

SGX-ST Release

ASIAN PAY TELEVISION TRUST (“APTT”)

APTT ANNOUNCES FINANCIAL RESULTS FOR THE QUARTER ENDED 31 MARCH 2017

Singapore - 12 May 2017

KEY HIGHLIGHTS

- Revenue and EBITDA for the quarter of \$82.6 million¹ and \$48.9 million
- Distribution of 1.625 cents per unit for the quarter ended 31 December 2016 paid on 24 March 2017, totalling 6.5 cents per unit paid for the year ended 31 December 2016
- Distribution of 1.625 cents per unit declared for the quarter ended 31 March 2017
- Reaffirmed distribution guidance of 6.5 cents per unit for the year ending 31 December 2017
- Sale of Trustee-Manager to Dynami completed on 13 April 2017
- Following the completion of the sale, interest margin to further decrease by 30 basis points (or 0.30%) starting from 30 June 2017

CHANGE IN OWNERSHIP OF THE TRUSTEE-MANAGER

On 13 April 2017, APTT Management Pte. Limited, as trustee-manager of APTT (the “Trustee-Manager”) announced that the acquisition of the entire interest in the Trustee-Manager (the “Transaction”) by Dynami had completed. On completion of the Transaction, Dynami became the sole shareholder of the Trustee-Manager.

As a result of the Transaction Mr Lu Fang-Ming was appointed as Non-Executive Director of the Trustee-Manager and Vice Chair of the Board and Mr Brian McKinley was appointed as Chief Executive Officer of the Trustee-Manager and Executive Director of the Board. Mr Lu is a highly experienced businessman in Taiwan with close to 40 years of experience in the telecommunications, networking and technology sectors. Mr Lu is currently the chairman of Asia Pacific Telecom Co., Ltd; an advanced mobile, 4G operator with significant market share in Taiwan. Mr McKinley was formerly the Chief Financial Officer of the Trustee-Manager, an office he held since the listing of APTT in May 2013.

On joining the Board, Mr Lu commented that “APTT is a high quality business, and an excellent platform to leverage my sector experience and strategic partnerships in content creation, data processing and telecom services, which may have the potential to drive further growth for APTT Unitholders.” Mr Lu further commented “We are very pleased to announce that with the completion of the Transaction, TBC’s interest margin on the Revised Facilities will further decrease by 30 basis points starting with the next interest period from 30 June 2017.”

FINANCIAL HIGHLIGHTS

APTT² reported total revenue of \$82.6 million and EBITDA of \$48.9 million for the quarter ended 31 March 2017. Total revenue for the quarter ended 31 March 2017 was 6.1% higher than the prior corresponding period (“pcp”); in constant Taiwan dollars (“NT\$”) terms total revenue for the quarter ended 31 March 2017 was 1.4% lower than the pcp. Foreign exchange contributed to a positive variance of 7.6% for the quarter ended 31 March 2017 compared to pcp.

¹ All figures, unless otherwise stated, are presented in Singapore dollars (“\$”).

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

	Quarter ended 31 March 2017 \$'000	Quarter ended 31 March 2016 \$'000	Variance ³ %
Revenue			
Basic cable TV	65,750	61,703	6.6
Premium digital cable TV	3,975	3,650	8.9
Broadband	12,861	12,479	3.1
Total revenue	82,586	77,832	6.1
Total operating expenses	(33,700)	(31,818)	(5.9)
EBITDA	48,886	46,014	6.2
EBITDA margin	59.2%	59.1%	

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

OPERATIONAL PERFORMANCE

Operational highlights for TBC⁴ for the quarter ended 31 March 2017 are as follows:

- **Basic cable TV:** Basic cable TV revenue of \$65.8 million for the quarter ended 31 March 2017 was up 6.6% on pcp; in constant NT\$ terms Basic cable TV revenue was 1.0% lower than the pcp. This comprised subscription revenue of \$54.7 million and non-subscription revenue of \$11.0 million. TBC's c.762,000 Basic cable TV revenue generating units ("RGUs") each contributed an ARPU of NT\$525 per month in the first quarter to access over 100 cable TV channels. In constant NT\$ terms subscription revenue was lower than the pcp because of a marginally lower Basic cable TV rate in one of TBC's five franchise areas. Non-subscription revenue was generated from the leasing of television channels to third parties, sale of airtime advertising and fees for the installation of set-top boxes. In constant NT\$ terms non-subscription revenue was lower than the pcp mainly due to lower airtime advertising sales.
- **Premium digital cable TV⁵:** Premium digital cable TV revenue of \$4.0 million for the quarter ended 31 March 2017 was up 8.9% on pcp; in constant NT\$ terms Premium digital cable TV revenue was up 1.2% on pcp. This was generated predominantly from TBC's c.185,000 Premium digital cable TV RGUs each contributing an ARPU of NT\$151 per month in the first quarter for Premium digital cable TV packages, bundled DVR or DVR-only services. Premium digital cable TV RGUs increased by c.3,000 and ARPU was lower compared to the previous quarter ended 31 December 2016 (RGUs: c.182,000; ARPU: NT\$154 per month). The lower ARPU was due to promotions and discounted bundled packages that were offered to generate new subscriptions and to retain existing RGUs.
- **Broadband:** Broadband revenue of \$12.9 million for the quarter ended 31 March 2017 was up 3.1% on pcp; in constant NT\$ terms Broadband revenue was 4.2% lower than the pcp. This was generated predominantly from TBC's c.201,000 Broadband RGUs each contributing an ARPU of NT\$457 per month in the first quarter for high-speed Broadband services. Broadband RGUs remained unchanged and ARPU was lower compared to the previous quarter ended 31 December 2016 (RGUs: c.201,000 and ARPU: NT\$461 per month). The lower ARPU was due to promotions and discounted bundled packages that were offered to generate new subscriptions and to retain existing RGUs.
- **Capital expenditure:** Capital expenditure of \$22.5 million for the quarter ended 31 March 2017 was 10.0% higher than the pcp. Capital expenditure for the quarter ended 31 March 2017 was higher because of higher capital expenditure being incurred on premium digital cable TV growth and maintenance capital expenditure, offset by lower other capital expenditure compared to pcp.

⁴ TBC refers to Taiwan Broadband Communications group.

⁵ Premium digital cable TV RGUs and ARPU have been updated to reflect the number of RGUs contributing incremental subscription revenue for additional video content and/or DTV-related services, such as DVR. This can result in more than one subscription, i.e. RGU, per home. The pcp figures for Premium digital cable TV RGUs and ARPU have been restated to conform to the new presentation.

BORROWING FACILITIES

As announced in the second half of 2016, APTT secured new multicurrency loan facilities in an aggregate amount of \$250.0 million (the “New Facilities”) and TBC completed the refinancing of its NT\$32.0 billion borrowing facilities (the “Previous Facilities”) with new seven-year facilities of NT\$28.0 billion (the “Revised Facilities”).

The New and Revised Facilities will enable TBC to fund the necessary capital expenditure to digitise all of TBC’s franchise areas, satisfy TBC’s borrowing needs through to 2019 and remove the need for any significant principal amortisation of the Facilities for the next three years. The New Facilities diversify APTT’s funding sources and the successful refinancing of the Previous Facilities demonstrate the strong support and confidence of the banks in APTT’s business as overall borrowing margins and arrangement fees decreased compared to the Previous Facilities. The New and Revised Facilities provide funding certainty, with attractive terms and pricing.

Arrangement fees on the Revised Facilities were agreed at 1.6% which is substantially lower than the arrangement fees on the Previous Facilities of 2.4%. Interest margin on the Revised Facilities were agreed at 2.6% per annum which is substantially lower than the interest margin of 2.9% to 3.1% per annum on the Previous Facilities. Following the completion of the acquisition of the entire interest in the Trustee-Manager by Dynami Vision Pte. Ltd. (“Dynami”), the interest margin on the Revised Facilities will further decrease by 30 basis points starting from 30 June 2017, to 2.3% per annum.

OUTLOOK

The focus in 2017 remains on driving growth in cash flows through up-selling and cross-selling of services across TBC’s subscriber base.

Whilst growth in RGUs is anticipated across TBC’s service offerings, total revenue for 2017 is anticipated to be influenced by a number of factors. These factors include the continued weakness in the Taiwanese economy and a marginally lower Basic cable TV rate in one of TBC’s five franchise areas. Broadband RGUs are expected to increase in the remainder of 2017 and Broadband ARPU is expected to stabilise and then increase during the year. Consequently, TBC’s overall EBITDA for the full year 2017 is expected to be in line with 2016.

DISTRIBUTIONS

The Board of directors of the Trustee-Manager (the “Board”) has declared an ordinary interim distribution of 1.625 cents per unit for the quarter ended 31 March 2017. The books closure date will be on 16 June 2017 and the distribution will be paid on 23 June 2017.

APTT’s distribution policy is to distribute 100 percent of Distributable Free Cash Flows to APTT unitholders. The Board is pleased to reaffirm distribution guidance for the year ending 31 December 2017. The distribution for the year ending 31 December 2017 is expected to be 6.5 cents per unit. It is anticipated that the distribution will be paid in quarterly instalments of 1.625 cents per unit. The distribution guidance is subject to no material changes in planning assumptions.

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