

**ASIAN PAY TELEVISION TRUST**

**SGX QUARTERLY REPORT  
FOR THE QUARTER AND HALF-YEAR ENDED  
30 JUNE 2022**



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# REPORT SUMMARY

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# REPORT SUMMARY

## KEY HIGHLIGHTS

- Continued Broadband positive momentum: growing subscriber base, higher ARPU and eight consecutive quarters of Broadband revenue improvement in both S\$ and NT\$
- Revenue and EBITDA at \$71.8 million<sup>1</sup> and \$42.4 million for the quarter, and \$145.4 million and \$85.6 million for the half-year; EBITDA margin 59.1% for the quarter and 58.9% for the half-year
- Steady increase in Broadband (c.9,000) and Premium digital cable TV (c.8,000) subscribers over the past 17 quarters more than offset Basic cable TV churn; total subscribers increased to c.1,271,000
- Distribution of 0.25 cents per unit declared for the quarter; re-affirmed 2022 full year guidance of 1.0 cent per unit
- As at the date of this report, 93% of the outstanding Onshore Facilities are hedged through to 30 June 2025 to mitigate risk of rising interest rates

## FINANCIAL HIGHLIGHTS

Asian Pay Television Trust (“APTT”<sup>2</sup>) reported revenue of \$71.8 million for the quarter and \$145.4 million for the half-year ended 30 June 2022. Earnings before interest, tax, depreciation and amortisation (“EBITDA”) and EBITDA margin stood at \$42.4 million and 59.1% for the quarter, and \$85.6 million and 58.9% for the half-year.

Foreign exchange contributed to a negative variance of 1.8% for the quarter and less than 0.1% for the half-year. Total revenue in constant Taiwan dollars (“NT\$”) decreased by 0.7% for the quarter and 1.8% for the half-year, mainly due to lower contributions from Basic cable TV.

Broadband continued to be the growth driver, recording improvements on all fronts – number of subscribers, ARPU<sup>3</sup> and revenue in both S\$ and NT\$. The strong performance validated the success of TBC’s Broadband growth strategy. During the quarter, c.9,000 subscribers were added, alongside higher ARPU which improved by NT\$4 per month to NT\$377 per month. In NT\$, Broadband revenue, which includes revenue from data backhaul, increased 18.2% for the quarter and 16.5% for the half-year.

Together with the c.8,000 increase in Premium digital cable TV subscribers, TBC’s total number of subscribers increased to c.1,271,000 as at 30 June 2022. The continued growth in Premium digital cable TV and Broadband subscribers over the past 17 quarters has consistently more than offset the churn in Basic cable TV.

| Group                                       | Quarter ended 30 June |                 |                           | Half-year ended 30 June |                 |                           |
|---|-----------------------|-----------------|---------------------------|-------------------------|-----------------|---------------------------|
|   | 2022                  | 2021            | Variance <sup>4</sup> (%) | 2022                    | 2021            | Variance <sup>4</sup> (%) |
| <b>Amounts in \$'000</b>                    |                       |                 |                           |                         |                 |                           |
| <b>Revenue</b>                              |                       |                 |                           |                         |                 |                           |
| Basic cable TV                              | 52,875                | 56,738          | (6.8)                     | 107,574                 | 114,215         | (5.8)                     |
| Premium digital cable TV                    | 2,913                 | 3,160           | (7.8)                     | 5,980                   | 6,513           | (8.2)                     |
| Broadband                                   | 16,006                | 13,752          | 16.4                      | 31,806                  | 27,313          | 16.5                      |
| <b>Total revenue</b>                        | <b>71,794</b>         | <b>73,650</b>   | <b>(2.5)</b>              | <b>145,360</b>          | <b>148,041</b>  | <b>(1.8)</b>              |
| <b>Total operating expenses<sup>5</sup></b> | <b>(29,357)</b>       | <b>(28,407)</b> | <b>(3.3)</b>              | <b>(59,734)</b>         | <b>(57,413)</b> | <b>(4.0)</b>              |
| <b>EBITDA</b>                               | <b>42,437</b>         | <b>45,243</b>   | <b>(6.2)</b>              | <b>85,626</b>           | <b>90,628</b>   | <b>(5.5)</b>              |
| EBITDA margin                               | 59.1%                 | 61.4%           |                           | 58.9%                   | 61.2%           |                           |

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

<sup>2</sup> APTT refers to APTT and its subsidiaries taken as a whole.

<sup>3</sup> ARPU refers to Average Revenue Per User.

<sup>4</sup> A positive variance is favourable to the Group and a negative variance is unfavourable to the Group.

<sup>5</sup> Operating expenses presented here exclude depreciation and amortisation expense, net foreign exchange gain/loss and mark to market movements on foreign exchange contracts appearing in the consolidated statement of profit or loss on page 16, in order to arrive at EBITDA and EBITDA margin presented here.

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Mr Brian McKinley, Chief Executive Officer of the Trustee-Manager said, *“We are pleased with the continued growth in Broadband. There is a lot of room to win more broadband-only subscribers through our partnership programs with mobile operators, and move our existing Broadband subscribers to higher speed plans which are of higher value. Over the long term, our aim is to grow cash flows from Broadband to a level that more than offsets the decline in our Basic cable TV business.”*

To broaden its fixed-line broadband market share, TBC will continue to offer higher speed plans at competitive prices, and step-up partnerships with mobile operators who view TBC’s fixed-line offering as a value-add to their mobile customers.

## OPERATIONAL PERFORMANCE

TBC’s<sup>6</sup> operational highlights for the quarter ended 30 June 2022 were as follows:

- **Basic cable TV:** Basic cable TV revenue of \$52.9 million for the quarter, which comprised subscription revenue of \$45.2 million and non-subscription revenue of \$7.7 million, was down 6.8% compared to the prior corresponding period (“pcp”). In constant NT\$, Basic cable TV revenue for the quarter decreased by 5.0%. The overall decline in Basic cable TV revenue was mainly due to lower subscription revenue resulting from the decline in the number of subscribers and lower ARPU, as well as lower non-subscription revenue resulting from lower channel leasing and airtime advertising sales. TBC’s c.684,000 Basic cable TV RGUs<sup>7</sup> contributed an ARPU of NT\$469 per month in the quarter to access over 100 cable TV channels. Basic cable TV RGUs decreased by c.4,000 and ARPU was lower by NT\$3 per month compared to the previous quarter ended 31 March 2022 (RGUs: c.688,000; ARPU: NT\$472 per month). The decline in Basic cable TV RGUs was due to a number of factors including competition from aggressively priced IPTV, the growing popularity of online video, as well as expectations from consumers for discounts as they compare with the lower cable TV pricing outside of TBC’s five franchise areas, particularly in the Taipei region. Non-subscription revenue for the quarter, comprising revenue from the leasing of television channels to third parties, the sale of airtime advertising and fees for the installation of set-top boxes, was lower than the pcp mainly due to lower revenue generated from channel leasing and airtime advertising sales. The leasing of television channels, which is mainly to third-party home shopping networks, will continue to face pressures from lower demand for home shopping and heightened competition from internet retailing. These trends will continue to impact channel leasing revenue.
- **Premium digital cable TV:** Premium digital cable TV revenue of \$2.9 million for the quarter was down 7.8% compared to the pcp. In constant NT\$, Premium digital cable TV revenue for the quarter decreased by 6.0%. Revenue was generated predominantly from TBC’s c.289,000 Premium digital cable TV RGUs each contributing an ARPU of NT\$70 per month in the quarter for Premium digital cable TV packages and bundled DVR or DVR-only services. Premium digital cable TV RGUs increased by c.8,000 but ARPU was lower by NT\$3 per month compared to the previous quarter ended 31 March 2022 (RGUs: c.281,000; ARPU: NT\$73 per month) due to promotions and discounted bundled packages that were offered to generate new RGUs and to retain existing RGUs. Video piracy issues and aggressively priced IPTV have also impacted ARPU.
- **Broadband:** Despite strong competition from mobile operators offering inexpensive unlimited data plans, Broadband RGUs increased by c.9,000 during the quarter, alongside an NT\$4 per month improvement in ARPU. Broadband revenue, including revenue from data backhaul, was \$16.0 million for the quarter, an increase of 16.4% compared to the pcp. In constant NT\$, Broadband revenue for the quarter increased by 18.2%. Broadband revenue was generated predominantly from TBC’s c.298,000 Broadband RGUs each contributing an ARPU of NT\$377 per month in the quarter, which was NT\$4 per month higher than the previous quarter ended 31 March 2022 (RGUs: c.289,000; ARPU: NT\$373 per month). The growth in both Broadband subscribers and ARPU reflects the success of TBC’s Broadband strategy to target the broadband-only segment, partner with mobile operators, as well as to offer higher speed plans at competitive prices to acquire new RGUs and re-contract existing ones.

<sup>6</sup> TBC refers to Taiwan Broadband Communications Group.

<sup>7</sup> RGUs refer to Revenue Generating Units, another term for subscribers or subscriptions; the terms are used interchangeably.

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Capital expenditure, comprising maintenance as well as network, broadband and other investments, increased 17.6% or \$1.6 million for the quarter, and 5.4% or \$0.9 million for the half-year. The increase was primarily due to improvement in network speed to future proof TBC's network, support TBC's growing Broadband business and meet the demand for higher speed plans. As a percentage of revenue, capital expenditure was 14.8% for the quarter and 11.9% for the half-year.

## OUTLOOK

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

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

Aggressive targets have been set to tighten capital expenditure, which will be within industry norms. TBC will continue to future proof its network by increasing fibre density to lower the number of homes served per fibre node beyond the current level of less than 250 homes.

On debt management, for the Onshore Facilities, as at 30 June 2022, TAIBOR swaps were entered to hedge approximately 80% of the outstanding Onshore Facilities through to 30 June 2025, at an average fixed rate of 0.89%. To further mitigate the risk of rising interest rates, the Trustee-Manager entered into additional TAIBOR swaps after 30 June 2022. 93% of the outstanding Onshore Facilities are now hedged through to 30 June 2025 at an average fixed rate of 0.94%.

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

Mr McKinley explained, *"Our balance sheet is now stronger due to our disciplined cost and debt management approach. In the first half of the year, we made debt repayments of \$35 million. In the next six months, approximately \$32 million has been set aside for scheduled principal repayments, which will further strengthen our balance sheet. We aim to accelerate debt repayments using cash generated from operations, to further save on interest costs and lower our gearing."*

## UPDATE ON LAWSUITS

In the second quarter of 2021, one of TBC's programming vendors (the "Plaintiff") filed lawsuits against TBC claiming certain programming costs for 2020 amounting to NT\$336 million (approximately \$16.2 million). TBC had a contract in place for 2020 and 2021 with a content agent, who acquired content from programming vendors on behalf of TBC.

As announced on 29 July 2022, TBC received a court judgement (the "Judgement") for one of the lawsuits. The court accepted the Plaintiff's claims and has ordered TBC to pay an amount of NT\$135 million (approximately \$6.5 million) as programming licence fees to the Plaintiff.

TBC has discussed the Judgement with its attorneys and intends to appeal against the Judgement and will vigorously defend its position. TBC does not contest that the Plaintiff should be paid for its programming, however TBC has already paid all of the programming costs for 2020 under its contract with its content agent. The payment of programming costs has also been recognised in the Group's consolidated statement of profit or loss for the year ended 31 December 2020, as broadcast and production costs. However, the content agent has not made payment to the programming vendor in question that has filed the lawsuits.

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The Trustee-Manager continues to view the dispute as a matter between the content agent and the programming vendor. The Trustee-Manager also believes that all parties will work towards reaching an agreement and that no material loss will accrue to the Group.

TBC continues to contest the three remaining lawsuits. Based on the schedule of court dates and hearings, the Trustee-Manager does not expect further progress on these cases before Q3 2022. No interruption of service is expected as a result of these lawsuits and the Judgement.

The content agent has also not made payment to the programming vendor for 2021. It is not expected that lawsuits will be filed claiming programming costs for 2021, as the conclusions reached for the 2020 lawsuits are also expected to be applied to 2021 programming costs. TBC has therefore withheld payment of programming costs to the content agent since February 2021. TBC intends to offset amounts against those withheld in case any amount becomes payable by TBC to the programming vendor following court judgements. The amount withheld by TBC is in excess of the amounts owed by the content agent to programming vendors for both 2020 and 2021.

In order to save potential default interest on unpaid amounts accumulating during the litigation process, TBC signed agreements with the programming vendors in April 2022, to pay temporary payments of NT\$252 million each (approximately \$12.6 million each) for 2020 and 2021 unpaid programming costs.

## **DISTRIBUTIONS**

The Board of Directors of the Trustee-Manager (the "Board") has declared an ordinary interim distribution of 0.25 cents per unit for the quarter ended 30 June 2022. The record date will be 16 September 2022 and the distribution will be paid on 23 September 2022.

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

Distribution guidance for 2023 is expected to be announced when APTT releases its material business updates and key financial information for the third quarter of 2022.

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## IMPACT OF COVID-19

TBC operates in a relatively defensive industry, providing cable TV and fixed-line broadband services to local households in its five closely clustered franchise areas in northern and central Taiwan. Given the subscription-based nature of its business, the impact of the COVID-19 pandemic on TBC has been limited to date.

TBC activated its Business Continuity Plan (“BCP”) since the start of the virus outbreak in Taiwan. The BCP aims to protect the health and safety of all staff while minimising disruptions to its service delivery and overall operations. TBC has adhered to all regulations and guidelines from government authorities related to the containment of the virus, including split team arrangements, safe-distancing and encouraging staff to work from home, embrace good personal hygiene, and will continue to do so. Likewise, the Trustee-Manager in Singapore has activated its BCP plan that adheres to the relevant regulations in Singapore.

Additional expenses incurred to implement COVID-19 related measures during the year ended 31 December 2021 were not material. While some additional expenses are expected to be incurred to implement further COVID-19 related measures in 2022, they are not expected to be material.

While the COVID-19 outbreak in Taiwan has been relatively contained compared to other countries, Taiwan’s outlook remains uncertain as the expected downturn in other countries will invariably have an impact on Taiwan’s export-driven economy and GDP growth. A significant and prolonged deterioration in the national GDP, disposable income or overall economic conditions could in turn adversely affect TBC’s ability to grow or maintain revenues, and its financial position.

The Trustee-Manager will continue to monitor developments of COVID-19 and their related impact on operations and exercise prudence, manage its operational and capital expenditure and strengthen APTT’s debt management programme. A stronger balance sheet will provide APTT with the flexibility to navigate and compete more effectively in today’s uncertain economic climate.



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# PERFORMANCE REVIEW OF ASIAN PAY TELEVISION TRUST

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# 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 the Business Trusts Act 2004 (“BTA”). APTT is managed by APTT Management Pte. Limited (the “Trustee-Manager”). The Trustee-Manager is a wholly owned subsidiary of Dynami Vision Pte. Ltd. (“Dynami”) which is a Singapore-incorporated company fully owned by Mr Lu Fang-Ming, the former Chairman of Asia Pacific Telecom Co., Ltd.

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 and broadband businesses. APTT has approximately 10,400 unitholders as at 30 June 2022, including retail investors and some of the world’s foremost institutional investors.

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

## SOLE ASSET

As at the date of this report, APTT’s portfolio comprised its sole investment, Taiwan Broadband Communications Group (“TBC”). Established in 1999, TBC is a leading cable operator in Taiwan. TBC’s vision is to provide seamless access to the most compelling and competitive suite of media and communication products and services in Taiwan.

TBC owns 100% of the advanced hybrid fibre coaxial cable network in its five closely clustered franchise areas in northern and central Taiwan with network coverage of more than 1.3 million homes. Through this network, TBC delivers Basic cable TV, Premium digital cable TV and high-speed fixed-line Broadband services to subscribers in these areas. TBC has close to 1.3 million RGUs across its subscriber base, providing them the choice from over 168 channels of exciting local and international content on its digital TV platforms and a full range of quality high-speed broadband access packages with speeds ranging up to 1 Gbps.

## DISTRIBUTION POLICY

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

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

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

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

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## TAXATION

### Taxation of the Trust

The Trust is a business trust registered with the Monetary Authority of Singapore (“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 1947 (“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 and 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 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 their ownership of APTT units and distribution payments.

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## SELECTED FINANCIAL INFORMATION AND OPERATING DATA

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

### Non-IFRS measures

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

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

## SELECTED FINANCIAL INFORMATION

| Group <sup>1</sup><br>Amounts in \$'000         | Note <sup>2</sup> | Quarter ended 30 June |                 |                           | Half-year ended 30 June |                 |                           |
|---|-------------------|-----------------------|-----------------|---------------------------|-------------------------|-----------------|---------------------------|
|   |                   | 2022                  | 2021            | Variance <sup>3</sup> (%) | 2022                    | 2021            | Variance <sup>3</sup> (%) |
| <b>Revenue</b>                                  |                   |                       |                 |                           |                         |                 |                           |
| Basic cable TV                                  | 22(i)             | 52,875                | 56,738          | (6.8)                     | 107,574                 | 114,215         | (5.8)                     |
| Premium digital cable TV                        | 22(ii)            | 2,913                 | 3,160           | (7.8)                     | 5,980                   | 6,513           | (8.2)                     |
| Broadband                                       | 22(iii)           | 16,006                | 13,752          | 16.4                      | 31,806                  | 27,313          | 16.5                      |
| <b>Total revenue</b>                            |                   | <b>71,794</b>         | <b>73,650</b>   | <b>(2.5)</b>              | <b>145,360</b>          | <b>148,041</b>  | <b>(1.8)</b>              |
| <b>Operating expenses<sup>4</sup></b>           |                   |                       |                 |                           |                         |                 |                           |
| Broadcast and production costs                  | 23(i)             | (14,128)              | (14,126)        | (0.0)                     | (28,414)                | (28,243)        | (0.6)                     |
| Staff costs                                     | 23(ii)            | (6,482)               | (6,807)         | 4.8                       | (13,450)                | (13,128)        | (2.5)                     |
| Trustee-Manager fees                            | 23(iv)            | (1,835)               | (1,835)         | -                         | (3,649)                 | (3,649)         | -                         |
| Other operating expenses                        | 23(vii)           | (6,912)               | (5,639)         | (22.6)                    | (14,221)                | (12,393)        | (14.8)                    |
| <b>Total operating expenses</b>                 |                   | <b>(29,357)</b>       | <b>(28,407)</b> | <b>(3.3)</b>              | <b>(59,734)</b>         | <b>(57,413)</b> | <b>(4.0)</b>              |
| <b>EBITDA</b>                                   |                   | <b>42,437</b>         | <b>45,243</b>   | <b>(6.2)</b>              | <b>85,626</b>           | <b>90,628</b>   | <b>(5.5)</b>              |
| EBITDA margin <sup>5</sup>                      |                   | 59.1%                 | 61.4%           |                           | 58.9%                   | 61.2%           |                           |
| <b>Profit after income tax<sup>6</sup></b>      |                   | <b>11,543</b>         | <b>7,765</b>    | <b>48.7</b>               | <b>23,779</b>           | <b>15,127</b>   | <b>57.2</b>               |
| <b>Capital expenditure</b>                      |                   |                       |                 |                           |                         |                 |                           |
| Maintenance                                     |                   | 3,699                 | 3,523           | (5.0)                     | 7,200                   | 8,520           | 15.5                      |
| Network, broadband and other                    |                   | 6,947                 | 5,526           | (25.7)                    | 10,081                  | 7,879           | (27.9)                    |
| <b>Total capital expenditure</b>                |                   | <b>10,646</b>         | <b>9,049</b>    | <b>(17.6)</b>             | <b>17,281</b>           | <b>16,399</b>   | <b>(5.4)</b>              |
| Maintenance capital expenditure as % of revenue |                   | 5.2                   | 4.8             |                           | 5.0                     | 5.8             |                           |
| Total capital expenditure as % of revenue       |                   | 14.8                  | 12.3            |                           | 11.9                    | 11.1            |                           |
| Income tax paid, net of refunds                 |                   | (5,004)               | (2,352)         | (>100)                    | (6,457)                 | (3,602)         | (79.3)                    |
| Interest and other finance costs paid           |                   | (10,538)              | (11,195)        | 5.9                       | (20,313)                | (22,253)        | 8.7                       |

<sup>1</sup> Group refers to APTT and its subsidiaries taken as a whole.

<sup>2</sup> The above selected financial information should be read in conjunction with the accompanying notes.

<sup>3</sup> A positive variance is favourable to the Group and a negative variance is unfavourable to the Group.

<sup>4</sup> Operating expenses presented here exclude depreciation and amortisation expense, net foreign exchange gain/loss and mark to market movements on foreign exchange contracts appearing in the consolidated statement of profit or loss on page 16, in order to arrive at EBITDA and EBITDA margin presented here.

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

<sup>6</sup> Profit after income tax is calculated in accordance with IFRS on page 16. Refer to page 24 for reconciliation of profit after income tax to EBITDA.

## SELECTED OPERATING DATA

| Group                    | As at   |          |             |              |         |
|--------------------------|---------|----------|-------------|--------------|---------|
|                          | 2022    |          | 2021        |              |         |
|                          | 30 June | 31 March | 31 December | 30 September | 30 June |
| <b>RGUs ('000)</b>       |         |          |             |              |         |
| Basic cable TV           | 684     | 688      | 691         | 694          | 698     |
| Premium digital cable TV | 289     | 281      | 273         | 266          | 257     |
| Broadband                | 298     | 289      | 282         | 274          | 264     |

| Group                                    | Quarter ended |          |             |              |         |
|--|---------------|----------|-------------|--------------|---------|
|  | 2022          |          | 2021        |              |         |
|  | 30 June       | 31 March | 31 December | 30 September | 30 June |
| <b>ARPU<sup>1</sup> (NT\$ per month)</b> |               |          |             |              |         |
| Basic cable TV                           | 469           | 472      | 476         | 478          | 480     |
| Premium digital cable TV                 | 70            | 73       | 76          | 80           | 84      |
| Broadband                                | 377           | 373      | 369         | 364          | 358     |
| <b>AMCR<sup>2</sup> (%)</b>              |               |          |             |              |         |
| Basic cable TV                           | (0.5)         | (0.5)    | (0.6)       | (0.5)        | (0.6)   |
| Premium digital cable TV                 | (0.8)         | (0.7)    | (1.0)       | (0.9)        | (1.1)   |
| Broadband                                | (0.6)         | (0.7)    | (0.7)       | (0.7)        | (0.7)   |

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

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

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## REVIEW OF SELECTED FINANCIAL INFORMATION AND OPERATING DATA

### (i) Revenue

Total revenue for the quarter ended 30 June 2022 was \$71.8 million (30 June 2021: \$73.7 million). Total revenue for the half-year ended 30 June 2022 was \$145.4 million (30 June 2021: \$148.0 million). Total revenue for the quarter and half-year was 2.5% and 1.8% lower than the pcp; in constant NT\$, total revenue decreased by 0.7% for the quarter and 1.8% for the half-year compared to the pcp mainly due to lower basic cable TV subscription revenue resulting from a decline in the number of subscribers and lower ARPU, as well as lower revenue generated from channel leasing and airtime advertising sales. Foreign exchange contributed to a negative variance of 1.8% for the quarter and less than 0.1% for the half-year compared to the pcp. Total revenue was influenced by a number of factors, including the continued challenges in the economic and operating environment.

### (ii) Operating expenses

Total operating expenses of \$29.4 million for the quarter ended 30 June 2022 were 3.3% higher than the pcp (30 June 2021: \$28.4 million). Total operating expenses of \$59.7 million for the half-year ended 30 June 2022 were 4.0% higher than the pcp (30 June 2021: \$57.4 million). Total operating expenses for the quarter were higher compared to the pcp mainly due to higher pole rental expenses. Total operating expenses for the half-year were higher compared to the pcp mainly due to higher staff costs and pole rental expenses.

### (iii) EBITDA and EBITDA Margin

EBITDA of \$42.4 million for the quarter ended 30 June 2022 was 6.2% lower than the pcp (30 June 2021: \$45.2 million). EBITDA margin for the quarter of 59.1% was lower than the pcp (30 June 2021: 61.4%).

EBITDA of \$85.6 million for the half-year ended 30 June 2022 was 5.5% lower than the pcp (30 June 2021: \$90.6 million). EBITDA margin for the half-year of 58.9% was lower than the pcp (30 June 2021: 61.2%).

### (iv) Capital expenditure

Total capital expenditure of \$10.6 million for the quarter ended 30 June 2022 was 17.6% higher than the pcp (30 June 2021: \$9.0 million). For the half-year ended 30 June 2022, total capital expenditure of \$17.3 million was 5.4% higher than the pcp (30 June 2021: \$16.4 million). Total capital expenditure as a percentage of revenue was 14.8% for the quarter (30 June 2021: 12.3%) and 11.9% for the half-year (30 June 2021: 11.1%).

Total capital expenditure for the quarter and half-year was higher than the pcp primarily because of higher network investments to improve network speed so as to future proof TBC's network, support TBC's growing Broadband business and meet the demand for higher speed plans. TBC is exercising extra prudence. The level of capital expenditure, which will be within industry norms, will be closely monitored to focus on areas that will have the best potential in generating growth and sustainability for the long term.

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

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

Capital expenditure comprised the following:

- Maintenance capital expenditure to support TBC's existing infrastructure and business.
- Network, broadband and other capital expenditure include items related to expanding the fibre network such as cabling, additional equipment to upgrade the headends, backbone and fibre nodes, DOCSIS and GPON deployments for higher speed customers, high-speed broadband modems and cable line extensions for new buildings.

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# **ASIAN PAY TELEVISION TRUST**

## **INTERIM FINANCIAL STATEMENTS FOR THE QUARTER AND HALF-YEAR ENDED 30 JUNE 2022**

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# 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.

| Amounts in \$'000                                 | Note <sup>1</sup> | Group as at                    |                                  | Trust as at                    |                                  |
|---|-------------------|--------------------------------|----------------------------------|--------------------------------|----------------------------------|
|   |                   | 30 June<br>2022<br>(Unaudited) | 31 December<br>2021<br>(Audited) | 30 June<br>2022<br>(Unaudited) | 31 December<br>2021<br>(Audited) |
| <b>Assets</b>                                     |                   |                                |                                  |                                |                                  |
| <b>Current assets</b>                             |                   |                                |                                  |                                |                                  |
| Cash and cash equivalents                         | 5                 | 117,557                        | 124,664                          | 6,384                          | 6,298                            |
| Trade and other receivables                       | 6                 | 17,114                         | 16,089                           | -                              | -                                |
| Derivative financial instruments                  | 10                | 2,201                          | 231                              | 2,201                          | 231                              |
| Contract costs                                    | 11                | 1,080                          | 1,199                            | -                              | -                                |
| Other assets                                      | 12                | 25,914                         | 1,161                            | 87                             | 76                               |
|   |                   | <b>163,866</b>                 | <b>143,344</b>                   | <b>8,672</b>                   | <b>6,605</b>                     |
| <b>Non-current assets</b>                         |                   |                                |                                  |                                |                                  |
| Investment in subsidiaries                        | 7                 | -                              | -                                | 1,387,351                      | 1,387,351                        |
| Property, plant and equipment                     | 8                 | 264,445                        | 292,493                          | -                              | -                                |
| Intangible assets                                 | 9                 | 2,481,509                      | 2,584,991                        | -                              | -                                |
| Derivative financial instruments                  | 10                | 15,812                         | 60                               | 247                            | 60                               |
| Contract costs                                    | 11                | 295                            | 376                              | -                              | -                                |
| Other assets                                      | 12                | 1,286                          | 1,308                            | 2                              | 2                                |
|   |                   | <b>2,763,347</b>               | <b>2,879,228</b>                 | <b>1,387,600</b>               | <b>1,387,413</b>                 |
| <b>Total assets</b>                               |                   | <b>2,927,213</b>               | <b>3,022,572</b>                 | <b>1,396,272</b>               | <b>1,394,018</b>                 |
| <b>Liabilities</b>                                |                   |                                |                                  |                                |                                  |
| <b>Current liabilities</b>                        |                   |                                |                                  |                                |                                  |
| Borrowings from financial institutions            | 13                | 68,359                         | 58,395                           | -                              | -                                |
| Derivative financial instruments                  | 10                | -                              | 111                              | -                              | 111                              |
| Trade and other payables                          | 14                | 75,097                         | 53,510                           | 3,649                          | 3,710                            |
| Contract liabilities                              | 15                | 35,580                         | 37,351                           | -                              | -                                |
| Retirement benefit obligations                    | 16                | 1,470                          | 1,523                            | -                              | -                                |
| Income tax payable                                | 24                | 5,645                          | 5,970                            | -                              | -                                |
| Other liabilities                                 | 18                | 25,050                         | 24,091                           | 232                            | 230                              |
|   |                   | <b>211,201</b>                 | <b>180,951</b>                   | <b>3,881</b>                   | <b>4,051</b>                     |
| <b>Non-current liabilities</b>                    |                   |                                |                                  |                                |                                  |
| Borrowings from financial institutions            | 13                | 1,360,790                      | 1,455,097                        | -                              | -                                |
| Derivative financial instruments                  | 10                | 129                            | 43                               | 129                            | 43                               |
| Retirement benefit obligations                    | 16                | 8,290                          | 9,142                            | -                              | -                                |
| Deferred tax liabilities                          | 17                | 106,965                        | 107,194                          | -                              | -                                |
| Other liabilities                                 | 18                | 26,080                         | 27,343                           | -                              | -                                |
|   |                   | <b>1,502,254</b>               | <b>1,598,819</b>                 | <b>129</b>                     | <b>43</b>                        |
| <b>Total liabilities</b>                          |                   | <b>1,713,455</b>               | <b>1,779,770</b>                 | <b>4,010</b>                   | <b>4,094</b>                     |
| <b>Net assets</b>                                 |                   | <b>1,213,758</b>               | <b>1,242,802</b>                 | <b>1,392,262</b>               | <b>1,389,924</b>                 |
| <b>Equity</b>                                     |                   |                                |                                  |                                |                                  |
| Unitholders' funds                                | 19                | 1,389,351                      | 1,389,351                        | 1,389,351                      | 1,389,351                        |
| Reserves  | 20                | 180,229                        | 220,247                          | -                              | -                                |
| Accumulated (deficit)/surplus                     |                   | (357,866)                      | (369,203)                        | 2,911                          | 573                              |
| <b>Equity attributable to unitholders of APTT</b> |                   | <b>1,211,714</b>               | <b>1,240,395</b>                 | <b>1,392,262</b>               | <b>1,389,924</b>                 |
| Non-controlling interests                         | 21                | 2,044                          | 2,407                            | -                              | -                                |
| <b>Total equity</b>                               |                   | <b>1,213,758</b>               | <b>1,242,802</b>                 | <b>1,392,262</b>               | <b>1,389,924</b>                 |

<sup>1</sup> The above statements of financial position should be read in conjunction with the accompanying notes.

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

| Group  | Note <sup>1</sup> | Quarter ended 30 June |                     |                              | Half-year ended 30 June |                     |                              |
|--|-------------------|-----------------------|---------------------|------------------------------|-------------------------|---------------------|------------------------------|
|  |                   | 2022<br>(Unaudited)   | 2021<br>(Unaudited) | Variance <sup>2</sup><br>(%) | 2022<br>(Unaudited)     | 2021<br>(Unaudited) | Variance <sup>2</sup><br>(%) |
| <b>Amounts in \$'000</b>   |                   |                       |                     |                              |                         |                     |                              |
| <b>Revenue</b>   |                   |                       |                     |                              |                         |                     |                              |
| Basic cable TV   | 22(i)             | 52,875                | 56,738              | (6.8)                        | 107,574                 | 114,215             | (5.8)                        |
| Premium digital cable TV   | 22(ii)            | 2,913                 | 3,160               | (7.8)                        | 5,980                   | 6,513               | (8.2)                        |
| Broadband  | 22(iii)           | 16,006                | 13,752              | 16.4                         | 31,806                  | 27,313              | 16.5                         |
| <b>Total revenue</b>   |                   | <b>71,794</b>         | <b>73,650</b>       | <b>(2.5)</b>                 | <b>145,360</b>          | <b>148,041</b>      | <b>(1.8)</b>                 |
| <b>Operating expenses</b>  |                   |                       |                     |                              |                         |                     |                              |
| Broadcast and production costs   | 23(i)             | (14,128)              | (14,126)            | (0.0)                        | (28,414)                | (28,243)            | (0.6)                        |
| Staff costs  | 23(ii)            | (6,482)               | (6,807)             | 4.8                          | (13,450)                | (13,128)            | (2.5)                        |
| Depreciation and amortisation expense <sup>3</sup>   | 23(iii)           | (17,946)              | (23,122)            | 22.4                         | (36,723)                | (46,504)            | 21.0                         |
| Trustee-Manager fees   | 23(iv)            | (1,835)               | (1,835)             | -                            | (3,649)                 | (3,649)             | -                            |
| Net foreign exchange gain/(loss) <sup>4</sup>  | 23(v)             | 961                   | (443)               | >100                         | 1,125                   | 485                 | >100                         |
| Mark to market gain/(loss) on derivative financial instruments <sup>5</sup>                        | 23(vi)            | 620                   | (1,035)             | >100                         | 3,061                   | (553)               | >100                         |
| Other operating expenses <sup>6</sup>  | 23(vii)           | (6,912)               | (5,639)             | (22.6)                       | (14,221)                | (12,393)            | (14.8)                       |
| <b>Total operating expenses</b>  |                   | <b>(45,722)</b>       | <b>(53,007)</b>     | <b>13.7</b>                  | <b>(92,271)</b>         | <b>(103,985)</b>    | <b>11.3</b>                  |
| <b>Operating profit</b>  |                   | <b>26,072</b>         | <b>20,643</b>       | <b>26.3</b>                  | <b>53,089</b>           | <b>44,056</b>       | <b>20.5</b>                  |
| Amortisation of deferred arrangement fees <sup>7</sup>   | 23(viii)          | (823)                 | (888)               | 7.3                          | (1,667)                 | (2,025)             | 17.7                         |
| Interest and other finance costs   | 23(ix)            | (10,789)              | (11,293)            | 4.5                          | (20,404)                | (22,394)            | 8.9                          |
| <b>Profit before income tax</b>  |                   | <b>14,460</b>         | <b>8,462</b>        | <b>70.9</b>                  | <b>31,018</b>           | <b>19,637</b>       | <b>58.0</b>                  |
| Income tax expense <sup>8</sup>  | 24                | (2,917)               | (697)               | (>100)                       | (7,239)                 | (4,510)             | (60.5)                       |
| <b>Profit after income tax</b>   |                   | <b>11,543</b>         | <b>7,765</b>        | <b>48.7</b>                  | <b>23,779</b>           | <b>15,127</b>       | <b>57.2</b>                  |
| <b>Profit after income tax attributable to:</b>  |                   |                       |                     |                              |                         |                     |                              |
| Unitholders of APTT  |                   | 11,505                | 7,686               | 49.7                         | 23,607                  | 14,970              | 57.7                         |
| Non-controlling interests  |                   | 38                    | 79                  | (51.9)                       | 172                     | 157                 | 9.6                          |
| <b>Profit after income tax</b>   |                   | <b>11,543</b>         | <b>7,765</b>        | <b>48.7</b>                  | <b>23,779</b>           | <b>15,127</b>       | <b>57.2</b>                  |
| <b>Basic and diluted earnings per unit attributable to unitholders of APTT (cents)<sup>9</sup></b> | 26                | <b>0.64</b>           | <b>0.43</b>         |                              | <b>1.31</b>             | <b>0.83</b>         |                              |

<sup>1</sup> The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

<sup>2</sup> A positive variance is favourable to the Group and a negative variance is unfavourable to the Group.

<sup>3</sup> Decrease in depreciation and amortisation expense was mainly due to lower depreciation expense on network equipment and amortisation expense on programming rights compared to the pcp. Refer Note 23(iii) for more details.

<sup>4</sup> Variance in net foreign exchange gain/(loss) is mainly due to translations at the subsidiary level which are not expected to be realised. Refer Note 23(v) for more details.

<sup>5</sup> Variance in mark to market gain/(loss) on derivative financial instruments was due to exchange rate movements on foreign exchange contracts. Refer Note 23(vi) for more details.

<sup>6</sup> Variance in other operating expenses was mainly due to higher pole rental expenses. Refer Note 23(vii) for more details.

<sup>7</sup> Decrease in amortisation of deferred arrangement fees was due to write-off of unamortised arrangement fee on the amendment of Offshore Facilities during the previous year. Refer Note 23(viii) for more details.

<sup>8</sup> Variance in income tax expense was mainly due to higher current income tax and withholding tax expense. Refer Note 24 for more details.

<sup>9</sup> Earnings per unit is calculated by dividing profit after income tax attributable to unitholders of APTT by the weighted average number of APTT units outstanding during the period.

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| Group  | Quarter ended 30 June |                     |                              | Half-year ended 30 June |                     |                              |
|--|-----------------------|---------------------|------------------------------|-------------------------|---------------------|------------------------------|
|  | 2022<br>(Unaudited)   | 2021<br>(Unaudited) | Variance <sup>1</sup><br>(%) | 2022<br>(Unaudited)     | 2021<br>(Unaudited) | Variance <sup>1</sup><br>(%) |
| <b>Amounts in \$'000</b>   |                       |                     |                              |                         |                     |                              |
| <b>Profit after income tax</b>   | <b>11,543</b>         | <b>7,765</b>        | <b>48.7</b>                  | <b>23,779</b>           | <b>15,127</b>       | <b>57.2</b>                  |
| <b>Other comprehensive (loss)/income</b>   |                       |                     |                              |                         |                     |                              |
| <b>Items that may subsequently be reclassified to profit or loss:</b>                  |                       |                     |                              |                         |                     |                              |
| Exchange differences on translation of foreign operations                              | (15,466)              | 27,524              | (>100)                       | (56,114)                | 30,437              | (>100)                       |
| Movement on change in fair value of cash flow hedging financial instruments            | (158)                 | 1,070               | (>100)                       | 16,072                  | 2,445               | >100                         |
| Deferred tax relating to items that may subsequently be reclassified to profit or loss | 32                    | (214)               | >100                         | (3,214)                 | (489)               | (>100)                       |
| <b>Other comprehensive (loss)/income, net of tax</b>                                   | <b>(15,592)</b>       | <b>28,380</b>       | <b>(&gt;100)</b>             | <b>(43,256)</b>         | <b>32,393</b>       | <b>(&gt;100)</b>             |
| <b>Total comprehensive (loss)/income</b>   | <b>(4,049)</b>        | <b>36,145</b>       | <b>(&gt;100)</b>             | <b>(19,477)</b>         | <b>47,520</b>       | <b>(&gt;100)</b>             |
| <b>Total comprehensive (loss)/income attributable to:</b>                              |                       |                     |                              |                         |                     |                              |
| Unitholders of APTT  | (4,087)               | 36,066              | (>100)                       | (19,649)                | 47,363              | (>100)                       |
| Non-controlling interests  | 38                    | 79                  | (51.9)                       | 172                     | 157                 | 9.6                          |
| <b>Total comprehensive (loss)/income</b>   | <b>(4,049)</b>        | <b>36,145</b>       | <b>(&gt;100)</b>             | <b>(19,477)</b>         | <b>47,520</b>       | <b>(&gt;100)</b>             |

<sup>1</sup> A positive variance is favourable to the Group and a negative variance is unfavourable to the Group.

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

## STATEMENTS OF CHANGES IN EQUITY

| Group<br>(Unaudited)   | Unitholders'<br>funds | Reserves        | Accumulated<br>deficit | Equity<br>attributable to<br>unitholders of<br>APTT | Non-<br>controlling<br>interests | Total<br>equity  |
|--|-----------------------|-----------------|------------------------|---|----------------------------------|------------------|
| <b>Amounts in \$'000</b>                                     |                       |                 |                        |   |                                  |                  |
| <b>Balance as at 1 January 2022</b>                          | <b>1,389,351</b>      | <b>220,247</b>  | <b>(369,203)</b>       | <b>1,240,395</b>                                    | <b>2,407</b>                     | <b>1,242,802</b> |
| Total comprehensive (loss)/income                            |                       |                 |                        |   |                                  |                  |
| Profit after income tax                                      | -                     | -               | 23,607                 | 23,607  | 172                              | 23,779           |
| Other comprehensive loss, net of tax                         | -                     | (43,256)        | -                      | (43,256)  | -                                | (43,256)         |
| <b>Total</b>   | <b>-</b>              | <b>(43,256)</b> | <b>23,607</b>          | <b>(19,649)</b>                                     | <b>172</b>                       | <b>(19,477)</b>  |
| Transactions with unitholders, recognised directly in equity |                       |                 |                        |   |                                  |                  |
| Settlement of transactions with non-controlling interests    | -                     | -               | -                      | -   | (365)                            | (365)            |
| Transfer to capital reserves                                 | -                     | 3,238           | (3,238)                | -   | -                                | -                |
| Distributions paid   | -                     | -               | (9,032)                | (9,032)   | (170)                            | (9,202)          |
| <b>Total</b>   | <b>-</b>              | <b>3,238</b>    | <b>(12,270)</b>        | <b>(9,032)</b>                                      | <b>(535)</b>                     | <b>(9,567)</b>   |
| <b>Balance as at 30 June 2022</b>                            | <b>1,389,351</b>      | <b>180,229</b>  | <b>(357,866)</b>       | <b>1,211,714</b>                                    | <b>2,044</b>                     | <b>1,213,758</b> |

| Group<br>(Unaudited)   | Unitholders'<br>funds | Reserves        | Accumulated<br>deficit | Equity<br>attributable to<br>unitholders of<br>APTT | Non-<br>controlling<br>interests | Total<br>equity  |
|--|-----------------------|-----------------|------------------------|---|----------------------------------|------------------|
| <b>Amounts in \$'000</b>                                     |                       |                 |                        |   |                                  |                  |
| <b>Balance as at 1 April 2022</b>                            | <b>1,389,351</b>      | <b>192,583</b>  | <b>(361,617)</b>       | <b>1,220,317</b>                                    | <b>2,380</b>                     | <b>1,222,697</b> |
| Total comprehensive (loss)/income                            |                       |                 |                        |   |                                  |                  |
| Profit after income tax                                      | -                     | -               | 11,505                 | 11,505  | 38                               | 11,543           |
| Other comprehensive loss, net of tax                         | -                     | (15,592)        | -                      | (15,592)  | -                                | (15,592)         |
| <b>Total</b>   | <b>-</b>              | <b>(15,592)</b> | <b>11,505</b>          | <b>(4,087)</b>                                      | <b>38</b>                        | <b>(4,049)</b>   |
| Transactions with unitholders, recognised directly in equity |                       |                 |                        |   |                                  |                  |
| Settlement of transactions with non-controlling interests    | -                     | -               | -                      | -   | (226)                            | (226)            |
| Transfer to capital reserves                                 | -                     | 3,238           | (3,238)                | -   | -                                | -                |
| Distributions paid   | -                     | -               | (4,516)                | (4,516)   | (148)                            | (4,664)          |
| <b>Total</b>   | <b>-</b>              | <b>3,238</b>    | <b>(7,754)</b>         | <b>(4,516)</b>                                      | <b>(374)</b>                     | <b>(4,890)</b>   |
| <b>Balance as at 30 June 2022</b>                            | <b>1,389,351</b>      | <b>180,229</b>  | <b>(357,866)</b>       | <b>1,211,714</b>                                    | <b>2,044</b>                     | <b>1,213,758</b> |

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

| Group<br>(Unaudited)   | Unitholders'<br>funds | Reserves       | Accumulated<br>deficit | Equity<br>attributable to<br>unitholders of<br>APTT | Non-<br>controlling<br>interests | Total<br>equity  |
|--|-----------------------|----------------|------------------------|---|----------------------------------|------------------|
| <b>Amounts in \$'000</b>                                     |                       |                |                        |   |                                  |                  |
| <b>Balance as at 1 January 2021</b>                          | <b>1,389,351</b>      | <b>166,927</b> | <b>(366,719)</b>       | <b>1,189,559</b>                                    | <b>2,334</b>                     | <b>1,191,893</b> |
| Total comprehensive income                                   |                       |                |                        |   |                                  |                  |
| Profit after income tax                                      | -                     | -              | 14,970                 | 14,970  | 157                              | 15,127           |
| Other comprehensive income, net of tax                       | -                     | 32,393         | -                      | 32,393  | -                                | 32,393           |
| <b>Total</b>   | <b>-</b>              | <b>32,393</b>  | <b>14,970</b>          | <b>47,363</b>                                       | <b>157</b>                       | <b>47,520</b>    |
| Transactions with unitholders, recognised directly in equity |                       |                |                        |   |                                  |                  |
| Settlement of transactions with non-controlling interests    | -                     | -              | -                      | -   | (51)                             | (51)             |
| Transfer to capital reserves                                 | -                     | 4,333          | (4,333)                | -   | -                                | -                |
| Distributions paid   | -                     | -              | (9,032)                | (9,032)   | (149)                            | (9,181)          |
| <b>Total</b>   | <b>-</b>              | <b>4,333</b>   | <b>(13,365)</b>        | <b>(9,032)</b>                                      | <b>(200)</b>                     | <b>(9,232)</b>   |
| <b>Balance as at 30 June 2021</b>                            | <b>1,389,351</b>      | <b>203,653</b> | <b>(365,114)</b>       | <b>1,227,890</b>                                    | <b>2,291</b>                     | <b>1,230,181</b> |

| Group<br>(Unaudited)   | Unitholders'<br>funds | Reserves       | Accumulated<br>deficit | Equity<br>attributable to<br>unitholders of<br>APTT | Non-<br>controlling<br>interests | Total<br>equity  |
|--|-----------------------|----------------|------------------------|---|----------------------------------|------------------|
| <b>Amounts in \$'000</b>                                     |                       |                |                        |   |                                  |                  |
| <b>Balance as at 1 April 2021</b>                            | <b>1,389,351</b>      | <b>170,940</b> | <b>(363,951)</b>       | <b>1,196,340</b>                                    | <b>2,401</b>                     | <b>1,198,741</b> |
| Total comprehensive income                                   |                       |                |                        |   |                                  |                  |
| Profit after income tax                                      | -                     | -              | 7,686                  | 7,686   | 79                               | 7,765            |
| Other comprehensive income, net of tax                       | -                     | 28,380         | -                      | 28,380  | -                                | 28,380           |
| <b>Total</b>   | <b>-</b>              | <b>28,380</b>  | <b>7,686</b>           | <b>36,066</b>                                       | <b>79</b>                        | <b>36,145</b>    |
| Transactions with unitholders, recognised directly in equity |                       |                |                        |   |                                  |                  |
| Settlement of transactions with non-controlling interests    | -                     | -              | -                      | -   | (40)                             | (40)             |
| Transfer to capital reserves                                 | -                     | 4,333          | (4,333)                | -   | -                                | -                |
| Distributions paid   | -                     | -              | (4,516)                | (4,516)   | (149)                            | (4,665)          |
| <b>Total</b>   | <b>-</b>              | <b>4,333</b>   | <b>(8,849)</b>         | <b>(4,516)</b>                                      | <b>(189)</b>                     | <b>(4,705)</b>   |
| <b>Balance as at 30 June 2021</b>                            | <b>1,389,351</b>      | <b>203,653</b> | <b>(365,114)</b>       | <b>1,227,890</b>                                    | <b>2,291</b>                     | <b>1,230,181</b> |

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

| Trust<br>(Unaudited)   | Unitholders'<br>funds | Accumulated<br>surplus | Total<br>equity  |
|--|-----------------------|------------------------|------------------|
| Amounts in \$'000  |                       |                        |                  |
| <b>Balance as at 1 January 2022</b>                          | <b>1,389,351</b>      | <b>573</b>             | <b>1,389,924</b> |
| Total comprehensive income                                   |                       |                        |                  |
| Profit after income tax                                      | -                     | 11,370                 | 11,370           |
| <b>Total</b>   | <b>-</b>              | <b>11,370</b>          | <b>11,370</b>    |
| Transactions with unitholders, recognised directly in equity |                       |                        |                  |
| Distributions paid   | -                     | (9,032)                | (9,032)          |
| <b>Total</b>   | <b>-</b>              | <b>(9,032)</b>         | <b>(9,032)</b>   |
| <b>Balance as at 30 June 2022</b>                            | <b>1,389,351</b>      | <b>2,911</b>           | <b>1,392,262</b> |

| Trust<br>(Unaudited)   | Unitholders'<br>funds | Accumulated<br>surplus | Total<br>equity  |
|--|-----------------------|------------------------|------------------|
| Amounts in \$'000  |                       |                        |                  |
| <b>Balance as at 1 April 2022</b>                            | <b>1,389,351</b>      | <b>458</b>             | <b>1,389,809</b> |
| Total comprehensive income                                   |                       |                        |                  |
| Profit after income tax                                      | -                     | 6,969                  | 6,969            |
| <b>Total</b>   | <b>-</b>              | <b>6,969</b>           | <b>6,969</b>     |
| Transactions with unitholders, recognised directly in equity |                       |                        |                  |
| Distributions paid   | -                     | (4,516)                | (4,516)          |
| <b>Total</b>   | <b>-</b>              | <b>(4,516)</b>         | <b>(4,516)</b>   |
| <b>Balance as at 30 June 2022</b>                            | <b>1,389,351</b>      | <b>2,911</b>           | <b>1,392,262</b> |

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

| Trust<br>(Unaudited)   | Unitholders'<br>funds | Accumulated<br>deficit | Total<br>equity  |
|--|-----------------------|------------------------|------------------|
| <b>Amounts in \$'000</b>                                     |                       |                        |                  |
| <b>Balance as at 1 January 2021</b>                          | <b>1,389,351</b>      | <b>(2,988)</b>         | <b>1,386,363</b> |
| Total comprehensive income                                   |                       |                        |                  |
| Profit after income tax                                      | -                     | 11,472                 | 11,472           |
| <b>Total</b>   | <b>-</b>              | <b>11,472</b>          | <b>11,472</b>    |
| Transactions with unitholders, recognised directly in equity |                       |                        |                  |
| Distributions paid   | -                     | (9,032)                | (9,032)          |
| <b>Total</b>   | <b>-</b>              | <b>(9,032)</b>         | <b>(9,032)</b>   |
| <b>Balance as at 30 June 2021</b>                            | <b>1,389,351</b>      | <b>(548)</b>           | <b>1,388,803</b> |

| Trust<br>(Unaudited)   | Unitholders'<br>funds | Accumulated<br>surplus/(deficit) | Total<br>equity  |
|--|-----------------------|----------------------------------|------------------|
| <b>Amounts in \$'000</b>                                     |                       |                                  |                  |
| <b>Balance as at 1 April 2021</b>                            | <b>1,389,351</b>      | <b>313</b>                       | <b>1,389,664</b> |
| Total comprehensive income                                   |                       |                                  |                  |
| Profit after income tax                                      | -                     | 3,655                            | 3,655            |
| <b>Total</b>   | <b>-</b>              | <b>3,655</b>                     | <b>3,655</b>     |
| Transactions with unitholders, recognised directly in equity |                       |                                  |                  |
| Distributions paid   | -                     | (4,516)                          | (4,516)          |
| <b>Total</b>   | <b>-</b>              | <b>(4,516)</b>                   | <b>(4,516)</b>   |
| <b>Balance as at 30 June 2021</b>                            | <b>1,389,351</b>      | <b>(548)</b>                     | <b>1,388,803</b> |

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

## DETAIL OF CHANGES IN UNITHOLDERS' FUNDS

| Trust   | Quarter ended 30 June |                  | Half-year ended 30 June |                  |
|---|-----------------------|------------------|-------------------------|------------------|
|   | 2022                  | 2021             | 2022                    | 2021             |
| <b>Number of units in '000</b>                    |                       |                  |                         |                  |
| <b>At beginning and end of the quarter/period</b> | <b>1,806,355</b>      | <b>1,806,355</b> | <b>1,806,355</b>        | <b>1,806,355</b> |

| Trust   | Quarter ended 30 June |                     | Half-year ended 30 June |                     |
|---|-----------------------|---------------------|-------------------------|---------------------|
|   | 2022<br>(Unaudited)   | 2021<br>(Unaudited) | 2022<br>(Unaudited)     | 2021<br>(Unaudited) |
| <b>Amounts in \$'000</b>                          |                       |                     |                         |                     |
| <b>At beginning and end of the quarter/period</b> | <b>1,389,351</b>      | <b>1,389,351</b>    | <b>1,389,351</b>        | <b>1,389,351</b>    |

There were no changes to unitholders' funds during the quarters and half-years ended 30 June 2022 and 2021.

With reference to paragraphs 1(d)(ii), 1(d)(iv) and 1(d)(v) of Appendix 7.2 of the SGX-ST Listing Manual, the Trustee-Manager confirms that for the quarters and half-years ended 30 June 2022 and 2021, and for the year ended 31 December 2021, the Trust did not have any convertible securities, treasury units or subsidiary holdings on issue.



# CONSOLIDATED STATEMENT OF CASH FLOWS

| Group  | Quarter ended 30 June |                     | Half-year ended 30 June |                     |
|--|-----------------------|---------------------|-------------------------|---------------------|
|  | 2022<br>(Unaudited)   | 2021<br>(Unaudited) | 2022<br>(Unaudited)     | 2021<br>(Unaudited) |
| <b>Amounts in \$'000</b>   |                       |                     |                         |                     |
| <b>Cash flows from operating activities</b>                                |                       |                     |                         |                     |
| <b>Profit after income tax</b>   | <b>11,543</b>         | <b>7,765</b>        | <b>23,779</b>           | <b>15,127</b>       |
| Adjustments for:   |                       |                     |                         |                     |
| Depreciation and amortisation expense                                      | 17,946                | 23,122              | 36,723                  | 46,504              |
| Net foreign exchange (gain)/loss   | (485)                 | 704                 | 1,539                   | (351)               |
| Gain on lease modification   | -                     | -                   | -                       | (18)                |
| Mark to market (gain)/loss on derivative financial instruments             | (620)                 | 1,035               | (3,061)                 | 553                 |
| Amortisation of deferred arrangement fees                                  | 823                   | 888                 | 1,667                   | 2,025               |
| Interest and other finance costs   | 10,789                | 11,293              | 20,404                  | 22,394              |
| Income tax expense   | 2,917                 | 697                 | 7,239                   | 4,510               |
| <b>Operating cash flows before movements in working capital</b>            | <b>42,913</b>         | <b>45,504</b>       | <b>88,290</b>           | <b>90,744</b>       |
| Trade and other receivables  | (3,706)               | (822)               | (1,025)                 | (459)               |
| Trade and other payables   | 13,414                | 7,627               | 21,587                  | 6,666               |
| Contract costs   | 63                    | (138)               | 200                     | (169)               |
| Contract liabilities   | (410)                 | 979                 | (1,771)                 | 3,374               |
| Retirement benefit obligations   | (133)                 | 98                  | (905)                   | 45                  |
| Other assets   | (22,749)              | 694                 | (24,731)                | (1,122)             |
| Other liabilities  | (3)                   | 2,304               | (3,108)                 | (2,652)             |
| <b>Cash generated from operations</b>                                      | <b>29,389</b>         | <b>56,246</b>       | <b>78,537</b>           | <b>96,427</b>       |
| Income tax paid, net of refunds  | (5,004)               | (2,352)             | (6,457)                 | (3,602)             |
| Interest paid on lease liabilities (Note 13)                               | (36)                  | (51)                | (76)                    | (105)               |
| <b>Net cash inflows from operating activities</b>                          | <b>24,349</b>         | <b>53,843</b>       | <b>72,004</b>           | <b>92,720</b>       |
| <b>Cash flows from investing activities</b>                                |                       |                     |                         |                     |
| Acquisition of property, plant and equipment                               | (5,858)               | (7,778)             | (13,191)                | (15,231)            |
| Acquisition of intangible assets   | (101)                 | (43)                | (550)                   | (3,778)             |
| <b>Net cash used in investing activities</b>                               | <b>(5,959)</b>        | <b>(7,821)</b>      | <b>(13,741)</b>         | <b>(19,009)</b>     |
| <b>Cash flows from financing activities</b>                                |                       |                     |                         |                     |
| Interest and other finance costs paid (Note 13)                            | (10,538)              | (11,195)            | (20,313)                | (22,253)            |
| Borrowings from financial institutions (Note 13)                           | -                     | -                   | -                       | 8,996               |
| Repayment of borrowings to financial institutions (Note 13)                | (12,860)              | (5,184)             | (35,054)                | (13,472)            |
| Settlement of lease liabilities (Note 13)                                  | (646)                 | (652)               | (1,315)                 | (1,296)             |
| Settlement of derivative financial instruments (Note 13)                   | 526                   | (145)               | 879                     | (591)               |
| Settlement of transactions with non-controlling interests                  | (226)                 | (40)                | (365)                   | (51)                |
| Distributions to non-controlling interests                                 | (148)                 | (149)               | (170)                   | (149)               |
| Distributions to unitholders   | (4,516)               | (4,516)             | (9,032)                 | (9,032)             |
| <b>Net cash used in financing activities</b>                               | <b>(28,408)</b>       | <b>(21,881)</b>     | <b>(65,370)</b>         | <b>(37,848)</b>     |
| <b>Net (decrease)/increase in cash and cash equivalents</b>                | <b>(10,018)</b>       | <b>24,141</b>       | <b>(7,107)</b>          | <b>35,863</b>       |
| Cash and cash equivalents at the beginning of the quarter/period           | 127,575               | 108,718             | 124,664                 | 96,996              |
| <b>Cash and cash equivalents at the end of the quarter/period (Note 5)</b> | <b>117,557</b>        | <b>132,859</b>      | <b>117,557</b>          | <b>132,859</b>      |

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

## RECONCILIATION OF PROFIT AFTER INCOME TAX TO EBITDA

| Group   | Quarter ended 30 June |                     |                              | Half-year ended 30 June |                     |                              |
|---|-----------------------|---------------------|------------------------------|-------------------------|---------------------|------------------------------|
|   | 2022<br>(Unaudited)   | 2021<br>(Unaudited) | Variance <sup>1</sup><br>(%) | 2022<br>(Unaudited)     | 2021<br>(Unaudited) | Variance <sup>1</sup><br>(%) |
| <b>Amounts in \$'000</b>  |                       |                     |                              |                         |                     |                              |
| <b>Profit after income tax</b>                                      | <b>11,543</b>         | <b>7,765</b>        | <b>48.7</b>                  | <b>23,779</b>           | <b>15,127</b>       | <b>57.2</b>                  |
| Add: Depreciation and amortisation expense                          | 17,946                | 23,122              | 22.4                         | 36,723                  | 46,504              | 21.0                         |
| Add: Net foreign exchange (gain)/loss                               | (961)                 | 443                 | >100                         | (1,125)                 | (485)               | >100                         |
| Add: Mark to market (gain)/loss on derivative financial instruments | (620)                 | 1,035               | >100                         | (3,061)                 | 553                 | >100                         |
| Add: Amortisation of deferred arrangement fees                      | 823                   | 888                 | 7.3                          | 1,667                   | 2,025               | 17.7                         |
| Add: Interest and other finance costs                               | 10,789                | 11,293              | 4.5                          | 20,404                  | 22,394              | 8.9                          |
| Add: Income tax expense   | 2,917                 | 697                 | (>100)                       | 7,239                   | 4,510               | (60.5)                       |
| <b>EBITDA</b>   | <b>42,437</b>         | <b>45,243</b>       | <b>(6.2)</b>                 | <b>85,626</b>           | <b>90,628</b>       | <b>(5.5)</b>                 |
| EBITDA margin   | 59.1%                 | 61.4%               |                              | 58.9%                   | 61.2%               |                              |

<sup>1</sup> A positive variance is favourable to the Group and a negative variance is unfavourable to the Group.

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# ASIAN PAY TELEVISION TRUST

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

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# NOTES TO THE INTERIM FINANCIAL STATEMENTS

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

## 1) GENERAL INFORMATION

Asian Pay Television Trust (“APTT” or the “Trust”) is a business trust constituted on 30 April 2013 under the laws of the Republic of Singapore and registered under the Business Trusts Act 2004 (“BTA”). APTT is managed by APTT Management Pte. Limited (the “Trustee-Manager”). The Trustee-Manager is a wholly owned subsidiary of Dynami Vision Pte. Ltd. (“Dynami”) which is a Singapore-incorporated company fully owned by Mr Lu Fang-Ming, the former Chairman of Asia Pacific Telecom Co., Ltd.

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, when APTT also acquired the pay-TV and broadband businesses of Taiwan Broadband Communications Group (“TBC”).

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

The interim financial statements of the Group and the statement of financial position and statement of changes in equity of APTT for the quarter and half-year ended 30 June 2022 were authorised for issue by the Board of Directors of the Trustee-Manager on 12 August 2022.

## 2) BASIS OF PREPARATION

The interim financial statements for the quarter and half-year ended 30 June 2022 have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*. The Group has applied the same accounting policies and methods of computation in the preparation of the interim financial statements for the current period as specified in the audited financial statements for the year ended 31 December 2021, except for the adoption of new and revised International Financial Reporting Standards (“IFRS”) (including its consequential amendments) and interpretations which are effective for the financial period beginning on or after 1 January 2022, as explained in Note 3.

The interim financial statements are presented in Singapore dollars (“\$”), rounded to the nearest thousand dollars unless otherwise stated.

## 3) SIGNIFICANT ACCOUNTING POLICIES

On 1 January 2022, the Group adopted all new and revised IFRS pronouncements that are relevant to its operations. The adoption of these new and revised IFRS pronouncements did not result in material changes to the Group’s accounting policies and has no material effect on the amounts reported for the current or prior corresponding reporting periods. Accordingly, comparative financial information presented in this report has not been restated.

## 4) CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The interim financial statements have been prepared in accordance with IFRS. The preparation of interim 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 critical judgements and key sources of estimation uncertainty made by the Trustee-Manager during the current period remain unchanged from the audited financial statements for the year ended 31 December 2021. The Trustee-Manager believes that the estimates used in the preparation of the interim financial statements are reasonable. Actual results in the future, however, may differ from those reported.

## 5) CASH AND CASH EQUIVALENTS

| Amounts in \$'000 | Group as at                 |                               | Trust as at                 |                               |
|-------------------|-----------------------------|-------------------------------|-----------------------------|-------------------------------|
|                   | 30 June 2022<br>(Unaudited) | 31 December 2021<br>(Audited) | 30 June 2022<br>(Unaudited) | 31 December 2021<br>(Audited) |
| Cash on hand      | 46                          | 48                            | -                           | -                             |
| Cash at bank      | 117,511                     | 124,616                       | 6,384                       | 6,298                         |
| <b>Total</b>      | <b>117,557</b>              | <b>124,664</b>                | <b>6,384</b>                | <b>6,298</b>                  |

Cash and cash equivalents at the Trust level increased from \$6.3 million as at 31 December 2021 to \$6.4 million as at 30 June 2022. The increase was primarily due to the receipt of distributions from TBC net of payment of distributions to unitholders during the half-year ended 30 June 2022.

Cash and cash equivalents at the Group level decreased from \$124.7 million as at 31 December 2021 to \$117.6 million as at 30 June 2022. The decrease was primarily due to the payment of distributions to unitholders, capital expenditure, interest payments and principal repayments during the half-year. Refer to the consolidated statement of cash flows on page 23 for more details. The Trustee-Manager has reserved approximately \$32 million for scheduled principal repayments on its onshore and offshore borrowing facilities in the next six months.

## 6) TRADE AND OTHER RECEIVABLES

| Amounts in \$'000                          | Group as at                 |                               | Trust as at                 |                               |
|--|-----------------------------|-------------------------------|-----------------------------|-------------------------------|
|  | 30 June 2022<br>(Unaudited) | 31 December 2021<br>(Audited) | 30 June 2022<br>(Unaudited) | 31 December 2021<br>(Audited) |
| Trade receivables due from outside parties | 17,114                      | 16,121                        | -                           | -                             |
| Less: Loss allowance                       | -                           | (32)                          | -                           | -                             |
| <b>Total</b>                               | <b>17,114</b>               | <b>16,089</b>                 | <b>-</b>                    | <b>-</b>                      |

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

Trade and other receivables at the Group level increased from \$16.1 million as at 31 December 2021 to \$17.1 million as at 30 June 2022 mainly due to increase in the amounts due from trade debtors for channel leasing and airtime advertising.

## 7) INVESTMENT IN SUBSIDIARIES

The Trust has invested in TBC through the acquisition of two Bermudian investment holding companies.

| Held by the Trust       | Principal activities       | Country of incorporation | Equity holding as at |                  |                             |                               |
|-------------------------|----------------------------|--------------------------|----------------------|------------------|-----------------------------|-------------------------------|
|                         |                            |                          | %                    |                  | \$'000                      |                               |
| Name of subsidiary      |                            |                          | 30 June 2022         | 31 December 2021 | 30 June 2022<br>(Unaudited) | 31 December 2021<br>(Audited) |
| APTT Holdings 1 Limited | Investment holding company | Bermuda                  | 100                  | 100              | 728,359                     | 728,359                       |
| APTT Holdings 2 Limited | Investment holding company | Bermuda                  | 100                  | 100              | 658,992                     | 658,992                       |
| <b>Total</b>            |                            |                          |                      |                  | <b>1,387,351</b>            | <b>1,387,351</b>              |

The following entities were within the Group as at 30 June 2022:

| Name of entity                            | Type       | Principal activities            | Country of incorporation | Proportion of ownership interest | Proportion of voting power held | Reporting date |
|---|------------|---------------------------------|--------------------------|----------------------------------|---------------------------------|----------------|
| APTT Holdings 1 Limited                   | Subsidiary | Investment holding company      | Bermuda                  | 100%                             | 100%                            | 31 December    |
| APTT Holdings 2 Limited                   | Subsidiary | Investment holding company      | Bermuda                  | 100%                             | 100%                            | 31 December    |
| Cable TV S.A.                             | Subsidiary | Investment holding company      | Luxembourg               | 100%                             | 100%                            | 31 December    |
| TBC Holdings B.V.                         | Subsidiary | Investment holding company      | Netherlands              | 100%                             | 100%                            | 31 December    |
| Harvest Cable Holdings B.V. <sup>1</sup>  | Subsidiary | Investment holding company      | Netherlands              | 15%                              | 100%                            | 31 December    |
| Jie Guang Co., Ltd.                       | Subsidiary | Investment holding company      | Taiwan                   | 100%                             | 100%                            | 31 December    |
| Jia Guang Co., Ltd.                       | Subsidiary | Investment holding company      | Taiwan                   | 77%                              | 100%                            | 31 December    |
| Wo Jun Co., Ltd.                          | Subsidiary | Investment holding company      | Taiwan                   | 59.3%                            | 100%                            | 31 December    |
| Tai Luo Tze Co., Ltd. <sup>1</sup>        | Subsidiary | Investment holding company      | Taiwan                   | 11.6%                            | 100%                            | 31 December    |
| Tau Luen Co., Ltd. <sup>1</sup>           | Subsidiary | Investment holding company      | Taiwan                   | 8.9%                             | 100%                            | 31 December    |
| Taiwan Broadband Communications Co., Ltd. | Subsidiary | A multisystem cable TV operator | Taiwan                   | 59.3%                            | 100%                            | 31 December    |
| Nan Taoyuan Cable TV Co., Ltd.            | Subsidiary | A cable TV system operator      | Taiwan                   | 59.3%                            | 100%                            | 31 December    |
| Best Cable TV Co., Ltd.                   | Subsidiary | A cable TV system operator      | Taiwan                   | 59.3%                            | 100%                            | 31 December    |
| Shin Ho Cable TV Co., Ltd.                | Subsidiary | A cable TV system operator      | Taiwan                   | 59.3%                            | 100%                            | 31 December    |
| Chun Chien Cable TV Co., Ltd.             | Subsidiary | A cable TV system operator      | Taiwan                   | 59.3%                            | 99.9%                           | 31 December    |
| Chi Yuan Cable TV Co., Ltd. <sup>1</sup>  | Subsidiary | A cable TV system operator      | Taiwan                   | 8.9%                             | 100%                            | 31 December    |

<sup>1</sup> Although the Group effectively holds 15%, 11.6%, 8.9% and 8.9% interest in Harvest Cable Holdings B.V. ("Harvest Cable Holdings"), Tai Luo Tze Co., Ltd. ("Tai Luo Tze"), Tau Luen Co., Ltd. ("Tau Luen") and Chi Yuan Cable TV Co., Ltd. ("Chi Yuan") respectively, it has the ability to use its power to affect its returns from Harvest Cable Holdings, Tai Luo Tze, Tau Luen and Chi Yuan pursuant to a series of arrangements among the shareholders in these entities, and the Group receives substantially all of Harvest Cable Holdings', Tai Luo Tze's, Tau Luen's and Chi Yuan's economic interest. Accordingly, the Group regards Harvest Cable Holdings, Tai Luo Tze, Tau Luen and Chi Yuan as subsidiaries.

## 8) 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 any accumulated impairment losses. The Group's PPE includes right-of-use assets.

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

| Group Carrying value (Unaudited) | As at 1 January 2022 | Additions     | Transfer within PPE | Disposals/write-offs | Depreciation and impairment | Foreign exchange effect | As at 30 June 2022 |
|----------------------------------|----------------------|---------------|---------------------|----------------------|-----------------------------|-------------------------|--------------------|
| <b>Amounts in \$'000</b>         |                      |               |                     |                      |                             |                         |                    |
| Land                             | 5,083                | -             | -                   | -                    | -                           | (200)                   | 4,883              |
| Buildings                        | 3,989                | -             | 76                  | -                    | (684)                       | (147)                   | 3,234              |
| Leasehold improvements           | 1,557                | -             | -                   | -                    | (700)                       | (50)                    | 807                |
| Network equipment                | 256,618              | 3,409         | 13,132              | -                    | (29,280)                    | (9,849)                 | 234,030            |
| Plant and equipment              | 10,785               | -             | 79                  | -                    | (2,161)                     | (389)                   | 8,314              |
| Transport equipment              | 109                  | -             | -                   | -                    | (19)                        | (4)                     | 86                 |
| Assets under construction        | 7,532                | 13,595        | (13,287)            | -                    | -                           | (266)                   | 7,574              |
|                                  | <b>285,673</b>       | <b>17,004</b> | <b>-</b>            | <b>-</b>             | <b>(32,844)</b>             | <b>(10,905)</b>         | <b>258,928</b>     |
| <b>Right-of-use assets</b>       |                      |               |                     |                      |                             |                         |                    |
| Land                             | 441                  | -             | -                   | (25)                 | (142)                       | (14)                    | 260                |
| Buildings                        | 3,863                | 231           | -                   | -                    | (654)                       | (148)                   | 3,292              |
| Plant and equipment              | 49                   | -             | -                   | -                    | (14)                        | (2)                     | 33                 |
| Transport equipment              | 2,467                | 46            | -                   | -                    | (493)                       | (88)                    | 1,932              |
|                                  | <b>6,820</b>         | <b>277</b>    | <b>-</b>            | <b>(25)</b>          | <b>(1,303)</b>              | <b>(252)</b>            | <b>5,517</b>       |
| <b>Total</b>                     | <b>292,493</b>       | <b>17,281</b> | <b>-</b>            | <b>(25)</b>          | <b>(34,147)</b>             | <b>(11,157)</b>         | <b>264,445</b>     |

| Group Carrying value (Unaudited) | As at 1 April 2022 | Additions     | Transfer within PPE | Disposals/write-offs | Depreciation and impairment | Foreign exchange effect | As at 30 June 2022 |
|----------------------------------|--------------------|---------------|---------------------|----------------------|-----------------------------|-------------------------|--------------------|
| <b>Amounts in \$'000</b>         |                    |               |                     |                      |                             |                         |                    |
| Land                             | 4,937              | -             | -                   | -                    | -                           | (54)                    | 4,883              |
| Buildings                        | 3,592              | -             | 18                  | -                    | (338)                       | (38)                    | 3,234              |
| Leasehold improvements           | 1,164              | -             | -                   | -                    | (345)                       | (12)                    | 807                |
| Network equipment                | 241,714            | 2,516         | 6,740               | -                    | (14,329)                    | (2,611)                 | 234,030            |
| Plant and equipment              | 9,397              | -             | 46                  | -                    | (1,028)                     | (101)                   | 8,314              |
| Transport equipment              | 96                 | -             | -                   | -                    | (9)                         | (1)                     | 86                 |
| Assets under construction        | 6,362              | 8,084         | (6,804)             | -                    | -                           | (68)                    | 7,574              |
|                                  | <b>267,262</b>     | <b>10,600</b> | <b>-</b>            | <b>-</b>             | <b>(16,049)</b>             | <b>(2,885)</b>          | <b>258,928</b>     |
| <b>Right-of-use assets</b>       |                    |               |                     |                      |                             |                         |                    |
| Land                             | 333                | -             | -                   | -                    | (70)                        | (3)                     | 260                |
| Buildings                        | 3,653              | -             | -                   | -                    | (322)                       | (39)                    | 3,292              |
| Plant and equipment              | 40                 | -             | -                   | -                    | (7)                         | -                       | 33                 |
| Transport equipment              | 2,150              | 46            | -                   | -                    | (241)                       | (23)                    | 1,932              |
|                                  | <b>6,176</b>       | <b>46</b>     | <b>-</b>            | <b>-</b>             | <b>(640)</b>                | <b>(65)</b>             | <b>5,517</b>       |
| <b>Total</b>                     | <b>273,438</b>     | <b>10,646</b> | <b>-</b>            | <b>-</b>             | <b>(16,689)</b>             | <b>(2,950)</b>          | <b>264,445</b>     |

| Group Carrying value (Audited) | As at 1 January 2021 | Additions     | Transfer within PPE | Disposals/write-offs | Depreciation and impairment | Foreign exchange effect | As at 31 December 2021 |
|--------------------------------|----------------------|---------------|---------------------|----------------------|-----------------------------|-------------------------|------------------------|
| <b>Amounts in \$'000</b>       |                      |               |                     |                      |                             |                         |                        |
| Land                           | 4,918                | -             | -                   | -                    | -                           | 165                     | 5,083                  |
| Buildings                      | 5,739                | -             | 6                   | -                    | (1,921)                     | 165                     | 3,989                  |
| Leasehold improvements         | 2,843                | -             | 92                  | -                    | (1,456)                     | 78                      | 1,557                  |
| Network equipment              | 280,656              | 1,772         | 28,960              | (329)                | (63,436)                    | 8,995                   | 256,618                |
| Plant and equipment            | 15,356               | -             | 212                 | (4)                  | (5,231)                     | 452                     | 10,785                 |
| Transport equipment            | 361                  | -             | -                   | -                    | (260)                       | 8                       | 109                    |
| Assets under construction      | 9,839                | 27,688        | (29,270)            | -                    | (1,049)                     | 324                     | 7,532                  |
|                                | <b>319,712</b>       | <b>29,460</b> | <b>-</b>            | <b>(333)</b>         | <b>(73,353)</b>             | <b>10,187</b>           | <b>285,673</b>         |
| <b>Right-of-use assets</b>     |                      |               |                     |                      |                             |                         |                        |
| Land                           | 492                  | 259           | -                   | (28)                 | (303)                       | 21                      | 441                    |
| Buildings                      | 6,842                | 245           | -                   | (2,068)              | (1,322)                     | 166                     | 3,863                  |
| Plant and equipment            | 75                   | -             | -                   | -                    | (29)                        | 3                       | 49                     |
| Transport equipment            | 3,369                | -             | -                   | -                    | (1,003)                     | 101                     | 2,467                  |
|                                | <b>10,778</b>        | <b>504</b>    | <b>-</b>            | <b>(2,096)</b>       | <b>(2,657)</b>              | <b>291</b>              | <b>6,820</b>           |
| <b>Total</b>                   | <b>330,490</b>       | <b>29,964</b> | <b>-</b>            | <b>(2,429)</b>       | <b>(76,010)</b>             | <b>10,478</b>           | <b>292,493</b>         |

| Trust Carrying value (Audited) | As at 1 January 2021 | Additions | Transfer within PPE | Disposals/write-offs | Depreciation and impairment | Foreign exchange effect | As at 31 December 2021 |
|--------------------------------|----------------------|-----------|---------------------|----------------------|-----------------------------|-------------------------|------------------------|
| <b>Amounts in \$'000</b>       |                      |           |                     |                      |                             |                         |                        |
| Plant and equipment            | 2                    | -         | -                   | -                    | (2)                         | -                       | -                      |
| <b>Total</b>                   | <b>2</b>             | <b>-</b>  | <b>-</b>            | <b>-</b>             | <b>(2)</b>                  | <b>-</b>                | <b>-</b>               |

The Trust's PPE were fully depreciated during the previous year ended 31 December 2021, hence there was no movement during the quarter and half-year.

As at 30 June 2022, the Group has pledged property, plant and equipment having carrying amounts of \$248.0 million (31 December 2021: \$272.6 million) to secure debt facilities granted to the Group (Note 13).

During the quarter and half-year ended 30 June 2022, the Group acquired property, plant and equipment with an aggregate cost of \$10.6 million (30 June 2021: \$9.0 million) and \$17.0 million (30 June 2021: \$15.9 million), of which \$7.5 million remained unpaid as at 30 June 2022 (30 June 2021: \$4.5 million). In addition, property, plant and equipment with an aggregate cost of \$2.8 million, unpaid as at 31 March 2022, was paid during the quarter (30 June 2021: \$3.1 million) and property, plant and equipment with an aggregate cost of \$3.8 million, unpaid as at 31 December 2021, was paid during the half-year (30 June 2021: \$3.7 million).



## 9) 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 the acquisition date as it is deemed that recovery would be through a sale transaction, which the Trustee-Manager expects would not be subject to capital gains taxes.

### Software

Costs incurred in acquiring software are brought to account as intangible assets. Software is carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over its estimated useful life.

### Programming rights

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

### Goodwill

Goodwill arising on acquisition represents the excess of the cost of acquisition over the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities of the acquiree. Goodwill is stated at cost less any impairment losses. Goodwill is allocated to cash-generating units ("CGU") and the Group tests goodwill for impairment annually or more frequently if there are indications that goodwill might be impaired.

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

| Group<br>Carrying value<br>(Unaudited)<br>Amounts in \$'000 | As at<br>1 January<br>2022 | Additions  | Amortisation   | Foreign<br>exchange<br>effect | As at<br>30 June<br>2022 |
|---|----------------------------|------------|----------------|-------------------------------|--------------------------|
| Cable TV licences   | 2,563,652                  | -          | -              | (100,798)                     | 2,462,854                |
| Software  | 4,043                      | 690        | (1,141)        | (141)                         | 3,451                    |
| Programming rights  | 8,818                      | -          | (1,435)        | (323)                         | 7,060                    |
| Goodwill  | 8,478                      | -          | -              | (334)                         | 8,144                    |
| <b>Total</b>  | <b>2,584,991</b>           | <b>690</b> | <b>(2,576)</b> | <b>(101,596)</b>              | <b>2,481,509</b>         |

| Group<br>Carrying value<br>(Unaudited)<br>Amounts in \$'000 | As at<br>1 April<br>2022 | Additions  | Amortisation   | Foreign<br>exchange<br>effect | As at<br>30 June<br>2022 |
|---|--------------------------|------------|----------------|-------------------------------|--------------------------|
| Cable TV licences   | 2,489,765                | -          | -              | (26,911)                      | 2,462,854                |
| Software  | 3,367                    | 672        | (551)          | (37)                          | 3,451                    |
| Programming rights  | 7,851                    | -          | (706)          | (85)                          | 7,060                    |
| Goodwill  | 8,233                    | -          | -              | (89)                          | 8,144                    |
| <b>Total</b>  | <b>2,509,216</b>         | <b>672</b> | <b>(1,257)</b> | <b>(27,122)</b>               | <b>2,481,509</b>         |

| Group Carrying value (Audited) | As at 1 January 2021 | Additions    | Amortisation    | Foreign exchange effect | As at 31 December 2021 |
|--------------------------------|----------------------|--------------|-----------------|-------------------------|------------------------|
| <b>Amounts in \$'000</b>       |                      |              |                 |                         |                        |
| Cable TV licences              | 2,480,443            | -            | -               | 83,209                  | 2,563,652              |
| Software                       | 4,034                | 2,088        | (2,217)         | 138                     | 4,043                  |
| Programming rights             | 16,797               | -            | (8,365)         | 386                     | 8,818                  |
| Goodwill                       | 8,202                | -            | -               | 276                     | 8,478                  |
| <b>Total</b>                   | <b>2,509,476</b>     | <b>2,088</b> | <b>(10,582)</b> | <b>84,009</b>           | <b>2,584,991</b>       |

The Trust's intangible assets were fully amortised before the start of the previous year ended 31 December 2021, hence there was no movement during the quarter and half-year ended 30 June 2022 and the previous year ended 31 December 2021.

The value of cable TV licences and goodwill is allocated to the Group's single CGU which is principally engaged in the Basic cable TV, Premium digital cable TV and Broadband services in Taiwan. No impairment has been recognised by the Group as at 30 June 2022.

During the quarter and half-year ended 30 June 2022, the Group acquired intangible assets with an aggregate cost of \$0.7 million (30 June 2021: \$0.04 million) and \$0.7 million (30 June 2021: \$1.1 million), which remained unpaid as at 30 June 2022 (30 June 2021: \$0.7 million). Out of intangible assets with an aggregate cost of \$0.3 million, unpaid as at 31 March 2022 (31 March 2021: \$0.7 million), \$0.1 million was paid during the quarter (30 June 2021: \$0.04 million) and out of the intangible assets with an aggregate cost of \$0.8 million, unpaid as at 31 December 2021 (31 December 2020: \$3.3 million), \$0.6 million was paid during the half-year (30 June 2021: \$3.3 million). Total aggregate cost of intangible assets which remained unpaid as at 30 June 2022 was \$0.9 million (30 June 2021: \$0.7 million).

## 10) DERIVATIVE FINANCIAL INSTRUMENTS

### (i) Currency forwards

The Group and Trust use foreign exchange contracts to manage their exposure to foreign exchange movements of NT\$ and US\$ future estimated cash flows from dividends and principal and interest payments received by the Trust from the entities held within the Group. The Group and Trust employ a 24-month rolling hedging programme 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 30 June 2022, the total notional amount of outstanding foreign exchange contracts to which the Group and Trust were committed to, is as follows:

| Amounts in \$'000  | Group as at              |                            | Trust as at              |                            |
|--|--------------------------|----------------------------|--------------------------|----------------------------|
|  | 30 June 2022 (Unaudited) | 31 December 2021 (Audited) | 30 June 2022 (Unaudited) | 31 December 2021 (Audited) |
| Sell NT\$1,576 million (31 December 2021: NT\$1,540 million) | 77,600                   | 76,500                     | 77,600                   | 76,500                     |
| <b>Total</b>   | <b>77,600</b>            | <b>76,500</b>              | <b>77,600</b>            | <b>76,500</b>              |

As at 30 June 2022, mark to market movements, classified as current and non-current assets, on such contracts were \$2.2 million (31 December 2021: \$0.2 million) and \$0.2 million (31 December 2021: \$0.1 million); and classified as current and non-current liabilities, on such contracts were nil (31 December 2021: \$0.1 million) and \$0.1 million (31 December 2021: \$0.04 million) respectively both at the Group and Trust level.

**(ii) Interest rate swaps**

The Group uses interest rate swaps to manage its exposure to interest rate movements on its NT\$ denominated 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 loan occur simultaneously and the amount deferred in equity is recognised in profit or loss over the period that the floating rate interest payments on debt impact profit or loss.

Following the maturity of all 2018 interest rate swaps at 31 December 2021, new TAIBOR swaps were entered into during the half-year. As at 30 June 2022, approximately 80% of the outstanding onshore facilities were hedged through to 30 June 2025. The average fixed rate on these swaps was 0.89%. To further mitigate the risk of rising interest rates, the Trustee-Manager entered into additional TAIBOR swaps after 30 June 2022. 93% of the outstanding Onshore Facilities are now hedged through to 30 June 2025 at an average fixed rate of 0.94%.

The fair value of the interest rate swaps with notional value of NT\$21.9 billion as at 30 June 2022 was estimated at \$15.6 million, which resulted in a derivative financial instrument non-current asset being recognised by the Group. This represents the mark to market unrealised gains between when the interest rate swaps were entered into during the half-year compared to the unfavourable market rate movements by 30 June 2022. These amounts were based on valuation techniques at the end of the reporting period. The aforementioned interest rate swaps qualify for hedge accounting. For the quarter ended 30 June 2022, the movement in the fair value of cash flow hedging interest rate derivatives resulted in a loss of \$0.2 million (30 June 2021: gain of \$1.1 million), with a deferred tax benefit amounting to \$0.03 million (30 June 2021: net of deferred tax expenses of \$0.2 million), which resulted in a net loss of \$0.1 million (30 June 2021: net gain of \$0.9 million), being recognised directly in other comprehensive income. For the half-year ended 30 June 2022, the movement in the fair value of cash flow hedging interest rate derivatives resulted in a gain of \$16.1 million (30 June 2021: \$2.4 million), net of deferred tax expense amounting to \$3.2 million (30 June 2021: \$0.5 million), which resulted in a net gain of \$12.9 million (30 June 2021: \$2.0 million), being recognised directly in other comprehensive income.

The following table gives information about how the fair values of derivative financial instruments are determined (in particular, the valuation technique(s) and inputs used):

| Financial assets/<br>liabilities<br>Amounts in \$'000 | Fair value as at  |   | Fair value<br>hierarchy | Valuation technique(s) and<br>key input(s)  | Significant<br>unobservable<br>input(s) |
|---|---|---|-------------------------|---|---|
|   | 30 June 2022<br>(Unaudited)   | 31 December 2021<br>(Audited)   |                         |   |   |
| Foreign exchange<br>contracts                         | <b>Assets:</b><br>Current - 2,201<br>Non-current - 247<br><br><b>Liabilities:</b><br>Current - nil<br>Non-current - 129 | <b>Assets:</b><br>Current - 231<br>Non-current - 60<br><br><b>Liabilities:</b><br>Current - 111<br>Non-current - 43 | Level 2                 | The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value. | N/A                                     |
| Interest rate swaps                                   | <b>Assets:</b><br>Current - nil<br>Non-current - 15,565<br><br><b>(designated for<br/>hedging)</b>                      | <b>Assets:</b><br>Current - nil<br>Non-current - nil<br><br><b>(designated for<br/>hedging)</b>                     | Level 2                 | Fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.   | N/A                                     |

## 11) CONTRACT COSTS

| Amounts in \$'000 | Group as at                    |                                  | Trust as at                    |                                  |
|-------------------|--------------------------------|----------------------------------|--------------------------------|----------------------------------|
|                   | 30 June<br>2022<br>(Unaudited) | 31 December<br>2021<br>(Audited) | 30 June<br>2022<br>(Unaudited) | 31 December<br>2021<br>(Audited) |
| Current           | 1,080                          | 1,199                            | -                              | -                                |
| Non-current       | 295                            | 376                              | -                              | -                                |
| <b>Total</b>      | <b>1,375</b>                   | <b>1,575</b>                     | <b>-</b>                       | <b>-</b>                         |

The contract costs represent sales incentives provided for contracting Broadband RGUs. These costs are amortised on a straight-line basis over the period of such contracts.

## 12) OTHER ASSETS

| Amounts in \$'000         | Group as at                    |                                  | Trust as at                    |                                  |
|---------------------------|--------------------------------|----------------------------------|--------------------------------|----------------------------------|
|                           | 30 June<br>2022<br>(Unaudited) | 31 December<br>2021<br>(Audited) | 30 June<br>2022<br>(Unaudited) | 31 December<br>2021<br>(Audited) |
| <b>Current</b>            |                                |                                  |                                |                                  |
| Prepayments               | 2,266                          | 1,007                            | 42                             | 39                               |
| Tax receivables           | 56                             | 41                               | 27                             | 19                               |
| Refundable deposits       | 23,592 <sup>1</sup>            | 21                               | 18                             | 18                               |
| Other assets              | -                              | 92                               | -                              | -                                |
| <b>Total</b>              | <b>25,914</b>                  | <b>1,161</b>                     | <b>87</b>                      | <b>76</b>                        |
| <b>Non-current</b>        |                                |                                  |                                |                                  |
| Refundable deposits       | 1,114                          | 1,135                            | 2                              | 2                                |
| Other assets              | 172                            | 173                              | -                              | -                                |
| <b>Total</b>              | <b>1,286</b>                   | <b>1,308</b>                     | <b>2</b>                       | <b>2</b>                         |
| <b>Total other assets</b> | <b>27,200</b>                  | <b>2,469</b>                     | <b>89</b>                      | <b>78</b>                        |

<sup>1</sup> The Group, pending the settlement of lawsuits, has placed a temporary deposit with programming vendors of NT\$504 million (approximately \$23.6 million) for 2020 and 2021 unpaid programming costs.

## 13) BORROWINGS FROM FINANCIAL INSTITUTIONS

| Group  | As at                          |                                  |
|--|--------------------------------|----------------------------------|
|  | 30 June<br>2022<br>(Unaudited) | 31 December<br>2021<br>(Audited) |
| <b>Amounts in \$'000</b>                           |                                |                                  |
| Current portion                                    | 71,649                         | 61,802                           |
| Less: Unamortised arrangement fees                 | (3,290)                        | (3,407)                          |
|  | <b>68,359</b>                  | <b>58,395</b>                    |
| Non-current portion                                | 1,376,523                      | 1,473,175                        |
| Less: Unamortised arrangement fees                 | (15,733)                       | (18,078)                         |
|  | <b>1,360,790</b>               | <b>1,455,097</b>                 |
| Total current and non-current portion <sup>1</sup> | 1,448,172                      | 1,534,977                        |
| Less: Total unamortised arrangement fees           | (19,023)                       | (21,485)                         |
| <b>Total</b>                                       | <b>1,429,149</b>               | <b>1,513,492</b>                 |

<sup>1</sup> Comprised outstanding NT\$ denominated borrowings of NT\$27.7 billion (31 December 2021: NT\$28.0 billion) at the TBC level and S\$ denominated borrowings of S\$154.4 million (31 December 2021: S\$171.9 million) at the Bermuda holding companies' level.

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The reduction in the total debt balance during the half-year is due mostly to repayments of \$35.1 million and positive foreign exchange movements of \$51.0 million.

### **Onshore Facilities**

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

The Onshore Facilities are repayable in tranches by 2028 and are secured by certain land, buildings, network equipment and plant and equipment held by TBC (Note 8) as well as by pledges over shares in onshore entities of TBC and over the shares in TBC Holdings B.V. and Harvest Cable Holdings B.V. held by Cable TV S.A. The onshore affiliates of TBC are jointly liable under the debt facilities. As at 30 June 2022, the total carrying value of property, plant and equipment pledged for the Onshore Facilities was \$248.0 million (31 December 2021: \$272.6 million). In addition, guarantees in favour of lenders under the debt facilities are provided by TBC Holdings B.V. and Harvest Cable Holdings B.V.

The Onshore Facilities bear a floating interest rate of Taiwan's three-month Taipei Interbank Offered Rate ("TAIBOR") plus an interest margin of 1.1% to 2.1% (2021: 1.1% to 2.1%) per annum based on its leverage ratio. As discussed in Note 10(ii), the Group uses interest rate swaps to swap a significant portion of its borrowings from floating rate to fixed rate.

At inception, arrangement fees are recorded as unamortised arrangement fees. The fees are then amortised over the period of the debt facilities as an expense to the statement of profit or loss.

The Onshore Amendment did not include any break costs. Following the Onshore Amendment, there were changes to the principal repayment schedule and financial covenants of the Onshore Facilities. This resulted in recording an extinguishment of the original Onshore Facilities and recognition of new Onshore Facilities. As a result, the unamortised arrangement fees of \$12.3 million associated with the Onshore Facilities as at the date of the Onshore Amendment were written off as amortisation of deferred arrangement fees in the statement of profit or loss during the previous year ended 31 December 2021.

### **Offshore Facilities**

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

In March 2021, APTT extended the maturity date ("Offshore Amendment") of its existing Offshore Facilities to July 2023. The Offshore Amendment reached financial close on 18 March 2021. As a part of the Offshore Amendment, the size of the multicurrency revolving loan facility was reduced from \$125.0 million to \$80.0 million.

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

As at 30 June 2022, the total carrying value of assets pledged for the Offshore Facilities was \$1,134 million (31 December 2021: \$1,134 million). In addition, guarantees in favour of lenders under the debt facilities are provided by APTT Management Pte. Limited, in its capacity as Trustee-Manager of APTT, and Cable TV S.A.

The Offshore Facilities bear a floating interest rate of Singapore Interbank Offered Rate ("SIBOR") plus an interest margin of 4.1% to 5.5% (2021: 4.1% to 5.5%) per annum based on the leverage ratio of the Group.

At inception, amendment fees are recorded as unamortised arrangement fees. The fees are then amortised over the period of the debt facilities as an expense to the statement of profit or loss.

The Offshore Amendment did not include any break costs. Following the Offshore Amendment, there were changes to the principal repayment schedule of the Offshore Facilities. This resulted in recording an extinguishment of the original Offshore Facilities and recognition of new Offshore Facilities. As a result, the unamortised arrangement fees of \$0.3 million associated with the Offshore Facilities as at the date of the Offshore Amendment were written off as amortisation of deferred arrangement fees in the statement of profit or loss during the previous year ended 31 December 2021.

### Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

| Group  | As at<br>1 January<br>2022 | Financing<br>cash<br>flows | Non-cash changes                                   |                              |  |  |                      | Fair value<br>adjustment | Foreign<br>exchange<br>movement | As at<br>30 June<br>2022<br>(Unaudited) |
|--|----------------------------|----------------------------|--|------------------------------|--|--|----------------------|--------------------------|---------------------------------|---|
|  |                            |                            | Amortisation<br>of deferred<br>arrangement<br>fees | Lease<br>liabilities,<br>net | Interest<br>and<br>other<br>finance<br>costs | Equity<br>component<br>of change in<br>fair value of<br>cash flow<br>hedging<br>financial<br>instruments |                      |                          |                                 |   |
| <b>Amounts in \$'000</b>                               |                            |                            |  |                              |  |  |                      |                          |                                 |   |
| Borrowings from<br>financial institutions<br>(Note 13) | 1,513,492                  | (35,054) <sup>1</sup>      | 1,667  | -                            | -  | -  | -                    | (50,956)                 | 1,429,149                       |   |
| Interest rate swaps<br>(Note 10(ii))                   | -                          | -                          | -  | -                            | -  | (16,072)   | -                    | 507                      | (15,565)                        |   |
| Foreign exchange<br>contracts (Note 10(i))             | (137)                      | 879                        | -  | -                            | -  | -  | (3,061) <sup>2</sup> | -                        | (2,319)                         |   |
| Lease liabilities (Note<br>18)                         | 6,810                      | (1,315)                    | -  | 252                          | -  | -  | -                    | (254)                    | 5,493                           |   |
| Interest and other<br>finance costs (Note<br>18)       | 3,190                      | (20,389) <sup>3</sup>      | -  | -                            | 20,404                                       | -  | -                    | (1,744)                  | 1,461                           |   |
| <b>Total</b>   | <b>1,523,355</b>           | <b>(55,879)</b>            | <b>1,667</b>                                       | <b>252</b>                   | <b>20,404</b>                                | <b>(16,072)</b>  | <b>(3,061)</b>       | <b>(52,447)</b>          | <b>1,418,219</b>                |   |

<sup>1</sup> The cash flows from borrowings from financial institutions make up the net amount of proceeds from borrowings and repayments of borrowings in the consolidated statement of cash flows.

<sup>2</sup> The fair value adjustments of foreign exchange contracts during the half-year ended 30 June 2022 consists of \$2.2 million of unrealised gains from the mark to market movements (30 June 2021: \$0.04 million) and \$0.9 million of realised gains from settlement of foreign exchange contracts (30 June 2021: losses of \$0.6 million). The fair value adjustments of foreign exchange contracts during the quarter ended 30 June 2022 consists of \$0.1 million of unrealised gains from the mark to market movements (30 June 2021: losses of \$0.9 million) and \$0.5 million of realised gains from settlement of foreign exchange contracts (30 June 2021: losses of \$0.1 million).

<sup>3</sup> The cash flows from interest and other finance costs comprised interest and commitment and other fees paid on Group's debt facilities and interest paid on lease liabilities.

| Group  | As at<br>1 April<br>2022 | Financing<br>cash<br>flows | Non-cash changes                                   |                              |  |  |                    | Fair value<br>adjustment | Foreign<br>exchange<br>movement | As at<br>30 June<br>2022<br>(Unaudited) |
|--|--------------------------|----------------------------|--|------------------------------|--|--|--------------------|--------------------------|---------------------------------|---|
|  |                          |                            | Amortisation<br>of deferred<br>arrangement<br>fees | Lease<br>liabilities,<br>net | Interest<br>and<br>other<br>finance<br>costs | Equity<br>component<br>of change in<br>fair value of<br>cash flow<br>hedging<br>financial<br>instruments |                    |                          |                                 |   |
| <b>Amounts in \$'000</b>                               |                          |                            |  |                              |  |  |                    |                          |                                 |   |
| Borrowings from<br>financial institutions<br>(Note 13) | 1,455,195                | (12,860) <sup>1</sup>      | 823  | -                            | -  | -  | -                  | (14,009)                 | 1,429,149                       |   |
| Interest rate swaps<br>(Note 10(ii))                   | (15,895)                 | -                          | -  | -                            | -  | 158  | -                  | 172                      | (15,565)                        |   |
| Foreign exchange<br>contracts (Note 10(i))             | (2,225)                  | 526                        | -  | -                            | -  | -  | (620) <sup>2</sup> | -                        | (2,319)                         |   |
| Lease liabilities (Note<br>18)                         | 6,160                    | (646)                      | -  | 46                           | -  | -  | -                  | (67)                     | 5,493                           |   |
| Interest and other<br>finance costs (Note<br>18)       | 1,361                    | (10,574) <sup>3</sup>      | -  | -                            | 10,789                                       | -  | -                  | (115)                    | 1,461                           |   |
| <b>Total</b>   | <b>1,444,596</b>         | <b>(23,554)</b>            | <b>823</b>   | <b>46</b>                    | <b>10,789</b>                                | <b>158</b>   | <b>(620)</b>       | <b>(14,019)</b>          | <b>1,418,219</b>                |   |

| Group  | As at<br>1 January<br>2021 | Financing<br>cash<br>flows | Non-cash changes                                   |                              |  |  |           | Fair value<br>adjustment | Foreign<br>exchange<br>movement | As at<br>31 December<br>2021<br>(Audited) |
|--|----------------------------|----------------------------|--|------------------------------|--|--|-----------|--------------------------|---------------------------------|---|
|  |                            |                            | Amortisation<br>of deferred<br>arrangement<br>fees | Lease<br>liabilities,<br>net | Interest<br>and<br>other<br>finance<br>costs | Equity<br>component<br>of change in<br>fair value of<br>cash flow<br>hedging<br>financial<br>instruments |           |                          |                                 |   |
| <b>Amounts in \$'000</b>                               |                            |                            |  |                              |  |  |           |                          |                                 |   |
| Borrowings from<br>financial institutions<br>(Note 13) | 1,528,188                  | (74,609) <sup>1</sup>      | 16,080   | -                            | -  | -  | -         | 43,833                   | 1,513,492                       |   |
| Interest rate swaps<br>(Note 10(ii))                   | 4,374                      | -                          | -  | -                            | -  | (3,460)  | -         | (914)                    | -                               |   |
| Foreign exchange<br>contracts (Note 10(i))             | 571                        | (719)                      | -  | -                            | -  | -  | 11        | -                        | (137)                           |   |
| Lease liabilities (Note<br>18)                         | 10,769                     | (2,639)                    | -  | (1,610)                      | -  | -  | -         | 290                      | 6,810                           |   |
| Interest and other<br>finance costs (Note<br>18)       | 1,588                      | (46,396) <sup>3</sup>      | -  | -                            | 46,396                                       | -  | -         | 1,602                    | 3,190                           |   |
| <b>Total</b>   | <b>1,545,490</b>           | <b>(124,363)</b>           | <b>16,080</b>                                      | <b>(1,610)</b>               | <b>46,396</b>                                | <b>(3,460)</b>   | <b>11</b> | <b>44,811</b>            | <b>1,523,355</b>                |   |

<sup>1</sup> The cash flows from borrowings from financial institutions make up the net amount of proceeds from borrowings and repayments of borrowings in the consolidated statement of cash flows.

<sup>2</sup> The fair value adjustments of foreign exchange contracts during the half-year ended 30 June 2022 consists of \$2.2 million of unrealised gains from the mark to market movements (30 June 2021: \$0.04 million) and \$0.9 million of realised gains from settlement of foreign exchange contracts (30 June 2021: losses of \$0.6 million). The fair value adjustments of foreign exchange contracts during the quarter ended 30 June 2022 consists of \$0.1 million of unrealised gains from the mark to market movements (30 June 2021: losses of \$0.9 million) and \$0.5 million of realised gains from settlement of foreign exchange contracts (30 June 2021: losses of \$0.1 million).

<sup>3</sup> The cash flows from interest and other finance costs comprised interest and commitment and other fees paid on Group's debt facilities and interest paid on lease liabilities.

## 14) TRADE AND OTHER PAYABLES

| Amounts in \$'000                        | Group as at                    |                                  | Trust as at                    |                                  |
|--|--------------------------------|----------------------------------|--------------------------------|----------------------------------|
|  | 30 June<br>2022<br>(Unaudited) | 31 December<br>2021<br>(Audited) | 30 June<br>2022<br>(Unaudited) | 31 December<br>2021<br>(Audited) |
| Trade payables due to outside parties    | 71,448                         | 49,800                           | -                              | -                                |
| Base fees payable to the Trustee-Manager | 3,649                          | 3,710                            | 3,649                          | 3,710                            |
| <b>Total</b>                             | <b>75,097</b>                  | <b>53,510</b>                    | <b>3,649</b>                   | <b>3,710</b>                     |

The Group's trade and other payables as at 30 June 2022 of \$75.1 million (31 December 2021: \$53.5 million) comprised mainly broadcast and production costs payable of \$68.5 million (31 December 2021: \$46.9 million), other payables of \$3.0 million (31 December 2021: \$2.9 million) and base fees payable to the Trustee-Manager of \$3.6 million (31 December 2021: \$3.7 million).

The Trust's trade and other payables as at 30 June 2022 comprised mainly base fees payable to the Trustee-Manager of \$3.6 million (31 December 2021: \$3.7 million).

The increased level of broadcast and production costs payable as at 31 December 2021 is attributable to TBC withholding payment to its content agent for most of the programming costs related to 2021, pending settlement of lawsuits filed against TBC claiming certain programming costs related to 2020. Broadcast and production costs payable as at 30 June 2022 further increased as a result of programming costs accrued for the half-year ended 30 June 2022 that remained unpaid as at 30 June 2022. TBC's contract with its content agent to acquire content on its behalf from programming vendors ended on 31 December 2021. For 2022, TBC's strategy is to acquire most content directly from multiple programming vendors compared to using one agent in the past. As at 30 June 2022, the Trustee-Manager is in the process of negotiating a number of these contracts. Programming fees for the half-year ended 30 June 2022 have been accrued in the Group's consolidated statement of profit or loss for the half-year ended 30 June 2022, as broadcast and production costs. However, such programming fees remain mostly unpaid as at 30 June 2022 and will remain unpaid until such negotiations are completed and contracts are finalised with the programming vendors. No interruption of service is expected because of these ongoing negotiations.

## 15) CONTRACT LIABILITIES

Contract liabilities were \$35.6 million as at 30 June 2022 (31 December 2021: \$37.4 million). These relate to considerations or collections received in advance to provide Basic cable TV, Premium digital cable TV and Broadband subscription services in future periods. Subscription fees are paid upfront as part of initial sales transactions whereas revenue is recognised over the period that services are provided to subscribers. A contract liability is therefore recognised for revenue relating to subscription services at the time of the initial sales transaction and is released over the subscription period.

There were no significant changes in the contract liability balances during the reporting period.

The amount of revenue recognised during the quarter and half-year ended 30 June 2022 which related to brought-forward contract liabilities as at the end of the previous year was \$2.0 million (30 June 2021: \$1.7 million) and \$36.6 million (30 June 2021: \$33.2 million).

## 16) RETIREMENT BENEFIT OBLIGATIONS

The Group operates two retirement benefit arrangements for all employees in accordance with legislation in the country of employment: for eligible employees in Taiwan, a defined benefit plan and for all other employees, a defined contribution plan. The defined benefit plan provides benefits based on years of service and average salary in the six-month period before retirement. The defined contribution plan receives fixed contributions from the Group companies and the Group legal or constructive obligation is limited to these contributions. As at 30 June 2022, the Group's retirement benefit obligations, classified as current and non-current liabilities, were \$1.5 million (31 December 2021: \$1.5 million) and \$8.3 million (31 December 2021: \$9.1 million).



## 17) DEFERRED TAX LIABILITIES

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

| Group<br>(Unaudited)  | As at<br>1 January<br>2022 | Recognised<br>in profit or<br>loss | Recognised<br>in other<br>comprehensive<br>income | Foreign<br>exchange<br>effect | As at<br>30 June<br>2022 |
|---|----------------------------|------------------------------------|---|-------------------------------|--------------------------|
| <b>Amounts in \$'000</b>  |                            |                                    |   |                               |                          |
| Impairment loss   | (948)                      | -                                  | -   | 37                            | (911)                    |
| Cash flow hedging reserves  | -                          | -                                  | 3,214   | (101)                         | 3,113                    |
| Intangible assets that are partially deductible for tax purposes <sup>1</sup> | 109,663                    | 3,454                              | -   | (4,368)                       | 108,749                  |
| Undistributed earnings of subsidiaries  | 5,304                      | (1,364)                            | -   | (233)                         | 3,707                    |
| Arrangement fees  | (6,287)                    | 438                                | -   | 241                           | (5,608)                  |
| Carry forward of losses   | (3,595)                    | -                                  | -   | 142                           | (3,453)                  |
| Others  | (8)                        | 6                                  | -   | -                             | (2)                      |
| Unrealised exchange differences   | 3,065                      | (1,596)                            | -   | (99)                          | 1,370                    |
| <b>Deferred tax liabilities, net</b>  | <b>107,194</b>             | <b>938</b>                         | <b>3,214</b>                                      | <b>(4,381)</b>                | <b>106,965</b>           |

| Group<br>(Audited)  | As at<br>1 January<br>2021 | Recognised<br>in profit or<br>loss | Recognised<br>in other<br>comprehensive<br>income | Foreign<br>exchange<br>effect | As at<br>31 December<br>2021 |
|---|----------------------------|------------------------------------|---|-------------------------------|------------------------------|
| <b>Amounts in \$'000</b>  |                            |                                    |   |                               |                              |
| Impairment loss   | (931)                      | 14                                 | -   | (31)                          | (948)                        |
| Cash flow hedging reserves  | (875)                      | -                                  | 892   | (17)                          | -                            |
| Intangible assets that are partially deductible for tax purposes <sup>1</sup> | 99,258                     | 6,990                              | -   | 3,415                         | 109,663                      |
| Undistributed earnings of subsidiaries  | 5,832                      | (680)                              | -   | 152                           | 5,304                        |
| Arrangement fees  | (4,888)                    | (1,251)                            | -   | (148)                         | (6,287)                      |
| Carry forward of losses   | (2,554)                    | (957)                              | -   | (84)                          | (3,595)                      |
| Provisions  | (684)                      | 699                                | -   | (15)                          | -                            |
| Others  | (74)                       | 68                                 | -   | (2)                           | (8)                          |
| Unrealised exchange differences   | 2,864                      | 105                                | -   | 96                            | 3,065                        |
| <b>Deferred tax liabilities, net</b>  | <b>97,948</b>              | <b>4,988</b>                       | <b>892</b>  | <b>3,366</b>                  | <b>107,194</b>               |

<sup>1</sup> Following the settlement principles agreed between the Group and the Taiwan tax authorities in 2014, deferred tax liabilities of \$108.7 million were recorded by the Group for the partial tax deductions in respect of the amortisation of intangible assets claimed by the Group as at 30 June 2022 (31 December 2021: \$109.7 million).

## 18) OTHER LIABILITIES

| Amounts in \$'000                        | Group as at                    |                                  | Trust as at                    |                                  |
|--|--------------------------------|----------------------------------|--------------------------------|----------------------------------|
|  | 30 June<br>2022<br>(Unaudited) | 31 December<br>2021<br>(Audited) | 30 June<br>2022<br>(Unaudited) | 31 December<br>2021<br>(Audited) |
| <b>Current</b>                           |                                |                                  |                                |                                  |
| Accrued expenses                         | 17,461                         | 12,505                           | 232                            | 230                              |
| Withholding tax payable                  | 1,559                          | 1,659                            | -                              | -                                |
| Other tax payable                        | 2,109                          | 3,986                            | -                              | -                                |
| Lease liabilities                        | 2,098                          | 2,477                            | -                              | -                                |
| Interest and other finance costs payable | 1,461                          | 3,190                            | -                              | -                                |
| Others                                   | 362                            | 274                              | -                              | -                                |
| <b>Total</b>                             | <b>25,050</b>                  | <b>24,091</b>                    | <b>232</b>                     | <b>230</b>                       |
| <b>Non-current</b>                       |                                |                                  |                                |                                  |
| Subscriber deposits                      | 19,549                         | 19,642                           | -                              | -                                |
| Lease liabilities                        | 3,395                          | 4,333                            | -                              | -                                |
| Others                                   | 3,136                          | 3,368                            | -                              | -                                |
| <b>Total</b>                             | <b>26,080</b>                  | <b>27,343</b>                    | <b>-</b>                       | <b>-</b>                         |
| <b>Total other liabilities</b>           | <b>51,130</b>                  | <b>51,434</b>                    | <b>232</b>                     | <b>230</b>                       |

## 19) UNITHOLDERS' FUNDS

| Group and Trust  | As at                |                      |                                |                                  |
|--|----------------------|----------------------|--------------------------------|----------------------------------|
|  | Number of units      |                      | \$'000                         |                                  |
|  | 30 June<br>2022      | 31 December<br>2021  | 30 June<br>2022<br>(Unaudited) | 31 December<br>2021<br>(Audited) |
| <b>Balance at the beginning and end of the period/year</b> | <b>1,806,354,850</b> | <b>1,806,354,850</b> | <b>1,389,351</b>               | <b>1,389,351</b>                 |

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

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

## 20) RESERVES

| Group                                   | As at                          |                                  |
|---|--------------------------------|----------------------------------|
|   | 30 June<br>2022<br>(Unaudited) | 31 December<br>2021<br>(Audited) |
| <b>Amounts in \$'000</b>                |                                |                                  |
| Foreign currency translation reserves   | 136,568                        | 192,682                          |
| Retirement benefit obligations reserves | (11,718)                       | (11,718)                         |
| Cash flow hedging reserves <sup>1</sup> | 12,858                         | -                                |
| Capital reserves <sup>2</sup>           | 42,521                         | 39,283                           |
| <b>Total</b>                            | <b>180,229</b>                 | <b>220,247</b>                   |

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

| Group<br>(Unaudited)   | Foreign<br>currency<br>translation<br>reserves | Cash flow<br>hedging<br>reserves | Capital<br>reserves | Retirement<br>benefit<br>obligations<br>reserves | Total          |
|--|--|----------------------------------|---------------------|--|----------------|
| <b>Amounts in \$'000</b>   |  |                                  |                     |  |                |
| <b>Balance as at 1 January 2022</b>  | <b>192,682</b>                                 | -                                | <b>39,283</b>       | <b>(11,718)</b>                                  | <b>220,247</b> |
| Exchange differences on translation of foreign operations                              | (56,114)                                       | -                                | -                   | -  | (56,114)       |
| Movement on change in fair value of cash flow hedging financial instruments:           |  |                                  |                     |  |                |
| Interest rate swaps  | -  | 16,072                           | -                   | -  | 16,072         |
| Deferred tax relating to items that may subsequently be reclassified to profit or loss | -  | (3,214)                          | -                   | -  | (3,214)        |
| Transfer from accumulated profits <sup>2</sup>   | -  | -                                | 3,238               | -  | 3,238          |
| <b>Balance as at 30 June 2022</b>  | <b>136,568</b>                                 | <b>12,858</b>                    | <b>42,521</b>       | <b>(11,718)</b>                                  | <b>180,229</b> |
| <b>Balance as at 1 April 2022</b>  |  |                                  |                     |  |                |
| <b>Balance as at 1 April 2022</b>  | <b>152,034</b>                                 | <b>12,984</b>                    | <b>39,283</b>       | <b>(11,718)</b>                                  | <b>192,583</b> |
| Exchange differences on translation of foreign operations                              | (15,466)                                       | -                                | -                   | -  | (15,466)       |
| Movement on change in fair value of cash flow hedging financial instruments:           |  |                                  |                     |  |                |
| Interest rate swaps  | -  | (158)                            | -                   | -  | (158)          |
| Deferred tax relating to items that may subsequently be reclassified to profit or loss | -  | 32                               | -                   | -  | 32             |
| Transfer from accumulated profits <sup>2</sup>   | -  | -                                | 3,238               | -  | 3,238          |
| <b>Balance as at 30 June 2022</b>  | <b>136,568</b>                                 | <b>12,858</b>                    | <b>42,521</b>       | <b>(11,718)</b>                                  | <b>180,229</b> |

<sup>1</sup> The cash flow hedging reserves represent the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges. The cumulative gains or losses arising on changes in fair value of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserves will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item, consistent with the Group's accounting policy.

<sup>2</sup> As per articles of incorporation of Jie Guang Co., Ltd. and Tai Luo Tze Co., Ltd., the current year's earnings, after paying all taxes and offsetting prior years' operating losses, if any, should be appropriated and distributed 10% as capital reserve before dividend declaration.

| Group<br>(Audited)   | Foreign<br>currency<br>translation<br>reserves | Cash flow<br>hedging<br>reserves | Capital<br>reserves | Retirement<br>benefit<br>obligations<br>reserves | Total          |
|--|--|----------------------------------|---------------------|--|----------------|
| <b>Amounts in \$'000</b>   |  |                                  |                     |  |                |
| <b>Balance as at 1 January 2021</b>  | <b>146,406</b>                                 | <b>(2,568)</b>                   | <b>34,950</b>       | <b>(11,861)</b>                                  | <b>166,927</b> |
| Exchange differences on translation of foreign operations                              | 46,276   | -                                | -                   | -  | 46,276         |
| Movement on change in fair value of cash flow hedging financial instruments:           |  |                                  |                     |  |                |
| Interest rate swaps  | -  | 3,460                            | -                   | -  | 3,460          |
| Deferred tax relating to items that may subsequently be reclassified to profit or loss | -  | (892)                            | -                   | -  | (892)          |
| Transfer from accumulated profits <sup>1</sup>   | -  | -                                | 4,333               | -  | 4,333          |
| Remeasurement of defined benefit obligations   | -  | -                                | -                   | 143  | 143            |
| <b>Balance as at 31 December 2021</b>  | <b>192,682</b>                                 | <b>-</b>                         | <b>39,283</b>       | <b>(11,718)</b>                                  | <b>220,247</b> |

<sup>1</sup> As per articles of incorporation of Jie Guang Co., Ltd. and Tai Luo Tze Co., Ltd., the current year's earnings, after paying all taxes and offsetting prior years' operating losses, if any, should be appropriated and distributed 10% as capital reserve before dividend declaration.

## 21) 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 therein.

| Group  | As at                          |                                  |
|--|--------------------------------|----------------------------------|
|  | 30 June<br>2022<br>(Unaudited) | 31 December<br>2021<br>(Audited) |
| <b>Amounts in \$'000</b>   |                                |                                  |
| <b>Balance at the beginning of the year</b>                          | <b>2,407</b>                   | <b>2,334</b>                     |
| Total comprehensive income attributable to non-controlling interests | 172                            | 338                              |
| Settlement of transactions with non-controlling interests            | (365)                          | (115)                            |
| Distributions paid   | (170)                          | (150)                            |
| <b>Balance at the end of the period/year</b>                         | <b>2,044</b>                   | <b>2,407</b>                     |

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## 22) REVENUE

Total revenue for the quarter ended 30 June 2022 was \$71.8 million (30 June 2021: \$73.7 million). Total revenue for the half-year ended 30 June 2022 was \$145.4 million (30 June 2021: \$148.0 million). Total revenue for the quarter and half-year was 2.5% and 1.8% lower than the pcp; in constant NT\$, total revenue for the quarter and half-year was 0.7% and 1.8% lower than the pcp. Foreign exchange contributed to a negative variance of 1.8% for the quarter and less than 0.1% for the half-year compared to the pcp. Total revenue was influenced by a number of factors, including the continued challenges in the economic and operating environment.

Total revenue comprised revenue generated from: (i) Basic cable TV, (ii) Premium digital cable TV and (iii) Broadband. An analysis of the revenue items is as follows:

### (i) Basic cable TV

Basic cable TV revenue of \$52.9 million for the quarter ended 30 June 2022 was down 6.8% compared to the pcp (30 June 2021: \$56.7 million). In constant NT\$, Basic cable TV revenue was down 5.0%. This comprised subscription revenue of \$45.2 million (30 June 2021: \$48.1 million) and non-subscription revenue of \$7.7 million (30 June 2021: \$8.7 million). The decrease in Basic cable TV revenue in constant NT\$ was mainly due to lower subscription and non-subscription revenue as described below.

Basic cable TV revenue of \$107.6 million for the half-year ended 30 June 2022 was down 5.8% compared to the pcp (30 June 2021: \$114.2 million). In constant NT\$, Basic cable TV revenue was down 5.8%. This comprised subscription revenue of \$92.3 million (30 June 2021: \$97.2 million) and non-subscription revenue of \$15.3 million (30 June 2021: \$17.0 million). The decrease in Basic cable TV revenue in constant NT\$ was mainly due to lower subscription and non-subscription revenue as described below.

Subscription revenue was generated from TBC's c.684,000 Basic cable TV RGUs each contributing an ARPU of NT\$469 per month in the quarter to access over 100 cable TV channels. Basic cable TV RGUs decreased by c.4,000 and ARPU was lower by NT\$3 per month compared to the previous quarter ended 31 March 2022 (RGUs: c.688,000; ARPU: NT\$472 per month). The decline in Basic cable TV RGUs was due to a number of factors including competition from aggressively priced IPTV, the growing popularity of online video, as well as expectations from consumers for discounts as they compare with the lower cable TV pricing outside of TBC's five franchise areas, particularly in the Taipei region. Subscription revenue for the quarter and half-year was lower than the pcp in constant NT\$ mainly due to a decline in the number of subscribers and lower ARPU.

Non-subscription revenue was 14.6% of Basic cable TV revenue for the quarter (30 June 2021: 15.3%) and 14.2% for the half-year (30 June 2021: 14.9%). This includes revenue from the leasing of television channels to third parties, the sale of airtime advertising and fees for the installation of set-top boxes. Non-subscription revenue for the quarter and half-year was lower than the pcp mainly due to lower revenue generated from channel leasing and airtime advertising sales. The leasing of television channels, which is mainly to third-party home shopping networks, continued to be affected by the lower demand for home shopping and heightened competition from internet retailing. These trends will continue to put pressure on channel leasing revenue.

### (ii) Premium digital cable TV

Premium digital cable TV revenue of \$2.9 million for the quarter ended 30 June 2022 was down 7.8% compared to the pcp (30 June 2021: \$3.2 million). In constant NT\$, Premium digital cable TV revenue was down 6.0%. This comprised subscription revenue of \$2.8 million (30 June 2021: \$3.0 million) and non-subscription revenue of \$0.1 million (30 June 2021: \$0.1 million).

Premium digital cable TV revenue of \$6.0 million for the half-year ended 30 June 2022 was down 8.2% compared to the pcp (30 June 2021: \$6.5 million). In constant NT\$, Premium digital cable TV revenue was down 8.2%. This comprised subscription revenue of \$5.7 million (30 June 2021: \$6.0 million) and non-subscription revenue of \$0.2 million (30 June 2021: \$0.5 million).

Subscription revenue was generated from TBC's c.289,000 Premium digital cable TV RGUs each contributing an ARPU of NT\$70 per month in the quarter for Premium digital cable TV packages and bundled DVR or DVR-only services. Premium digital cable TV RGUs increased by c.8,000 but ARPU was lower by NT\$3 per month compared to the previous quarter ended 31 March 2022 (RGUs: c.281,000; ARPU: NT\$73 per month) due to promotions and discounted bundled packages that were

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offered to generate new RGUs and to retain existing RGUs. Video piracy issues and aggressively priced IPTV have also impacted ARPU.

Non-subscription revenue predominantly comprised revenue from the sale of electronic programme guide data to other system operators.

**(iii) Broadband**

Despite strong competition from mobile operators offering unlimited data, Broadband RGUs increased by c.9,000 during the quarter ended 30 June 2022, alongside an NT\$4 per month improvement in ARPU. Broadband revenue, including revenue from data backhaul, was \$16.0 million for the quarter, an increase of 16.4% compared to the pcp (30 June 2021: \$13.8 million). In constant NT\$, Broadband revenue for the quarter was up 18.2%. This comprised subscription revenue of \$15.5 million (30 June 2021: \$13.3 million) and non-subscription revenue of \$0.5 million (30 June 2021: \$0.5 million).

Broadband revenue of \$31.8 million for the half-year ended 30 June 2022, which includes revenue from data backhaul, was up 16.5% compared to the pcp (30 June 2021: \$27.3 million). In constant NT\$, Broadband revenue for the half-year was up 16.5%. This comprised subscription revenue of \$31.0 million (30 June 2021: \$26.1 million) and non-subscription revenue of \$0.9 million (30 June 2021: \$1.3 million).

Subscription revenue was generated from TBC's c.298,000 Broadband RGUs each contributing an ARPU of NT\$377 per month in the quarter for high-speed Broadband services, which was NT\$4 per month higher than the previous quarter ended 31 March 2022 (RGUs: c.289,000; ARPU: NT\$373 per month). The growth in both Broadband subscribers and ARPU reflects the success of TBC's Broadband strategy to target the broadband-only segment, partner with mobile operators, as well as to offer higher speed plans at competitive prices to acquire new RGUs and re-contract existing ones. Subscription revenue includes revenue from data backhaul services, where mobile operators lease a number of fibre circuits to provide data backhaul.

Non-subscription revenue predominantly comprised revenue from the provision of installation and other services.

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## 23) 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 \$14.1 million for the quarter ended 30 June 2022 were in line with the pcp (30 June 2021: \$14.1 million); in constant NT\$, broadcast and production costs were up 1.8%. Foreign exchange contributed to a positive variance of 1.8% for the quarter compared to the pcp.

Broadcast and production costs were \$28.4 million for the half-year ended 30 June 2022, up 0.6% compared to the pcp (30 June 2021: \$28.2 million); in constant NT\$, broadcast and production costs were up 0.6%. Foreign exchange contributed to a positive variance of less than 0.1% for the half-year compared to the pcp.

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 \$6.5 million for the quarter ended 30 June 2022, down 4.8% compared to the pcp (30 June 2021: \$6.8 million) and \$13.5 million for half-the year ended 30 June 2022, up 2.5% compared to the pcp (30 June 2021: \$13.1 million). Staff costs for the quarter were lower compared to the pcp mainly due to lower staff costs in constant dollar terms, as described below.

Staff costs, which comprise direct employee costs and general and administrative employee costs including salaries, bonuses, long-term incentives and benefits, were lower in the quarter as a result of extra prudence and tighter cost management.

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

### (iii) Depreciation and amortisation expense

Depreciation and amortisation expense was \$17.9 million for the quarter ended 30 June 2022, down 22.4% compared to the pcp (30 June 2021: \$23.1 million) and \$36.7 million for the half-year ended 30 June 2022, down 21.0% compared to the pcp (30 June 2021: \$46.5 million). The decrease in depreciation and amortisation expense for the quarter and half-year was mainly due to lower depreciation expense on network equipment and amortisation expense on programming rights compared to the pcp. Refer Notes 8 and 9 for more details.

Depreciation and amortisation expense comprised depreciation and amortisation of the Group's capital expenditures in relation to network equipment, set-top boxes, other plant and equipment, right-of-use assets, programming rights and software. For the quarter and half-year ended 30 June 2022, depreciation for right-of-use assets was \$0.6 million (30 June 2021: \$0.7 million) and \$1.3 million (30 June 2021: \$1.3 million).

### (iv) Trustee-Manager fees

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

The Trustee-Manager base fees were \$1.8 million for the quarter ended 30 June 2022 (30 June 2021: \$1.8 million) and \$3.6 million for the half-year ended 30 June 2022 (30 June 2021: \$3.6 million). There were no performance fees payable to the Trustee-Manager for the quarter and half-year ended 30 June 2022 (30 June 2021: nil).

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

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

**(v) Net foreign exchange gain/(loss)**

Net foreign exchange gain for the quarter ended 30 June 2022 was \$1.0 million (30 June 2021: loss of \$0.4 million) and net foreign exchange gain for the half-year ended 30 June 2022 was \$1.1 million (30 June 2021: \$0.5 million). Net foreign exchange gain/(loss) for the quarter and half-year ended 30 June 2022 includes unrealised foreign exchange movements from translations at the subsidiary level which are not expected to be realised.

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

The Group uses foreign exchange contracts to manage its exposure to foreign exchange movements as discussed in Note 10(i). For the quarter ended 30 June 2022, the period end mark to market gain on foreign currency contracts was \$0.6 million (30 June 2021: loss of \$1.0 million) and for the half-year ended 30 June 2022, the period end mark to market gain on foreign currency contracts was \$3.1 million (30 June 2021: loss of \$0.6 million). Mark to market gain/(loss) on derivative financial instruments includes gain of \$0.5 million (30 June 2021: loss of \$0.1 million) and gain of \$0.9 million (30 June 2021: loss of \$0.6 million) on NT\$ foreign exchange contracts settled during the quarter and half-year.

**(vii) Other operating expenses**

Other operating expenses were \$6.9 million for the quarter ended 30 June 2022, up 22.6% compared to the pcp (30 June 2021: \$5.6 million) and \$14.2 million for the half-year ended 30 June 2022, up 14.8% compared to the pcp (30 June 2021: \$12.4 million) mainly due to higher pole rental expenses.

A detailed breakdown of material items included in other operating expenses is provided in the table below:

| Group                               | Quarter ended 30 June |                     | Half-year ended 30 June |                     |
|-------------------------------------|-----------------------|---------------------|-------------------------|---------------------|
|                                     | 2022<br>(Unaudited)   | 2021<br>(Unaudited) | 2022<br>(Unaudited)     | 2021<br>(Unaudited) |
| <b>Amounts in \$'000</b>            |                       |                     |                         |                     |
| Lease rentals                       | (38)                  | (36)                | (77)                    | (72)                |
| Pole rentals                        | (1,611)               | (16)                | (3,262)                 | (1,560)             |
| Legal and professional fees         | (642)                 | (563)               | (1,240)                 | (1,192)             |
| Non-recoverable GST/VAT             | (852)                 | (866)               | (1,751)                 | (1,730)             |
| Marketing and selling expenses      | (1,300)               | (1,715)             | (2,651)                 | (2,808)             |
| General and administrative expenses | (1,120)               | (1,082)             | (2,294)                 | (2,279)             |
| Licence fees                        | (559)                 | (595)               | (1,138)                 | (1,201)             |
| Repairs and maintenance             | (318)                 | (347)               | (696)                   | (714)               |
| Others                              | (472)                 | (419)               | (1,112)                 | (837)               |
| <b>Total</b>                        | <b>(6,912)</b>        | <b>(5,639)</b>      | <b>(14,221)</b>         | <b>(12,393)</b>     |

Lease rentals for the quarter ended 30 June 2022 comprised short-term leases of less than \$0.01 million (30 June 2021: less than \$0.01 million) and leases of low-value assets of \$0.04 million (30 June 2021: \$0.03 million). Lease rentals for the half-year ended 30 June 2022 comprised short-term leases of less than \$0.01 million (30 June 2021: less than \$0.01 million) and leases of low-value assets of \$0.1 million (30 June 2021: \$0.1 million).



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**(viii) Amortisation of deferred arrangement fees**

The Group pays financing fees to lenders when entering into debt facilities or refinance existing facilities. At inception, the financing fees are recorded as unamortised arrangement fees. The fees are amortised over the period of the debt facilities as an expense to the statement of profit or loss. Amortisation of deferred arrangement fees was \$0.8 million for the quarter ended 30 June 2022 (30 June 2021: \$0.9 million) and \$1.7 million for the half-year ended 30 June 2022 (30 June 2021: \$2.0 million). Amortisation of deferred arrangement fees for the quarter and half-year ended 30 June 2022 was lower due to write-off of unamortised arrangement fees of \$0.3 million as at the date of Offshore Amendment, associated with the Offshore Facilities which were amended during the previous year. Refer Note 13 for more details.

**(ix) Interest and other finance costs**

Interest and other finance costs were \$10.8 million for the quarter ended 30 June 2022, 4.5% lower than the pcp (30 June 2021: \$11.3 million) and \$20.4 million for the half-year ended 30 June 2022, 8.9% lower than the pcp (30 June 2021: \$22.4 million). These comprised interest expense and commitment and other fees on the Group's debt facilities. Interest and other finance costs for the quarter and half-year ended 30 June 2022 also include finance charges on lease liabilities of \$0.04 million (30 June 2021: \$0.1 million) and \$0.1 million (30 June 2021: \$0.1 million).

## 24) INCOME TAXES

The Group is subject to income tax in several jurisdictions. Significant judgement is required in determining provisions for income tax, including a judgement on whether tax positions are probable of being sustained in income tax assessments. There are certain transactions and calculations for which the ultimate income tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated income tax issues based on estimates of whether additional taxes will be due. Where the final income tax outcome of these matters is different from the amounts that were initially recorded, these differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

The Trustee-Manager evaluates positions taken in income tax returns with respect to situations in which applicable income tax regulations are subject to interpretation. The income tax liabilities are recognised when it is more likely than not that certain tax positions may be changed upon review by income tax authorities. The Group believes that the final tax outcome of these positions can differ from those initially recognised when reviews or audits by tax authorities of tax returns are completed. Benefits from tax positions are measured at the single best estimate of the most likely outcome. At each statement of financial position date, the tax positions are reviewed and to the extent that new information becomes available that causes the Trustee-Manager to change its judgement regarding the adequacy of existing income tax liabilities, these changes to income tax liabilities are duly recognised as income tax expense in the year in which the determination is made.

The Group is not required to and does not prepare a combined consolidated income tax return. The following information represents the combined income tax data of the combined consolidated entities.

Income tax expense recognised in the consolidated statement of profit or loss was as follows:

| Group   | Quarter ended 30 June |                     | Half-year ended 30 June |                     |
|---|-----------------------|---------------------|-------------------------|---------------------|
|   | 2022<br>(Unaudited)   | 2021<br>(Unaudited) | 2022<br>(Unaudited)     | 2021<br>(Unaudited) |
| <b>Amounts in \$'000</b>                                  |                       |                     |                         |                     |
| Current income tax  | (1,425)               | (552)               | (2,851)                 | (1,028)             |
| Deferred income tax                                       | 1,156                 | (26)                | (938)                   | (2,185)             |
| Withholding tax   | (3,600)               | (1,573)             | (4,403)                 | (2,640)             |
| Over provision of current tax in prior years <sup>1</sup> | 952                   | 1,454               | 953                     | 1,343               |
| <b>Total</b>  | <b>(2,917)</b>        | <b>(697)</b>        | <b>(7,239)</b>          | <b>(4,510)</b>      |

<sup>1</sup> Over provision of current tax in prior years represents adjustments made to prior years' tax provisions in the current quarter and half-year to reflect the current position of tax provision related to those years based on tax assessment, or otherwise, and does not relate to the current quarter and half-year.

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

| Group  | As at                          |                                  |
|--|--------------------------------|----------------------------------|
|  | 30 June<br>2022<br>(Unaudited) | 31 December<br>2021<br>(Audited) |
| <b>Amounts in \$'000</b>                     |                                |                                  |
| <b>Balance at the beginning of the year</b>  | <b>5,970</b>                   | <b>6,109</b>                     |
| Current income tax provision                 | 2,851                          | 3,215                            |
| Over provision of current tax in prior years | (953)                          | (1,199)                          |
| Income tax payment                           | (1,954)                        | (1,534)                          |
| Prepaid and withheld income tax              | -                              | (780)                            |
| Foreign exchange effect                      | (269)                          | 159                              |
| <b>Balance at the end of the period/year</b> | <b>5,645</b>                   | <b>5,970</b>                     |

## 25) NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS

|   | Group as at                    |                                  | Trust as at                    |                                  |
|---|--------------------------------|----------------------------------|--------------------------------|----------------------------------|
|   | 30 June<br>2022<br>(Unaudited) | 31 December<br>2021<br>(Audited) | 30 June<br>2022<br>(Unaudited) | 31 December<br>2021<br>(Audited) |
| <b>Net asset value attributable to unitholders</b>  |                                |                                  |                                |                                  |
| Total net asset value attributable to unitholders (\$'000)  | 1,211,714                      | 1,240,395                        | 1,392,262                      | 1,389,924                        |
| Total number of units in issue used in calculation of net asset value per unit attributable to unitholders ('000) | 1,806,355                      | 1,806,355                        | 1,806,355                      | 1,806,355                        |
| <b>Net asset value per unit attributable to unitholders (\$)</b>  | <b>0.67</b>                    | <b>0.69</b>                      | <b>0.77</b>                    | <b>0.77</b>                      |

As at 30 June 2022, the Group had negative working capital of \$47.3 million (31 December 2021: \$37.6 million). This includes contract liabilities of \$34.5 million representing collections received in advance from subscribers, net of contract costs, which do not require any future cash outflow from the Group (31 December 2021: \$36.2 million).

After adjusting for these amounts, the Group would have negative working capital of \$12.8 million (31 December 2021: \$1.5 million). The Group has committed undrawn debt facilities of \$86.6 million (31 December 2021: \$84.5 million) which can be drawn to address any shortfall in working capital requirements.

The Group believes that it has adequate working capital for its present requirements and that its existing debt 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 that serve approximately 684,000 cable TV RGUs as at 30 June 2022, with more than 168 channels of exciting local and international content on its digital TV platforms in Taiwan. The Group had previously renewed its cable TV licences in 2008 and 2009. Following the Cable Law amendments to accelerate digitisation and analogue broadcasting switch-off, the renewal period of the Group's cable TV licences were extended to 12 years, making the next renewal periods in 2020 and 2021. The Group completed the digitisation of its subscriber base across all five franchise areas in 2017 and switched off analogue TV broadcasting. In 2020 and 2021, following the respective renewal application submissions with the NCC, all five of the Group's cable TV licences have been successfully renewed until 2029 and 2030. 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 \$72.0 million for the half-year ended 30 June 2022 (year ended 31 December 2021: \$203.9 million);
- In view of the steady operating cash flows generated, successful refinancing history, good credibility over the past years and full compliance with the requirements as stipulated in the debt facilities, the Trustee-Manager is confident it can refinance such debt facilities when required; and
- The Trustee-Manager has carefully monitored and managed its cash flows. Management and operation reports are prepared and reviewed on a monthly basis and cash flow forecasts are prepared on a quarterly basis to project cash flow requirements of the Group using various general and operational assumptions.

## 26) EARNINGS PER UNIT

| Group  | Quarter ended 30 June |                     | Half-year ended 30 June |                     |
|--|-----------------------|---------------------|-------------------------|---------------------|
|  | 2022<br>(Unaudited)   | 2021<br>(Unaudited) | 2022<br>(Unaudited)     | 2021<br>(Unaudited) |
| Weighted average number of units in issue ('000)                     | 1,806,355             | 1,806,355           | 1,806,355               | 1,806,355           |
| Profit after income tax attributable to unitholders of APTT (\$'000) | 11,505                | 7,686               | 23,607                  | 14,970              |
| <b>Basic and diluted earnings per unit (cents)</b>                   | <b>0.64</b>           | <b>0.43</b>         | <b>1.31</b>             | <b>0.83</b>         |

## 27) DISTRIBUTIONS

The Board of Directors of the Trustee-Manager has declared an ordinary interim distribution of 0.25 cents per unit for the quarter ended 30 June 2022.

|                               | Quarter ended 30 June |                     |
|-------------------------------|-----------------------|---------------------|
|                               | 2022                  | 2021                |
| Ordinary interim distribution | 0.25 cents per unit   | 0.25 cents per unit |
| Announcement date             | 12 August 2022        | 13 August 2021      |
| Ex-distribution date          | 15 September 2022     | 16 September 2021   |
| Record date                   | 16 September 2022     | 17 September 2021   |
| Date payable                  | 23 September 2022     | 24 September 2021   |

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

Distribution guidance for 2023 is expected to be announced when APTT releases its material business updates and key financial information for the third quarter of 2022.

### Historical distributions

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

| Distribution period | Six months ended  |          | March | Quarter ended     |           |          | Total         |
|---------------------|-------------------|----------|-------|-------------------|-----------|----------|---------------|
|                     | June              | December |       | June              | September | December |               |
| 2013                | 4.80 <sup>1</sup> | 4.13     |       |                   |           |          | 8.930         |
| 2014                | 4.12              |          |       |                   | 2.00      | 2.13     | 8.250         |
| 2015                |                   |          | 2.00  | 2.00              | 2.00      | 2.25     | 8.250         |
| 2016                |                   |          | 1.625 | 1.625             | 1.625     | 1.625    | 6.500         |
| 2017                |                   |          | 1.625 | 1.625             | 1.625     | 1.625    | 6.500         |
| 2018                |                   |          | 1.625 | 1.625             | 1.625     | 0.30     | 5.175         |
| 2019                |                   |          | 0.30  | 0.30              | 0.30      | 0.30     | 1.200         |
| 2020                |                   |          | 0.30  | 0.25              | 0.25      | 0.25     | 1.050         |
| 2021                |                   |          | 0.25  | 0.25              | 0.25      | 0.25     | 1.000         |
| 2022                |                   |          | 0.25  | 0.25 <sup>2</sup> |           |          | 0.500         |
| <b>Total</b>        |                   |          |       |                   |           |          | <b>47.355</b> |

<sup>1</sup> The first distribution period was from the APTT listing date, 29 May 2013, to 30 June 2013 and included a non-recurring payment of 1.64 cents per unit as excess cash at TBC at the time of APTT's listing that was only available for distribution as part of the first APTT distribution payment.

<sup>2</sup> To be paid on 23 September 2022

These interim financial statements do not reflect the distribution for the quarter ended 30 June 2022, which will be accounted for in total equity as an appropriation of retained earnings in the year ending 31 December 2022.

## 28) RELATED PARTY TRANSACTIONS

### (i) The Trustee-Manager

The Trustee-Manager, 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 Dynami which is a Singapore-incorporated company fully owned by Mr Lu Fang-Ming, the former Chairman of Asia Pacific Telecom Co., Ltd.

The Trustee-Manager has the dual responsibility of safeguarding the interests of unitholders and managing the business conducted by APTT. The Trustee-Manager manages APTT's business with an objective of providing unitholders with stable and sustainable distributions.

The following transactions occurred between APTT and the Trustee-Manager during the quarter and half-year:

| Amounts in \$'000    | Quarter ended 30 June |                     | Half-year ended 30 June |                     |
|----------------------|-----------------------|---------------------|-------------------------|---------------------|
|                      | 2022<br>(Unaudited)   | 2021<br>(Unaudited) | 2022<br>(Unaudited)     | 2021<br>(Unaudited) |
| Trustee-Manager fees | 1,835                 | 1,835               | 3,649                   | 3,649               |
| Distributions paid   | 26                    | 26                  | 52                      | 52                  |
| <b>Total</b>         | <b>1,861</b>          | <b>1,861</b>        | <b>3,701</b>            | <b>3,701</b>        |

The following significant balances remained outstanding between APTT and the Trustee-Manager at the end of the reporting period:

| Amounts in \$'000                        | As at                          |                                  |
|--|--------------------------------|----------------------------------|
|  | 30 June<br>2022<br>(Unaudited) | 31 December<br>2021<br>(Audited) |
| Base fees payable to the Trustee-Manager | 3,649                          | 3,710                            |

### (ii) Others

For the quarter and half-year ended 30 June 2022, the Trustee-Manager recovered ancillary charges amounting to \$0.1 million (30 June 2021: \$0.1 million) and \$0.2 million (30 June 2021: \$0.2 million) from the Trust.

The Group has not obtained a general mandate from unitholders for Interested Person Transactions.

## 29) EFFECTS OF SEASONALITY

There were no impacts on the Group's revenue arising from seasonality.

## 30) FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

There have been no changes in the financial risk management of the Group and the Group's overall capital risk management remained unchanged from the audited financial statements for the year ended 31 December 2021.

## 31) CONTINGENCIES

- (i) The Group has provided guarantees in favour of lenders under the Group's debt facilities as disclosed in Note 13.
- (ii) In the second quarter of 2021, one of TBC's programming vendors (the "Plaintiff") filed lawsuits against TBC claiming certain programming costs for 2020 amounting to NT\$336 million (approximately \$16.2 million). TBC had a contract in place for 2020 and 2021 with a content agent, who acquired content from programming vendors on behalf of TBC.

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As announced on 29 July 2022, TBC received a court judgement (the “Judgement”) for one of the lawsuits. The court accepted the Plaintiff’s claims and has ordered TBC to pay an amount of NT\$135 million (approximately \$6.5 million) as programming licence fees to the Plaintiff. TBC has discussed the Judgement with its attorneys and intends to appeal against the Judgement and will vigorously defend its position. TBC does not contest that the Plaintiff should be paid for its programming, however TBC has already paid all of the programming costs for 2020 under its contract with its content agent. The payment of programming costs has been recognised in the Group’s consolidated statement of profit or loss for the year ended 31 December 2020, as broadcast and production costs. However, the content agent has not made payment to the programming vendor in question that has filed the lawsuits. TBC continues to contest the three remaining lawsuits.

The Group is contingently liable for these claims which are either pending decision by the courts or are being contested, the outcomes of which are not presently determinable. TBC is vigorously defending these claims. The Group is of the view that this matter is between the content agent and programming vendor and that both parties will work towards reaching an agreement. The Group is of the view that no material loss will accrue to the Group under these claims, and the eventual liability, if any, will not have a material or adverse effect on the Group’s financial position and results of operations. No interruption of service is expected as a result of these lawsuits and the Judgement.

There were no other contingent liabilities or contingent assets as at 30 June 2022 and 31 December 2021 both at the Group and Trust level, except as disclosed above.

## **32) 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.

## **33) EVENTS AFTER THE REPORTING PERIOD**

Subsequent to the half-year ended 30 June 2022:

- (i) The Group entered into additional TAIBOR interest rate swaps with notional value of NT\$3.8 billion. Together with the existing interest rate swaps, TAIBOR swaps now hedge approximately 93% of the outstanding Onshore Facilities through to 30 June 2025. The average fixed rate on all TAIBOR swaps is 0.94%.
- (ii) The Trustee-Manager announced on 29 July 2022 that TBC received a court judgement for one of the lawsuits. Refer to Note 31 for more details.

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# ADDITIONAL SGX-ST LISTING MANUAL DISCLOSURE REQUIREMENTS

## (i) Announcement of financial statements

Pursuant to Rule 705(2) of the SGX-ST Listing Manual, the financial statements for the quarter and half-year ended 30 June 2022 have been disclosed within 45 days after the end of the relevant financial period.

## (ii) 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.

## (iii) Review by independent auditor

The interim financial statements for the half-year ended 30 June 2022 have been reviewed by the Group's auditors, Deloitte & Touche LLP, in accordance with *International Standard on Review Engagements 2410*. The extract of the review report dated 12 August 2022 on the condensed interim financial statements for the half-year ended 30 June 2022 is attached to this announcement.

## (iv) Basis of preparation

The Group has applied the same accounting policies and methods of computation in the preparation of the interim financial statements for the current period as specified in the audited financial statements of the Group for the year ended 31 December 2021, except for the adoption of new and revised IFRS (including its consequential amendments) and interpretations which are effective for the financial period beginning on or after 1 January 2022. Refer Notes 2, 3 and 4 for more details.

## (v) Functional and presentation currency

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

## (vi) Rounding of amounts in the financial statements

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

## (vii) 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.

## (viii) Forecast or prospect statement

All variances between forecasts or prospect statements ("Prospect Statement") made in previous results announcements, if any, and actual results have been explained in the report summary on pages 2 to 6 and throughout this report. The variances did not warrant that a profit warning or similar announcement be released.

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

On behalf of the Board of Directors of 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 half-year ended 30 June 2022 to be false or misleading in any material aspect.

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



**Yong Lum Sung**  
Chair and Independent Director



**Brian McKinley**  
Chief Executive Officer and Executive Director

Singapore  
12 August 2022



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## DISCLAIMERS

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

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

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

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

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

12 August 2022

The Board of Directors  
APTT Management Pte. Limited  
As Trustee-Manager of Asian Pay Television Trust  
150 Beach Road  
#35-39, The Gateway West,  
Singapore 189720

Dear Sirs

## **ASIAN PAY TELEVISION TRUST**

### **REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2022**

#### **Introduction**

We have reviewed the accompanying condensed interim financial statements of Asian Pay Television Trust (“APTT” or the “Trust”) and its subsidiaries (the “Group”) which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Trust as of 30 June 2022, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Trust for the half-year then ended, selected notes and other explanatory notes (“condensed interim financial statements”) as set out on pages 4 to 31.

APTT Management Pte. Limited (the “Trustee-Manager”) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting* (“IAS 34”). Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

#### **Scope of review**

We conducted our review in accordance with International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with IAS 34.

**Restriction on use**

The interim financial statements are prepared for the Trust to meet the requirements of paragraph 3 of Appendix 7.2 of the Singapore Exchange Limited Listing Manual. As a result, the interim financial statements may not be suitable for another purpose. Our report is intended solely for the Board of Directors and should not be used by parties other than the Board of Directors.

*Deloitte & Touche NP*

Public Accountants and  
Chartered Accountants

Singapore