ASIAN PAY TELEVISION TRUST

SGX QUARTERLY REPORT
FOR THE QUARTER AND YEAR ENDED
31 DECEMBER 2015



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REPORT SUMMARY

REPORT SUMMARY

KEY HIGHLIGHTS

- Revenue for the year of $332.2 million[1] driven by higher revenue across each of TBC's[2] service offerings
- EBITDA for the year higher at $201.0 million
- Distribution of 2.25 cents per unit declared for the quarter ended 31 December 2015
- Distribution guidance of 6.5 to 7.0 cents per unit for the year ending 31 December 2016[3]

Asian Pay Television Trust (APTT[4]) reported total revenue of $85.6 million and EBITDA of $52.9 million for the quarter ended 31 December 2015. Total revenue was $332.2 million and EBITDA was $201.0 million for the year ended 31 December 2015. Total revenue for the quarter and year ended 31 December 2015 was 4.6% and 4.2% higher than the prior corresponding period (pcp) respectively. The increase was due to higher revenue generated across each of TBC's service offerings despite challenging operating conditions.

The key financial highlights are set out below:

	Quarter ended 31 December 2015 $'000	Quarter ended 31 December 2014 $'000	Variance[5] %	Year ended 31 December 2015 $'000	Year ended 31 December 2014 $'000	Variance[5] %
Revenue						
Basic cable TV	68,688	65,891	4.2	264,962	255,774	3.6
Premium digital cable TV	4,081	3,530	15.6	15,366	13,792	11.4
Broadband	12,846	12,425	3.4	51,824	49,163	5.4
Total revenue	**85,615**	**81,846**	**4.6**	**332,152**	**318,729**	**4.2**
Total operating expenses	**(32,678)**	**(32,660)**	**(0.1)**	**(131,107)**	**(124,284)**	**(5.5)**
EBITDA	**52,937**	**49,186**	**7.6**	**201,045**	**194,445**	**3.4**
EBITDA margin	61.8%	60.1%		60.5%	61.0%	

[1] All figures, unless otherwise stated, are presented in Singapore dollars ($).

[2] TBC refers to Taiwan Broadband Communications group.

[3] Subject to no material changes in planning assumptions including for asset performance and refinancing.

[4] APTT refers to APTT and its subsidiaries taken as a whole.

[5] A positive variance is favourable to the Group and a negative variance is unfavourable to the Group.

OPERATIONAL PERFORMANCE

Operational highlights for TBC for the year ended 31 December 2015 are as follows:

- **Basic cable TV:** Revenue of $265.0 million was up 3.6% on pcp. This comprised subscription revenue of $210.8 million (2014: $203.4 million) and non-subscription revenue of $54.2 million (2014: $52.4 million). TBC's c.758,000 subscribers paid an ARPU of Taiwan dollars (NT$) 537 per month for the fourth quarter to access over 100 cable TV channels. Basic cable TV subscribers increased by c.1,000 and ARPU was marginally higher compared to the previous quarter ended 30 September 2015 (Subscribers: c.757,000; ARPU: NT$535 per month). Non-subscription revenue generated from the leasing of television channels to third parties, sale of advertising airtime and fees for the installation of set-top boxes was higher than pcp. TBC benefited from non-recurring, non-subscription revenue such as higher advertising airtime sales generated in the lead-up to the Taiwanese Presidential and Legislative Yuan election in January 2016.
- **Premium digital cable TV:** Revenue of $15.4 million was up 11.4% on pcp. This was generated predominantly from TBC's c.145,000 Premium digital cable TV subscribers paying an ARPU of NT$177 per month for the fourth quarter for Premium digital cable TV packages and bundled DVR services. Premium digital cable TV subscribers increased by c.3,000 and ARPU was lower compared to the previous quarter ended 30 September 2015 (Subscribers: c.142,000; ARPU: NT$182 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.

- **Broadband:** Revenue of $51.8 million was up 5.4% on pcp. This was generated predominantly from TBC's c.193,000 Broadband subscribers paying an ARPU of NT$502 per month for the fourth quarter for broadband services. Broadband subscribers increased by c.2,000 and ARPU was lower compared to the previous quarter ended 30 September 2015 (Subscribers: c.191,000 and ARPU: NT$512 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.
- **Greater Taichung expansion:** TBC's core network has been expanded to cover the majority of the greater Taichung region and this has enabled the requisite regulatory licenses to operate in the new coverage areas to be secured. Consequently, TBC started marketing broadband services in the new expansion area in the fourth quarter of 2014. However, full commercial operations have been delayed as a result of the delay in securing content rights to deliver cable TV services in the greater Taichung region. TBC is working actively with the content providers to secure the necessary content rights in 2016. The network expansion into greater Taichung is anticipated to be completed in 2016.
- **Capital expenditure:** Total capital expenditure of $101.4 million was 17.1% higher than pcp. The higher total capital expenditure was primarily due to expenditure to acquire and install 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.

KEY DEVELOPMENTS

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

- **Cable Law amendment:** On 18 December 2015, the Taiwanese Legislative Yuan considered and approved a package of Cable Law amendments which became effective on 8 January 2016. The key amendment that has an impact on TBC is the requirement to switch-off analogue broadcasting and the associated requirement to deploy set-top boxes to digitise all of TBC's franchise areas as a condition of the renewal of its operating licenses. The review of TBC's operating licenses is scheduled for 2017/2018. As a result of the Cable Law amendment, TBC is required to submit its analogue switch-off/digitisation plan to its regulator, the National Communications Commission (NCC) within three months of the effective date of the amended Cable Law. As a result, TBC's capital expenditure plan has been impacted due to this regulatory change. The consequence is that TBC's capital expenditure plan has needed to be amended with significantly higher concentration of capital expenditure in 2016 and 2017. However, the completion of the analogue switch-off/digitisation process is anticipated to be favourable for TBC, as compliance with the process will aid in protecting TBC's Basic cable TV rates, enable gains in revenue due to conversion of pirate basic cable TV subscribers and facilitate more effective bundling of premium digital cable TV products.
- **Revised basic cable TV rates:** The 2016 Basic cable TV rate review for all of TBC's franchise areas was challenging. Due to ongoing weak economic conditions which are impacting consumer spending, local governments across Taiwan pursued a general reduction of basic cable TV rates. Further, the push to switch-off analogue broadcasting/digitisation also drove rate policy downwards as cable TV operators were encouraged by local governments to accelerate digitisation with future basic cable TV rate increases used as a potential incentive. As a consequence, TBC's Basic cable TV rates were reduced by NT$10 to NT$15 per month in three of its five franchise areas. Despite the reduction, TBC's Basic cable TV rates across its five franchise areas continue to be at the upper end of the basic cable TV rate range in Taiwan reflecting strong subscriber service delivery and local community support for TBC.

OUTLOOK

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

Whilst growth in subscriber numbers is anticipated across TBC's service offerings, total revenue for 2016 is anticipated to be influenced by a number of factors. These factors include the continued weakness in the Taiwanese economy, marginally lower Basic cable TV rates in three of TBC's five franchise areas and the non-recurrence of revenue generated in 2015 as a result of one-off items including higher advertising airtime sales generated in the lead-up to the Presidential and Legislative Yuan election. In addition, operating expenses are expected to be higher due to increases in staff and programming costs

as more basic channel providers complete their upgrade to content to high definition format. Consequently, TBC's overall EBITDA is expected to be marginally lower for 2016 compared to pcp.

DISTRIBUTIONS

The Board of Directors of the Trustee-Manager (the Board) has declared an ordinary distribution of 2.25 cents per unit for the quarter ended 31 December 2015. The books closure date will be on 17 March 2016 and the distribution will be paid on 24 March 2016.

APTT's distribution policy is to distribute 100 percent of Distributable Free Cash Flows to APTT unitholders. The distribution for the year ending 31 December 2016 is expected to be between 6.5 and 7.0 cents per unit. It is anticipated that the distribution will be paid in instalments of 1.625 cents per unit for the first, second and third quarters of 2016 and at least 1.625 cents per unit for the fourth and final quarter ending 31 December 2016. The distribution guidance is subject to no material changes in planning assumptions including for asset performance and refinancing.

PROPOSED SALE OF THE TRUSTEE MANAGER

On 25 January 2016, Macquarie APTT Management Pte. Limited, as trustee manager of APTT (the Trustee-Manager), announced that it has 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. For more details refer to APTT's website or the SGX website.

The Trustee-Manager will make further announcements via SGXNet as and when it is made aware of material developments.

PERFORMANCE REVIEW OF ASIAN PAY TELEVISION TRUST

INTRODUCTION

ABOUT APTT

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 Chapter 31A of the Business Trusts Act (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).

APTT was admitted to the main Board of the Singapore Exchange Securities Trading Limited (SGX-ST) and was listed on the SGX-ST on 29 May 2013. APTT is the first listed business trust in Asia focused on pay-TV businesses. APTT has approximately 10,000 unitholders, including retail investors and some of the world's foremost institutional investors.

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.

SOLE ASSET

As at 31 December 2015, APTT's portfolio comprised its sole investment, TBC. TBC is a leading provider of pay-TV and broadband services in Taiwan. It owns the cable network in five franchise areas across Taiwan that pass over 1.1 million homes. Through this network TBC delivers basic cable TV, premium digital TV and high speed broadband services to these homes.

DISTRIBUTION POLICY (REVISED TO QUARTERLY BASIS AS OF 12 AUGUST 2014)

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.

DISTRIBUTIONS

The Board of Directors of the Trustee-Manager (the Board) has declared an ordinary distribution of 2.25 cents per unit for the quarter ended 31 December 2015.

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

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

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**

[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.

Historical distributions

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

Distribution period	Cents per unit
Six months ended:	
30 June 2013[1]	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] The first distribution period was from the APTT listing date, 29 May 2013, to 30 June 2013.

TAXATION

Taxation of the Trust

The Trust is a business trust registered with the MAS under the BTA. The Trust is liable to Singapore income tax on income accruing in or derived from Singapore (i.e. Singapore sourced income) and unless otherwise exempt, income derived from outside Singapore which is received or deemed to have been received in Singapore (i.e. foreign sourced income). Foreign sourced dividends received by the Trust would only be subject to Singapore income tax when received in Singapore or deemed received in Singapore, subject to certain exemptions. Subject to meeting certain stipulated conditions and reporting obligations, the Trust has obtained an exemption under Section 13(12) of the Income Tax Act, Chapter 134 of Singapore (Income Tax Act) on dividend income received by the Trust from the Bermuda holding companies after its listing on the SGX-ST. Specifically, the Trust will be exempt from tax on dividends from the Bermuda holding companies that originate from dividends and interest paid out of underlying profits from substantive cable broadband business activities carried out in Taiwan.

Taxation of the unitholders

Pursuant to Section 13(1)(zg) of the Income Tax Act, distributions by the Trust are tax-exempt and are therefore not subject to Singapore income tax in the hands of the unitholders. The distributions are also not subject to Singapore withholding tax. The tax exemption is given to all unitholders, regardless of their nationality, corporate identity or tax residence status. Unitholders are not entitled to tax credits for any taxes paid by the Trustee-Manager.

The Trust does not give tax advice and recommends that all unitholders obtain their own tax advice in relation to the distribution payment.

SELECTED FINANCIAL INFORMATION AND OPERATING DATA

The selected financial information and operating data presented on pages 10 and 11 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.

SELECTED FINANCIAL INFORMATION

	Notes[1]	Group[2] Quarter ended 31 December 2015 $'000	Group Quarter ended 31 December 2014 $'000	Variance[3] %	Group Year ended 31 December 2015 $'000	Group Year ended 31 December 2014 $'000	Variance[3] %
Revenue							
Basic cable TV	A(i)	68,688	65,891	4.2	264,962	255,774	3.6
Premium digital cable TV	A(ii)	4,081	3,530	15.6	15,366	13,792	11.4
Broadband	A(iii)	12,846	12,425	3.4	51,824	49,163	5.4
Total revenue		**85,615**	**81,846**	**4.6**	**332,152**	**318,729**	**4.2**
Operating expenses[4]							
Broadcast and production costs	B(i)	(15,714)	(15,559)	(1.0)	(62,486)	(60,088)	(4.0)
Staff costs	B(ii)	(7,464)	(7,038)	(6.1)	(29,663)	(26,988)	(9.9)
Trustee-Manager fees	B(iv)	(1,825)	(1,806)	(1.1)	(7,241)	(7,167)	(1.0)
Other operating expenses	B(viii)	(7,675)	(8,257)	7.0	(31,717)	(30,041)	(5.6)
Total operating expenses		**(32,678)**	**(32,660)**	**(0.1)**	**(131,107)**	**(124,284)**	**(5.5)**
EBITDA		**52,937**	**49,186**	**7.6**	**201,045**	**194,445**	**3.4**
EBITDA margin		61.8%	60.1%		60.5%	61.0%	
Capital expenditure							
Maintenance		(8,400)	(5,536)	(51.7)	(26,652)	(20,862)	(27.8)
Network expansion growth		(763)	(14,007)	94.6	(10,248)	(33,300)	69.2
Premium digital cable TV growth		(20,257)	(3,103)	(>100)	(52,626)	(18,718)	(>100)
Other capital expenditure		(7,608)	(8,893)	14.4	(11,833)	(13,643)	13.3
Total capital expenditure		**(37,028)**	**(31,539)**	**(17.4)**	**(101,359)**	**(86,523)**	**(17.1)**
Total maintenance capital expenditure as a % of revenue		**9.8**	**6.8**		**8.0**	**6.5**	
Total capital expenditure as a % of revenue		**43.2**	**38.5**		**30.5**	**27.1**	
Income taxes paid, net of refunds[5]		(1,506)	(12,588)	88.0	(25,906)	(15,364)	(68.6)
Interest and other finance costs paid		(14,512)	(11,537)	(25.8)	(49,695)	(40,146)	(23.8)

1 Notes can be found on pages 26 to 30.

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

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 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 as discussed in Note B(viii), appearing in the consolidated statements of profit or loss on page 16, in order to arrive at EBITDA and EBITDA margin.

5 Income taxes paid, net of refunds presented here exclude amounts paid in relation to settlement of outstanding tax disputes of nil for the quarter ended 31 December 2015 (31 December 2014: $1.7 million) and $1.2 million for the year ended 31 December 2015 (31 December 2014: $39.9 million).

SELECTED OPERATING DATA

	Group Quarter ended 31 December 2015	Group Quarter ended 31 December 2014	Group Year ended 31 December 2015	Group Year ended 31 December 2014
ARPU[1] (NT$ per month)				
Basic cable TV	537	536	536	537
Premium digital cable TV	177	190	183	195
Broadband	502	525	515	525
AMCR[2] (%)				
Basic cable TV	(0.7)	(0.7)	(0.8)	(0.8)
Premium digital cable TV	(1.7)	(1.5)	(1.8)	(1.8)
Broadband	(1.4)	(1.6)	(1.5)	(1.5)

	Group as at 31 December 2015	Group as at 30 September 2015	Group as at 31 December 2014	Group as at 30 September 2014
Subscribers ('000)				
Basic cable TV	758	757	756	756
Premium digital cable TV	145	142	133	131
Broadband	193	191	183	182

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 revenue generating units (RGUs or 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.

REVIEW OF SELECTED FINANCIAL INFORMATION AND OPERATING DATA

(i) Total revenue

Total revenue of $85.6 million for the quarter ended 31 December 2015 was 4.6% higher than pcp (31 December 2014: $81.8 million). Total revenue of $332.2 million for the year ended 31 December 2015 was 4.2% higher than pcp (31 December 2014: $318.7 million). The increase was due to higher revenue generated across each of TBC's service offerings with the main contribution from Basic cable TV revenue of $68.7 million and $265.0 million for the quarter and year ended 31 December 2015, which were 4.2% and 3.6% higher compared to pcp. The increase in Basic cable TV revenue for the year ended 31 December 2015 was mainly due to foreign exchange.

(ii) Total operating expenses

Total operating expenses of $32.7 million for the quarter ended 31 December 2015 were flat on pcp (31 December 2014: $32.7 million). Total operating expenses of $131.1 million for the year ended 31 December 2015 were 5.5% higher than pcp (31 December 2014: $124.3 million). The increase in operating expenses for the year ended 31 December 2015 was mainly due to foreign exchange and higher staff costs.

(iii) EBITDA and EBITDA Margin

EBITDA of $52.9 million for the quarter ended 31 December 2015 was 7.6% higher than pcp (31 December 2014: $49.2 million). EBITDA margin for the quarter ended 31 December 2015 of 61.8% was higher than pcp (31 December 2014: 60.1%).

EBITDA of $201.0 million for the year ended 31 December 2015 was 3.4% higher than pcp (31 December 2014: $194.4 million) and EBITDA margin for the year ended 31 December 2015 of 60.5% was slightly lower than pcp (31 December 2014: 61.0%).

(iv) Total capital expenditure

Total capital expenditure of $37.0 million for the quarter ended 31 December 2015 was 17.4% higher than pcp (31 December 2014: $31.5 million) and $101.4 million for the year ended 31 December 2015 was 17.1% higher than pcp (31 December 2014: $86.5 million). As a result, total capital expenditure as a percentage of revenue was 43.2% and 30.5% for the quarter and year ended 31 December 2015. 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.

ASIAN PAY TELEVISION TRUST

FINANCIAL STATEMENTS FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2015

STATEMENTS OF FINANCIAL POSITION

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

	Notes[1]	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	C(i)	60,926	74,490	7,458	7,317
Trade and other receivables	C(ii)	17,650	11,538	32	213
Derivative financial instruments	C(vii)	150	362	150	362
Other assets	C(viii)	1,079	1,759	266	526
		79,805	**88,149**	**7,906**	**8,418**
Non-current assets					
Investment in subsidiaries	C(iii)	-	-	1,342,351	1,342,351
Property, plant and equipment	C(iv)	242,751	175,749	-	-
Intangible assets	C(v)	2,283,440	2,223,424	-	-
Income tax refund receivable	C(vi)	938	1,091	-	-
Derivative financial instruments	C(vii)	4	-	4	-
Other assets	C(viii)	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	D(i)	8,617	17,460	-	-
Retirement benefit obligations	D(iv)	1,328	929	-	-
Derivative financial instruments	D(ii)	1,308	42	1,308	42
Trade and other payables	D(iii)	20,486	20,005	9,997	9,047
Income tax payable	D(v)	9,672	10,609	4	1
Other liabilities	D(vii)	62,800	54,686	156	120
		104,211	**103,731**	**11,465**	**9,210**
Non-current liabilities					
Borrowings from financial institutions	D(i)	1,183,231	1,035,877	-	-
Retirement benefit obligations	D(iv)	15,640	11,320	-	-
Derivative financial instruments	D(ii)	9,346	994	294	294
Deferred tax liabilities	D(vi)	52,501	53,808	-	-
Other liabilities	D(vii)	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		1,342,851	1,342,851	1,342,851	1,342,851
Reserves	D(viii)	28,386	(8,428)	-	-
Accumulated deficit		(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	D(ix)	2,319	2,334	-	-
Total equity		**1,231,117**	**1,275,827**	**1,338,502**	**1,341,265**

[1] Notes to the statements of financial position can be found on pages 31 to 39.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Notes[1]	Group Quarter ended 31 December 2015 $'000	Group Quarter ended 31 December 2014 $'000	Variance[2] %	Group Year ended 31 December 2015 $'000	Group Year ended 31 December 2014 $'000	Variance[2] %
Revenue							
Basic cable TV	A(i)	68,688	65,891	4.2	264,962	255,774	3.6
Premium digital cable TV	A(ii)	4,081	3,530	15.6	15,366	13,792	11.4
Broadband	A(iii)	12,846	12,425	3.4	51,824	49,163	5.4
Total revenue		**85,615**	**81,846**	**4.6**	**332,152**	**318,729**	**4.2**
Operating expenses							
Broadcast and production costs	B(i)	(15,714)	(15,559)	(1.0)	(62,486)	(60,088)	(4.0)
Staff costs	B(ii)	(7,464)	(7,038)	(6.1)	(29,663)	(26,988)	(9.9)
Depreciation and amortisation expenses	B(iii)	(12,831)	(15,063)	14.8	(44,609)	(48,737)	8.5
Trustee-Manager fees	B(iv)	(1,825)	(1,806)	(1.1)	(7,241)	(7,167)	(1.0)
Net foreign exchange loss	B(v)	(516)	(342)	(50.9)	(2,459)	(3,357)	26.8
Mark to market gain/(loss) on derivative financial instruments[3]	B(vi)	456	(287)	>100	(1,475)	787	(>100)
Debt advisory fee[4]	B(vii)	-	-	-	(5,521)	-	(>100)
Tax advisory fee[5]	B(viii)	-	-	-	-	(1,248)	>100
Other operating expenses	B(ix)	(7,675)	(8,257)	7.0	(31,717)	(30,041)	(5.6)
Total operating expenses		**(45,569)**	**(48,352)**	**5.8**	**(185,171)**	**(176,839)**	**(4.7)**
Operating profit		**40,046**	**33,494**	**19.6**	**146,981**	**141,890**	**3.6**
Amortisation of deferred arrangement fees[6]	B(x)	(1,183)	(1,012)	(16.9)	(26,033)	(4,030)	(>100)
Interest and other finance costs	B(xi)	(12,655)	(10,576)	(19.7)	(49,711)	(40,060)	(24.1)
Profit before income tax		**26,208**	**21,906**	**19.6**	**71,237**	**97,800**	**(27.2)**
Income tax (expense)/benefit	B(xii)	(9,928)	(5,531)	(79.5)	(25,787)	16,860	(>100)
Profit after income tax		**16,280**	**16,375**	**(0.6)**	**45,450**	**114,660**	**(60.4)**
Profit after income tax attributable to:							
Unitholders of APTT		16,206	16,276	(0.4)	45,156	114,328	(60.5)
Non-controlling interests		74	99	(25.3)	294	332	(11.4)
Profit after income tax		**16,280**	**16,375**	**(0.6)**	**45,450**	**114,660**	**(60.4)**
Basic and diluted earnings per unit attributable to unitholders of APTT		**1.13 cents**	**1.13 cents**		**3.14 cents**	**7.96 cents**	

1 Notes to the consolidated statements of profit or loss can be found on pages 26 to 30.

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

3 Increase/(decrease) in mark to market gain/(loss) was due to exchange rate movements of the NT$ on foreign exchange swaps at the Trust level.

4 Represents a one-time debt advisory fee paid to Macquarie Capital (Hong Kong) Limited for services provided in relation to the refinancing of TBC's borrowing facilities.

5 Represents a one-time fee of $1.2 million paid to Deloitte (Taiwan) for services performed in relation to the settlement of the tax dispute.

6 Increase in amortisation of deferred arrangement fees for the year ended 31 December 2015 was due to the write-off of unamortised arrangement fees on the previous borrowing facilities.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Group Quarter ended 31 December 2015 $'000	Group Quarter ended 31 December 2014 $'000	Variance[1] %	Group Year ended 31 December 2015 $'000	Group Year ended 31 December 2014 $'000	Variance[1] %
Profit after income tax	**16,280**	**16,375**	**(0.6)**	**45,450**	**114,660**	**(60.4)**
Other comprehensive income						
Items that will not subsequently be reclassified to profit or loss:						
Re-measurement of defined benefit obligations	(4,531)	(1,702)	(>100)	(4,531)	(1,702)	(>100)
	(4,531)	**(1,702)**	**(>100)**	**(4,531)**	**(1,702)**	**(>100)**
Items that may subsequently be reclassified to profit or loss:						
Exchange differences on translation of foreign operations	(2,595)	(1,521)	(70.6)	38,345	(10,137)	>100
Unrealised movement on change in fair value of cash flow hedging financial instruments	(2,242)	(485)	(>100)	(8,352)	(456)	(>100)
Deferred tax relating to items that may subsequently be reclassified to profit or loss	1,499	-	>100	1,499	-	>100
	(3,338)	**(2,006)**	**(66.4)**	**31,492**	**(10,593)**	**>100**
Other comprehensive (loss)/income, net of tax	**(7,869)**	**(3,708)**	**(>100)**	**26,961**	**(12,295)**	**>100**
Total comprehensive income	**8,411**	**12,667**	**(33.6)**	**72,411**	**102,365**	**(29.3)**
Total comprehensive income attributable to:						
Unitholders of APTT	8,337	12,568	(33.7)	72,117	102,033	(29.3)
Non-controlling interests	74	99	(25.3)	294	332	(11.4)
Total comprehensive income	**8,411**	**12,667**	**(33.6)**	**72,411**	**102,365**	**(29.3)**

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

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						
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**

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 October 2015	**1,342,851**	**36,255**	**(129,909)**	**1,249,197**	**2,343**	**1,251,540**
Total comprehensive income						
Profit after income tax	-	-	16,206	16,206	74	16,280
Other comprehensive loss, net of tax	-	(7,869)	-	(7,869)	-	(7,869)
Total	**-**	**(7,869)**	**16,206**	**8,337**	**74**	**8,411**
Transactions with unitholders, recognised directly in equity						
Settlement of transactions with non-controlling interests	-	-	-	-	(67)	(67)
Distributions paid	-	-	(28,736)	(28,736)	(31)	(28,767)
Total	**-**	**-**	**(28,736)**	**(28,736)**	**(98)**	**(28,834)**
Balance as at 31 December 2015	**1,342,851**	**28,386**	**(142,439)**	**1,228,798**	**2,319**	**1,231,117**

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 2014	**1,342,851**	**(292)**	**(23,827)**	**1,318,732**	**2,326**	**1,321,058**
Total comprehensive income						
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**

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 October 2014	**1,342,851**	**(4,720)**	**(48,470)**	**1,289,661**	**2,306**	**1,291,967**
Total comprehensive income						
Profit after income tax	-	-	16,276	16,276	99	16,375
Other comprehensive loss, net of tax	-	(3,708)	-	(3,708)	-	(3,708)
Total	**-**	**(3,708)**	**16,276**	**12,568**	**99**	**12,667**
Transactions with unitholders, recognised directly in equity						
Settlement of transactions with non-controlling interests	-	-	-	-	1	1
Distributions paid	-	-	(28,736)	(28,736)	(72)	(28,808)
Total	**-**	**-**	**(28,736)**	**(28,736)**	**(71)**	**(28,807)**
Balance as at 31 December 2014	**1,342,851**	**(8,428)**	**(60,930)**	**1,273,493**	**2,334**	**1,275,827**

Trust	Unitholders' funds	Accumulated deficit	Total equity
	$'000	$'000	$'000
Balance as at 1 January 2015	**1,342,851**	**(1,586)**	**1,341,265**
Total comprehensive income			
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**

Trust	Unitholders' funds	Accumulated deficit	Total equity
	$'000	$'000	$'000
Balance as at 1 October 2015	**1,342,851**	**(4,620)**	**1,338,231**
Total comprehensive income			
Profit after income tax	-	29,007	29,007
Total	**-**	**29,007**	**29,007**
Transactions with unitholders, recognised directly in equity			
Distributions paid	-	(28,736)	(28,736)
Total	**-**	**(28,736)**	**(28,736)**
Balance as at 31 December 2015	**1,342,851**	**(4,349)**	**1,338,502**

Trust	Unitholders' funds	Accumulated deficit	Total equity
	$'000	$'000	$'000
Balance as at 1 January 2014	**1,342,851**	**(2,760)**	**1,340,091**
Total comprehensive income			
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**

Trust	Unitholders' funds	Accumulated deficit	Total equity
	$'000	$'000	$'000
Balance as at 1 October 2014	**1,342,851**	**3,119**	**1,345,970**
Total comprehensive income			
Profit after income tax	-	24,031	24,031
Total	**-**	**24,031**	**24,031**
Transactions with unitholders, recognised directly in equity			
Distributions paid	-	(28,736)	(28,736)
Total	**-**	**(28,736)**	**(28,736)**
Balance as at 31 December 2014	**1,342,851**	**(1,586)**	**1,341,265**

DETAIL OF CHANGES IN UNITHOLDERS' FUNDS

Trust	Quarter ended 31 December 2015 Number of units '000	Quarter ended 31 December 2015 $'000	Year ended 31 December 2015 Number of units '000	Year ended 31 December 2015 $'000
At beginning and end of the quarter/year	1,436,800	1,342,851	1,436,800	1,342,851

Trust	Quarter ended 31 December 2014 Number of units '000	Quarter ended 31 December 2014 $'000	Year ended 31 December 2014 Number of units '000	Year ended 31 December 2014 $'000
At beginning and end of the quarter/year	1,436,800	1,342,851	1,436,800	1,342,851

There were no changes to unitholders' funds during the quarter and year ended 31 December 2015 and 2014.

With reference to paragraphs 1(d)(ii) and 1(d)(iv) of Appendix 7.2 of the SGX-ST Listing Manual, the Trustee-Manager confirms that for the quarter and year ended 31 December 2015 and 2014, the Trust did not have any convertible securities or treasury units on issue.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Group Quarter ended 31 December 2015 $'000	Group Quarter ended 31 December 2014 $'000	Group Year ended 31 December 2015 $'000	Group Year ended 31 December 2014 $'000
Cash flows from operating activities				
Profit after income tax	**16,280**	**16,375**	**45,450**	**114,660**
Adjustments for:				
Depreciation and amortisation expenses	12,831	15,063	44,609	48,737
Net foreign exchange loss/(gain)	477	(729)	3,249	3,359
Mark to market (gain)/loss on derivative financial instruments	(456)	287	1,475	(787)
Amortisation of deferred arrangement fees	1,183	1,012	26,033	4,030
Interest and other finance costs	12,655	10,576	49,711	40,060
Income tax expense/(benefit)	9,928	5,531	25,787	(16,860)
Operating cash flows before movements in working capital	**52,898**	**48,115**	**196,314**	**193,199**
Trade and other receivables	(3,060)	6,619	(6,112)	(55)
Income tax refund receivable	(93)	111	72	111
Trade and other payables	2,092	2,321	481	889
Retirement benefit obligations	(20)	(15)	188	(245)
Other assets	113	1,029	(6,384)	(4,367)
Other liabilities	5,576	11,452	11,112	3,597
Cash generated from operations	**57,506**	**69,632**	**195,671**	**193,129**
Income taxes paid, net of refunds	(1,506)	(14,289)	(27,132)	(55,299)
Net cash inflows from operating activities	**56,000**	**55,343**	**168,539**	**137,830**
Cash flows from investing activities				
Acquisition of property, plant and equipment	(31,850)	(23,048)	(88,147)	(69,434)
Proceeds from disposal of property, plant and equipment	66	-	66	-
Acquisition of intangible assets	(4,549)	(8,483)	(6,265)	(13,379)
Net cash used in investing activities	**(36,333)**	**(31,531)**	**(94,346)**	**(82,813)**
Cash flows from financing activities				
Interest and other finance costs paid	(14,512)	(11,537)	(49,695)	(40,146)
Borrowings from financial institutions	32,339	39,690	1,193,263	116,303
Repayment of borrowings to financial institutions	-	(2,337)	(1,111,312)	(6,044)
Settlement of derivative financial instruments	(510)	151	(2,892)	728
Settlement of transactions with non-controlling interests	(67)	1	(126)	(127)
Distributions to non-controlling interests	(31)	(72)	(183)	(197)
Distributions to unitholders	(28,736)	(28,736)	(116,812)	(147,272)
Net cash used in financing activities	**(11,517)**	**(2,840)**	**(87,757)**	**(76,755)**
Net increase/(decrease) in cash and cash equivalents	**8,150**	**20,972**	**(13,564)**	**(21,738)**
Cash and cash equivalents at beginning of quarter/year	52,776	53,518	74,490	96,228
Cash and cash equivalents at end of year	**60,926**	**74,490**	**60,926**	**74,490**

RECONCILIATION OF NET PROFIT TO EBITDA

	Group Quarter ended 31 December 2015 $'000	Group Quarter ended 31 December 2014 $'000	Variance[1] %	Group Year ended 31 December 2015 $'000	Group Year ended 31 December 2014 $'000	Variance[1] %
Profit after income tax	**16,280**	**16,375**	**(0.6)**	**45,450**	**114,660**	**(60.4)**
Add: Depreciation and amortisation expenses	12,831	15,063	14.8	44,609	48,737	8.5
Add: Net foreign exchange loss	516	342	(50.9)	2,459	3,357	26.8
Add: Mark to market (gain)/loss on derivative financial instruments	(456)	287	>100	1,475	(787)	(>100)
Add: Debt advisory fee	-	-	-	5,521	-	(>100)
Add: Tax advisory fee	-	-	-	-	1,248	>100
Add: Amortisation of deferred arrangement fees	1,183	1,012	(16.9)	26,033	4,030	(>100)
Add: Interest and other finance costs	12,655	10,576	(19.7)	49,711	40,060	(24.1)
Add: Income tax expense/(benefit)	9,928	5,531	(79.5)	25,787	(16,860)	(>100)
EBITDA	**52,937**	**49,186**	**7.6**	**201,045**	**194,445**	**3.4**
EBITDA margin[2]	**61.8%**	**60.1%**		**60.5%**	**61.0%**	

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

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

ASIAN PAY TELEVISION TRUST

MANAGEMENT REVIEW FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2015

REVIEW OF REVENUE AND OPERATING EXPENSES FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2015

As presented in the consolidated statements of profit or loss disclosed on page 16

A) REVIEW OF REVENUE

Total revenue of $85.6 million for the quarter ended 31 December 2015 was 4.6% higher than pcp (31 December 2014: $81.8 million). Total revenue of $332.2 million for the year ended 31 December 2015 was 4.2% higher than pcp (31 December 2014: $318.7 million). The increase was due to higher revenue generated across each of TBC's service offerings comprising: (i) Basic cable TV revenue, (ii) Premium digital cable TV revenue and (iii) Broadband revenue. An analysis of the revenue items is as follows:

(i) Basic cable TV

Basic cable TV revenue of $68.7 million for the quarter ended 31 December 2015 was up 4.2% on pcp (31 December 2014: $65.9 million). This comprised subscription revenue of $52.6 million (31 December 2014: $51.1 million) and non-subscription revenue of $16.1 million (31 December 2014: $14.8 million).

Basic cable TV revenue of $265.0 million for the year ended 31 December 2015 was up 3.6% on pcp (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). The increase in Basic cable TV revenue for the year ended 31 December 2015 was mainly due to foreign exchange.

Subscription revenue was generated from TBC's c.758,000 Basic cable TV subscribers paying an ARPU of NT$537 per month for the quarter to access over 100 cable TV channels. Basic cable TV subscribers increased by c.1,000 and ARPU was marginally higher at NT$537 per month for the quarter compared to the previous quarter ended 30 September 2015 (Subscribers: c.757,000; ARPU: NT$535 per month).

Non-subscription revenue was approximately 23.4% and 20.5% of Basic cable TV revenue for the quarter and 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.

(ii) Premium digital cable TV

Premium digital cable TV revenue of $4.1 million for the quarter ended 31 December 2015 was up 15.6% on pcp (31 December 2014: $3.5 million). This comprised subscription revenue of $3.5 million (31 December 2014: $3.3 million) and non-subscription revenue of $0.5 million (31 December 2014: $0.1 million).

Premium digital cable TV revenue of $15.4 million for the year ended 31 December 2015 was up 11.4% on pcp (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).

Subscription revenue was generated from TBC's c.145,000 premium digital cable TV subscribers paying an ARPU of NT$177 per month for the quarter for Premium digital cable TV packages and bundled DVR services. Premium digital cable TV subscribers increased by c.3,000 and ARPU was lower at NT$177 per month for the quarter compared to the previous quarter ended 30 September 2015 (Subscribers: c.142,000; ARPU: NT$182 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 $12.8 million for the quarter ended 31 December 2015 was up 3.4% on pcp (31 December 2014: $12.4 million). This comprised subscription revenue of $12.3 million (31 December 2014: $12.0 million) and non-subscription revenue of $0.6 million (31 December 2014: $0.4 million).

Broadband revenue of $51.8 million for the year ended 31 December 2015 was up 5.4% on pcp (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).

Subscription revenue was generated from TBC's c.193,000 Broadband subscribers paying an ARPU of NT$502 per month for the quarter for broadband services. Broadband subscribers increased by c.2,000 and ARPU was lower at NT$502 per month for the quarter compared to the previous quarter ended 30 September 2015 (Subscribers: c.191,000 and ARPU: NT$512 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.

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 of $15.7 million for the quarter ended 31 December 2015 were up 1.0% on pcp (31 December 2014: $15.6 million). Broadcast and production costs of $62.5 million for the year ended 31 December 2015 were up 4.0% on pcp (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 $7.5 million for the quarter ended 31 December 2015, up 6.1% on pcp (31 December 2014: $7.0 million). Staff costs were $29.7 million for the year ended 31 December 2015, up 9.9% on pcp (31 December 2014: $27.0 million). The higher staff costs were due to salary adjustments, over-time 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 quarter and 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 quarter and 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 $12.8 million for the quarter ended 31 December 2015, lower by 14.8% on pcp (31 December 2014: $15.1 million) and $44.6 million for the year ended 31 December 2015, lower by 8.5% on pcp (31 December 2014: $48.7 million). The decrease was mainly due to the revision in the useful lives of network equipment as discussed in Note C(iv).

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 $1.8 million for the quarter ended 31 December 2015 (31 December 2014: $1.8 million) and $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 quarter and 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 $0.5 million for the quarter ended 31 December 2015 (31 December 2014: $0.3 million) and $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 as discussed in Note C(vii). For the quarter ended 31 December 2015, the period end mark to market gain on the Trust's foreign currency swaps was $0.5 million (31 December 2014: loss of $0.3 million) and 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.

(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 $7.7 million for the quarter ended 31 December 2015, lower by 7.0% on pcp (31 December 2014: $8.3 million) and $31.7 million for the year ended 31 December 2015, up 5.6% on pcp (31 December 2014: $30.0 million). The increase for the year ended 31 December 2015 was due predominantly to foreign exchange and higher legal and professional fees relating to the refinancing of TBC's borrowing facilities.

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, fibres 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 $1.2 million for the quarter ended 31 December 2015, up 16.9% on pcp (31 December 2014: $1.0 million) and $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 $12.7 million for the quarter ended 31 December 2015, up 19.7% on pcp (31 December 2014: $10.6 million) and $49.7 million for the year ended 31 December 2015, up 24.1% on pcp (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.

Income tax (expense)/benefit for the quarter and year ended 31 December 2015 recognised in the consolidated statements of profit or loss was as follows:

	Group Quarter ended 31 December 2015 $'000	Group Quarter ended 31 December 2014 $'000	Group Year ended 31 December 2015 $'000	Group Year ended 31 December 2014 $'000
Current income tax	(4,073)	(2,510)	(10,920)	(11,762)
Under provision for tax in prior years	(362)	(235)	(362)	(235)
Deferred income tax	(3,169)	(1,276)	1,287	(47,227)
Withholding tax	(2,324)	(1,495)	(15,792)	(11,949)
Reversal of accruals for potential tax assessments in prior years	-	(15)	-	88,033
Total	**(9,928)**	**(5,531)**	**(25,787)**	**16,860**

REVIEW OF STATEMENTS OF FINANCIAL POSITION AND NET ASSETS AS AT 31 DECEMBER 2015

As presented in the statements of financial position disclosed on page 15

C) ASSETS

(i) Cash and cash equivalents

Cash and cash equivalents include cash at bank and on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash and cash equivalents at the Trust level increased from $7.3 million as at 31 December 2014 to $7.5 million as at 31 December 2015. The increase was primarily due to receipt of distributions from TBC, net of the payment of distributions to unitholders during the year ended 31 December 2015.

Cash and cash equivalents at the Group level decreased from $74.5 million as at 31 December 2014 to $60.9 million as at 31 December 2015. The decrease was primarily driven by the payment of distributions to unitholders and capital expenditures, partially offset by operating cash flows.

(ii) Trade and other receivables

Trade receivables are initially recognised at fair value plus transaction costs, and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

Trade and other receivables at the Trust level were $0.03 million as at 31 December 2015, compared to $0.2 million as at 31 December 2014 which represented amounts paid on behalf of subsidiaries.

Trade and other receivables at the Group level increased from $11.5 million as at 31 December 2014 to $17.7 million as at 31 December 2015 due to increase in the amounts due from trade debtors for channel leasing.

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

(iv) Property, plant and equipment

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

The amounts recognised in the statements of financial position were 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	Carrying value 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 October 2015	Additions during the quarter	Transfer within PPE during the quarter	Transfer to intangible assets during the quarter	Disposals during the quarter	Depreciation during the quarter	Foreign exchange effect	Carrying value as at 31 December 2015
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Land	2,827	-	-	-	-	-	(5)	2,822
Buildings	2,857	8	10	-	-	(93)	(4)	2,778
Leasehold improvements	230	6	-	-	(55)	(18)	(1)	162
Network equipment	203,613	11,789	20,730	-	(2)	(8,631)	(408)	227,091
Plant and equipment	2,037	267	624	-	(9)	(351)	(5)	2,563
Transport equipment	1,722	-	-	-	-	(157)	(3)	1,562
Leased equipment	305	-	-	-	-	(13)	-	292
Asset under construction	6,454	20,402	(21,364)	-	-	-	(11)	5,481
Total	**220,045**	**32,472**	**-**	**-**	**(66)**	**(9,263)**	**(437)**	**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	Carrying value 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**

During the quarter and year ended 31 December 2015, the Group acquired property, plant and equipment with an aggregate cost of $32.5 million (31 December 2014: $22.9 million) and $94.6 million (31 December 2014: $73.0 million) of which $12.3 million remained unpaid as at 31 December 2015 (31 December 2014: $5.8 million). In addition, property, plant and equipment with an aggregate cost of $11.8 million (30 September 2014: $6.1 million), unpaid as at 30 September 2015, was paid during the quarter ended 31 December 2015.

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 conditions 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 of $5.5 million and $21.6 million for the quarter and year ended 31 December 2015.

(v) 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.

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, if any. Amortisation is recognised on a straight-line basis over the estimated useful life of the software.

Programming rights

Costs incurred in acquiring programming rights, with broadcasting periods spanning more than one year, are brought to account as intangible assets. Programming rights are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over the estimated useful life of the programming rights.

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 impairment losses, if any. Goodwill is allocated to cash-generating units and is tested annually for impairment.

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

Group	Carrying value as at 1 January 2015 $'000	Additions during the year $'000	Transfer from PPE during the year $'000	Amortisation during the year $'000	Foreign exchange effect $'000	Carrying value 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 October 2015 $'000	Additions during the quarter $'000	Transfer from PPE during the quarter $'000	Amortisation during the quarter $'000	Foreign exchange effect $'000	Carrying value as at 31 December 2015 $'000
Cable TV licences	2,273,200	-	-	-	(4,331)	2,268,869
Software	3,613	437	-	(504)	(6)	3,540
Programming rights	2,478	4,119	-	(3,064)	(5)	3,528
Goodwill	7,517	-	-	-	(14)	7,503
Total	**2,286,808**	**4,556**	**-**	**(3,568)**	**(4,356)**	**2,283,440**

Group	Carrying value as at 1 January 2014 $'000	Additions during the year $'000	Transfer from PPE during the year $'000	Amortisation during the year $'000	Foreign exchange effect $'000	Carrying value 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**

During the quarter and year ended 31 December 2015, the Group acquired intangible assets with an aggregate cost of $4.6 million (31 December 2014: $8.7 million) and $6.7 million (31 December 2014: $13.6 million) of which $0.6 million remained unpaid as at 31 December 2015 (31 December 2014: $0.2 million). In addition, intangible assets with an aggregate cost of $0.6 million (30 September 2014: nil), unpaid as at 30 September 2015, was paid during the quarter ended 31 December 2015.

(vi) 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 amongst the onshore affiliates in Taiwan. According to the tax laws in Taiwan, 10% income tax must be withheld on the interest payments 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.

(vii) Derivative financial instruments

The Trust uses foreign exchange swaps to manage its exposure to foreign exchange movements of the 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, mark to market movements, classified as 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) both at the Group and Trust level.

(viii) Other assets

As at 31 December 2015, the Group and the Trust had other current assets of $1.1 million (31 December 2014: $1.8 million) and $0.3 million (31 December 2014: $0.5 million). These comprise GST recoverable and expense prepayments.

Other non-current assets at the Group level of $0.9 million as at 31 December 2015 (31 December 2014: $0.7 million) comprise refundable deposits and other deferred costs.

D) LIABILITIES

(i) 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 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 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 D(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. 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.

(ii) Derivative financial instruments

The Trust uses foreign exchange swaps to manage its exposure to foreign exchange movements as discussed in Note C(vii). As at 31 December 2015, mark to market movements, classified as 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) both at the Group and Trust level.

The Group uses interest rate swaps to manage its exposure to interest rate movements on its borrowings from financial institutions by swapping a portion of those borrowings from floating rate to fixed rate. 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 borrowings occur simultaneously and the amount deferred in equity is recognised in profit or loss over the period that the floating rate interest payments on borrowings impact profit or loss. As at 31 December 2015, mark to market movements, classified as non-current liabilities, on such swaps were $9.1 million (31 December 2014: $0.7 million) at the Group level on notional amounts swapped of NT$25.5 billion (31 December 2014: NT$22.5 billion).

(iii) 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 Group's trade and other payables as at 31 December 2015 comprised broadcast and production costs payable of $16.6 million (31 December 2014: $16.1 million) and base fees payable to the Trustee-Manager of $3.9 million (31 December 2014: $3.9 million).

The Trust's trade and other payables as at 31 December 2015 comprised base fees payable to the Trustee-Manager of $3.9 million (31 December 2014: $3.9 million) and cash held by the Trust on behalf of its subsidiaries of $6.1 million (31 December 2014: $5.2 million).

(iv) Retirement benefit obligations

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

(v) Income tax payable

The Group is not required to and does not prepare combined consolidated income tax returns. The following information represents the combined income tax data of the combined consolidated entities. Provision for income tax and the reconciliation of income tax payable were 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
Under provision for tax in prior years	362	235
Income tax payments	(7,838)	(45,850)
Prepaid and withheld income tax	(4,722)	(4,118)
Reversal of accruals for potential tax assessments in prior years	-	(88,033)
Foreign exchange effect	341	(2,108)
Balance at the end of the year	**9,672**	**10,609**

(vi) Deferred tax liabilities

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

	Group as at 31 December 2015 $'000	Group as at 31 December 2014 $'000
Pension expense	-	(697)
Impairment loss	(551)	(546)
Cash flow hedging reserves	(1,539)	-
Intangible assets that are partially deductible for tax purposes[1]	50,562	43,947
Accelerated tax depreciation	1,250	1,489
Undistributed earnings of subsidiaries	3,582	9,762
Unrealised exchange differences	(803)	(147)
Deferred tax liabilities, net	**52,501**	**53,808**

[1] Following the settlement principles agreed between the Group and the Taiwan tax authorities in 2014, deferred tax liabilities of $50.6 million were recorded by the Group for the tax deductions in respect of the amortisation of intangible assets claimed by the Group as at 31 December 2015 (31 December 2014: $43.9 million).

(vii) Other liabilities

The Group's current other liabilities as at 31 December 2015 of $62.8 million (31 December 2014: $54.7 million) comprised predominantly collections received in advance from subscribers amounting to $34.9 million (31 December 2014: $35.6 million), accrued expenses of $24.6 million (31 December 2014: $17.7 million) and amounts accrued under the Group's long-term incentive plan of $1.3 million (31 December 2014: $0.4 million).

The Trust's current other liabilities as at 31 December 2015 of $0.2 million (31 December 2014: $0.1 million) comprised accruals for regular operating expenses.

The Group's non-current other liabilities as at 31 December 2015 of $11.8 million (31 December 2014: $7.6 million) comprised predominantly subscriber deposits received of $9.4 million (31 December 2014: $6.6 million) and amounts accrued under the Group's long-term incentive plan of $1.4 million (31 December 2014: $0.9 million).

(viii) Reserves

The Group's reserves comprised foreign currency translation reserves, cash flow hedging reserves, capital reserves and retirement benefit obligations reserves as follows:

	Foreign currency translation reserves	Cash flow hedging reserves	Capital reserves	Retirement benefit obligations reserves	Total
	$'000	$'000	$'000	$'000	$'000
Balance as at 1 January 2015	**(9,060)**	**(216)**	**4,155**	**(3,307)**	**(8,428)**
Exchange differences on translation of foreign operations	38,345	-	-	-	38,345
Unrealised loss on change in fair value of cash flow hedging financial instruments	-	(8,352)	-	-	(8,352)
Deferred tax relating to items that may subsequently be reclassified to profit or loss	-	1,499	-	-	1,499
Transfer from accumulated profits	-	-	9,853	-	9,853
Re-measurement of defined benefit obligations	-	-	-	(4,531)	(4,531)
Balance as at 31 December 2015	**29,285**	**(7,069)**	**14,008**	**(7,838)**	**28,386**
Balance as at 1 October 2015	**31,880**	**(6,326)**	**14,008**	**(3,307)**	**36,255**
Exchange differences on translation of foreign operations	(2,595)	-	-	-	(2,595)
Unrealised loss on change in fair value of cash flow hedging financial instruments	-	(2,242)	-	-	(2,242)
Deferred tax relating to items that may subsequently be reclassified to profit or loss	-	1,499	-	-	1,499
Re-measurement of defined benefit obligations	-	-	-	(4,531)	(4,531)
Balance as at 31 December 2015	**29,285**	**(7,069)**	**14,008**	**(7,838)**	**28,386**
Balance as at 1 January 2014	**1,077**	**240**	**(4)**	**(1,605)**	**(292)**
Exchange differences on translation of foreign operations	(10,137)	-	-	-	(10,137)
Unrealised loss on change in fair value of cash flow hedging financial instruments	-	(456)	-	-	(456)
Transfer from accumulated profits	-	-	4,159	-	4,159
Re-measurement of defined benefit obligations	-	-	-	(1,702)	(1,702)
Balance as at 31 December 2014	**(9,060)**	**(216)**	**4,155**	**(3,307)**	**(8,428)**

(ix) 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 the 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 attributable to the unitholders of APTT.

E) 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**

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 from subscribers which do not require any future cash outflow from the Group.

After adjusting for this amount, 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 borrowing 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.
- 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.

F) RELATED PARTY / INTERESTED PERSON 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 unitholders as a whole.

The following transactions occurred between APTT and the Trustee-Manager, which includes the cost of key management personnel:

	Quarter ended 31 December 2015 $'000	Quarter ended 31 December 2014 $'000	Year ended 31 December 2015 $'000	Year ended 31 December 2014 $'000
Transactions				
Trustee-Manager fees	1,825	1,806	7,241	7,167

(ii) Macquarie Group

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.

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. For the quarter ended 31 December 2015, such fees charged by the Trustee-Manager were less than $0.1 million (31 December 2014: $0.1 million) and for the year ended 31 December 2015, such fees charged by the Trustee-Manager were $0.3 million (31 December 2014: $0.2 million).

c) The Group utilises Macquarie Bank Limited Singapore Branch's foreign exchange department to hedge some of its foreign currency risk. Macquarie Bank Limited Singapore Branch is regulated by the Monetary Authority of Singapore (MAS) and Rule 915(6) of the SGX-ST Listing Manual exempts the need to disclose transactions with a MAS-regulated entity, on normal commercial terms and in the ordinary course of business. Therefore no further interested person disclosures have been made.

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

G) ADDITIONAL INFORMATION

(i) Announcement of financial statements

Pursuant to Rule 705(1) of the SGX-ST Listing Manual, the financial statements for the quarter and year ended 31 December 2015 have been disclosed within 60 days after the end of the relevant financial year.

(ii) Disclosure of person occupying a managerial position

Pursuant to Rule 704(13) of the SGX-ST Listing Manual, the Trustee-Manager confirms that for the quarter and year ended 31 December 2015 no person occupied managerial positions in the Trust or in any of its subsidiaries who were a relative of a director, chief executive officer and/or substantial unitholder.

(iii) Segment information

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

(iv) Confirmation on undertakings from directors and executive officers

Pursuant to Rule 720(1) of the SGX-ST Listing Manual, the Trustee-Manager confirms that the Trust has procured undertakings from all its directors and executive officers in the form set out in Appendix 7.7.

(v) Review of the provisions 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.

(vi) Review by independent auditor

The financial statements for the quarter and year ended 31 December 2015 have not been audited or reviewed by the Group's auditors, Deloitte & Touche LLP, however they form the basis of the Financial Report within the APTT 2015 Annual Report, which will be audited by Deloitte & Touche LLP and will be available publicly in due course.

(vii) Basis of preparation

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current year as specified in the audited financial statements of the Group for the year ended 31 December 2014. There were no substantial changes to the Group's accounting policies.

The financial statements have been prepared in accordance with IFRS. 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 judgement in the process of applying the accounting estimates. Estimates and judgements are continually evaluated and are based on historic experience and other factors, including reasonable expectations of future events. The Trustee-Manager performed a reassessment of the useful lives of network equipment and determined that their useful lives should be extended from 2-10 years to 6-10 years. Further details of the change in useful lives are disclosed in Note C(iv). 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.

(viii) Functional and presentation currency

All figures, unless otherwise stated are presented in Singapore dollars, which is APTT's functional and presentation currency.

(ix) Rounding of amounts in the financial statements

Amounts in the financial statements have been rounded to the nearest thousand dollars, unless otherwise indicated.

(x) Group accounting - subsidiaries

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.

(xi) Breakdown of Group's total revenue and profit after income tax before deducting non-controlling interests

	Year ended 31 December 2015 $'000	Year ended 31 December 2014 $'000	Variance[1] %
Total revenue			
1st half year	164,972	156,396	5.5
2nd half year	167,180	162,333	3.0
	332,152	**318,729**	**4.2**
Profit after income tax before deducting non-controlling interests			
1st half year	14,635	83,146	(82.4)
2nd half year	30,815	31,514	(2.2)
	45,450	**114,660**	**(60.4)**

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

(xii) 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) 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.

CONFIRMATION OF THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

On behalf of the Board of Directors of Macquarie APTT Management Pte. Limited, as Trustee-Manager of APTT, we, the undersigned hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors which may render the financial statements for the quarter and year ended 31 December 2015 to be false or misleading in any material aspect.

On behalf of the Board of Directors of
Macquarie APTT Management Pte. Limited
(Company Registration No. 201310241D)
As Trustee-Manager of APTT



Yong Lum Sung
Director



Cheong Wei Yue
Director

Singapore
23 February 2016

DISCLAIMERS

Asian Pay Television Trust (APTT) is a business trust listed on the Singapore Exchange Securities Trading Limited (SGX-ST). Macquarie APTT Management Pte. Limited (Trustee-Manager) is the Trustee-Manager of APTT. The Trustee-Manager is a wholly owned subsidiary of Macquarie Corporate Holdings Pty Limited (formerly Macquarie Capital Group Limited).

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). The obligations of these entities do not represent deposits or other liabilities of Macquarie Bank Limited (ABN 46 008 583 542) (MBL). MBL does not guarantee or otherwise provide assurance in respect of the obligations of these entities.

This report is not an offer or invitation for subscription or purchase, 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.

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.