ASIAN PAY TELEVISION TRUST

MATERIAL BUSINESS UPDATES AND KEY FINANCIAL INFORMATION

FOR THE QUARTER ENDED 31 MARCH 2022

CONTENTS

REPORT SUMMARY

KEY HIGHLIGHTS

- Overall performance for the quarter ended 31 March 2022 was led by strong Broadband growth; Broadband subscribers increased by c.7,000 for the quarter, alongside higher ARPU; Broadband revenue improved in both S$ and NT$ for seven consecutive quarters, compared to the pcp
- Revenue and EBITDA at $73.6 million[1] and $43.2 million; EBITDA margin stood at 58.7%
- Steady increase in Premium digital cable TV and Broadband subscribers over the past 16 quarters more than offset Basic cable TV churn; total subscribers increased to c.1,258,000
- Entered into new TAIBOR interest rate swaps to hedge almost 80% of outstanding onshore facilities through to 30 June 2025
- Distribution of 0.25 cents per unit declared for the quarter; re-affirmed distribution guidance of 1.0 cent per unit for 2022, to be paid in quarterly instalments

FINANCIAL HIGHLIGHTS

Asian Pay Television Trust ("APTT"[2]) reported revenue of $73.6 million and earnings before interest, tax, depreciation and amortisation ("EBITDA") of $43.2 million for the quarter.

Foreign exchange contributed to a positive variance of 1.8% for the quarter. In constant Taiwan dollars ("NT$"), total revenue decreased by 2.9% for the quarter, mainly due to lower basic cable TV subscription revenue resulting from a decline in the number of subscribers and lower ARPU[3], as well as lower revenue generated from channel leasing and airtime advertising sales.

Broadband recorded strong growth, with continued increases in subscribers, ARPU and revenue in both S$ and NT$. During the quarter, c.7,000 subscribers were added, alongside higher ARPU which improved by NT$4 to NT$373 per month. Broadband revenue, which includes revenue from data backhaul, increased 16.5% and 14.7% in S$ and NT$ for the quarter, respectively, validating the success of TBC's Broadband growth strategy.

Together with the c.8,000 increase in Premium digital cable TV subscribers, TBC's total number of subscribers increased to c.1,258,000 as at 31 March 2022. The continued growth in Premium digital cable TV and Broadband subscribers over the past 16 quarters has consistently more than offset the churn in Basic cable TV.

Group	Quarter ended 31 March		
Amounts in $'000	2022	2021	Variance[4] (%)
Revenue			
Basic cable TV	54,699	57,477	(4.8)
Premium digital cable TV	3,067	3,353	(8.5)
Broadband	15,800	13,561	16.5
Total revenue	**73,566**	**74,391**	**(1.1)**
Total operating expenses[5]	**(30,377)**	**(29,006)**	**(4.7)**
EBITDA	**43,189**	**45,385**	**(4.8)**
EBITDA margin	58.7%	61.0%	

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

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

3 ARPU refers to Average Revenue Per User.

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

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

Mr Brian McKinley, Chief Executive Officer of the Trustee-Manager said, *"Our Broadband segment has been growing. This validates the strength of our two-pronged Broadband growth strategy as we continue to tap the growing demand for high-speed data plans and support mobile operators in the build out of their 5G networks. Over the long term, our aim is to grow cash flows from Broadband to a level that more than offsets the decline in our basic cable TV business. The growth in fixed line Broadband will be the driver of our long-term growth."*

To broaden its fixed-line broadband market share, TBC will continue to offer higher speed plans at competitive prices, and step-up partnerships with mobile operators to drive the fixed-line broadband only segment.

OPERATIONAL PERFORMANCE

TBC's[6] operational highlights for the quarter ended 31 March 2022 were as follows:

- **Basic cable TV:** Basic cable TV revenue of $54.7 million for the quarter was down 4.8% on the prior corresponding period ("pcp"). In constant NT$, Basic cable TV revenue for the quarter decreased by 6.6%. The overall decline in Basic cable TV revenue was mainly due to lower subscription revenue resulting from the decline in the number of subscribers and lower ARPU, as well as lower non-subscription revenue resulting from lower channel leasing and airtime advertising sales. TBC's c.688,000 Basic cable TV RGUs[7] contributed an ARPU of NT$472 per month in the quarter to access over 100 cable TV channels. Basic cable TV RGUs decreased by c.3,000 and ARPU was lower by NT$4 compared to the previous quarter ended 31 December 2021. The decline in Basic cable TV RGUs was due to a number of factors including competition from aggressively priced IPTV, the growing popularity of online video, as well as expectations from consumers for discounts as they compare with the lower cable TV pricing outside of TBC's five franchise areas, particularly in the Taipei region. The leasing of television channels, which is mainly to third-party home shopping networks, will continue to face pressures from lower demand for home shopping and heightened competition from internet retailing. These trends will continue to impact channel leasing revenue not just for TBC, but for the entire cable industry in Taiwan.

- **Premium digital cable TV:** Premium digital cable TV revenue of $3.1 million for the quarter was down 8.5% on the pcp. In constant NT$, Premium digital cable TV revenue for the quarter decreased by 10.3%. Revenue was generated predominantly from TBC's c.281,000 Premium digital cable TV RGUs each contributing an ARPU of NT$73 per month in the quarter for Premium digital cable TV packages and bundled DVR or DVR-only services. Premium digital cable TV RGUs increased by c.8,000 but ARPU was lower by NT$3 compared to the previous quarter ended 31 December 2021 due to promotions and discounted bundled packages that were offered to generate new RGUs and to retain existing RGUs. Video piracy issues and aggressively priced IPTV have also impacted ARPU.

- **Broadband:** Despite the strong competition from mobile operators offering inexpensive unlimited data plans, Broadband RGUs increased by c.7,000 during the quarter, alongside an NT$4 improvement in ARPU. Broadband revenue of $15.8 million for the quarter, which includes revenue from data backhaul, was up 16.5% on the pcp. In constant NT$, Broadband revenue for the quarter increased by 14.7%. Broadband revenue was generated predominantly from TBC's c.289,000 Broadband RGUs each contributing an ARPU of NT$373 per month in the quarter for high-speed Broadband services, an NT$4 improvement compared to the previous quarter ended 31 December 2021. The growth in both Broadband subscribers and ARPU reflects the success of TBC's Broadband marketing outreach to target the broadband only segment, through partnerships with mobile operators, as well as offer higher speeds at competitive prices to acquire new RGUs and re-contract existing RGUs.

[6] TBC refers to Taiwan Broadband Communications Group.

[7] RGUs refer to Revenue Generating Units, another term for subscribers or subscriptions; the terms are used interchangeably.

Aggressive targets have been set to tighten capital expenditure, while still ensuring sufficient network investments to increase fibre density and support TBC's aggressive push to grow the Broadband business. For the quarter, capital expenditure decreased by 9.7%, compared to the pcp. As a percentage of revenue, capital expenditure was 9.0% for the quarter.

OUTLOOK

Operationally, while the Trustee-Manager does not expect growth in Basic cable TV RGUs due to Taiwan's saturated cable TV market, it expects the number of Premium digital cable TV and Broadband RGUs to continue increasing in 2022. Total revenue will, however, be influenced by the ability to maintain ARPUs which will remain under pressure due to market dynamics. The decline in demand for home shopping and competition from internet retailing will continue to impact channel leasing revenue for the cable industry.

The Trustee-Manager is watching every expense line item very closely. Total operating expenses in 2022 are expected to be higher than 2021, mainly due to the benefit of lower expenses in 2021 from the reversal of pole rental provisions.

Going forward, the level of capital expenditure is projected to be lower than the last three years, given that TBC has built a sufficiently dense fibre network to adequately support its broadband growth strategy. However, to future proof its network, TBC will continue to increase fibre density by bringing down the number of homes served per fibre node beyond the current average level of less than 250 homes per fibre node. Capital expenditure will be within industry norms and will be closely monitored to focus on areas that can support TBC's aggressive push to grow the broadband business.

On debt management, the Trustee-Manager aims to commence discussions in 2022 to further extend the maturity date of the Offshore Facilities to at least 2025. Subject to the successful extension, and no changes to planning assumptions, the Trustee-Manager would not have to revisit borrowing facilities, both onshore and offshore, until 2025. Subject to operating conditions, there may be some flexibility with respect to distributions after 2022.

Mr McKinley explained, "*Compared to three years ago, the Trust is now in a stronger position to navigate an increasingly challenging and competitive environment. We have been managing our cost and debt very closely. Our balance sheet is now stronger. We have lowered our gearing and reset our principal repayment schedules and financial covenants. We aim to make use of this period to accelerate debt repayments using cash generated from operations, to further save on interest costs and lower our gearing. Approximately $60 million has been earmarked in 2022 to repay onshore and offshore debt, which will in turn further strengthen the balance sheet. Additionally, to mitigate the risks of rising interest rates, we have entered into new TAIBOR interest rate swaps to hedge almost 80% of the outstanding onshore facilities through to 30 June 2025. We plan to enter into more interest rate swaps to hedge a further 10% to 15% of the outstanding onshore facilities.*"

UPDATE ON LAWSUITS

In the second quarter of 2021, one of TBC's programming vendors filed lawsuits against TBC claiming certain programming costs for 2020 amounting to NT$336 million (approximately $16.2 million). TBC has a contract in place with a content agent, who acquires content from programming vendors on behalf of TBC. TBC has paid all of the programming costs for 2020 under its contract with its agent, and has recognised the payment of programming costs as broadcast and production costs in the Group's income statement for 2020. However, the content agent has not made payment to the programming vendor in question that has filed the lawsuits.

The content agent has also not made payment to the programming vendor for 2021. TBC has therefore withheld payment of programming costs to the content agent since February 2021. TBC intends to offset amounts against those withheld in case any amount becomes payable by TBC to the programming vendor following court judgements. The amount withheld by TBC is in excess of the amounts owed by the content agent to programming vendors for both years, 2020 and 2021.

It is expected that no lawsuits will be filed claiming programming costs for 2021, as the conclusions reached for the 2020 lawsuits are also expected to be applied to 2021 programming costs.

In order to save default interest on unpaid amounts accumulating during the litigation process, TBC signed agreements with the programming vendors in April 2022, to pay temporary payments of NT$252 million each (approximately $12.6 million each) for 2020 and 2021 unpaid programming costs. TBC will continue to contest the lawsuits, and following court judgements, it is expected that all parties would compensate each other for the difference between the judgment amounts, if any, and the temporary payments.

TBC has formally reminded the content agent of its obligations. The Trustee-Manager is of the view that this matter is between the content agent and programming vendor. The Trustee-Manager believes that all parties will work towards reaching an agreement and that no material loss will accrue to the Group. No interruption of service is expected as a result of these lawsuits.

DISTRIBUTIONS

The Board of Directors of the Trustee-Manager (the “Board”) has declared an ordinary interim distribution of 0.25 cents per unit for the quarter ended 31 March 2022. The record date will be 17 June 2022 and the distribution will be paid on 24 June 2022.

The Board is re-affirming the distribution guidance for the year ending 31 December 2022. The distribution for 2022 is expected to remain at 1.0 cent per unit, to be paid in quarterly instalments of 0.25 cents per unit, subject to no material changes in planning assumptions.

DISTRIBUTION POLICY

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

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

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

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

SELECTED FINANCIAL INFORMATION AND OPERATING DATA

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

Non-IFRS measures

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

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

SELECTED FINANCIAL INFORMATION

Group[1] Amounts in $'000	Note[2]	Quarter ended 31 March 2022	2021	Variance[3] (%)
Revenue				
Basic cable TV	1(i)	54,699	57,477	(4.8)
Premium digital cable TV	1(ii)	3,067	3,353	(8.5)
Broadband	1(iii)	15,800	13,561	16.5
Total revenue		**73,566**	**74,391**	**(1.1)**
Operating expenses[4]				
Broadcast and production costs		(14,286)	(14,117)	(1.2)
Staff costs	2(i)	(6,968)	(6,321)	(10.2)
Trustee-Manager fees	2(ii)	(1,814)	(1,814)	-
Other operating expenses	2(iii)	(7,309)	(6,754)	(8.2)
Total operating expenses		**(30,377)**	**(29,006)**	**(4.7)**
EBITDA		**43,189**	**45,385**	**(4.8)**
EBITDA margin[5]		58.7%	61.0%	
Profit after income tax[6]		**12,236**	**7,362**	**66.2**
Capital expenditure	3			
Maintenance		3,501	4,997	29.9
Network, broadband and other		3,134	2,353	(33.2)
Total capital expenditure		**6,635**	**7,350**	**9.7**
Maintenance capital expenditure as % of revenue		4.8	6.7	
Total capital expenditure as % of revenue		9.0	9.9	
Income tax paid, net of refunds		(1,453)	(1,250)	(16.2)
Interest and other finance costs paid		(9,775)	(11,058)	11.6

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

2 Refer to accompanying notes for more details.

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

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

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

6 Profit after income tax is calculated in the consolidated statement of profit or loss and a reconciliation is presented in reconciliation of profit after income tax to EBITDA.

SELECTED OPERATING DATA

Group	As at				
	2022	2021			
	31 March	31 December	30 September	30 June	31 March
RGUs ('000)					
Basic cable TV	688	691	694	698	703
Premium digital cable TV	281	273	266	257	250
Broadband	289	282	274	264	255

Group	Quarter ended				
	2022	2021			
	31 March	31 December	30 September	30 June	31 March
ARPU[1] (NT$ per month)					
Basic cable TV	472	476	478	480	489
Premium digital cable TV	73	76	80	84	86
Broadband	373	369	364	358	355
AMCR[2] (%)					
Basic cable TV	(0.5)	(0.6)	(0.5)	(0.6)	(0.6)
Premium digital cable TV	(0.7)	(1.0)	(0.9)	(1.1)	(1.0)
Broadband	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)

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

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

STATEMENTS OF FINANCIAL POSITION

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

Amounts in $'000	Note[1]	Group as at 31 March 2022	Group as at 31 December 2021	Trust as at 31 March 2022	Trust as at 31 December 2021
Assets					
Current assets					
Cash and cash equivalents	4	127,575	124,664	2,059	6,298
Trade and other receivables		13,408	16,089	5	-
Derivative financial instruments	5	1,858	231	1,858	231
Contract costs		1,120	1,199	-	-
Other assets		2,845	1,161	331	76
		146,806	**143,344**	**4,253**	**6,605**
Non-current assets					
Investment in subsidiaries		-	-	1,387,351	1,387,351
Property, plant and equipment		273,438	292,493	-	-
Intangible assets		2,509,216	2,584,991	-	-
Derivative financial instruments	5	16,302	60	407	60
Contract costs		318	376	-	-
Other assets		1,606	1,308	2	2
		2,800,880	**2,879,228**	**1,387,760**	**1,387,413**
Total assets		**2,947,686**	**3,022,572**	**1,392,013**	**1,394,018**
Liabilities					
Current liabilities					
Borrowings from financial institutions	6	64,829	58,395	-	-
Derivative financial instruments	5	7	111	7	111
Trade and other payables	7	61,683	53,510	1,814	3,710
Contract liabilities		35,990	37,351	-	-
Retirement benefit obligations		1,480	1,523	-	-
Income tax payable		7,150	5,970	-	-
Other liabilities		19,249	24,091	350	230
		190,388	**180,951**	**2,171**	**4,051**
Non-current liabilities					
Borrowings from financial institutions	6	1,390,366	1,455,097	-	-
Derivative financial instruments	5	33	43	33	43
Retirement benefit obligations		8,413	9,142	-	-
Deferred tax liabilities		109,334	107,194	-	-
Other liabilities		26,455	27,343	-	-
		1,534,601	**1,598,819**	**33**	**43**
Total liabilities		**1,724,989**	**1,779,770**	**2,204**	**4,094**
Net assets		**1,222,697**	**1,242,802**	**1,389,809**	**1,389,924**
Equity					
Unitholders' funds		1,389,351	1,389,351	1,389,351	1,389,351
Reserves		192,583	220,247	-	-
Accumulated (deficit)/surplus		(361,617)	(369,203)	458	573
Equity attributable to unitholders of APTT		**1,220,317**	**1,240,395**	**1,389,809**	**1,389,924**
Non-controlling interests		2,380	2,407	-	-
Total equity		**1,222,697**	**1,242,802**	**1,389,809**	**1,389,924**

1 Refer to accompanying notes for more details.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Group Amounts in $'000	Note[1]	Quarter ended 31 March 2022	 2021	 Variance[2] (%)
Revenue				
Basic cable TV	1(i)	54,699	57,477	(4.8)
Premium digital cable TV	1(ii)	3,067	3,353	(8.5)
Broadband	1(iii)	15,800	13,561	16.5
Total revenue		**73,566**	**74,391**	**(1.1)**
Operating expenses				
Broadcast and production costs		(14,286)	(14,117)	(1.2)
Staff costs[3]	2(i)	(6,968)	(6,321)	(10.2)
Depreciation and amortisation expense[4]		(18,777)	(23,382)	19.7
Trustee-Manager fees	2(ii)	(1,814)	(1,814)	-
Net foreign exchange gain[5]		164	928	(82.3)
Mark to market gain on derivative financial instruments[6]		2,441	482	>100
Other operating expenses	2(iii)	(7,309)	(6,754)	(8.2)
Total operating expenses		**(46,549)**	**(50,978)**	**8.7**
Operating profit		**27,017**	**23,413**	**15.4**
Amortisation of deferred arrangement fees[7]		(844)	(1,137)	25.8
Interest and other finance costs		(9,615)	(11,101)	13.4
Profit before income tax		**16,558**	**11,175**	**48.2**
Income tax expense[8]		(4,322)	(3,813)	(13.3)
Profit after income tax		**12,236**	**7,362**	**66.2**
Profit after income tax attributable to:				
Unitholders of APTT		12,102	7,284	66.1
Non-controlling interests		134	78	71.8
Profit after income tax		**12,236**	**7,362**	**66.2**
Basic and diluted earnings per unit attributable to unitholders of APTT (cents)[9]		**0.67**	**0.40**	

1 Refer to accompanying notes for more details.
2 A positive variance is favourable to the Group and a negative variance is unfavourable to the Group.
3 Increase in staff costs was mainly due to higher staff costs in constant dollar terms. Refer note on staff costs for more details.
4 Decrease in depreciation and amortisation expense was mainly due to lower depreciation expense on network equipment and amortisation expense on programming rights compared to the pcp.
5 Variance in net foreign exchange gain is mainly due to translations at the subsidiary level which are not expected to be realised.
6 Variance in mark to market gain on derivative financial instruments was due to exchange rate movements on foreign exchange contracts.
7 Decrease in amortisation of deferred arrangement fees was due to write-off of unamortised arrangement fee on the amendment of Offshore Facilities in the previous year.
8 Variance in income tax expense was mainly due to higher current income tax expense.
9 Earnings per unit is calculated by dividing profit/loss after income tax attributable to unitholders of APTT by the weighted average number of APTT units outstanding during the period.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Group	Quarter ended 31 March		
Amounts in $'000	2022	2021	Variance[1] (%)
Profit after income tax	**12,236**	**7,362**	**66.2**
Other comprehensive (loss)/income			
Items that may subsequently be reclassified to profit or loss:			
Exchange differences on translation of foreign operations	(40,648)	2,913	(>100)
Movement on change in fair value of cash flow hedging financial instruments	16,230	1,375	>100
Deferred tax relating to items that may subsequently be reclassified to profit or loss	(3,246)	(275)	(>100)
Other comprehensive (loss)/income, net of tax	**(27,664)**	**4,013**	**(>100)**
Total comprehensive (loss)/income	**(15,428)**	**11,375**	**(>100)**
Total comprehensive (loss)/income attributable to:			
Unitholders of APTT	(15,562)	11,297	(>100)
Non-controlling interests	134	78	71.8
Total comprehensive (loss)/income	**(15,428)**	**11,375**	**(>100)**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Group Amounts in $'000	Quarter ended 31 March 2022	 2021
Cash flows from operating activities		
Profit after income tax	**12,236**	**7,362**
Adjustments for:		
Depreciation and amortisation expense	18,777	23,382
Net foreign exchange loss/(gain)	2,024	(1,055)
Gain on lease modification	-	(18)
Mark to market gain on derivative financial instruments	(2,441)	(482)
Amortisation of deferred arrangement fees	844	1,137
Interest and other finance costs	9,615	11,101
Income tax expense	4,322	3,813
Operating cash flows before movements in working capital	**45,377**	**45,240**
Trade and other receivables	2,681	363
Trade and other payables	8,173	(961)
Contract costs	137	(31)
Contract liabilities	(1,361)	2,395
Retirement benefit obligations	(772)	(53)
Other assets	(1,982)	(1,816)
Other liabilities	(3,105)	(4,956)
Cash generated from operations	**49,148**	**40,181**
Income tax paid, net of refunds	(1,453)	(1,250)
Interest paid on lease liabilities	(40)	(54)
Net cash inflows from operating activities	**47,655**	**38,877**
Cash flows from investing activities		
Acquisition of property, plant and equipment	(7,333)	(7,453)
Acquisition of intangible assets	(449)	(3,735)
Net cash used in investing activities	**(7,782)**	**(11,188)**
Cash flows from financing activities		
Interest and other finance costs paid	(9,775)	(11,058)
Borrowings from financial institutions	-	8,996
Repayment of borrowings to financial institutions	(22,194)	(8,288)
Settlement of lease liabilities	(669)	(644)
Settlement of derivative financial instruments	353	(446)
Settlement of transactions with non-controlling interests	(139)	(11)
Distributions to non-controlling interests	(22)	-
Distributions to unitholders	(4,516)	(4,516)
Net cash used in financing activities	**(36,962)**	**(15,967)**
Net increase in cash and cash equivalents	**2,911**	**11,722**
Cash and cash equivalents at the beginning of the year	124,664	96,996
Cash and cash equivalents at the end of the quarter	**127,575**	**108,718**

RECONCILIATION OF PROFIT AFTER INCOME TAX TO EBITDA

Group Amounts in $'000	Quarter ended 31 March 2022	2021	Variance[1] (%)
Profit after income tax	**12,236**	**7,362**	**66.2**
Add: Depreciation and amortisation expense	18,777	23,382	19.7
Add: Net foreign exchange gain	(164)	(928)	(82.3)
Add: Mark to market gain on derivative financial instruments	(2,441)	(482)	>100
Add: Amortisation of deferred arrangement fees	844	1,137	25.8
Add: Interest and other finance costs	9,615	11,101	13.4
Add: Income tax expense	4,322	3,813	(13.3)
EBITDA	**43,189**	**45,385**	**(4.8)**
EBITDA margin	58.7%	61.0%	

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

MATERIAL UPDATES TO FINANCIAL INFORMATION

1) REVENUE

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

An additional analysis of the revenue items is as follows:

(i) Basic cable TV

Basic cable TV revenue of $54.7 million for the quarter comprised subscription revenue of $47.2 million and non-subscription revenue of $7.5 million. Subscription revenue was generated from TBC's c.688,000 Basic cable TV RGUs each contributing an ARPU of NT$472 per month in the quarter to access over 100 cable TV channels. Non-subscription revenue was 13.8% of Basic cable TV revenue for the quarter, which includes revenue from the leasing of television channels to third parties, the sale of airtime advertising and fees for the installation of set-top boxes.

(ii) Premium digital cable TV

Premium digital cable TV revenue of $3.1 million for the quarter comprised subscription revenue of $2.9 million and non-subscription revenue of $0.1 million. Subscription revenue was generated from TBC's c.281,000 Premium digital cable TV RGUs each contributing an ARPU of NT$73 per month in the quarter for Premium digital cable TV packages and bundled DVR or DVR-only services. Non-subscription revenue predominantly comprised revenue from the sale of electronic programme guide data to other system operators.

(iii) Broadband

Broadband revenue of $15.8 million for the quarter, which includes revenue from data backhaul, comprised subscription revenue of $15.4 million and non-subscription revenue of $0.4 million. Subscription revenue was generated from TBC's c.289,000 Broadband RGUs each contributing an ARPU of NT$373 per month in the quarter for high-speed Broadband services. Subscription revenue also includes revenue from data backhaul services, where mobile operators lease a number of fibre circuits to provide data backhaul. Non-subscription revenue predominantly comprised revenue from the provision of installation and other services.

2) EXPENSES

(i) Staff costs

Staff costs for the quarter were higher compared to the pcp mainly due to higher commissions paid and because the pcp also included a benefit from the reversal of provisions made in 2020.

(ii) Trustee-Manager fees

In accordance with the APTT Trust Deed, the Trustee-Manager fees are subject to an annual increment, measured by the percentage increase (if any) in the year-on-year Singapore Consumer Price Index ("CPI"). The Trustee-Manager fees in 2022 are subject to the 2021 CPI increase of 2.3%, amounting to $169.6 thousand. The Trustee-Manager has approved a credit of $169.6 thousand, equivalent to the CPI increase, for the 2022 Trustee-Manager fees. Accordingly, the net fees for 2022 will remain unchanged at the 2021 level of $7.36 million. This move underscores the Trustee-Manager's commitment to cost management and its direct contribution to it.

(iii) Other operating expenses

Other operating expenses were $7.3 million for the quarter ended 31 March 2022, up 8.2% on the pcp mainly due to higher pole rental expenses and marketing and selling expenses. A detailed breakdown of material items included in other operating expenses is provided in the table below:

Group	Quarter ended 31 March	
Amounts in $'000	2022	2021
Lease rentals	(39)	(36)
Pole rentals	(1,651)	(1,544)
Legal and professional fees	(598)	(629)
Non-recoverable GST/VAT	(899)	(864)
Marketing and selling expenses	(1,351)	(1,093)
General and administrative expenses	(1,174)	(1,197)
Licence fees	(579)	(606)
Repairs and maintenance	(378)	(367)
Others	(640)	(418)
Total	**(7,309)**	**(6,754)**

3) CAPITAL EXPENDITURE

Total capital expenditure of $6.6 million for the quarter ended 31 March 2022 was 9.7% lower than the pcp. Total capital expenditure as a percentage of revenue was 9.0% for the quarter.

Total capital expenditure for the quarter was lower than the pcp because of lower capital expenditure being incurred on maintenance compared to the pcp. As fibre network investments are past the peak, the level of capital expenditure is projected to be lower than the last three years. TBC is exercising extra prudence. The level of capital expenditure, which will be within industry norms, will be closely monitored to focus on areas that will have the best potential in generating growth and sustainability for the long term.

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

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

4) CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the Group level were $127.6 million as at 31 March 2022. The Trustee-Manager has earmarked approximately $60 million for scheduled principal repayments on its onshore and offshore borrowing facilities, which will help to further strengthen the balance sheet.

5) DERIVATIVE FINANCIAL INSTRUMENTS

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

Following the maturity of all 2018 interest rate swaps at 31 December 2021, new TAIBOR swaps were entered into during the quarter, to hedge approximately 80% of the outstanding onshore facilities through to 30 June 2025. The average fixed rate on these swaps was 0.89%. More swaps will be entered into when swap rates become more attractive to hedge an additional 10% to 15% of the outstanding onshore facilities.

The movement in the non-current assets also included mark to market unrealised gains of $15.9 million on the Group's interest rate swaps on its NT$ denominated borrowings, which are designated as cash flow hedges. This represents the mark to market unrealised gains between when the interest rate swaps were entered into during the quarter compared to the unfavourable swap rate movements by 31 March 2022.

6) BORROWINGS FROM FINANCIAL INSTITUTIONS

Group	As at	
Amounts in $'000	31 March 2022	31 December 2021
Current portion	68,150	61,802
Less: Unamortised arrangement fees	(3,321)	(3,407)
	64,829	**58,395**
Non-current portion	1,407,101	1,473,175
Less: Unamortised arrangement fees	(16,735)	(18,078)
	1,390,366	**1,455,097**
Total current and non-current portion[1]	1,475,251	1,534,977
Less: Total unamortised arrangement fees	(20,056)	(21,485)
Total	**1,455,195**	**1,513,492**

[1] Comprised outstanding NT$ denominated borrowings of NT$27.8 billion at the TBC level and S$ denominated borrowings of S$159.4 million at the Bermuda holding companies' level.

Reduction in total debt balance during the quarter is due mostly to repayments of $22.2 million and positive foreign exchange movements of $36.9 million.

Onshore Facilities

In December 2021, TBC extended the maturity date ("Onshore Amendment") of its NT$ denominated seven-year facilities ("Onshore Facilities") by three years from November 2025 to November 2028. The size of available Onshore Facilities was reduced from NT$31.0 billion to NT$29.5 billion. The Onshore Amendment reached financial close on 30 December 2021.

The Onshore Facilities are repayable in tranches by 2028 and are secured by certain land, buildings, network equipment and plant and equipment held by TBC as well as by pledges over shares in onshore entities of TBC and over the shares in TBC Holdings B.V. and Harvest Cable Holdings B.V. held by Cable TV S.A. The onshore affiliates of TBC are jointly liable under the debt facilities. As at 31 March 2022, the total carrying value of property, plant and equipment pledged for the Onshore Facilities was $264.7 million. In addition, guarantees in favour of lenders under the debt facilities are provided by TBC Holdings B.V. and Harvest Cable Holdings B.V.

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

Offshore Facilities

Offshore facilities consist of a multicurrency term loan facility in an aggregate amount of $125.0 million and a multicurrency revolving loan facility in an aggregate amount of $80.0 million secured by APTT Holdings 1 Limited and APTT Holdings 2 Limited ("Offshore Facilities").

In March 2021, APTT extended the maturity date ("Offshore Amendment") of its existing Offshore Facilities to July 2023. The Offshore Amendment reached financial close on 18 March 2021. As a part of the Offshore Amendment, the size of the multicurrency revolving loan facility was reduced from $125.0 million to $80.0 million. Amortisation of deferred arrangement fees for the pcp was higher as it included a one-time write-off of unamortised arrangement fees of $0.3 million, associated with the Offshore Amendment.

The Offshore Facilities are denominated in Singapore dollars and repayable in tranches by 2023. They are secured by a first priority pledge of all of the assets of APTT Holdings 1 Limited, APTT Holdings 2 Limited, Cable TV S.A. and APTT Management Pte. Limited, in its capacity as Trustee-Manager of APTT, including bank accounts and 100% of the total outstanding shares of APTT Holdings 1 Limited, APTT Holdings 2 Limited and Cable TV S.A.

As at 31 March 2022, the total carrying value of assets pledged for the Offshore Facilities was $1,116 million. In addition, guarantees in favour of lenders under the debt facilities are provided by APTT Management Pte. Limited, in its capacity as Trustee-Manager of APTT, and Cable TV S.A.

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

7) TRADE AND OTHER PAYABLES

	Group as at		Trust as at	
Amounts in $'000	**31 March 2022**	**31 December 2021**	**31 March 2022**	**31 December 2021**
Trade payables due to outside parties	59,869	49,800	-	-
Base fees payable to the Trustee-Manager	1,814	3,710	1,814	3,710
Total	**61,683**	**53,510**	**1,814**	**3,710**

The Group's trade and other payables as at 31 March 2022 of $61.7 million comprised mainly broadcast and production costs payable of $56.7 million, other payables of $3.2 million and base fees payable to the Trustee-Manager of $1.8 million.

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

Following the quarter end, in order to save default interest on unpaid amounts accumulating during the litigation process, TBC signed agreements with the programming vendors in April 2022, to pay temporary payments of NT$252 million each (approximately $12.6 million each) for 2020 and 2021 unpaid programming costs. TBC will continue to contest the lawsuits, and following court judgements, it is expected that all parties would compensate each other for the difference between the judgment amounts, if any, and the temporary payments.

DISCLAIMERS

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

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

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

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

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