

PACIFIC CENTURY REGIONAL DEVELOPMENTS LIMITED

Company Registration No. 196300381N

First Quarter Financial Statements And Dividend Announcement for the Period Ended 31/03/2016

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

- 1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year

For the Group's Q1 results for the 3 months ended 31 March 2016, the Group's share of results of PCCW Limited ("PCCW") for Q1 2016 and the comparative figures for Q1 2015 are not available as Hong Kong Stock Exchange listing rules do not require PCCW to announce quarterly results but only half year and full year results.

The Group's interest in PCCW is its most significant asset. The Group's 22.3% share of PCCW's results for the financial year ended 31 December 2015 amounted to S\$89.6 million, which was the most significant contribution to PCR Group's profit in 2015. These quarterly results, without any contribution from PCCW, should be considered in this context.

UNAUDITED CONSOLIDATED INCOME STATEMENT

	Group 3 months ended		
	31/03/2016 S\$'000	31/03/2015 S\$'000	% Increase/ (decrease)
Revenue	6,711	5,363	25.1
Other income (Note 1)	16	9	77.8
Expenses			
- Depreciation of property, plant and equipment	(17)	(13)	30.8
- Employee compensation	(403)	(295)	36.6
- Foreign exchange gain, net	288	28	928.6
- Legal and other professional fees	(394)	(237)	66.2
- Rental expense - operating leases	(91)	(91)	0.0
- Travelling expenses	(10)	(7)	42.9
- Subscriptions and donations	(56)	(4)	n.m.
- Others	(129)	(135)	(4.4)
- Finance expenses (Note 2)	(1,058)	(522)	102.7
Total expenses	(1,870)	(1,276)	46.6
Share of profit (loss) of associated corporations, net of tax	211	(103)	n.m.
Profit before income tax	5,068	3,993	26.9
Income tax expense (Note 3)	(1,141)	(912)	25.1
Total profit for the period	3,927	3,081	27.5
Attributable to equity holders of the Company	3,927	3,081	27.5

n.m. = not meaningful

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group 3 months ended		
	31/03/2016 S\$'000	31/03/2015 S\$'000	% Increase/ (decrease)
Total profit for the period	3,927	3,081	27.5
Other comprehensive income (loss):			
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale financial assets			
- Fair value gains (losses) (Note 4)	12,077	(3,191)	n.m.
Currency translation differences arising from consolidation			
- (Losses) gains, net	(11,183)	10,383	n.m.
Other comprehensive income, net of tax	894	7,192	(87.6)
Total comprehensive income for the period	4,821	10,273	(53.1)
Total comprehensive income attributable to equity holders of the Company	4,821	10,273	(53.1)

n.m. = not meaningful

	Group 3 months ended	
	31/03/2016 S\$'000	31/03/2015 S\$'000
(Note 1)		
Other income :		
Interest income	3	1
Management fee	3	-
Fair value loss on financial assets designated as fair value through profit or loss	-	(2)
Rental income	10	10
	16	9
(Note 2)		
Finance expenses :		
Interest expense		
- bank borrowings	(540)	(318)
- finance lease liability	(1)	-
Finance facility fees	(517)	(204)
	(1,058)	(522)

(Note 3)

Income tax expense :

The tax expense for Q1 2016 of \$1.1 million and Q1 2015 of \$0.9 million comprise mainly deferred tax provided on distributions from HKT Trust and HKT Limited ("HKT").

(Note 4)

Available-for-sale financial assets - Fair value gains :

The Group recorded a fair value gain of \$12.1 million in Q1 2016 mainly due to an increase in the market value of the Group's holding of Share Stapled Units ("SSUs") in HKT of \$18.1 million partially offset by a decrease in the fair value of the Group's holding of other financial assets of \$6.0 million.

The Group recorded a fair value loss of \$3.2 million in Q1 2015 mainly due to a decrease in the market value of the Group's holdings of SSUs in HKT of \$2.6 million.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

		Group		Company	
	Notes	31/03/2016	31/12/2015	31/03/2016	31/12/2015
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Current assets					
Cash and cash equivalents	1	23,331	69,760	17,178	63,484
Trade and other receivables	2	6,917	775	6,568	22
Other current assets		819	883	502	525
	7	<u>31,067</u>	<u>71,418</u>	<u>24,248</u>	<u>64,031</u>
Non-current assets					
Available-for-sale financial assets	3	283,849	281,248	247,191	237,213
Other receivables		-	-	1,899	-
Investments in associated corporations	4	761,892	767,029	983,442	1,018,100
Investments in subsidiary corporations		-	-	105,744	109,690
Property, plant and equipment		173	188	-	-
Other non-current assets		1,016	1,225	629	781
		<u>1,046,930</u>	<u>1,049,690</u>	<u>1,338,905</u>	<u>1,365,784</u>
Total assets		<u>1,077,997</u>	<u>1,121,108</u>	<u>1,363,153</u>	<u>1,429,815</u>
LIABILITIES					
Current liabilities					
Trade and other payables		4,782	4,777	11,876	55,853
Current income tax liabilities		-	5	-	-
Borrowings	5	114,312	162,028	114,296	116,503
	7	<u>119,094</u>	<u>166,810</u>	<u>126,172</u>	<u>172,356</u>
Non-current liabilities					
Borrowings		54	59	-	-
Deferred income tax liabilities	6	6,607	5,688	6,607	5,688
		<u>6,661</u>	<u>5,747</u>	<u>6,607</u>	<u>5,688</u>
Total liabilities		<u>125,755</u>	<u>172,557</u>	<u>132,779</u>	<u>178,044</u>
NET ASSETS		<u>952,242</u>	<u>948,551</u>	<u>1,230,374</u>	<u>1,251,771</u>
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital		457,283	457,283	457,283	457,283
Other reserves		239,503	238,609	58,760	83,375
Retained profits		255,456	252,659	714,331	711,113
Total equity		<u>952,242</u>	<u>948,551</u>	<u>1,230,374</u>	<u>1,251,771</u>

The Group

Note 1

Cash and cash equivalents decreased by \$46.4 million mainly due to repayment of borrowings of \$121.2 million, cost of share repurchases of \$1.1 million and payment of finance expenses of \$0.7 million, partially offset by proceeds from borrowings of \$77.6 million.

For more details, please refer to Section 1(c), statement of cash flows.

Note 2

Trade and other receivables increased by \$6.1 million mainly due to accrual of distributions from HKT of \$6.7 million.

Note 3

Available-for-sale financial assets increased by \$2.6 million mainly due to :

	S\$' million
A net fair value gain on the Company's holding of SSUs in HKT	10.0
Less:	
A decrease in the fair value of the Group's other available-for-sale financial assets	(7.2)
Refund of capital contribution from available-for-sale financial assets	(0.2)
	<u>2.6</u>

Note 4

Investments in associated corporations decreased by \$5.1 million mainly due to unrealised exchange loss of \$4.7 million on the Company's Hong Kong Dollar ("HKD") investments in PCCW reflecting the weakening of the HKD against the Singapore Dollar ("SGD").

Note 5

Borrowings decreased by \$47.7 million mainly due to net repayment of borrowings of \$43.6 million by the Company and a subsidiary corporation and an unrealised exchange gain of \$4.1 million on these HKD borrowings due to the weakening of the HKD against the SGD.

Note 6

Deferred income tax liabilities relates to deferred tax provided on distributions from HKT.

Note 7

	Group		Company	
	31/03/2016	31/12/2015	31/03/2016	31/12/2015
	S\$'000	S\$'000	S\$'000	S\$'000
Current assets	31,067	71,418	24,248	64,031
Current liabilities	119,094	166,810	126,172	172,356
Net current liabilities	<u>(88,027)</u>	<u>(95,392)</u>	<u>(101,924)</u>	<u>(108,325)</u>

The financial statements of the Company and the Group are prepared on a going concern basis as at 31 March 2016 and 31 December 2015 notwithstanding these net current liability positions, on the basis that the Company holds a significant number of quoted shares in PCCW and SSUs in HKT, which are frequently traded and whose market values are higher than their carrying values on the balance sheets of the Company and the Group as at 31 March 2016 and 31 December 2015.

The Group and Company also have available undrawn bank facilities to meet cashflow requirements should the need arise.

1(b)(ii) In relation to the aggregate amount of group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-

Amount repayable in one year or less, or on demand

As at 31/03/2016		As at 31/12/2015	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
114,312	-	162,028	-

Amount repayable after one year

As at 31/03/2016		As at 31/12/2015	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
54	-	59	-

Details of any collateral

	S\$' million
Carrying values of shares and SSUs pledged for bank borrowings comprise:	
- shares in PCCW	104.3
- SSUs in HKT	<u>85.1</u>
	<u>189.4</u>

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

Cash flow statement for the period ended 31 March

	Group	
	3 months ended	
Notes	31/03/2016	31/03/2015
	S\$'000	S\$'000
Cash flow from operating activities:		
Profit after tax	3,927	3,081
Adjustments for :		
- Income tax expense	1,141	912
- Depreciation of property, plant and equipment	17	13
- Dividend income	(6,711)	(5,363)
- Interest income	(3)	(1)
- Finance expenses	1,058	522
- Unrealised currency translation (gains) losses	(186)	53
- Fair value loss on financial assets designated as fair value through profit or loss	-	2
- Share of (profit) loss of associated corporations, net of tax	(211)	103
	(968)	(678)
Change in working capital:		
- Trade and other receivables	571	48
- Trade and other payables	52	(206)
Cash used in operations	(345)	(836)
Interest received	3	1
Income tax paid	(5)	-
Net cash used in operating activities	(347)	(835)
Cash flow from investing activities:		
Purchase of property, plant and equipment	(2)	(19)
Refund of capital contribution from available-for-sale financial assets	186	796
Net cash generated from investing activities	184	777
Cash flow from financing activities:		
Finance expenses	(716)	(522)
Proceeds from borrowings	1 77,569	44,166
Repayment of borrowings	1 (121,209)	(43,316)
Purchases of the Company's shares	(1,130)	(3,814)
Net cash used in financing activities	(45,486)	(3,486)
Net decrease in cash and cash equivalents	(45,649)	(3,544)
Cash and cash equivalents at beginning of period	69,760	14,978
Effects of currency translation on cash and cash equivalents	(780)	365
Cash and cash equivalents at end of period	23,331	11,799
Summary of cash and cash equivalents:		
Cash at bank and on hand	7,104	6,915
Short-term bank deposits	16,227	4,884
	23,331	11,799

Note 1

Net repayment of borrowings of \$43.6 million were the result of repayment of borrowings of \$121.2 million and borrowings of \$77.6 million by the Company and a subsidiary corporation.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Changes in equity for the period ended 31 March

The Group	Share capital S\$'000	Other reserves S\$'000	Retained profits S\$'000	Total equity S\$'000
Balance at 1 January 2016	457,283	238,609	252,659	948,551
Total comprehensive income for the period	-	894	3,927	4,821
Purchase and cancellation of shares	-	-	(1,130)	(1,130)
Balance at 31 March 2016	457,283	239,503	255,456	952,242

The Group	Share capital S\$'000	Other reserves S\$'000	Retained profits S\$'000	Total equity S\$'000
Balance at 1 January 2015	457,283	211,536	206,555	875,374
Total comprehensive income for the period	-	7,192	3,081	10,273
Purchase and cancellation of shares	-	-	(3,814)	(3,814)
Balance at 31 March 2015	457,283	218,728	205,822	881,833

- 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Changes in equity for the period ended 31 March

The Company	Share capital S\$'000	Other reserves S\$'000	Retained profits S\$'000	Total equity S\$'000
Balance at 1 January 2016	457,283	83,375	711,113	1,251,771
Total comprehensive (loss) income for the period	-	(24,615)	4,348	(20,267)
Purchase and cancellation of shares	-	-	(1,130)	(1,130)
Balance at 31 March 2016	457,283	58,760	714,331	1,230,374

The Company	Share capital S\$'000	Other reserves S\$'000	Retained profits S\$'000	Total equity S\$'000
Balance at 1 January 2015	457,283	10,361	675,606	1,143,250
Total comprehensive income for the period	-	38,364	6,261	44,625
Purchase and cancellation of shares	-	-	(3,814)	(3,814)
Balance at 31 March 2015	457,283	48,725	678,053	1,184,061

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

The Company's issued share capital as at 31 March 2016 and 31 December 2015 is summarised as follows: -

	31/03/2016		31/12/2015	
	No. of shares	\$	No. of shares	\$
Issued and paid up share capital including treasury shares	2,649,740,300	457,282,366	2,652,555,800	457,282,366
Issued and paid up share capital excluding treasury shares	2,649,740,300		2,652,555,800	

During Q1 2016, the Company purchased a total of 2,815,500 shares in the Company on the open market for a total consideration of \$1.1 million (including transaction costs), financed by internal funds and borrowings. These shares were cancelled immediately on purchase.

During Q1 2015, the Company purchased a total of 12,357,200 shares in the Company on the open market for a total consideration of \$3.8 million (including transaction costs), financed by internal funds and borrowings. These shares were cancelled immediately on purchase.

The Company does not have any convertibles or treasury shares as at 31 March 2016 and 31 March 2015.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	Number of shares	
	As at 31/03/2016	As at 31/12/2015
Issued ordinary shares	2,649,740,300	2,652,555,800
Less: Treasury shares	-	-
Issued ordinary shares, excluding treasury shares	2,649,740,300	2,652,555,800

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

NIL.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

N.A.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except for the adoption of new or amended Singapore Financial Reporting Standards as described in Section 5, the Group has applied the same accounting policies and methods of computation in these results as in the audited financial statements for the year ended 31 December 2015.

For the current results under review, the Group's share of results of PCCW for Q1 2016 and the comparative figures for Q1 2015 are not available as PCCW is not required to announce quarterly results in Hong Kong and it is only required under Hong Kong listing rules to report its H1 2016 results within three months of the end of the financial period.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

On 1 January 2016, the Group adopted certain new or amended Singapore Financial Reporting Standards (FRS) and Interpretations of FRS (INT FRS) that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Group and the Company, and had no material effect on the amounts reported for the current or prior financial years.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-

Group	31/03/2016	31/03/2015
Net profit attributable to equity holders of the Company (\$'000)	3,927	3,081
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	2,650,018	2,747,000
(i) Basic earnings per share (Cents per share)	0.148	0.112
(ii) On a fully diluted basis (Cents per share)	0.148	0.112

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is the same as basic earnings per share as there was no dilutive effect on earnings per share calculations due to the absence of any dilutive financial instruments during the period.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.**

	Group		Company	
	31/03/2016	31/12/2015	31/03/2016	31/12/2015
Net asset value (S\$'000)	952,242	948,551	1,230,374	1,251,771
Number of issued shares excluding treasury shares ('000)	2,649,740	2,652,556	2,649,740	2,652,556
Net asset value per ordinary share based on issued share capital at the end of the period	\$0.359	\$0.358	\$0.464	\$0.472

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

The Group's revenue mainly relates to declared distributions by HKT. The Group's revenue increased by 25% from \$5.36 million in Q1 2015 to \$6.71 million in Q1 2016.

Total expenses for Q1 2016 amounted to \$1.87 million compared to \$1.28 million for Q1 2015. The difference is mainly due to the following:-

- An increase of \$0.54 million in finance expenses from \$0.52 million in Q1 2015 to \$1.06 million in Q1 2016, mainly due to interest on increased bank borrowings.
- Increases in employee compensation and legal and professional fees of \$0.11 million and \$0.16 million respectively.
- The above increases were partially offset by an increase in net foreign exchange gain of \$0.26 million compared to Q1 2015.

The Group's share of profit of its 49.87% associated corporation, KSH Distriparks Private Limited, amounted to \$0.21 million in Q1 2016 as compared to a share of loss of \$0.10 million in Q1 2015.

The Group's results for Q1 2016 do not include the Group's share of results of PCCW. The Q1 2016 results of PCCW are not available as PCCW does not publish quarterly results in Hong Kong and is only required under Hong Kong listing rules to report its H1 2016 results within 3 months from the end of the financial period.

Without the Group's share of results for PCCW, the Group recorded a profit attributable to equity holders of \$3.93 million for Q1 2016 as compared to \$3.08 million for Q1 2015.

9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

N.A.

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The results of the Group are substantially dependent on the results of the Group's major investment, PCCW.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None

Name of Dividend

Dividend Type

Dividend Rate

Tax Rate

(c) The date the dividend is payable.

N.A.

(d) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

N.A.

12. If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared or recommended.

13. If the Group has obtained a general mandate from shareholders for Interested Person Transactions (IPTs), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has obtained a general mandate from the shareholders of the Company for interested person transactions in the Annual General Meeting held on 24 April 2015. During the financial period under review, the following interested person transactions were entered into by the Group:

Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
None	None, all IPTs below \$100,000

14. Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results).

The Directors have confirmed that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial results for the quarter ended 31 March 2016 to be false or misleading in any material aspect.

15. **Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**

The Company hereby confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1).

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

16. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

N.A.

17. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

N.A.

18. **A breakdown of sales**

N.A.

19. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-**

Total Annual Dividend:

	Latest Full Year 31/12/2015 S\$'000	Previous Full Year 31/12/2014 S\$'000
Ordinary	-	-
Preference	-	-
Total:	-	-

N.A.

20. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the prescribed format. If there are no such persons, the issuer must make an appropriate negative statement.**

N.A.

BY ORDER OF THE BOARD

Lim Beng Jin
Company Secretary
06/05/2016