PACIFIC CENTURY REGIONAL DEVELOPMENTS LIMITED

(Incorporated in the Republic of Singapore)
Company Registration No. 196300381N

ANNOUNCEMENT

PROPOSED DISTRIBUTION *IN SPECIE* OF SHARE STAPLED UNITS OF THE HKT TRUST AND HKT LIMITED

RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS

1. INTRODUCTION

The Board of Directors (the "**Board**") of Pacific Century Regional Developments Limited ("**PCRD**" or the "**Company**") refers to its announcements dated 12 August 2022 and 25 September 2022 and the circular to Shareholders dated 25 September 2022 (the "**Circular**") in relation to the proposed distribution *in specie* of share stapled units jointly issued by the HKT Trust and HKT Limited (the "**HKT SSUs**", and the proposed distribution, the "**Proposed Distribution**").

Unless otherwise defined, all capitalised terms used herein shall bear the same meanings ascribed to them in the Circular.

2. RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS

The Board would like to thank all Shareholders who have submitted their questions in advance of the extraordinary general meeting (the "**EGM**") to be convened and held, in a wholly physical format, at Raffles Town Club, Dunearn Room III, Level 1, 1 Plymouth Avenue, Singapore 297753 on Monday, 10 October 2022 at 10.00 a.m. (Singapore time), for the purpose of considering, and if thought fit, passing the resolution in relation to the Proposed Distribution.

The Company's responses to the substantial and relevant questions received can be found in the **Appendix** to this Announcement.

By Order of the Board

Lim Beng Jin
Company Secretary
5 October 2022

Appendix

Unless otherwise defined, all capitalised terms used and not defined herein shall have the same meanings given to them in the Circular. For brevity, similar and overlapping questions have been grouped together and will not be responded individually; some questions have also been edited for clarity.

HKT Limited ("**HKT**") is a 51.91% subsidiary of the Company's 22.66% associated company, PCCW Limited ("**PCCW**"), both of which are listed on The Stock Exchange of Hong Kong Limited ("**HKSE**"). The following responses should be read in the context of HKT as a subsidiary of PCCW and an indirect associated company of PCRD.

1.	**What is the present and future outlook of HKT?**
	Please refer to the summary of financial information on the performance of HKT and the distributions to its unitholders for the financial years 31 December 2021, 31 December 2020 and 31 December 2019 on page 9 of the Circular. We would also refer Shareholders to the report of Interim Results of HKT for the six months ended 30 June 2022 (www.hkt.com) which provides details of HKT's future outlook.
2.	**The share price of HKT has dropped by more than 10% in the past month. What is the reason for this performance?**
	HKT is a separate legal entity, distinct from the Company, listed on the HKSE. Therefore, the Company is not able to comment on the performance of HKT's share price. Notwithstanding the above, the Company is not aware of any particular reason which may have impacted the share price of the HKT SSUs over the past month other than general market sentiments and conditions.
3.	**The company has given shareholders dividends of more than 3 cents per year over the past few years. After the Proposed Distribution, will the company continue to give shareholders dividends of more than 3 cents per year?**
	The Company currently does not have a fixed dividend policy. The form, frequency and amount of dividends depends on factors such as the Company's earnings and results, cash flow and capital requirements, general business conditions, investments activities and development plans. Any dividends are subject to approval by PCRD's board and its shareholders.
4.	**What is the rationale for the Proposed Distribution?**
	Please refer to the rationale for the Proposed Distribution set out in paragraph 3 on pages 9 and 10 of the Circular. Having considered the terms of and the rationale for the Proposed Distribution as set out in the Circular, the directors of the Company believe that the Proposed Distribution is in the best interests of the Company and its shareholders.

5.	**What is the percentage of HKT shares traded on a daily basis? What is the free float of the HKT shares?**
	A company's float is a measure of the number of shares available for trading by the public. This is calculated by taking the number of issued and outstanding shares minus any restricted stock, which may not be publicly traded. PCRD presently holds 1.92% of the HKT SSUs directly before the Proposed Distribution. HKT is a 51.91% subsidiary of PCCW which is a 22.66% associated company of PCRD. The Issued units of HKT SSUs as at 30 June 2022 is 7,579,742,334 (www.hkt.com). For further general information on the liquidity and daily trading volume of HKT SSUs (Stock code: 6823.HK), Shareholders may refer to publicly available information and online sources.
6.	**Will the HKT shares held indirectly by Pacific Century be distributed to shareholders in the Proposed Distribution? If not, will such HKT shares be distributed to Pacific Century shareholders in the future?**
	We assume the reference to “Pacific Century” in this query means PCRD. PCRD will only be distributing up to 132,407,510 HKT SSUs, which it directly holds, in respect of the Proposed Distribution. HKT SSUs are also directly held by PCCW (a 22.66% associated company of PCRD) which is a separate legal entity from PCRD. As such, PCRD is not able to comment on the distribution plans of these HKT SSUs held directly by PCCW.
7.	**In recent times, the USD has strengthened quite significantly against many currencies. How would the business of HKT be affected by the strengthening of the USD?**
	HKT is a separate legal entity, distinct from the Company, listed on the HKSE and subject to the listing rules of the HKSE. The Hong Kong Dollar is pegged to the US Dollar. Please refer to the report of Interim Results of HKT for the six months ended 30 June 2022 and HKT’s 2021 Annual Report (www.hkt.com) which provide analysis of HKT’s hedging and impacts of market risk arising from foreign currency and interest rate exposure on HKT.
8.	**In recent times, the interest rates in many countries have increased sizably. What is the current gearing level of HKT? How would the business of HKT be affected by the rise in interest rates?**
	HKT is a separate legal entity, distinct from the Company, listed on the HKSE and subject to the listing rules of the HKSE. Please refer to the report of Interim Results of HKT for the six months ended 30 June 2022 and HKT’s 2021 Annual Report (www.hkt.com) which provide analysis of HKT’s hedging and impacts of market risk arising from foreign currency and interest rate exposure to HKT, as well as the gearing level of HKT.
9.	**In recent times, there has been a rise in geopolitical tensions. How would the business of HKT be affected by the rise in geopolitical tensions?**
	HKT is a separate legal entity, distinct from the Company, listed on the HKSE and subject to the listing rules of the HKSE. HKT makes all necessary and required disclosures on risks.