



NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim condensed consolidated financial statements of the company have been prepared by and are the responsibility of the company's management.

No auditor has performed a review of these financial statements.

"Kyrill Classen"

Chief Financial Officer

Dated as of the 25th day of May 2016

Asian Television Network International Limited

Unaudited Interim Condensed Consolidated Income Statements
For the three months ended March 31, 2016 and March 31, 2015

	Note	Three months ended March 31,	
		2016	2015
Operating revenue	4	\$ 6,091,874	\$ 6,226,883
Operating expenses			
Administrative expenses		527,422	508,162
Marketing and distribution costs	6	3,985,702	4,005,937
Employee costs		1,079,979	1,027,533
Depreciation and amortization	5	203,726	173,995
Finance costs		10,645	15,101
(Gain) loss on foreign exchange differences		(9,212)	27
Total operating expenses		5,798,262	5,730,755
Income before tax		293,612	496,128
Income tax expense	12	92,959	134,682
Net income for the period		\$ 200,653	\$ 361,446
Earnings per share			
Basic	8	\$ 0.01	\$ 0.01
Diluted	8	\$ 0.01	\$ 0.01

See accompanying notes.

Asian Television Network International Limited

Unaudited Interim Condensed Consolidated Statements of Comprehensive Income
For the three months ended March 31, 2016 and March 31, 2015

	Note	Three months ended March 31,	
		2016	2015
Net income for the period		\$ 200,653	\$ 361,446
Other comprehensive income		-	-
Comprehensive income for the period		\$ 200,653	\$ 361,446

See accompanying notes.

Asian Television Network International Limited

Unaudited Interim Condensed Consolidated Statements of Financial Position

As at March 31, 2016 and December 31, 2015

	Note	2016	2015
Current assets			
Cash and cash equivalents	16	\$ 7,491,251	\$ 7,746,270
Short-term investments	17	533,248	533,248
Trade and other receivables		3,695,135	3,988,198
Income taxes recoverable		62,675	-
Prepaid expenses		442,728	209,395
Total current assets		12,225,037	12,477,111
Non-current assets			
Plant and equipment	10	3,281,578	3,280,937
Intangible assets	11	137,262	197,221
Other long-term assets		70,762	62,266
Total non-current assets		3,489,602	3,540,424
TOTAL ASSETS		\$ 15,714,639	\$ 16,017,535
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	15	\$ 3,957,769	\$ 4,094,987
Bank indebtedness	13	-	200,000
Income tax payable		-	4,527
Long-term debt - current portion	13	679,522	679,522
Finance lease obligation - current portion	14	8,759	8,589
Total current liabilities		4,646,050	4,987,625
Non-current liabilities			
Deferred tax liabilities		27,264	17,103
Long-term debt	13	509,633	679,514
Finance lease obligation	14	25,153	27,407
TOTAL LIABILITIES		5,208,100	5,711,649
SHAREHOLDERS' EQUITY		10,506,539	10,305,886
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 15,714,639	\$ 16,017,535

Commitments and contingencies (Note 19)

See accompanying notes.

On behalf of the Board:

Signed
Dr. Shan Chandrasekar
Director

Signed
Prakash Naidoo
Director

Asian Television Network International Limited

Unaudited Interim Condensed Consolidated Statements of Changes in Shareholders' Equity
For the three months ended March 31, 2016 and March 31, 2015

	Note	Common shares amounts	Number of common shares	Retained earnings	Total shareholders' equity
Balances, January 1, 2016		\$ 6,025,852	24,402,914	\$ 4,280,034	\$ 10,305,886
Net income for the period		-	-	200,653	200,653
Dividends paid or payable	9	-	-	-	-
Balances, March 31, 2016	7	\$ 6,025,852	24,402,914	\$ 4,480,687	\$ 10,506,539

Balances, January 1, 2015		\$ 6,025,852	24,402,914	\$ 4,369,426	\$ 10,395,278
Net income for the period		-	-	361,446	361,446
Dividends paid or payable	9	-	-	(488,058)	(488,058)
Balances, March 31, 2015	7	\$ 6,025,852	24,402,914	\$ 4,242,814	\$ 10,268,666

See accompanying notes.

Asian Television Network International Limited

Unaudited Interim Condensed Consolidated Statements of Cash flows
For the three months ended March 31, 2016 and March 31, 2015

	Note	Three months ended March 31,	
		2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income for the period		\$ 200,653	\$ 361,446
Adjustments for:			
Depreciation and amortization		203,726	173,995
Finance costs		10,645	15,101
Income tax expense	12	92,959	134,682
Changes in working capital:			
Decrease in trade and other receivables		293,063	232,365
Increase in prepaid expenses		(241,829)	(194,069)
Increase (decrease) in accounts payable and accrued liabilities		350,840	721,713
Payment of finance costs		(10,645)	(15,101)
Payment of income taxes		(150,000)	(2,680)
NET CASH FLOWS FROM OPERATING ACTIVITIES		749,412	1,427,452
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments to acquire property and equipment		(138,302)	(144,617)
Payments to acquire intangible assets		(6,106)	-
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(144,408)	(144,617)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of finance lease obligation		(2,084)	(1,929)
Repayment of bank indebtedness		(200,000)	
Repayment of long-term debt		(169,881)	(169,883)
Payments of dividends		(488,058)	(488,058)
NET CASH FLOWS USED IN FINANCING ACTIVITIES		(860,023)	(659,870)
Net (decrease) increase in cash and cash equivalents		(255,019)	622,965
Cash and cash equivalents at beginning of period		7,746,270	7,872,032
Cash and cash equivalents at end of period		\$ 7,491,251	\$ 8,494,997

See accompanying notes.

Asian Television Network International Limited

Notes to Unaudited Interim Condensed Consolidated Financial Statements

1 Nature of Business

Asian Television Network International Limited ("ATN" or the "Company") is incorporated under the laws of the province of Ontario and its shares are traded on the TSX Venture Exchange. The Company's executive offices are located at 330 Cochrane Drive, Markham, Ontario, Canada L3R 8E4. Its activities consist primarily of specialty, pay television broadcasting and television broadcasting advertising primarily aimed at the South Asian community in Canada. ATN is the ultimate parent of the group of companies.

2 Summary of Significant Accounting Policies

a. Statement of Compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB") and on a basis consistent with the accounting policies disclosed in the annual audited consolidated financial statements for the year ended December 31, 2015. These unaudited interim condensed consolidated financial statements of ATN for the three months ended March 31, 2016 were approved by the Audit Committee on May 25, 2016.

b. Basis of Presentation

These unaudited interim condensed consolidated financial statements include the accounts of Asian Television Network International Limited and its subsidiaries. The notes presented in these unaudited interim condensed consolidated financial statements include in general only significant changes and transactions occurring since the Company's last year end, and are not fully inclusive of all disclosures required by IFRS for annual financial statements. These unaudited interim condensed consolidated financial statements should be read in conjunction with the annual audited consolidated financial statements, including the notes thereto, for the year ended December 31, 2015.

These unaudited interim condensed consolidated financial statements follow the same accounting policies and methods of application as the annual audited consolidated financial statements for the year ended December 31, 2015.

Asian Television Network International Limited

Notes to Unaudited Interim Condensed Consolidated Financial Statements

2 Summary of Significant Accounting Policies - continued

b. Basis of Presentation - continued

Future Accounting Changes

IFRS 9

Financial Instruments ("IFRS 9") was issued and will replace IAS 39 – Financial Instruments: Recognition and Measurement. This standard introduces new requirements for classifying and measuring financial assets and liabilities. IFRS 9, which will be applied retrospectively, is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted.

IFRS 15

The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. The new standard is effective for fiscal years ending on or after December 31, 2018 and is available for early adoption.

3 Segment Information

Management has determined the Company has one operating segment.

4 Operating revenue

	Three months ended March 31,	
	2016	2015
Subscription	\$ 4,764,203	\$ 5,165,195
Advertising	1,165,340	929,684
Programming	148,395	107,933
Finance income	13,936	24,071
Total	\$ 6,091,874	\$ 6,226,883

Asian Television Network International Limited

Notes to Unaudited Interim Condensed Consolidated Financial Statements

5 Depreciation and amortization

Depreciation and amortization for the period is recognized in the consolidated income statements as follows:

	Three months ended March 31,	
	2016	2015
Depreciation - furniture and fixtures	\$ 5,554	\$ 6,790
Depreciation - leasehold improvements	7,583	7,583
Depreciation - IT equipment	17,375	13,698
Depreciation - broadcast equipment	107,149	115,637
Amortization - intangible assets	66,065	30,287
Total depreciation and amortization	\$ 203,726	\$ 173,995

6 Marketing and Distribution Costs

	Three months ended March 31,	
	2016	2015
Programming and broadcast costs	\$ 3,406,994	\$ 3,525,635
Satellite and fibre costs	387,581	380,788
Advertising	65,510	61,374
Marketing and other distribution costs	125,617	38,140
Total	\$ 3,985,702	\$ 4,005,937

7 Share Capital

Issued capital

The Company has authorized an unlimited number of Class "A" preference shares with a \$0.12 cumulative dividend, payable on the third anniversary date from issuance, are non-voting, redeemable at the amount paid thereon, retractable at the amount paid thereon after the third anniversary date from issuance, convertible at the rate of \$225,000 of preference shares in exchange for 1% issued and outstanding common shares of which there are none outstanding.

The Company has authorized an unlimited number of Class "B" preference shares which have non-cumulative dividends, are non-voting, and are redeemable and retractable at the amount paid thereon, of which none are outstanding.

The Company has authorized an unlimited number of common shares with no par value. The following details the changes in issued and outstanding common shares for the periods ended March 31, 2016 and December 31, 2015:

Common shares	Number	Dollar amount
Balance, December 31, 2014	24,402,914	\$ 6,025,852
Issued, repurchased and cancelled shares	-	-
Balance, December 31, 2015	24,402,914	6,025,852
Issued, repurchased and cancelled shares	-	-
Balance, March 31, 2016	24,402,914	\$ 6,025,852

Asian Television Network International Limited

Notes to Unaudited Interim Condensed Consolidated Financial Statements

8 Earnings per Share

The following table sets forth the computation of basic and diluted earnings per share for the comparable periods:

	Three months ended March 31,	
	2016	2015
Numerator for basic and diluted earnings per share available to common shareholders		
Net income attributable to common shareholders	\$ 200,653	\$ 361,446
Denominator for basic earnings per share - weighed average number of shares outstanding		
Effect of dilutive securities	24,402,914	24,402,914
Potential dilutive common shares		
	-	-
Denominator for dilutive earnings per share - adjusted weighted average shares		
	24,402,914	24,402,914
Basic and diluted earnings per share	\$ 0.01	\$ 0.01

9 Shareholders' Equity

The Board of Directors declared quarterly dividends on each common share outstanding as per schedule:

Dividends	Declaration date	Record date	Payment date	Dividend per share
Declared	03/24/2014	04/15/2014	04/30/2014	0.02
Declared	06/20/2014	07/15/2014	07/30/2014	0.02
Declared	09/03/2014	10/15/2014	10/31/2014	0.02
Declared	12/02/2014	01/15/2015	01/31/2015	0.02
Declared	03/10/2015	04/15/2015	04/30/2015	0.02
Declared	06/12/2015	07/15/2015	07/31/2015	0.02
Declared	09/08/2015	10/15/2015	10/31/2015	0.02
Declared	12/06/2015	01/15/2016	01/31/2016	0.02
Declared	04/01/2016	04/15/2016	04/30/2016	0.02

Asian Television Network International Limited

Notes to Unaudited Interim Condensed Consolidated Financial Statements

10 Plant and equipment

	March 31, 2016			December 31, 2015		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Furniture and fixtures	235,124	126,720	108,404	235,124	121,166	113,958
IT equipment	489,779	340,726	149,053	483,779	323,351	160,428
Broadcast equipment	6,214,053	3,548,430	2,665,623	6,081,751	3,441,281	2,640,470
Leasehold improvements	454,980	96,482	358,498	454,980	88,899	366,081
	\$ 7,393,936	\$ 4,112,358	\$ 3,281,578	\$ 7,255,634	\$ 3,974,697	\$ 3,280,937

Changes in the net carrying amounts of plant and equipment can be summarized as follows:

	January 1, 2016				March 31, 2016
	Net book value	Additions	Disposals	Depreciation	Net book value
Furniture and fixtures	113,958	-	-	(5,554)	108,404
IT equipment	160,428	6,000	-	(17,375)	149,053
Broadcast equipment	2,640,470	132,302	-	(107,149)	2,665,623
Leasehold improvements	366,081	-	-	(7,583)	358,498
	\$ 3,280,937	\$ 138,302	\$ -	\$ (137,661)	\$ 3,281,578

Changes in the net carrying amounts of plant and equipment can be summarized as follows:

	January 1, 2015				December 31, 2015
	Net book value	Additions	Disposal	Depreciation	Net book value
Furniture and fixtures	135,796	5,651	-	(27,489)	113,958
IT equipment	92,541	129,751	-	(61,864)	160,428
Broadcast equipment	3,051,733	57,084	-	(468,347)	2,640,470
Leasehold improvements	396,413	-	-	(30,332)	366,081
	\$ 3,676,483	\$ 192,486	\$ -	\$ (588,032)	\$ 3,280,937

Asian Television Network International Limited

Notes to Unaudited Interim Condensed Consolidated Financial Statements

11 Intangible assets

	March 31, 2016			December 31, 2015		
	Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
Broadcast license	\$ 407,593	\$ 270,331	\$ 137,262	\$ 401,487	\$ 204,266	\$ 197,221
	\$ 407,593	\$ 270,331	\$ 137,262	\$ 401,487	\$ 204,266	\$ 197,221

Changes in the net carrying amounts of intangible assets can be summarized as follows:

	January 1, 2016			March 31, 2016		
	Net book value	Additions	Amortization	Disposals / Other	Net book value	
Broadcast license	\$ 197,221	\$ 6,106	\$ (66,065)	\$ -	\$ 137,262	
	\$ 197,221	\$ 6,106	\$ (66,065)	\$ -	\$ 137,262	

Changes in the net carrying amounts of intangible assets can be summarized as follows:

	January 1, 2015			December 31, 2015		
	Net book value	Additions	Amortization	Disposals / Other	Net book value	
Broadcast license	\$ 35,233	\$ 342,766	\$ (180,778)	\$ -	\$ 197,221	
	\$ 35,233	\$ 342,766	\$ (180,778)	\$ -	\$ 197,221	

12 Income tax expense

	Three months ended March 31,	
	2016	2015
Current	\$ 82,798	\$ 137,921
Deferred	10,161	(3,239)
Total	\$ 92,959	\$ 134,682

Asian Television Network International Limited

Notes to Unaudited Interim Condensed Consolidated Financial Statements

13 Long-term Debt

The components of the Company's long-term debt are as follows:

	March 31, 2016	December 31, 2015
Canadian bank prime rate loan	\$ 1,189,155	\$ 1,359,036
Less: current portion	(679,522)	(679,522)
	\$ 509,633	\$ 679,514

Principal repayments are due as follows:

For the year ending

2016	\$ 509,637
2017	<u>679,518</u>
	\$ 1,189,155

During 2012, the Company established a \$4,000,000 non-revolving credit term facility (the "Facility") with a Canadian financial institution. The interest rate applicable to the Facility available from the Canadian financial institution is the chartered bank's prime rate. The Company made an initial draw on the Facility in the amount of \$3,397,608. The proceeds were used to purchase certain Property and Equipment. The outstanding undrawn portion of this Facility of \$602,392 was cancelled at December 31, 2013. This Facility is subject to certain covenants, repayable in equal monthly installments of principal plus interest, amortized over 5 years. The collateral for this Facility is a security agreement on the Property and Equipment that was acquired by the funds of this Facility.

The Company has an authorized line of credit (the "Line") of a maximum of \$500,000 at a Canadian financial institution. The interest rate applicable to the Line available from the Canadian financial institution is the chartered bank's prime rate plus 0.5%, per annum. \$500,000 remained unused as at March 31, 2016 (December 31, 2015 - \$300,000). The credit agreement includes standard terms and conditions and the line is secured by term deposits held by the financial institution.

14 Finance Lease Obligations

Finance lease obligation is secured by the specific equipment being financed, bears interest at 7.87% per annum and has monthly payments of \$926 and matures on September 1, 2019.

	March 31, 2016	December 31, 2015
Finance lease obligations	\$ 33,912	\$ 35,996
Less: current portion of Finance lease obligations	(8,759)	(8,589)
	\$ 25,153	\$ 27,407

Asian Television Network International Limited

Notes to Unaudited Interim Condensed Consolidated Financial Statements

15 Accounts payable and accrued liabilities

	March 31, 2016	December 31, 2015
Accounts and other payable	\$ 3,625,184	\$ 3,251,686
Accrued expense	332,585	355,243
Dividends payable	-	488,058
Total	\$ 3,957,769	\$ 4,094,987

16 Cash and Cash Equivalents

	March 31, 2016	December 31, 2015
Cash on hand	\$ 500	\$ 500
Bank balances	990,751	1,245,770
Short-term deposits	6,500,000	6,500,000
Total	\$ 7,491,251	\$ 7,746,270

17 Short-term investments

Short-term investments are Guaranteed Investment Certificates held in major Canadian financial institutions with an original maturity of more than 3 months.

18 Financial Instruments

The carrying value of cash and cash equivalents, short-term investments, trade and other receivables, and accounts payable and accrued liabilities approximate their fair values because of the short-term nature of these financial instruments.

The carrying value of the bank credit facility when amounts are drawn approximates its fair value due to the market interest rates applicable on these financial instruments.

Fair value estimates are made at a specific point in time based on relevant market information and information about the financial instruments. The estimates are subjective in nature and involve uncertainties and matters of judgment. Changes in assumptions could significantly affect these statements.

The Company provides disclosure of the three-level hierarchy that reflects the significance of the inputs used in making the fair value measurements. The fair value of financial assets and financial liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. The fair value of financial assets and financial liabilities in Level 2 include valuations using inputs based on observable market data, either directly or indirectly, other than the quoted prices. Level 3 valuations are based on inputs that are not based on observable market data. There were no material financial instruments categorized in Level 3 (valuation technique using non-observable market inputs) as at March 31, 2016 or December 31, 2015.

There were no changes in categorization of financial assets and liabilities into the three levels of the fair value hierarchy during the 3 months ended March 31, 2016.

Asian Television Network International Limited

Notes to Unaudited Interim Condensed Consolidated Financial Statements

18 Financial Instruments - continued

The following table outlines the hierarchy of inputs used in the calculations of fair value for each financial instrument:

Description	Total	Level 1	Level 2	Level 3
		Quoted prices in active market for identical assets	Significant other observable inputs	Significant other unobservable inputs
Financial assets at fair value through net income for the period:				
Cash and cash equivalents	\$ 7,491,251	\$ 7,491,251	\$ -	\$ -
Held-to-maturity				
Short-term investments	533,248	533,248	-	-
Loans and receivables:				
Accounts receivable	3,695,135	-	3,695,135	-
Other liabilities at cost:				
Accounts payable and accrued liabilities	(3,957,769)	-	(3,957,769)	-
Current and long-term debt	(1,223,067)	-	(1,223,067)	-

19 Commitments

Our material obligations under firm contractual arrangements are summarized below at March 31, 2016. See also Note 18 to the 2015 Audited Consolidated Financial Statements.

Obligations	2016	2017	2018	2019	After 2019	Totals
Lease commitments	\$ 604,442	\$ 557,503	\$ 567,651	\$ 561,978	\$ 1,323,838	\$ 3,615,412
Purchase commitments	956,113	1,111,811	726,600	117,640	117,640	3,029,804
Totals	\$ 1,560,555	\$ 1,669,314	\$ 1,294,251	\$ 679,618	\$ 1,441,478	\$ 6,645,216