired requires an estimation of their recoverable amounts (as an impairment loss is recognised for the amount by which an asset's carrying amount exceeds its recoverable amount). The recoverable amount is the higher of (i) an asset's fair value less costs-to-sell or (ii) the value-in-use of the CGU to which goodwill and intangible assets have been allocated. The fair values less costs-to-sell require the Trustee-Manager to estimate, based on the best information available, the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date after deducting the costs of disposal. Where there are no active markets, the Trustee-Manager has to exercise judgment in estimating the fair values of these assets, which are calculated based on discounted cash flow model using forecast cash flows generated by the Group and an appropriate discount rate. Having considered the above, the Trustee-Manager is of the view that there is no impairment of goodwill and cable TV licences amounting to \$2,276.4 million as at 31 December 2015 (31 December 2014: \$2,211.4 million).

(iii) Depreciation and impairment of property, plant and equipment (Note 7)

As at 31 December 2015, the carrying value of property, plant and equipment was \$242.8 million (31 December 2014: \$175.7 million) as disclosed in Note 7. All items of property, plant and equipment are recorded at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided to write off cost of property, plant and equipment, adjusted for residual value, over their estimated useful lives, using the straight-line method. The Trustee-Manager exercises its judgment in estimating the useful lives and residual value of the depreciable assets. The estimated useful lives reflects Trustee-Manager's estimate of the period that the Group intends to derive future economic benefits from the use of the depreciable assets.

The Trustee-Manager reviews the carrying values of property, plant and equipment for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists, the recoverable amounts of the assets are estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of an asset's fair value less costs-to-sell or value-in-use.

NOTES TO THE FINANCIAL STATEMENTS

4) CASH AND CASH EQUIVALENTS

	Group as at 31 December 2015 \$'000	Group as at 31 December 2014 \$'000	Trust as at 31 December 2015 \$'000	Trust as at 31 December 2014 \$'000
Cash on hand	39	37	-	-
Cash at bank	60,887	74,453	7,458	7,317
Total	60,926	74,490	7,458	7,317

The currency denomination and exposure to currency risk of cash and cash equivalents are disclosed in Note 27(ii)(a).

5) TRADE AND OTHER RECEIVABLES

	Group as at 31 December 2015 \$'000	Group as at 31 December 2014 \$'000	Trust as at 31 December 2015 \$'000	Trust as at 31 December 2014 \$'000
Trade receivables due from outside parties	17,650	11,539	-	-
Other receivables due from subsidiaries	-	-	32	213
Less: Allowance for doubtful receivables	-	(1)	-	-
Total	17,650	11,538	32	213

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. At financial statements date, the carrying amounts of current trade and other receivables approximate their fair values. The currency denomination and exposure to currency risk and credit risk of trade and other receivables are disclosed in Note 27(ii)(a) and Note 27(ii)(b) respectively.

6) 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 2015		Equity holding 2014	
Name of subsidiary			%	\$'000	%	\$'000
APTT Holdings 1 Limited	Investment holding company	Bermuda	100	704,734	100	704,734
APTT Holdings 2 Limited	Investment holding company	Bermuda	100	637,617	100	637,617
Total cost				1,342,351		1,342,351

NOTES TO THE FINANCIAL STATEMENTS

6) INVESTMENT IN SUBSIDIARIES (continued)

The following entities were within the Group as at 31 December 2015:

Name of entity	Type	Principal activities	Country of incorporation	Proportion of ownership interest	Proportion of voting power held	Reporting date
APTT Holdings 1 Limited	Subsidiary	Investment holding company	Bermuda	100%	100%	31 December
APTT Holdings 2 Limited	Subsidiary	Investment holding company	Bermuda	100%	100%	31 December
Cable TV S.A.	Subsidiary	Investment holding company	Luxembourg	100%	100%	31 December
TBC Holdings B.V.	Subsidiary	Investment holding company	Netherlands	100%	100%	31 December
Harvest Cable Holdings B.V. ¹	Subsidiary	Investment holding company	Netherlands	15%	100%	31 December
Jie Guang Co., Ltd	Subsidiary	Investment holding company	Taiwan	100%	100%	31 December
Jia Guang Co., Ltd	Subsidiary	Investment holding company	Taiwan	77%	100%	31 December
Wo Jun Co., Ltd	Subsidiary	Investment holding company	Taiwan	77%	100%	31 December
Tai Luo Tze Co., Ltd	Subsidiary	Investment holding company	Taiwan	77%	100%	31 December
Tau Luen Co., Ltd	Subsidiary	Investment holding company	Taiwan	77%	100%	31 December
Taiwan Broadband Communications Co., Ltd	Subsidiary	A multisystem cable TV operator	Taiwan	59.3%	100%	31 December
Nan Tao Yuan Cable Television Co., Ltd	Subsidiary	A cable TV system operator	Taiwan	59.3%	100%	31 December
Best Cable Television Co., Ltd	Subsidiary	A cable TV system operator	Taiwan	59.3%	100%	31 December
Shin Ho Cable Television Co., Ltd	Subsidiary	A cable TV system operator	Taiwan	59.3%	100%	31 December
Chun Chien Cable TV Co., Ltd	Subsidiary	A cable TV system operator	Taiwan	59.3%	99.9%	31 December
Chi Yuan Cable TV Co., Ltd ¹	Subsidiary	A cable TV system operator	Taiwan	8.9%	100%	31 December

¹ Although the Group effectively holds 15% and 8.9% interest in Harvest Cable Holdings B.V. (Harvest Cable Holdings) and Chi Yuan Cable TV Co., Ltd (Chi Yuan) respectively, it has the ability to use its power to affect its returns from Harvest Cable Holdings and Chi Yuan pursuant to a series of arrangements among the shareholders in these entities, and the Group receives substantially all of Harvest Cable Holdings' and Chi Yuan's economic interest. Accordingly, the Group regards Harvest Cable Holdings and Chi Yuan as subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

7) PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially recorded at cost, subsequently measured at cost less accumulated depreciation and any accumulated impairment losses.

Group Cost	As at 1 January 2015	Additions during the year	Transfer within PPE during the year	Transfer to intangible assets during the year	Disposals during the year	Foreign exchange effect	As at 31 December 2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	2,741	-	-	-	-	81	2,822
Buildings	3,659	39	10	-	-	108	3,816
Leasehold improvements	472	78	-	-	(55)	13	508
Network equipment	221,766	29,852	65,956	-	(2)	6,114	323,686
Plant and equipment	4,560	649	1,023	-	(9)	132	6,355
Transport equipment	3,036	155	15	-	-	90	3,296
Leased equipment	380	37	-	-	(35)	10	392
Asset under construction	8,695	63,839	(67,004)	(322)	-	273	5,481
Total	245,309	94,649	-	(322)	(101)	6,821	346,356

Group Cost	As at 1 January 2014	Additions during the year	Transfer within PPE during the year	Transfer to intangible assets during the year	Disposals during the year	Foreign exchange effect	As at 31 December 2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	2,772	-	-	-	-	(31)	2,741
Buildings	3,637	54	8	-	-	(40)	3,659
Leasehold improvements	362	114	-	-	-	(4)	472
Network equipment	153,383	15,071	54,937	-	-	(1,625)	221,766
Plant and equipment	3,838	695	71	-	-	(44)	4,560
Transport equipment	2,193	591	274	-	-	(22)	3,036
Leased equipment	383	-	-	-	-	(3)	380
Asset under construction	7,613	56,436	(55,290)	-	-	(64)	8,695
Total	174,181	72,961	-	-	-	(1,833)	245,309

NOTES TO THE FINANCIAL STATEMENTS

7) PROPERTY, PLANT AND EQUIPMENT (continued)

Group Accumulated depreciation	As at 1 January 2015 \$'000	Depreciation during the year \$'000	Disposals during the year \$'000	Foreign exchange effect \$'000	As at 31 December 2015 \$'000
Land	-	-	-	-	-
Buildings	(641)	(380)	-	(17)	(1,038)
Leasehold improvements	(252)	(86)	-	(8)	(346)
Network equipment	(65,402)	(29,408)	-	(1,785)	(96,595)
Plant and equipment	(2,126)	(1,610)	-	(56)	(3,792)
Transport equipment	(1,058)	(648)	-	(28)	(1,734)
Leased equipment	(81)	(52)	35	(2)	(100)
Asset under construction	-	-	-	-	-
Total	(69,560)	(32,184)	35	(1,896)	(103,605)

Group Accumulated depreciation	As at 1 January 2014 \$'000	Depreciation during the year \$'000	Disposals during the year \$'000	Foreign exchange effect \$'000	As at 31 December 2014 \$'000
Land	-	-	-	-	-
Buildings	(242)	(401)	-	2	(641)
Leasehold improvements	(114)	(139)	-	1	(252)
Network equipment	(23,084)	(42,524)	-	206	(65,402)
Plant and equipment	(801)	(1,333)	-	8	(2,126)
Transport equipment	(398)	(662)	-	2	(1,058)
Leased equipment	(30)	(51)	-	-	(81)
Asset under construction	-	-	-	-	-
Total	(24,669)	(45,110)	-	219	(69,560)

NOTES TO THE FINANCIAL STATEMENTS

7) PROPERTY, PLANT AND EQUIPMENT (continued)

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

Group Carrying value	As at 1 January 2015	Additions during the year	Transfer within PPE during the year	Transfer to intangible assets during the year	Disposals during the year	Depreciation during the year	Foreign exchange effect	As at 31 December 2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	2,741	-	-	-	-	-	81	2,822
Buildings	3,018	39	10	-	-	(380)	91	2,778
Leasehold improvements	220	78	-	-	(55)	(86)	5	162
Network equipment	156,364	29,852	65,956	-	(2)	(29,408)	4,329	227,091
Plant and equipment	2,434	649	1,023	-	(9)	(1,610)	76	2,563
Transport equipment	1,978	155	15	-	-	(648)	62	1,562
Leased equipment	299	37	-	-	-	(52)	8	292
Asset under construction	8,695	63,839	(67,004)	(322)	-	-	273	5,481
Total	175,749	94,649	-	(322)	(66)	(32,184)	4,925	242,751

Group Carrying value	As at 1 January 2014	Additions during the year	Transfer within PPE during the year	Transfer to intangible assets during the year	Disposals during the year	Depreciation during the year	Foreign exchange effect	As at 31 December 2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	2,772	-	-	-	-	-	(31)	2,741
Buildings	3,395	54	8	-	-	(401)	(38)	3,018
Leasehold improvements	248	114	-	-	-	(139)	(3)	220
Network equipment	130,299	15,071	54,937	-	-	(42,524)	(1,419)	156,364
Plant and equipment	3,037	695	71	-	-	(1,333)	(36)	2,434
Transport equipment	1,795	591	274	-	-	(662)	(20)	1,978
Leased equipment	353	-	-	-	-	(51)	(3)	299
Asset under construction	7,613	56,436	(55,290)	-	-	-	(64)	8,695
Total	149,512	72,961	-	-	-	(45,110)	(1,614)	175,749

As at 31 December 2015, the Group has pledged property, plant and equipment having carrying amounts of \$226.6 million (31 December 2014: \$154.2 million) to secure banking facilities granted to the Group (Note 12).

During the year ended 31 December 2015, the Group revised the useful lives of its network equipment from 2-10 years to 6-10 years after revisiting the working condition and economic useful lives of network equipment under current technology. The resulting financial effects of this reassessment, assuming that the network equipment are held until the end of their useful lives, are decreases in depreciation expense for the years ended 31 December 2015 and ending 31 December 2016 of \$21.6 million and \$13.9 million respectively.

NOTES TO THE FINANCIAL STATEMENTS

8) 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 acquisition date as it is deemed that recovery is through sales and sales tax rate is zero.

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 its 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 CGU and is tested annually for impairment.

Group Cost	As at 1 January 2015	Additions during the year	Transfer from PPE during the year	Disposals during the year	Foreign exchange effect	As at 31 December 2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cable TV licences	2,204,073	-	-	-	64,796	2,268,869
Software	4,324	2,591	322	(470)	125	6,892
Programming rights	12,015	4,119	-	-	350	16,484
Goodwill	7,288	-	-	-	215	7,503
Total	2,227,700	6,710	322	(470)	65,486	2,299,748

Group Cost	As at 1 January 2014	Additions during the year	Transfer from PPE during the year	Disposals during the year	Foreign exchange effect	As at 31 December 2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cable TV licences	2,228,661	-	-	-	(24,588)	2,204,073
Software	2,820	1,532	-	-	(28)	4,324
Programming rights	-	12,030	-	-	(15)	12,015
Goodwill	7,370	-	-	-	(82)	7,288
Total	2,238,851	13,562	-	-	(24,713)	2,227,700

NOTES TO THE FINANCIAL STATEMENTS

8) INTANGIBLE ASSETS (continued)

Group Accumulated amortisation	As at 1 January 2015 \$'000	Amortisation during the year \$'000	Disposals during the year \$'000	Foreign exchange effect \$'000	As at 31 December 2015 \$'000
Cable TV licences	-	-	-	-	-
Software	(1,873)	(1,897)	470	(52)	(3,352)
Programming rights	(2,403)	(10,528)	-	(25)	(12,956)
Goodwill	-	-	-	-	-
Total	(4,276)	(12,425)	470	(77)	(16,308)

Group Accumulated amortisation	As at 1 January 2014 \$'000	Amortisation during the year \$'000	Disposals during the year \$'000	Foreign exchange effect \$'000	As at 31 December 2014 \$'000
Cable TV licences	-	-	-	-	-
Software	(663)	(1,216)	-	6	(1,873)
Programming rights	-	(2,411)	-	8	(2,403)
Goodwill	-	-	-	-	-
Total	(663)	(3,627)	-	14	(4,276)

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

Group Carrying value	As at 1 January 2015 \$'000	Additions during the year \$'000	Transfer from PPE during the year \$'000	Disposals during the year \$'000	Amortisation during the year \$'000	Foreign exchange effect \$'000	As at 31 December 2015 \$'000
Cable TV licences	2,204,073	-	-	-	-	64,796	2,268,869
Software	2,451	2,591	322	-	(1,897)	73	3,540
Programming rights	9,612	4,119	-	-	(10,528)	325	3,528
Goodwill	7,288	-	-	-	-	215	7,503
Total	2,223,424	6,710	322	-	(12,425)	65,409	2,283,440

Group Carrying value	As at 1 January 2014 \$'000	Additions during the year \$'000	Transfer from PPE during the year \$'000	Disposals during the year \$'000	Amortisation during the year \$'000	Foreign exchange effect \$'000	As at 31 December 2014 \$'000
Cable TV licences	2,228,661	-	-	-	-	(24,588)	2,204,073
Software	2,157	1,532	-	-	(1,216)	(22)	2,451
Programming rights	-	12,030	-	-	(2,411)	(7)	9,612
Goodwill	7,370	-	-	-	-	(82)	7,288
Total	2,238,188	13,562	-	-	(3,627)	(24,699)	2,223,424

The value of the cable TV licences and goodwill is allocated to the Group's CGU which is principally engaged in the Basic cable TV, Premium digital cable TV and Broadband services in Taiwan. The Trustee-Manager is of the view that there is no impairment of cable TV licences and goodwill as the recoverable amount was higher than the carrying amount as at 31 December 2015.

NOTES TO THE FINANCIAL STATEMENTS

8) INTANGIBLE ASSETS (continued)

Impairment test for cable TV licences and goodwill

The recoverable amounts of the CGU are determined from value-in-use calculations. The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. The Trustee-Manager estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGU. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The Group prepares cash flow forecasts based on management's latest business plan for forecast horizon of five years and derives the terminal value based on terminal multiple of 12.4 times (31 December 2014: 12.5 times). This rate does not exceed the average long-term growth rate for the relevant markets. The rate used to discount the forecast cash flows from the CGU was 7.4% (31 December 2014: 8.0%). As at 31 December 2015, any reasonably possible change to the key assumptions applied were not likely to cause the recoverable amounts to be below the carrying amounts of the CGU.

9) INCOME TAX REFUND RECEIVABLE

As at 31 December 2015, the Group had an aggregate income tax refund receivable of \$0.9 million (31 December 2014: \$1.1 million), which consists of the income tax withheld with respect to interest payments on shareholder loans among the onshore affiliates in Taiwan. According to the tax laws in Taiwan, 10% income tax must be withheld on the interest payment made locally. The withholding taxes, similar to prepaid tax, can be used as tax credits or be refunded when filing the relevant onshore affiliate's income tax return.

10) DERIVATIVE FINANCIAL INSTRUMENTS

(i) Currency forwards

The Trust uses foreign exchange contracts to manage its exposure to foreign exchange movements of the Taiwan dollar (NT\$) future estimated cash flows from dividends and principal and interest payments received by the Trust from the entities held within the Group. The Trust employs a 24-month rolling hedging program 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 December 2015, the total notional amount of outstanding foreign exchange contracts to which the Trust was committed to, is as follows:

	Group as at 31 December 2015 \$'000	Group as at 31 December 2014 \$'000	Trust as at 31 December 2015 \$'000	Trust as at 31 December 2014 \$'000
Sell NT\$3,131 million (2014: NT\$3,611 million)	134,276	152,508	134,276	152,508

As at 31 December 2015, mark to market movements, both current and non-current assets, on such swaps were \$0.2 million (31 December 2014: \$0.4 million) and \$0.004 million (31 December 2014: nil); and current and non-current liabilities on such swaps were \$1.3 million (31 December 2014: \$0.04 million) and \$0.3 million (31 December 2014: \$0.3 million) respectively both at the Group and Trust level.

NOTES TO THE FINANCIAL STATEMENTS

10) DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(ii) Interest rate swaps

The Group uses interest rate swaps to manage its exposure to interest rate movements on its borrowings from financial institutions by swapping a proportion of those borrowings from floating rates to fixed rates. 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.

The fair value of interest rate swaps with nominal value of NT\$25.5 billion as at 31 December 2015 (31 December 2014: NT\$22.5 billion) was estimated at \$9.1 million (31 December 2014: \$0.7 million), which resulted in derivative financial instrument liability of the Group. These amounts were based on using valuation techniques at the balance sheet date. The aforementioned interest rate swaps qualify for hedge accounting. Therefore, the changes in the fair value of hedging interest rate derivative of \$8.4 million, net of deferred tax asset effect amounting to \$1.5 million, with a net loss of \$6.9 million for the year ended 31 December 2015 (31 December 2014: loss of \$0.5 million), were recognised directly in other comprehensive income.

11) OTHER ASSETS

	Group as at 31 December 2015 \$'000	Group as at 31 December 2014 \$'000	Trust as at 31 December 2015 \$'000	Trust as at 31 December 2014 \$'000
Current				
Prepayments	595	540	-	-
Tax receivables	431	641	266	526
Other assets	53	578	-	-
Total current	1,079	1,759	266	526
Non-current				
Refundable deposits	860	730	-	-
Deferred cost	2	15	-	-
Total non-current	862	745	-	-
Total other assets	1,941	2,504	266	526

NOTES TO THE FINANCIAL STATEMENTS

12) BORROWINGS FROM FINANCIAL INSTITUTIONS

	Group as at 31 December 2015 \$'000	Group as at 31 December 2014 \$'000
Current portion	8,617	17,460
	8,617	17,460
Non-current portion	1,212,773	1,057,737
Less: Unamortised arrangement fees	(29,542)	(21,860)
	1,183,231	1,035,877
Total	1,191,848	1,053,337

Borrowings are repayable in tranches by 2022 and are secured by land, buildings, network equipment and plant and equipment (Note 7) 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 borrowing facilities. In addition, guarantees in favour of the lenders under the borrowing facilities are provided by TBC Holdings B.V. and Harvest Cable Holdings B.V. As at 31 December 2015, the total value of assets pledged for borrowings was \$226.6 million (31 December 2014: \$154.2 million).

The borrowings are denominated in NT\$ and bear a floating interest rate of Taiwan's three-month secondary market commercial paper rate plus an interest margin of 2.9% to 3.1% based on the leverage ratio of the Group. As discussed in Note 10(ii), the Group uses interest rate swaps to swap a portion of its borrowings from floating rate to fixed rate. As at 31 December 2015, the notional amount swapped was NT\$25.5 billion (31 December 2014: NT\$22.5 billion). The Group's average effective interest rate is approximately 4% per annum (31 December 2014: less than 4% per annum). Interest on the borrowings is payable quarterly.

During the year ended 31 December 2015, the previous borrowing facilities of NT\$27.0 billion were refinanced with new borrowing facilities of NT\$32.0 billion. The Trustee-Manager has reviewed the Group's settlement procedures during the year ended 31 December 2015 to ensure that no such circumstances had occurred which would have led to breach of loan agreement.

13) TRADE AND OTHER PAYABLES

	Group as at 31 December 2015 \$'000	Group as at 31 December 2014 \$'000	Trust as at 31 December 2015 \$'000	Trust as at 31 December 2014 \$'000
Trade payables due to outside parties	16,550	16,123	-	-
Base fees payable to the Trustee-Manager	3,906	3,865	3,906	3,865
Other payables due to subsidiaries	-	-	6,061	5,165
Other payables due to the Trustee-Manager	30	17	30	17
Total	20,486	20,005	9,997	9,047

The currency denomination and exposure to currency risk of trade and other payables are disclosed in Note 27(ii)(a).

NOTES TO THE FINANCIAL STATEMENTS

14) RETIREMENT BENEFIT OBLIGATIONS

The Group operates two retirement benefit arrangements for all employees in accordance with legislation in the country of employment for all employees: for eligible employees in Taiwan, a defined benefit plan and for all other employees, a defined contribution plan. The defined benefit plan provides benefits based on years of service and average salary in the six-month period before retirement. The defined contribution plan receives fixed contributions from the Group companies and the Group legal or constructive obligation is limited to these contributions. As at 31 December 2015, the Group's retirement benefit obligations, classified as current and non-current liabilities, were \$1.3 million (31 December 2014: \$0.9 million) and \$15.6 million (31 December 2014: \$11.3 million).

(i) Defined contribution plan

The total expense recognised in the consolidated statements of profit or loss of \$1.7 million for the year ended 31 December 2015 (31 December 2014: \$1.4 million), represented contribution payable to these plans by the Group at rates specified in the rules of the plans. As at 31 December 2015, contribution of \$1.3 million due in respect of 2015 has not been paid over to the plans (2014: \$0.9 million). Such amount was paid subsequent to the end of the reporting period.

(ii) Defined benefit plan

The plan assets are held in the Bank of Taiwan, a custodian bank for employee pension funds designated by the Government of Taiwan in accordance with regulations in Taiwan.

The Group funds the defined benefit plan at 2% (31 December 2014: 2%) of salaries for employees who are members of the defined benefit plan, in accordance with legislative requirements and market practice in the country of employment. The actual return on plan assets during the year ended 31 December 2015 was \$0.1 million (31 December 2014: \$0.1 million).

The amounts included in the consolidated statements of financial position arising from the Group's obligation in respect of its defined benefit plan are as follows:

	Group as at 31 December 2015 \$'000	Group as at 31 December 2014 \$'000
Present value of funded defined benefit obligations	20,146	15,570
Less: Fair value of plan assets	(4,506)	(4,250)
Net liability arising from defined benefit obligations	15,640	11,320

NOTES TO THE FINANCIAL STATEMENTS

14) RETIREMENT BENEFIT OBLIGATIONS (continued)

(ii) Defined benefit plan (continued)

Amounts recognised in the consolidated statements of profit or loss and other comprehensive income in respect of its defined benefit plan are as follows:

	Group Year ended 31 December 2015 \$'000	Group Year ended 31 December 2014 \$'000
Current service cost	84	86
Net interest cost on the defined benefit obligations	302	251
Interest income on plan assets	(85)	(73)
Components of defined benefit costs recognised in profit or loss	301	264
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding net interest cost or income)	(32)	(22)
Actuarial losses arising from changes in demographic assumptions	1,138	794
Actuarial losses/(gains) arising from changes in financial assumptions	996	(743)
Actuarial losses arising from changes in experience adjustments	2,429	1,673
Components of defined benefit costs recognised in other comprehensive income	4,531	1,702
Total	4,832	1,966

The current service cost and the net interest expense are included in the staff costs in profit or loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

Reconciliations

Movements in the present value of the defined benefit obligations in the current financial year are as follows:

	Group as at 31 December 2015 \$'000	Group as at 31 December 2014 \$'000
Balance at the beginning of the year	15,570	14,534
Current service cost	84	86
Interest cost	302	251
Remeasurement (gains)/losses:		
Actuarial losses arising from changes in demographic assumptions	1,138	794
Actuarial losses/(gains) arising from changes in financial assumptions	996	(743)
Actuarial losses arising from changes in experience adjustments	2,429	1,673
Benefits paid	(829)	(858)
Foreign exchange difference	456	(167)
Balance at the end of the year	20,146	15,570

NOTES TO THE FINANCIAL STATEMENTS

14) RETIREMENT BENEFIT OBLIGATIONS (continued)

(ii) Defined benefit plan (continued)

Movements in the fair value of plan assets in the current financial year are as follows:

	Group as at 31 December 2015 \$'000	Group as at 31 December 2014 \$'000
Balance at the beginning of the year	4,250	4,095
Interest income	85	73
Contributions by employer	277	272
Return on plan assets	32	22
Benefits paid	(262)	(170)
Foreign exchange difference	124	(42)
Balance at the end of the year	4,506	4,250

Principal actuarial assumptions

An actuarial review of the plan assets and liabilities is undertaken at least annually. The last actuarial review was undertaken at 31 December 2015 by Professional Actuary Management Consulting Co., Ltd. The present values of employee benefits not expected to be settled within 12 months as at the reporting date have been calculated using the following weighted averages for the retirement benefit obligations:

	Group as at 31 December 2015 (%)	Group as at 31 December 2014 (%)
Discount rate used in determining present values	1.500-1.750	1.875
Future salary increase rate	3.000	2.750
Expected rate of return on plan assets	2.000	2.000

The fair values of plan assets for each category, are as follows:

	Group as at 31 December 2015 \$'000	Group as at 31 December 2014 \$'000
Cash and cash equivalents	803	800
Short-term notes	68	106
Money market funds	43	44
Bonds	556	490
Other fixed income instruments	697	624
Equities	2,207	2,060
Others	132	126
Total	4,506	4,250

The fair values of the above equity and debt instruments are determined based on the quoted market prices in active markets.

NOTES TO THE FINANCIAL STATEMENTS

14) RETIREMENT BENEFIT OBLIGATIONS (continued)

(ii) Defined benefit plan (continued)

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

- If the discount rate is 25 basis points higher (lower), the defined benefit obligations would decrease by \$0.6 million (increase by \$0.7 million).
- If the expected salary growth increases (decreases) by 25 basis points, the defined benefit obligations would increase by \$0.7 million (decrease by \$0.6 million).

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligations liability recognised in the consolidated statements of financial position.

In compliance with government provisions, the Group's subsidiaries are required to set up an independent account in Bank of Taiwan and to make legal contributions to the account on a monthly basis. The fund is solely managed by the relevant authority. The Group's subsidiaries are precluded from making any investment strategies. The authority guarantees a minimum yearly return that is approximate to an annual average interest rate of a two-year fixed deposit.

The Group's subsidiaries fund the cost of the entitlements expected to be earned on a yearly basis. The funding requirements are based on the local actuarial measurement framework. In this framework, discount rate is set on a risk free rate. Furthermore, premiums are determined on a current salary base. Additional liabilities stemming from past service due to salary increases (back-service liabilities) are paid immediately to the fund. Apart from paying the costs of the entitlements, the Group's subsidiaries are not liable to pay additional contributions in case the fund does not hold sufficient assets. In that case, the fund would take other measures to restore its solvency, such as a reduction of the entitlements of the plan members.

The average duration of the benefit obligation as at 31 December 2015 was 13.5 years (31 December 2014: 13.5 years).

The Group expects to make a contribution to the defined benefit plans during the next financial year amounting to \$0.3 million (31 December 2014: \$0.3 million).

NOTES TO THE FINANCIAL STATEMENTS

15) DEFERRED TAX LIABILITIES

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

	Group as at 1 January 2015	Recognised in profit or loss during the year	Recognised in other comprehensive income during the year	Foreign exchange effect	Group as at 31 December 2015
	\$'000	\$'000	\$'000	\$'000	\$'000
Pension expense	(697)	718	-	(21)	-
Impairment loss	(546)	10	-	(15)	(551)
Cash flow hedging reserves	-	-	(1,499)	(40)	(1,539)
Intangible assets partially deductible for tax purposes ¹	43,947	5,347	-	1,268	50,562
Accelerated tax depreciation	1,489	(284)	-	45	1,250
Undistributed earnings of subsidiaries	9,762	(6,420)	-	240	3,582
Unrealised exchange gains	(147)	(658)	-	2	(803)
Deferred tax liabilities, net	53,808	(1,287)	(1,499)	1,479	52,501

	Group as at 1 January 2014	Recognised in profit or loss during the year	Recognised in other comprehensive income during the year	Foreign exchange effect	Group as at 31 December 2014
	\$'000	\$'000	\$'000	\$'000	\$'000
Pension expense	(753)	48	-	8	(697)
Impairment loss	(556)	3	-	7	(546)
Intangible assets partially deductible for tax purposes ¹	-	43,697	-	250	43,947
Accelerated tax depreciation	1,783	(274)	-	(20)	1,489
Undistributed earnings of subsidiaries	4,047	5,714	-	1	9,762
Unrealised exchange gains	1,830	(1,961)	-	(16)	(147)
Deferred tax liabilities, net	6,351	47,227	-	230	53,808

The following is the analysis of the deferred tax balances:

	Group as at 31 December 2015 \$'000	Group as at 31 December 2014 \$'000
Deferred tax liabilities to be disbursed after more than 12 months	52,501	53,808

¹ Following the settlement principles agreed between the Group and the Taiwan tax authorities during the year ended 31 December 2014 as disclosed in Note 26, deferred tax liabilities of \$50.6 million are recorded by the Group for the partial tax deductions in respect of amortisation of intangible assets claimed by the Group as at 31 December 2015 (31 December 2014: \$43.9 million).

NOTES TO THE FINANCIAL STATEMENTS

16) OTHER LIABILITIES

	Group as at 31 December 2015 \$'000	Group as at 31 December 2014 \$'000	Trust as at 31 December 2015 \$'000	Trust as at 31 December 2014 \$'000
Current				
Collections received in advance	34,928	35,588	-	-
Accrued expenses	23,983	17,281	156	120
Withholding tax payable	1,728	589	-	-
Other tax payable	577	443	-	-
Obligations under finance leases (Note 21)	173	225	-	-
Long-term incentive plan (Note 25(ii))	1,277	442	-	-
Interest payable	134	118	-	-
Total current	62,800	54,686	156	120
Non-current				
Subscriber deposits	9,383	6,632	-	-
Obligations under finance leases (Note 21)	120	78	-	-
Long-term incentive plan (Note 25(ii))	1,374	891	-	-
Others	877	-	-	-
Total non-current	11,754	7,601	-	-
Total other liabilities	74,554	62,287	156	120

17) UNITHOLDERS' FUNDS

	Trust Year ended 31 December 2015 Number of units	Trust Year ended 31 December 2014 Number of units	Trust Year ended 31 December 2015 \$'000	Trust Year ended 31 December 2014 \$'000
Balance at the beginning and end of the year	1,436,800,000	1,436,800,000	1,342,851	1,342,851

Ordinary units entitle the holder to participate in distributions and the proceeds on winding up of the Trust in proportion to the number of the units held.

On a show of hands every holder of ordinary units present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each unit is entitled to one vote.

18) RESERVES

	Group as at 31 December 2015 \$'000	Group as at 31 December 2014 \$'000
Foreign currency translation reserves	29,285	(9,060)
Retirement benefit obligations reserves	(7,838)	(3,307)
Cash flow hedging reserves	(7,069)	(216)
Capital reserves	14,008	4,155
Total	28,386	(8,428)

NOTES TO THE FINANCIAL STATEMENTS

18) RESERVES (continued)

(i) Foreign currency translation reserves

	Group as at 31 December 2015 \$'000	Group as at 31 December 2014 \$'000
Balance at the beginning of the year	(9,060)	1,077
Exchange differences on translation of foreign operations	38,345	(10,137)
Balance at the end of the year	29,285	(9,060)

Exchange differences arising on translation of foreign controlled entities are taken to the foreign currency translation reserve, as described in Note 2(e)(iii). The reserve is recognised in profit or loss when the net investment is disposed of.

(ii) Retirement benefit obligations reserves

	Group as at 31 December 2015 \$'000	Group as at 31 December 2014 \$'000
Balance at the beginning of the year	(3,307)	(1,605)
Remeasurement of defined benefit obligations	(4,531)	(1,702)
Balance at the end of the year	(7,838)	(3,307)

Retirement benefit obligations reserves represent the effects of the remeasurement of defined benefit plan (Note 14(ii)).

(iii) Cash flow hedging reserves

	Group as at 31 December 2015 \$'000	Group as at 31 December 2014 \$'000
Balance at the beginning of the year	(216)	240
Unrealised loss on change in fair value of cash flow hedging financial instruments:		
Interest rate swaps	(8,352)	(456)
Deferred tax relating to items that may subsequently be reclassified to profit or loss	1,499	-
Balance at the end of the year	(7,069)	(216)

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item, consistent with the Group's accounting policy.

NOTES TO THE FINANCIAL STATEMENTS

18) RESERVES (continued)

(iv) Capital reserves

	Group as at 31 December 2015 \$'000	Group as at 31 December 2014 \$'000
Balance at the beginning of the year	4,155	(4)
Transfer from accumulated profits during the year ¹	9,853	4,159
Balance at the end of the year	14,008	4,155

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.

19) ACCUMULATED DEFICIT

	Group as at 31 December 2015 \$'000	Group as at 31 December 2014 \$'000	Trust as at 31 December 2015 \$'000	Trust as at 31 December 2014 \$'000
Balance at the beginning of the year	(60,930)	(23,827)	(1,586)	(2,760)
Profit after income tax attributable to unitholders of APTT	45,156	114,328	114,049	148,446
Transfer to capital reserve	(9,853)	(4,159)	-	-
Distributions paid	(116,812)	(147,272)	(116,812)	(147,272)
Balance at the end of the year	(142,439)	(60,930)	(4,349)	(1,586)

20) 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 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.

	Group as at 31 December 2015 \$'000	Group as at 31 December 2014 \$'000
Balance at the beginning of the year	2,334	2,326
Settlement of transactions with non-controlling interests	(126)	(127)
Comprehensive income for the year	294	332
Distributions paid	(183)	(197)
Balance at the end of the year	2,319	2,334

21) OBLIGATIONS UNDER FINANCE LEASES

(i) Leasing arrangements

Some of the transport equipments held by the Group are under finance lease. These are shown as leased equipments in Note 7. The average lease term for the year ended 31 December 2015 was three years (31 December 2014: three years).

Average effective interest rates underlying all obligations under finance leases are fixed at respective contract dates ranging from 9.56% to 10.32% per annum (31 December 2014: 9.56% to 20.69% per annum).

NOTES TO THE FINANCIAL STATEMENTS

21) OBLIGATIONS UNDER FINANCE LEASES (continued)

(ii) Finance lease liabilities

	Minimum lease payments	Minimum lease payments	Present value of minimum lease payments	Present value of minimum lease payments
	Group as at 31 December 2015 \$'000	Group as at 31 December 2014 \$'000	Group as at 31 December 2015 \$'000	Group as at 31 December 2014 \$'000
Within one year	188	252	173	225
In the second to fifth years inclusive	138	80	120	78
	326	332	293	303
Less: Future finance charges	(33)	(29)	-	-
Present value of lease obligations	293	303	293	303
Included in the consolidated statements of financial position as:				
Current liabilities (Note 16)			173	225
Non-current liabilities (Note 16)			120	78
Total			293	303

22) OPERATING LEASE ARRANGEMENTS

The Group as lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating lease (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of lease.

The Group rents its office buildings, fibre and utility poles under operating leases.

Payments recognised as an expense

	Group Year ended 31 December 2015 \$'000	Group Year ended 31 December 2014 \$'000
Minimum lease payments (Note 25(ix))	5,139	5,022

Operating leases relating to leases of office buildings have lease terms between 1 and 10 years. The Group does not have an option to purchase the leased office buildings at the expiry of the lease periods.

Non-cancellable operating lease commitments

The Group had outstanding commitments for office buildings under non-cancellable operating leases, which fall due as follows:

	Group as at 31 December 2015 \$'000	Group as at 31 December 2014 \$'000
Within one year	1,258	1,272
In the second to fifth years inclusive	2,454	2,472
After five years	1,440	118
Total	5,152	3,862

The leases for fibre and utility poles are negotiated for one year. The rentals have been prepaid in full for the lease term with no operating lease commitment outstanding as at 31 December 2015.

NOTES TO THE FINANCIAL STATEMENTS

23) DISTRIBUTIONS

The Group changed its distribution policy to move from semi-annual distributions to quarterly distributions as of 12 August 2014. Distributions are 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.

The Board has declared an ordinary final distribution of 2.25 cents per unit in respect of the three months ended 31 December 2015.

	Three months ended 31 December 2015	Three months ended 30 September 2015	Three months ended 31 December 2014
Ordinary distribution	2.25 cents per unit	2.00 cents per unit	2.13 cents per unit
Announcement date	23 February 2016	6 November 2015	24 February 2015
Ex-distribution date	15 March 2016	9 December 2015	18 March 2015
Books closure date	17 March 2016	11 December 2015	20 March 2015
Date payable	24 March 2016	18 December 2015	27 March 2015

Breakdown of total annual distribution

	Year ended 31 December 2015 \$'000	Year ended 31 December 2014 \$'000
Ordinary	118,536 ¹	118,536 ²
Special	-	-
Total	118,536	118,536

Historical distributions

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

Distribution period	Cents per unit
Six months ended:	
30 June 2013 ³	4.80
31 December 2013	4.13
30 June 2014	4.12
Three months 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 (to be paid on 24 March 2016)	2.25

¹ Includes an amount of \$32.3 million which is to be paid on 24 March 2016.

² Includes an amount of \$30.6 million which was paid on 27 March 2015.

³ The first financial period was from the APTT listing date, 29 May 2013, to 30 June 2013.

These financial statements do not reflect the distribution for the three months ended 31 December 2015, which will be accounted for in total equity as an appropriation of retained earnings in the year ending 31 December 2016.

NOTES TO THE FINANCIAL STATEMENTS

24) REVENUE

For the year ended 31 December 2015, APTT reported total revenue of \$332.2 million (31 December 2014: \$318.7 million). Total revenue comprised: (i) Basic cable TV revenue of \$265.0 million (31 December 2014: \$255.8 million), (ii) Premium digital cable TV revenue of \$15.4 million (31 December 2014: \$13.8 million) and (iii) Broadband revenue of \$51.8 million (31 December 2014: \$49.2 million).

	Group Year ended 31 December 2015 \$'000	Group Year ended 31 December 2014 \$'000
Revenue		
Basic cable TV		
Subscription revenue	210,807	203,415
Non-subscription revenue	54,155	52,359
	264,962	255,774
Premium digital cable TV		
Subscription revenue	14,335	13,349
Non-subscription revenue	1,031	443
	15,366	13,792
Broadband		
Subscription revenue	49,468	47,835
Non-subscription revenue	2,356	1,328
	51,824	49,163
Total revenue	332,152	318,729

(i) Basic cable TV

Basic cable TV revenue, comprising subscription and other non-subscription revenue, represents approximately 80% of total revenue (31 December 2014: 80%). Basic cable TV non-subscription revenue comprised predominantly revenue generated from the leasing of television channels to third parties, sales of advertising airtime and fees for the installation of set-top boxes.

Basic cable TV revenue of \$265.0 million for the year ended 31 December 2015 (31 December 2014: \$255.8 million). This comprised subscription revenue of \$210.8 million (31 December 2014: \$203.4 million) and non-subscription revenue of \$54.2 million (31 December 2014: \$52.4 million).

(ii) Premium digital cable TV

Premium digital cable TV revenue comprised subscription and non-subscription revenue. Subscription revenue was generated from subscriptions to Premium digital cable TV packages and bundled DVR services. Non-subscription revenue was generated from DVR-only services, fees for the installation of digital set-top boxes and the sale of electronic programme guide data to other system operators.

Premium digital cable TV revenue of \$15.4 million for the year ended 31 December 2015 (31 December 2014: \$13.8 million). This comprised subscription revenue of \$14.3 million (31 December 2014: \$13.3 million) and non-subscription revenue of \$1.0 million (31 December 2014: \$0.4 million).

(iii) Broadband

Broadband revenue comprised subscription and non-subscription revenue generated from the provision of installation services.

Broadband revenue of \$51.8 million for the year ended 31 December 2015 (31 December 2014: \$49.2 million). This comprised subscription revenue of \$49.5 million (31 December 2014: \$47.8 million) and non-subscription revenue of \$2.4 million (31 December 2014: \$1.3 million).

NOTES TO THE FINANCIAL STATEMENTS

25) OPERATING EXPENSES, INTEREST AND OTHER FINANCE COSTS

An analysis of the Group's operating expenses, interest and other finance costs is as follows:

(i) Broadcast and production costs

Broadcast and production costs of \$62.5 million for the year ended 31 December 2015 (31 December 2014: \$60.1 million). 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 \$29.7 million for the year ended 31 December 2015 (31 December 2014: \$27.0 million). Staff costs comprised direct employee costs and general and administrative employee costs including salaries, bonuses, long-term incentives and benefits.

The Group adopted a long-term incentive plan (the LTIP) in 2013 for its senior management at TBC, under which TBC senior management will be granted notional units of the Trust upon achieving prescribed performance targets. These notional units will vest in tranches over a prescribed period of time, initially commencing two years after the grant of the notional units. Upon vesting of such notional units under the LTIP, TBC's senior management will receive a cash payment equal to the number of vested notional units multiplied by the market price of the units as determined in accordance with the LTIP. Performance targets for years 2013, 2014 and 2015 were met and as a result 7.5 million notional units were granted and are outstanding under the LTIP. LTIP expense attributable to the year ended 31 December 2015 of \$1.3 million (31 December 2014: \$1.0 million) has been recognised in the financial statements to reflect the estimate of the future obligations under the LTIP. As the financial effect of LTIP expense is not significant for the year ended 31 December 2015, the Trustee-Manager is of the view that no further disclosure is required.

(iii) Depreciation and amortisation expense

Depreciation and amortisation expense was \$44.6 million for the year ended 31 December 2015 (31 December 2014: \$48.7 million). 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, programming rights and software.

(iv) Trustee-Manager fees

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

The Trustee-Manager base fee was \$7.2 million for the year ended 31 December 2015 (31 December 2014: \$7.2 million). There were no performance fees payable to the Trustee-Manager for the years 2015 and 2014.

The base fee is payable semi-annually in arrears for every six months ending 30 June and 31 December of each year. Payment of the base fee, whether in the form of cash and/or units, shall be made out of 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 loss

Foreign exchange losses were \$2.5 million for the year ended 31 December 2015 (31 December 2014: \$3.4 million).

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

The Trust uses foreign exchange swaps to manage its exposure to foreign exchange movements as discussed in Note 10(i). For the year ended 31 December 2015, the period end mark to market loss on the Trust's foreign currency swaps was \$1.5 million (31 December 2014: gain of \$0.8 million) both at the Group and Trust level.

NOTES TO THE FINANCIAL STATEMENTS

25) OPERATING EXPENSES, INTEREST AND OTHER FINANCE COSTS (continued)

(vii) Debt advisory fee

Debt advisory fee for year ended 31 December 2015 represents a one-time advisory fee of \$5.5 million paid to Macquarie Capital (Hong Kong) Limited for services provided in relation to the refinancing of TBC's borrowing facilities.

(viii) Tax advisory fee

Tax advisory fee for the year ended 31 December 2014 represented a one-time advisory fee of \$1.2 million paid to Deloitte (Taiwan) for services performed in relation to the settlement of the tax dispute as discussed in Note 26.

(ix) Other operating expenses

	Group Year ended 31 December 2015 \$'000	Group Year ended 31 December 2014 \$'000
Legal and professional fees	4,518	3,203
Non-recoverable GST/VAT	3,888	3,745
Repairs and maintenance	1,830	1,557
Promotions and marketing expenses	1,978	3,317
Bank charges	2,156	2,035
Printing and stationery	1,713	1,676
Licence fees	2,605	2,522
Office administration	4,268	3,612
Lease rentals (Note 22)	5,139	5,022
Others	3,622	3,352
Total other operating expenses	31,717	30,041

Other operating expenses include Trust expenses, comprising administrative expenses, corporate services fees, audit fees, annual filing fees, occupancy fees, legal costs, other professional fees, insurance and other miscellaneous expenses and other Group expenses, comprising rent for office buildings, fibre and utility poles, installation costs, local and National Communications Commission of Taiwan (NCC) taxes, billing expenses, utility expenses, marketing expenses as well as offshore administrative expenses.

(x) Amortisation of deferred arrangement fees

The Group pays financing fees to the lenders when entering into new borrowing facilities. At inception, the financing fees are recorded as unamortised arrangement fees. The fees are amortised over the period of the borrowing facilities as an expense to the statement of profit or loss. Amortisation of deferred arrangement fees was \$26.0 million for the year ended 31 December 2015 (31 December 2014: \$4.0 million) which included the write-off of unamortised arrangement fees on the previous borrowing facilities of \$21.6 million.

(xi) Interest and other finance costs

	Group Year ended 31 December 2015 \$'000	Group Year ended 31 December 2014 \$'000
Interest expense on loans	47,582	39,314
Commitment fees on loans	2,129	746
Total interest and other finance costs	49,711	40,060

Interest and other finance costs were \$49.7 million for the year ended 31 December 2015 (31 December 2014: \$40.1 million). This comprised interest expense and commitment fees on the Group's debt facilities.

NOTES TO THE FINANCIAL STATEMENTS

25) OPERATING EXPENSES, INTEREST AND OTHER FINANCE COSTS (continued)

(xii) Remuneration of auditors

	Group Year ended 31 December 2015 \$'000	Group Year ended 31 December 2014 \$'000
Amounts paid or payable to Deloitte & Touche LLP (Singapore) for:		
Audit services	113	113
Audit related services	50	50
Non-audit services	-	-
	163	163
Amounts paid or payable to Deloitte & Touche LLP network firms for:		
Audit services	687	676
Audit-related services	89	64
Non-audit services ¹	48	1,417
	824	2,157

¹ Includes one-time fee of \$1.2 million paid to Deloitte (Taiwan), for services performed in relation to settlement of the tax disputes, for the year ended 31 December 2014, as discussed in Note 25(viii).

Significant subsidiaries of the Group are audited by overseas practices of Deloitte & Touche Tohmatsu Limited (Deloitte).

26) INCOME TAXES

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 in income tax expense in the year in which the determination is made.

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.

In the year 2014, the Group reached agreements with the various tax authorities in Taiwan to settle outstanding tax disputes for the years from 2006 to 2012. As a result, excess tax provisions related to these years of \$88.0 million (NT\$2.1 billion) were reversed and deferred tax liabilities of \$43.9 million (NT\$1,050.0 million) were recorded in respect of the accumulated amortisation of intangible assets claimed by the Group as at 31 December 2014.

NOTES TO THE FINANCIAL STATEMENTS

26) INCOME TAXES (continued)

Income tax (expense)/benefit recognised in the consolidated statements of profit or loss is as follows:

	Group Year ended 31 December 2015 \$'000	Group Year ended 31 December 2014 \$'000
Current income tax	(10,920)	(11,762)
Underprovision for tax in prior years	(362)	(235)
Deferred income tax (Note 15)	1,287	(47,227)
Withholding tax	(15,792)	(11,949)
Reversal of accruals for potential tax assessment in prior years	-	88,033
Income tax (expense)/benefit	(25,787)	16,860

Income tax (expense)/benefit can be reconciled to the accounting profits as follows:

	Group Year ended 31 December 2015 \$'000	Group Year ended 31 December 2014 \$'000
Profit before income tax	71,237	97,800
Income tax expense calculated at 17%	(12,110)	(16,626)
Effect of income exempt from taxation	56,125	44,284
Effect of expenses not deductible in determining taxable profit	(53,648)	(86,647)
Withholding tax	(15,792)	(11,949)
Underprovision for tax in prior years	(362)	(235)
Reversal of accruals for potential tax assessment in prior years	-	88,033
Income tax (expense)/benefit	(25,787)	16,860

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

	Group as at 31 December 2015 \$'000	Group as at 31 December 2014 \$'000
Balance at the beginning of the year	10,609	138,721
Current income tax provision	10,920	11,762
Underprovision for tax in prior years	362	235
Income tax payment	(7,838)	(45,850)
Prepaid and withheld income tax	(4,722)	(4,118)
Reversal of accruals for potential tax assessment in prior years	-	(88,033)
Foreign exchange effect	341	(2,108)
Balance at the end of the year	9,672	10,609

NOTES TO THE FINANCIAL STATEMENTS

27) FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT

(i) Categories of financial instrument

	Group as at 31 December 2015 \$'000	Group as at 31 December 2014 \$'000	Trust as at 31 December 2015 \$'000	Trust as at 31 December 2014 \$'000
Financial assets				
Loans and receivables:				
Cash and cash equivalents	60,926	74,490	7,458	7,317
Trade and other receivables	17,650	11,538	32	213
Other financial assets	913	1,308	-	-
Derivative instruments:				
not designated in hedge accounting relationships	154	362	154	362
	79,643	87,698	7,644	7,892
Financial liabilities				
Amortised cost:				
Borrowings from financial institutions	(1,191,848)	(1,053,337)	-	-
Trade and other payables	(20,486)	(20,005)	(9,997)	(9,047)
Other financial liabilities	(36,444)	(25,667)	(156)	(120)
Derivative instruments:				
in designated hedge accounting relationships	(9,052)	(700)	-	-
not designated in hedge accounting relationships	(1,602)	(336)	(1,602)	(336)
	(1,259,432)	(1,100,045)	(11,755)	(9,503)
Net financial liabilities	(1,179,789)	(1,012,347)	(4,111)	(1,611)

(ii) Financial risk management policies and objectives

The Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects of changes in the financial markets on the financial performance of the Group. The Group uses derivative financial instruments such as foreign exchange contracts and interest rate swaps to hedge certain risk exposures. Risk management is carried out by the responsible entities within the Group under internal management policies. The Trustee-Manager identifies, evaluates and hedges financial risks and provides guidelines for overall risk management, covering specific areas, such as mitigating foreign exchange, interest rate and credit risks, use of derivative financial instruments and investing excess liquidity. There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

(a) Foreign currency risk

The Group receives dividend and investment income denominated in currencies other than the Singapore dollar, the functional currency of the Trust. The Group is therefore exposed to currency risk, as the value of the amounts receivable denominated in other currencies will fluctuate due to changes in exchange rates.

The Group assesses and monitors its current and projected foreign currency cash flows and in so far as possible, reduces the exposure of the net position in each currency by borrowing in those foreign currencies and utilises a foreign exchange contract to manage the volatility of future cash flows caused by fluctuations in foreign currency exchange rates. The Group does not hold or issue derivative financial instruments for speculative purposes.

The Group has a number of investments in subsidiaries whose functional currencies are different from the presentation currency of the Group. The net assets of these subsidiaries are exposed to currency translation risk. The Group does not currently designate its foreign currency denominated debt as a hedging instrument for the purpose of hedging the translation of its foreign operations.

NOTES TO THE FINANCIAL STATEMENTS

27) FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (continued)

(ii) Financial risk management policies and objectives (continued)

(a) Foreign currency risk (continued)

The tables below set out the Group's and Trust's exposures to currency risks, which excludes the currency risk exposures from intercompany receivables and payables, based on the information provided to the Trustee-Manager:

Group as at 31 December 2015	Singapore dollar \$'000	Taiwan dollar \$'000	US dollar \$'000	Other \$'000	Total \$'000
Financial assets					
Cash and cash equivalents	6,005	39,894	14,987	40	60,926
Trade and other receivables	-	17,616	34	-	17,650
Derivative instruments:					
not designated in hedge accounting relationships	154	-	-	-	154
Other financial assets	-	913	-	-	913
	6,159	58,423	15,021	40	79,643
Financial liabilities					
Borrowings from financial institutions	-	(1,191,848)	-	-	(1,191,848)
Trade and other payables	(3,936)	(16,550)	-	-	(20,486)
Derivative instruments:					
in designated hedge accounting relationships	-	(9,052)	-	-	(9,052)
not designated in hedge accounting relationships	(1,602)	-	-	-	(1,602)
Other financial liabilities	(3,042)	(32,983)	(419)	-	(36,444)
	(8,580)	(1,250,433)	(419)	-	(1,259,432)
Net financial (liabilities)/assets	(2,421)	(1,192,010)	14,602	40	(1,179,789)
Less: Net financial assets/(liabilities) denominated in respective functional currencies of entities within the Group	465	(1,192,010)	(58)	-	(1,191,603)
Net currency exposure	(2,886)	-	14,660	40	11,814
Group as at 31 December 2014	Singapore dollar \$'000	Taiwan dollar \$'000	US dollar \$'000	Other \$'000	Total \$'000
Financial assets					
Cash and cash equivalents	5,760	65,141	3,575	14	74,490
Trade and other receivables	-	11,538	-	-	11,538
Derivative instruments:					
not designated in hedge accounting relationships	362	-	-	-	362
Other financial assets	-	1,308	-	-	1,308
	6,122	77,987	3,575	14	87,698
Financial liabilities					
Borrowings from financial institutions	-	(1,053,337)	-	-	(1,053,337)
Trade and other payables	(3,883)	(16,122)	-	-	(20,005)
Derivative instruments:					
in designated hedge accounting relationships	-	(700)	-	-	(700)
not designated in hedge accounting relationships	(336)	-	-	-	(336)
Other financial liabilities	(1,789)	(23,320)	(558)	-	(25,667)
	(6,008)	(1,093,479)	(558)	-	(1,100,045)
Net financial assets/(liabilities)	114	(1,015,492)	3,017	14	(1,012,347)
Less: Net financial assets/(liabilities) denominated in respective functional currencies of entities within the Group	1,784	(1,015,492)	(92)	-	(1,013,800)
Net currency exposure	(1,670)	-	3,109	14	1,453

NOTES TO THE FINANCIAL STATEMENTS

27) FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (continued)

(ii) Financial risk management policies and objectives (continued)

(a) Foreign currency risk (continued)

Trust as at 31 December 2015	Singapore dollar \$'000	Taiwan dollar \$'000	US dollar \$'000	Other \$'000	Total \$'000
Financial assets					
Cash and cash equivalents	6,005	-	1,453	-	7,458
Trade and other receivables	-	-	32	-	32
Derivative instruments not designated in hedge accounting relationships	154	-	-	-	154
	6,159	-	1,485	-	7,644
Financial liabilities					
Trade and other payables	(3,936)	-	(6,061)	-	(9,997)
Derivative instruments not designated in hedge accounting relationships	(1,602)	-	-	-	(1,602)
Other financial liabilities	(156)	-	-	-	(156)
	(5,694)	-	(6,061)	-	(11,755)
Net financial assets/(liabilities)	465	-	(4,576)	-	(4,111)
Less: Net financial assets denominated in Trust's functional currency	465	-	-	-	465
Net currency exposure	-	-	(4,576)	-	(4,576)
Trust as at 31 December 2014	Singapore dollar \$'000	Taiwan dollar \$'000	US dollar \$'000	Other \$'000	Total \$'000
Financial assets					
Cash and cash equivalents	5,760	-	1,557	-	7,317
Trade and other receivables	-	-	213	-	213
Derivative instruments not designated in hedge accounting relationships	362	-	-	-	362
	6,122	-	1,770	-	7,892
Financial liabilities					
Trade and other payables	(3,881)	-	(5,166)	-	(9,047)
Derivative instruments not designated in hedge accounting relationships	(336)	-	-	-	(336)
Other financial liabilities	(120)	-	-	-	(120)
	(4,337)	-	(5,166)	-	(9,503)
Net financial assets/(liabilities)	1,785	-	(3,396)	-	(1,611)
Less: Net financial assets denominated in Trust's functional currency	1,785	-	-	-	1,785
Net currency exposure	-	-	(3,396)	-	(3,396)

NOTES TO THE FINANCIAL STATEMENTS

27) FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (continued)

(ii) Financial risk management policies and objectives (continued)

(a) Foreign currency risk (continued)

Foreign currency sensitivity

The following details the sensitivity to a 5% increase and decrease in the relevant foreign currencies against the functional currency of the respective entities within the Group. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents the Trustee-Manager's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates.

If the following basket of foreign currencies changes against SGD by 5% with all other variables including tax rates held constant, the effects arising from the net financial asset/liability position will be as follows:

Group

If foreign currency of the United States dollar is to strengthen/weaken by 5% against the functional currency of the Singapore dollar, the Group's profit will increase/decrease by approximately \$0.07 million (31 December 2014: \$0.08 million).

If foreign currency of the Singapore dollar is to strengthen/weaken by 5% against the functional currency of the United States dollar, the Group's profit will decrease/increase by approximately \$0.1 million (31 December 2014: \$0.08 million).

Considering the net effect, the Group's profit will increase/decrease by approximately \$0.2 million (31 December 2014: \$0.2 million) if the United States dollar is to strengthen/weaken by 5% against the Singapore dollar.

If foreign currency of the United States dollar is to strengthen/weaken by 5% against the functional currency of the New Taiwan dollar, the Group's profit will increase/decrease by approximately \$0.7 million (31 December 2014: \$0.08 million).

Based on the same analysis in relation to foreign currencies of Euro (31 December 2014: Euro) against the functional currencies of the United States dollar and the Singapore dollar respectively, any impact on profit or loss is not material.

Trust

If foreign currency of the United States dollar is to strengthen/weaken by 5% against the functional currency of the Singapore dollar, the Trust's profit will decrease/increase by approximately \$0.2 million (31 December 2014: \$0.17 million).

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has no significant concentrations of credit risk. Derivative counterparties and cash transactions are limited to well-established financial institutions of high-quality credit standing. The Group has policies in place to require advanced collection of subscription fees from customers. The Group had trade debtors amounting to \$5.8 million as at 31 December 2015 (31 December 2014: \$0.7 million), that are past due at the end of the reporting period but not impaired. These receivables are unsecured. The analysis of trade debtors that are past due but not impaired at the end of the reporting period is provided in the table below.

NOTES TO THE FINANCIAL STATEMENTS

27) FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (continued)

(ii) Financial risk management policies and objectives (continued)

(b) Credit risk (continued)

	Group as at 31 December 2015 \$'000	Group as at 31 December 2014 \$'000	Trust as at 31 December 2015 \$'000	Trust as at 31 December 2014 \$'000
Trade and other receivables neither past due nor impaired	11,893	10,841	32	213
Trade receivables past due not impaired				
< 3 months	5,399	462	-	-
3-6 months	177	169	-	-
> 6 months	181	66	-	-
Trade receivables past due and impaired	-	-	-	-
Total trade and other receivables	17,650	11,538	32	213

The Trustee-Manager considered these trade receivables that are neither past due nor impaired to be of good credit quality.

The allowances for doubtful receivables are made based on the Group's collections experience. The above past due amount has not been impaired as the Trustee-Manager believes that there has not been a significant change in credit quality and the amounts were considered recoverable. Accordingly, the allowances for doubtful receivables recorded by the Trustee-Manager as at 31 December 2015 were nil (31 December 2014: \$0.001 million).

The carrying amounts of financial assets as shown in the statements of financial position represent the maximum amount of credit risk that the Group and Trust is exposed to at the date of the financial statements.

(c) Liquidity risk

Liquidity risk reflects the risk that the Group will have insufficient resources to meet its financial liabilities as they fall due.

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible cash flows attributable to the instruments included in the maturity analysis which is not included in the carrying amount of the financial liability on the statements of financial position:

Non-derivative financial liabilities

Group as at 31 December 2015	Weighted average interest rate per annum	Demand within 1 year \$'000	Within 2 to 5 years \$'000	After 5 years \$'000	Adjustment \$'000	Total \$'000
Borrowings from financial institutions	3.86%-4.07%	56,371	501,095	927,096	(292,714)	1,191,848
Trade and other payables	-	20,486	-	-	-	20,486
Other liabilities	9.56%-10.32%	25,582	1,512	9,383	(33)	36,444
Total		102,439	502,607	936,479	(292,747)	1,248,778

NOTES TO THE FINANCIAL STATEMENTS

27) FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (continued)

(ii) Financial risk management policies and objectives (continued)

(c) Liquidity risk (continued)

Non-derivative financial liabilities (continued)

Group as at 31 December 2014	Weighted average interest rate per annum	Demand within 1 year \$'000	Within 2 to 5 years \$'000	After 5 years \$'000	Adjustment \$'000	Total \$'000
Borrowings from financial institutions	3.9%	59,217	589,934	613,432	(209,246)	1,053,337
Trade and other payables	-	20,005	-	-	-	20,005
Other liabilities	9.56%-20.69%	18,093	971	6,632	(29)	25,667
Total		97,315	590,905	620,064	(209,275)	1,099,009

Trust as at 31 December 2015	Weighted average interest rate per annum	Demand within 1 year \$'000	Within 2 to 5 years \$'000	After 5 years \$'000	Adjustment \$'000	Total \$'000
Trade and other payables	-	9,997	-	-	-	9,997
Other liabilities	-	156	-	-	-	156
Total		10,153	-	-	-	10,153

Trust as at 31 December 2014	Weighted average interest rate per annum	Demand within 1 year \$'000	Within 2 to 5 years \$'000	After 5 years \$'000	Adjustment \$'000	Total \$'000
Trade and other payables	-	9,047	-	-	-	9,047
Other liabilities	-	120	-	-	-	120
Total		9,167	-	-	-	9,167

Non-derivative financial assets

Substantially all financial assets of the Group amounting to \$79.5 million as at 31 December 2015 (31 December 2014: \$87.3 million) and of the Trust amounting to \$7.5 million as at 31 December 2015 (31 December 2014: \$7.5 million), are on demand or due within one year.

Derivative financial instruments

Group as at 31 December 2015	Demand within 1 year \$'000	Within 2 to 5 years \$'000	After 5 years \$'000	Total \$'000
Assets				
Currency forward contracts - gross settled				
Gross inflow	43,400	1,900	-	45,300
Gross outflow	(43,250)	(1,896)	-	(45,146)
Total	150	4	-	154
Liabilities				
Currency forward contracts - gross settled				
Gross inflow	(52,876)	(36,100)	-	(88,976)
Gross outflow	54,184	36,394	-	90,578
	1,308	294		1,602
Interest rate swap contracts - net settled	-	9,052	-	9,052
Total	1,308	9,346	-	10,654

NOTES TO THE FINANCIAL STATEMENTS

27) FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (continued)

(ii) Financial risk management policies and objectives (continued)

(c) Liquidity risk (continued)

Derivative financial instruments (continued)

Group as at 31 December 2014	Demand within 1 year \$'000	Within 2 to 5 years \$'000	After 5 years \$'000	Total \$'000
Assets				
Currency forward contracts - gross settled				
Gross inflow	92,081	-	-	92,081
Gross outflow	(91,719)	-	-	(91,719)
Total	362	-	-	362
Liabilities				
Currency forward contracts - gross settled				
Gross inflow	(7,550)	(52,876)	-	(60,426)
Gross outflow	7,592	53,170	-	60,762
	42	294		336
Interest rate swap contracts - net settled	-	700	-	700
Total	42	994	-	1,036
Trust as at 31 December 2015	Demand within 1 year \$'000	Within 2 to 5 years \$'000	After 5 years \$'000	Total \$'000
Assets				
Currency forward contracts - gross settled				
Gross inflow	43,400	1,900	-	45,300
Gross outflow	(43,250)	(1,896)	-	(45,146)
Total	150	4	-	154
Liabilities				
Currency forward contracts - gross settled				
Gross inflow	(52,876)	(36,100)	-	(88,976)
Gross outflow	54,184	36,394	-	90,578
Total	1,308	294	-	1,602
Trust as at 31 December 2014	Demand within 1 year \$'000	Within 2 to 5 years \$'000	After 5 years \$'000	Total \$'000
Assets				
Currency forward contracts - gross settled				
Gross inflow	92,081	-	-	92,081
Gross outflow	(91,719)	-	-	(91,719)
Total	362	-	-	362
Liabilities				
Currency forward contracts - gross settled				
Gross inflow	(7,550)	(52,876)	-	(60,426)
Gross outflow	7,592	53,170	-	60,762
Total	42	294	-	336

NOTES TO THE FINANCIAL STATEMENTS

27) FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (continued)

(ii) Financial risk management policies and objectives (continued)

(c) Liquidity risk (continued)

As at 31 December 2015, the Group had negative working capital of \$24.4 million (31 December 2014: \$15.6 million). This includes \$34.9 million (31 December 2014: \$35.6 million) of collections received in advance. These are collections received from customers which do not require any future cash outflow from the Group.

After adjusting for the above amounts, the Group would have positive working capital of \$10.5 million (31 December 2014: \$20.0 million). The Group believes that it has adequate working capital for its present requirements and that its existing loan 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 758,000 cable TV subscribers as at 31 December 2015, with more than 100 channels of local and international content on its analogue and digital cable TV platforms in Taiwan. 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 \$168.5 million for the year ended 31 December 2015 (31 December 2014: \$137.8 million);
- in view of the constant operating cash flows generated, good credibility over the past years and full compliance with the requirements as stipulated in the borrowing facilities, the Trustee-Manager is confident it can refinance such borrowing 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.

As at 31 December 2015, the Group had \$157.3 million (31 December 2014: \$48.8 million) of undrawn committed bank credit facilities.

(d) Interest rate risk

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Generally, the Group raises long-term borrowings at floating rates and swaps them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly.

Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals (mainly quarterly), the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

Further details of the interest rate swap contracts are disclosed in Note 10(ii).

No sensitivity analysis is prepared as the Group does not expect any material effect on the Group's profit or loss and equity arising from the effects of reasonably possible changes to interest rates on interest-bearing financial instruments as the majority of the principle amount of the Group's floating rate borrowings are hedged using interest rate swaps at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

27) FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (continued)

(ii) Financial risk management policies and objectives (continued)

(e) Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments. For other classes of financial assets and liabilities, the Trustee-Manager considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair value.

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of derivative financial instruments are determined (in particular, the valuation technique(s) and inputs used):

Financial assets/liabilities	Fair value as at 31 December 2015 \$'000	Fair value as at 31 December 2014 \$'000	Fair value hierarchy	Valuation technique(s); and key input(s)	Significant unobservable input(s)
Foreign exchange contracts	Assets: Current - 150 Non-current - 4 Liabilities: Current - 1,308 Non-current - 294	Assets: Current - 362 Non-current - nil Liabilities: Current - 42 Non-current - 294	Level 2	The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.	N/A
Interest rate swaps	Liabilities: Current - nil Non-current - 9,052 (designated for hedging)	Liabilities: Current - nil Non-current - 700 (designated for hedging)	Level 2	Fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.	N/A

There were no significant transfers between Level 1 and Level 2 of the fair value hierarchy in the current reporting period.

(iii) Capital risk management policies and objectives

The Group capital risk management objectives are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise unitholders' value. The Group's overall strategy remains unchanged from 2014. To achieve its capital risk management objectives, the Group may adjust the amount of distribution payment, return capital to unitholders, issue new units and obtain new borrowings. In addition, the Group also specifically monitors the financial ratios of its debt covenants stated in the agreements with the financial institutions providing the loan facilities to the Group. The Group is in compliance with externally imposed capital requirements for the financial years ended 31 December 2015 and 31 December 2014.

28) NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS

	Group as at 31 December 2015	Group as at 31 December 2014	Trust as at 31 December 2015	Trust as at 31 December 2014
Net asset value attributable to unitholders				
Total net asset value attributable to unitholders (\$'000)	1,228,798	1,273,493	1,338,502	1,341,265
Total number of units in issue used in calculation of net asset value per unit attributable to unitholders ('000)	1,436,800	1,436,800	1,436,800	1,436,800
Net asset value per unit attributable to unitholders (\$)	0.86	0.89	0.93	0.93

NOTES TO THE FINANCIAL STATEMENTS

29) COMMITMENTS AND CONTINGENCIES

(i) Commitments

The Group's commitments under operating leases are disclosed in Note 22. There were no other commitments as at 31 December 2015 and 2014 both at Group and at Trust level.

(ii) Contingencies

There were no contingent liabilities or contingent assets as at 31 December 2015 and 2014 both at Group and at Trust level.

30) RELATED PARTY TRANSACTIONS

(i) The Trustee-Manager

The Trustee-Manager, Macquarie 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 Macquarie Corporate Holdings Pty Limited.

The Trustee-Manager has the dual responsibility of safeguarding the interests of unitholders and managing the business conducted by the Trust. The Trustee-Manager has powers of management over the business and assets of the Trust and its main responsibility is to manage the Trust's assets and liabilities for the benefit of the unitholders as a whole.

The following transactions occurred between APTT and the Trustee-Manager, which included the cost of key management personnel, during the reporting period:

	Year ended 31 December 2015 \$'000	Year ended 31 December 2014 \$'000
Transactions		
Trustee-Manager fees	7,241	7,167

(ii) Macquarie Group (Macquarie)

- (a) Debt advisory fee of \$5.5 million was paid to Macquarie Capital (Hong Kong) Limited for services provided in relation to the refinancing of TBC's borrowing facilities during the year ended 31 December 2015 (31 December 2014: nil).
- (b) As per the Resources Agreement between the Trustee-Manager and Macquarie Infrastructure and Real Assets (Singapore) Pte. Limited (MIRA Singapore) in relation to the provision of resource services by MIRA Singapore to the Trustee-Manager, all fees payable in respect of ancillary services are borne by the Trust. Such fees charged by the Trustee-Manager for the year ended 31 December 2015 were \$0.3 million (31 December 2014: \$0.2 million).
- (c) The Group utilises Macquarie Bank Limited (MBL) Singapore Branch's foreign exchange department to hedge its foreign currency risk. During the year ended 31 December 2015, foreign exchange contracts totalling \$312.4 million (31 December 2014: \$287.5 million) were entered into by MBL, which earned MBL a fee of \$0.03 million (31 December 2014: \$0.1 million). As at 31 December 2015, cash balance of \$7.1 million, held by the Trust, is placed with MBL (31 December 2014: \$7.2 million).

NOTES TO THE FINANCIAL STATEMENTS

31) EARNINGS PER UNIT

	Group Year ended 31 December 2015	Group Year ended 31 December 2014
Weighted average number of units in issue ('000)	1,436,800	1,436,800
Profit after income tax attributable to unitholders of APTT (\$'000)	45,156	114,328
Basic and diluted earnings per unit (cents)	3.14	7.96

32) SEGMENT INFORMATION

The Group is principally engaged in the cable TV and broadband services in Taiwan and therefore the Trustee-Manager considers that the Group operates in one single business and geographical segment.

33) SUBSEQUENT EVENTS

On 25 January 2016, the Trustee-Manager announced that it has been informed by its sole shareholder, Macquarie Group Holdings (Singapore) Pte. Limited (Macquarie Singapore), a wholly owned subsidiary of Macquarie Corporate Holdings Pty Limited, that it has entered into a sale and purchase agreement with Dynami Vision Pte. Ltd (the Purchaser) whereby Macquarie Singapore will divest its entire interest in the Trustee-Manager to the Purchaser (the Proposed Transaction).

The completion of the Proposed Transaction is subject to approvals from relevant Taiwanese regulatory bodies and lenders to TBC.

Upon completion of the Proposed Transaction, the Purchaser will become the sole shareholder of the Trustee-Manager and Macquarie Corporate Holdings Pty Limited will divest its entire interest in the units of APTT to a related entity of the Purchaser, amounting to 43,103,999 units or approximately 3.0% of the unitholding of APTT.

STATISTICS OF UNITHOLDINGS

AS AT 10 MARCH 2016

SUBSTANTIAL UNITHOLDERS

Substantial unitholders	Direct interest	%	Deemed interest	%
Venezio Investments Pte. Ltd.	113,959,812	7.93	-	-
Napier Investments Pte. Ltd.	-	-	113,959,812 ¹	7.93
Tembusu Capital Pte. Ltd.	-	-	113,959,812 ¹	7.93
Temasek Holdings (Private) Limited	-	-	114,605,812 ^{1, 2}	7.98

Notes:

- 1 Venezio Investments Pte. Ltd. (Venezio) is wholly owned by Napier Investments Pte. Ltd. (Napier), which is a wholly owned subsidiary of Tembusu Capital Pte. Ltd. (Tembusu), which in turn is a wholly owned subsidiary of Temasek Holdings (Private) Limited (Temasek). Napier and Tembusu are therefore deemed to be interested in the units held by Venezio.
- 2 Temasek is deemed interested in the units held by Venezio and another subsidiary.

ADDITIONAL INFORMATION

	Total volume '000	Highest price \$	Lowest price \$
Unit performance in 2015	625,297	0.940	0.610

STATISTICS OF UNITHOLDINGS

AS AT 10 MARCH 2016

There were 1,436,800,000 units (voting rights: 1 vote per unit) in issue as of 10 March 2016. There is only one class of units in APTT.

DISTRIBUTION OF UNITHOLDINGS

Size of unitholdings	No. of unitholders	%	No. of units	%
1 - 99	144	1.40	5,160	0.00
100 - 1,000	738	7.17	566,671	0.04
1,001 - 10,000	4,488	43.61	26,461,294	1.84
10,001 - 1,000,000	4,876	47.37	319,532,693	22.24
1,000,001 and above	46	0.45	1,090,234,182	75.88
Total	10,292	100.00	1,436,800,000	100.00

TWENTY LARGEST UNITHOLDERS

No.	Name	No. of units	%
1	DBS Nominees (Private) Limited	236,908,820	16.49
2	Citibank Nominees Singapore Pte Ltd	201,325,457	14.01
3	HSBC (Singapore) Nominees Pte Ltd	130,507,392	9.08
4	Venezio Investments Pte Ltd	113,959,812	7.93
5	Raffles Nominees (Pte) Limited	67,650,734	4.71
6	United Overseas Bank Nominees (Private) Limited	66,519,439	4.63
7	DBSN Services Pte. Ltd.	55,626,597	3.87
8	Macquarie Corporate Holdings Pty Limited	43,103,999	3.00
9	DB Nominees (Singapore) Pte Ltd	20,557,891	1.43
10	CIMB Securities (Singapore) Pte. Ltd.	14,646,544	1.02
11	Bank of Singapore Nominees Pte. Ltd.	13,797,923	0.96
12	Maybank Kim Eng Securities Pte. Ltd.	12,739,507	0.89
13	BNP Paribas Securities Services Singapore Branch	12,643,544	0.88
14	OCBC Securities Private Limited	10,366,271	0.72
15	Lee Seng Chin	7,000,000	0.49
16	Tan Chee Jin	7,000,000	0.49
17	UOB Kay Hian Private Limited	6,977,512	0.49
18	Morgan Stanley Asia (Singapore) Securities Pte Ltd	6,590,136	0.46
19	DBS Vickers Securities (Singapore) Pte Ltd	5,910,546	0.41
20	Tan Chwee Huat	5,390,000	0.38
		1,039,222,124	72.34

Based on the information available to the Trustee-Manager as at 10 March 2016, 89% of the issued ordinary units of the Trust are held by the public and, therefore Rule 723 of the Listing Manual is complied with.

The Trust does not have any treasury units or convertible securities.

ADDITIONAL SINGAPORE EXCHANGE SECURITIES TRADING LIMITED LISTING MANUAL DISCLOSURE REQUIREMENTS

A) REMUNERATION OF AUDITORS

Please see Note 25(xii) of the Consolidated Financial Statements on page 84 of this Annual Report.

B) APPOINTMENT OF AUDITORS

The Group has complied with Rule 713 and engaged Deloitte & Touche LLP as statutory auditor for the year ended 31 December 2015.

The Group has complied with Rule 712 and Rule 715 of the Listing Manual in relation to its auditors.

C) REVIEW OF THE PROVISION OF NON-AUDIT SERVICES BY THE AUDITORS

The Audit Committee has undertaken a review of non-audit services provided by the auditor and they would not, in the opinion of the Audit Committee, affect their independence.

D) ADDITIONAL DISCLOSURE PURSUANT TO LISTING RULE 1207(8)

There are no material contracts between the Trust and its subsidiaries involving the interests of the chief executive officer, any director or controlling unitholder of the Trust (as defined in the Listing Manual), either still subsisting at the end of the year ended 31 December 2015, or if not then subsisting, entered into since the constitution of the Trust.

E) INTERESTED PERSON TRANSACTIONS (IPTs)

Please see Note 30 of the Consolidated Financial Statements on page 95 of this Annual Report.

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

ADDITIONAL SINGAPORE EXCHANGE SECURITIES TRADING LIMITED LISTING MANUAL DISCLOSURE REQUIREMENTS

F) PRINCIPAL DIRECTORSHIPS

The present principal directorships, other than those held in the Trustee-Manager, and the past principal directorships for a period of approximately three years prior, of each of the directors are as follows:

Name	Present principal directorships	Past principal directorships
Mr Yong Lum Sung	Singapore Cruise Centre Pte. Ltd. Golden Donuts Pte. Ltd. Tianjin Binhai Conventions & Exhibitions Co Ltd SCC Travel Services Pte Ltd Tera-Barrier Films Pte. Ltd. D-SIMLAB Technologies Pte. Ltd. Care Corner Singapore Ltd Singex Holdings Pte Ltd	Thaicom Public Company Limited

Name	Present principal directorships	Past principal directorships
Mr Leong Shin Loong	Telesindo Shop Pte Ltd Ashinda Techno (S) Pte. Ltd. New Asurion Singapore Pte. Ltd. Asurion Asia Pacific Pte. Ltd.	PT Telekomunikasi Selular PT Berca Global Access

Name	Present principal directorships	Past principal directorships
Ms Ong Joo Mien, Joanna	J. Ong Business Services Pte. Ltd YWS Design Asia Pte Ltd	None

Name	Present principal directorships	Past principal directorships
Mr Tan Chung Yaw, Richard	Polaris Ltd. PT Excite Indonesia PT Smartfren Efflam Singapore Pte Ltd Mobility Development Group MyRepublic Limited Efflam Limited FLASHiZ International S.A.	Navigis Inc.

ADDITIONAL SINGAPORE EXCHANGE SECURITIES TRADING LIMITED LISTING MANUAL DISCLOSURE REQUIREMENTS

F) PRINCIPAL DIRECTORSHIPS (continued)

Name	Present principal directorships	Past principal directorships
Mr Benjamin Ian Way	Global Star GP Ltd	Cable TV S.A.
	Macquarie Korea Opportunities Management, Ltd.	Kangnam City Gas Co., Ltd.
	C&M Co., Ltd	Macquarie Greater China Limited
	China Water Capital	South China Highway Development (H.K.) Limited
	Hong Kong Huahan Holdings Investment Limited	
	Jia Guang Co., Ltd	
	Jie Guang Co., Ltd	
	Macquarie Investment Management (Bermuda) Limited	
	APTT Holdings 1 Limited	
	Taiwan Broadband Communications Co., Ltd	
	TBC Holdings B.V.	
	Wo Jun Co., Ltd	
	Macquarie Greater China Infrastructure Advisory Limited	
	Macquarie China Logistics Management Limited	
	Macquarie Infrastructure and Real Assets (Hong Kong) Limited	
	MEGCIF Asset Holdings II Limited	
	MEGCIF Asset Holdings Limited	
	MEGCIF Asset Management I Limited	
	MEGCIF Asset Management II Limited	
	Upper Fame International Limited	
	Asia Pacific Fortune (H.K.) Limited	
	Best Stream Global Limited	
	Macquarie Infrastructure Limited	
	MEGCIF Investments 1 Limited	
	MEGCIF Investments 2 Limited	
	MEGCIF Investments 3 Limited	
	MEGCIF Investments 5 Limited	
	MEGCIF Investments 6 Limited	
	MEGCIF Investments Holding Limited	
Name	Present principal directorships	Past principal directorships
Mr Cheong Wei Yue	APTT Holdings 2 Limited	Guangshou South China
	Cable TV S.A.	Highway & Bridge Industry Ltd
	Deqiao Petrochemical Logistics Pte. Ltd.	Macquarie International China Holdings Limited
	Hengyang Holding Pte. Ltd.	
	TBC Holdings B.V.	

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the third Annual General Meeting of the unitholders of Asian Pay Television Trust (APTT) will be held at the Phoenix II Room, Level 6, Novotel Singapore Clarke Quay, 177A River Valley Road, Singapore 179031 on 21 April 2016, Thursday at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the Report of the Trustee-Manager, Statement by the Trustee-Manager and the audited financial statements of APTT Group for the financial year ended 31 December 2015 and the Auditor's Report thereon.
(Resolution 1)
2. To reappoint Deloitte & Touche LLP as the Auditor of APTT to hold office until the next Annual General Meeting and to authorise the directors of the Trustee-Manager to fix its remuneration.
(Resolution 2)
3. To transact any other ordinary business which may properly be transacted at an Annual General Meeting of the unitholders.

SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

4. General mandate to issue units in APTT (Units)

That pursuant to Clause 6.1 of the deed of trust dated 30 April 2013 constituting APTT (the Trust Deed), Section 36 of the Business Trusts Act, Chapter 31A of Singapore (the BTA) and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the SGX-ST), authority be and is hereby given to the Trustee-Manager to:

- (i) (a) issue Units, whether by way of rights, bonus or otherwise; and/or
- (b) make or grant offers, agreements or options (collectively, Instruments) that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Units,

at any time and upon such terms and conditions and for such purposes and to such persons as the Trustee-Manager may in its absolute discretion deem fit; and

- (ii) issue Units pursuant to any Instrument made or granted by the Trustee-Manager while this Resolution is in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued),

NOTICE OF ANNUAL GENERAL MEETING

provided that:

- (A) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued pursuant to Instruments made or granted pursuant to this Resolution) must not exceed 50.0% of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (B) below), of which the aggregate number of Units to be issued other than on a pro-rata basis to unitholders must not exceed 20.0% of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (B) below);
- (B) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (A) above, the total number of issued Units (excluding treasury Units, if any) will be based on the number of issued Units (excluding treasury Units, if any) at the time of the passing of this Resolution, after adjusting for:
 - (I) new Units arising from the conversion or exercise of the Instruments; and
 - (II) any subsequent bonus issue, consolidation or subdivision of Units;
- (C) in exercising the authority conferred by this Resolution, the Trustee-Manager must comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Trust Deed for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore) and the BTA;
- (D) (unless revoked or varied by the unitholders in a general meeting) the authority conferred by this Resolution will continue in force until (i) the conclusion of the next Annual General Meeting of APTT or (ii) the date by which the next Annual General Meeting of APTT is required by law to be held, whichever is earlier;
- (E) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted, in the event of rights, bonus or other capitalisation issues or any other events, the Trustee-Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and
- (F) the Trustee-Manager be and is hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Trustee-Manager may consider expedient or necessary or in the interest of APTT to give effect to the authority conferred by this Resolution.

(See Explanatory Note)

(Resolution 3)

By order of the Board of Directors
Macquarie APTT Management Pte. Limited
As Trustee-Manager of Asian Pay Television Trust



Lee Wai Sum
Company Secretary

Singapore, 1 April 2016

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Note

1. Ordinary Resolution 3, if passed, will empower the Trustee-Manager from the date of this Annual General Meeting until the date of the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to be held, or the date on which such authority is varied or revoked by APTT in a general meeting of the unitholders, whichever is the earliest, to issue Units, make or grant Instruments convertible into Units and to issue Units pursuant to such Instruments, up to a number not exceeding, in total, 50.0% of the issued Units, of which up to 20.0% may be issued other than on a pro-rata basis to existing unitholders.

For determining the aggregate number of Units that may be issued, the percentage of issued Units will be calculated based on the issued Units at the time Ordinary Resolution 3 is passed, after adjusting for any new Units arising from the conversion or exercise of the Instruments, and any subsequent bonus issue, consolidation or subdivision of Units.

Notes

1. A unitholder entitled to attend and vote at the Annual General Meeting of unitholders is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a unitholder.
2. The Instrument appointing a proxy or proxies must be deposited at the registered office of Boardroom Corporate & Advisory Services Pte. Ltd., the Unit Registrar of APTT, at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time appointed for holding the Annual General Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a unitholder (i) consents to the collection, use and disclosure of the unitholder's personal data by the Trustee-Manager (or its agents) for the purpose of the processing and administration of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Trustee-Manager (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the Purposes), (ii) warrants that where the unitholder discloses the personal data of the unitholder's proxy(ies) and/or representative(s) to the Trustee-Manager (or its agents), the unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Trustee-Manager (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the unitholder will indemnify the Trustee-Manager in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the unitholder's breach of warranty.



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ASIAN PAY TELEVISION TRUST

(A business trust constituted on 30 April 2013 under the laws of the Republic of Singapore)

Registration Number: 2013005

Macquarie APTT Management Pte. Limited

(Incorporated in the Republic of Singapore)

(As Trustee-Manager of Asian Pay Television Trust)

Company Registration Number: 201310241D

PROXY FORM

(Please see notes overleaf before completing this form)

*I/We _____

(NRIC/Passport No./Company Registration No. _____)

of _____ (Address)

being a *unitholder/unitholders of Asian Pay Television Trust (APTT) hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of unitholdings	
			No. of Units	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of unitholdings	
			No. of Units	%

or failing *him/her/them, the chair of the Annual General Meeting (AGM) of the APTT as *my/our *proxy/proxies to attend and to vote for *me/us and on *my/our behalf, at the AGM of APTT, to be held at the Phoenix II Room, Level 6, Novotel Singapore Clarke Quay, 177A River Valley Road, Singapore 179031, on 21 April 2016, Thursday, at 10.00 a.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against the Ordinary Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion, as *he/her/they will on any other matter arising at the AGM and at any adjournment thereof. If no person is named in the above boxes, the chair of the AGM shall be *my/our proxy to vote, for or against the Resolutions to be proposed at the AGM as indicated hereunder, for *me/us and on *my/our behalf and, if necessary, to demand a poll, at the AGM and at any adjournment thereof.

No.	Resolutions relating to:	**For	**Against
	Ordinary Business		
1	Adoption of the Report of the Trustee-Manager, Statement by the Trustee-Manager and audited financial statements of APTT Group for the financial year ended 31 December 2015 and the Auditor's Report thereon		
2	Reappointment of Deloitte & Touche LLP as the Auditor of APTT		
	Special Business		
3	Authority to issue new units in APTT		

* Delete accordingly.

** Please indicate your vote "For" or "Against" with a tick (✓) within the box provided.

Dated this _____ day of _____ 2016.

Signature(s) of unitholder(s)/Common Seal of corporate unitholder

Total no. of units in:	No. of units
(a) CDP Register	
(b) Register of unitholders	

Notes:

1. Please insert the total number of units in APTT (Units) held by you. If you have Units entered against your name in the Depository Register maintained by The Central Depository (Pte) Limited (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), you should insert that number of Units. If you have Units registered in your name in the Register of unitholders of APTT, you should insert that number of Units. If you have Units entered against your name in the said Depository Register and Units registered in your name in the Register of unitholders, you should insert the aggregate number of Units entered against your name in the Depository Register and registered in your name in the Register of unitholders. If no number is inserted, the Instrument appointing a proxy or proxies shall be deemed to relate to all the Units held by you.
2. A unitholder of APTT entitled to attend and vote at a meeting of APTT is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a unitholder of APTT.
3. Where a unitholder appoints two proxies, he/she must specify the proportion of his/her unitholding (expressed as a percentage of the whole) to be represented by each proxy. Where a unitholder appoints two proxies and does not specify the proportion of his/her unitholding to be represented by each proxy, then the Units held by the unitholder are deemed to be equally divided between the proxies.
4. Completion and return of this Instrument appointing a proxy shall not preclude a unitholder from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a unitholder attends the meeting in person, and in such event, the Trustee-Manager reserves the right to refuse to admit any person or persons appointed under the Instrument of proxy to the AGM.
5. The Instrument appointing a proxy or proxies must be deposited at the office of Boardroom Corporate & Advisory Services Pte. Ltd., the Unit Registrar of APTT, at the following address: Asian Pay Television Trust, c/o Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time appointed for holding the AGM.
6. The Instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the Instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the Instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the Instrument, failing which the Instrument may be treated as invalid.
7. A corporation which is a unitholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

Personal data privacy:

By submitting an Instrument appointing a proxy(ies) and/or representative(s), the unitholder accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 1 April 2016.

General:

The Trustee-Manager shall be entitled to reject the Instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Instrument appointing a proxy or proxies. In addition, in the case of Units entered in the Depository Register, the Trustee-Manager may reject any Instrument appointing a proxy or proxies lodged if the unitholder, being the appointor, is not shown to have Units entered against his/her name in the Depository Register as at 48 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Trustee-Manager.



APTT Annual Report Disclaimer

Asian Pay Television Trust (APTT) is a business trust registered under the Business Trusts Act (Chapter 31A of Singapore) and listed on the Singapore Exchange Securities Trading Limited. Macquarie APTT Management Pte. Limited (MAMPL) is the Trustee-Manager of APTT. MAMPL is a wholly owned subsidiary of Macquarie Group Limited (ACN 122 169 279) (MGL).

None of the entities noted in this document is an authorised deposit-taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia) and their obligations do not represent deposits or other liabilities of Macquarie Bank Limited (ABN 46 008 583 542) (MBL). MBL does not guarantee or provide assurance in respect of the obligations of these entities.

MAMPL, as the Trustee-Manager of APTT, is entitled to fees for so acting. MGL and its related corporations, together with the officers and directors, may hold securities in APTT from time to time.

This report is not an offer or invitation for subscription or purchase of or a recommendation of securities. 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 has been used in the preparation of forecast information. However, actual results may vary from forecasts and any variation may be materially positive or negative. Forecasts by their very nature, are subject to uncertainty and contingencies many of which are outside the control of APTT. 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 right of certain investors to own units in APTT under applicable Taiwan laws and regulations (the Relevant Restrictions). Such investors include PRC individuals and corporate entities, 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 units. 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. For further information, investors should refer to the prospectus dated 16 May 2013 issued by APTT and the Trust Deed.



Macquarie APTT Management Pte. Limited

Company Registration Number: 201310241D

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