

# PACIFIC CENTURY REGIONAL DEVELOPMENTS LIMITED

Company Registration No. 196300381N

## Half-Year Financial Statements And Dividend Announcement for the Period Ended 30/06/2021

### 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

*PCCW announced its half-year results for the 6 months ended 30 June 2021 on 6 August 2021. The Group's share of the results of PCCW for half-year 2021 and the comparative figures for half-year 2020 are included in the Group's half-year results for the 6 months ended 30 June 2021.*

### CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT

	6 months ended		% Increase/ (decrease)
	30/06/2021 S\$'000	30/06/2020 S\$'000	
Revenue (Note 1)	12,192	10,757	13.3
Other income (Note 2)	51	167	(69.5)
Expenses			
- Depreciation expenses	(163)	(196)	(16.8)
- Employee compensation	(1,192)	(1,211)	(1.6)
- Directors' fees	(163)	(148)	10.1
- Legal and other professional fees	(998)	(640)	55.9
- Travelling expenses	(44)	(221)	(80.1)
- Foreign exchange (loss) gain, net	(138)	872	n.m.
- Subscriptions and donations	(422)	(509)	(17.1)
- Others	(393)	(294)	33.7
- Finance expenses (Note 3)	(2,869)	(6,382)	(55.0)
Total expenses	(6,382)	(8,729)	(26.9)
Share of loss of associated corporations, net of tax	(11,834)	(23,549)	(49.7)
Loss on deemed dilution	-	(960)	n.m.
Loss before income tax	(5,973)	(22,314)	(73.2)
Income tax (expense) credit (Note 4)	(1,722)	1,497	n.m.
Total loss for the period	(7,695)	(20,817)	(63.0)
Attributable to equity holders of the Company	(7,695)	(20,817)	(63.0)

n.m. = not meaningful

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	6 months ended		
	30/06/2021 S\$'000	30/06/2020 S\$'000	% Increase/ (decrease)
Total loss for the period	(7,695)	(20,817)	(63.0)
Other comprehensive income (loss):			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation			
- Gains, net	4,560	24,876	(81.7)
Share of comprehensive loss of associated corporations	(3,692)	(3,545)	4.1
Loss on deemed dilution of an associated corporation	-	45	n.m.
	<u>868</u>	<u>21,376</u>	<u>(95.9)</u>
Items that will not be reclassified subsequently to profit or loss:			
Fair value gains on equity investments at fair value through other comprehensive income	29,710	2,443	1,116.1
Other comprehensive income, net of tax	<u>30,578</u>	<u>23,819</u>	28.4
Total comprehensive income for the period	<u>22,883</u>	<u>3,002</u>	662.3
Total comprehensive income attributable to equity holders of the Company	<u>22,883</u>	<u>3,002</u>	662.3

n.m. = not meaningful

### DETAILED NOTES - GROUP

	6 months ended	
	30/06/2021 S\$'000	30/06/2020 S\$'000
(Note 1)		
<b>Revenue :</b>		
Distributions from HKT Trust and HKT Limited (both collectively, "HKT")	10,240	10,591
Dividends from financial assets, at FVOCI	<u>1,952</u>	<u>166</u>
	<u>12,192</u>	<u>10,757</u>
(Note 2)		
<b>Other income :</b>		
Government grants	37	85
Interest income	4	76
Management fee	6	6
Other income	<u>4</u>	<u>-</u>
	<u>51</u>	<u>167</u>
(Note 3)		
<b>Finance expenses :</b>		
Interest expense		
- bank borrowings	(1,816)	(5,567)
- finance lease liability	(3)	(5)
Finance facility fees	<u>(1,050)</u>	<u>(810)</u>
	<u>(2,869)</u>	<u>(6,382)</u>
(Note 4)		
<b>Income tax (expense) credit :</b>		
The tax expense for the 6 months ended 30 June 2021 of \$1.7 million was mainly due to :		
Deferred tax expense provided on distributions from HKT		<u>S\$' million</u> <u>(1.7)</u>
The tax credit for the 6 months ended 30 June 2020 of \$1.5 million was mainly due to :		
The write back of deferred tax provision for distributions from HKT which were used to pay tax exempt dividend to equity holders of the Company		S\$' million 1.7
Withholding tax paid on interest expense for bank borrowings		<u>(0.2)</u>
		<u>1.5</u>

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

**CONDENSED INTERIM BALANCE SHEETS**

	Note	Group		Company	
		30/06/2021 S\$'000	31/12/2020 S\$'000	30/06/2021 S\$'000	31/12/2020 S\$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	1	17,210	8,174	11,892	3,053
Trade and other receivables		59	60	98	70
Other current assets		1,657	1,264	1,234	647
		<u>18,926</u>	<u>9,498</u>	<u>13,224</u>	<u>3,770</u>
Assets classified as held-for-sale	2, I	-	91,544	-	-
		<u>18,926</u>	<u>101,042</u>	<u>13,224</u>	<u>3,770</u>
<b>Non-current assets</b>					
Financial assets, at fair value through other comprehensive income ("FVOCI")	3, I	390,966	356,871	303,001	277,567
Investments in associated corporations	4	619,825	707,016	1,018,011	1,007,755
Investments in subsidiary corporations		-	-	205,130	198,127
Property, plant and equipment		860	164	-	-
Other non-current assets	5	2,765	1,679	2,423	1,265
		<u>1,014,416</u>	<u>1,065,730</u>	<u>1,528,565</u>	<u>1,484,714</u>
<b>Total assets</b>		<u>1,033,342</u>	<u>1,166,772</u>	<u>1,541,789</u>	<u>1,488,484</u>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables		3,855	4,270	226,170	153,886
Current income tax liabilities		15	42	-	-
Borrowings	6, K	294	113	-	-
		<u>4,164</u>	<u>4,425</u>	<u>226,170</u>	<u>153,886</u>
<b>Non-current liabilities</b>					
Borrowings	6, K	271,992	302,461	171,091	182,530
Deferred income tax liabilities	7	2,057	191	1,682	-
		<u>274,049</u>	<u>302,652</u>	<u>172,773</u>	<u>182,530</u>
<b>Total liabilities</b>		<u>278,213</u>	<u>307,077</u>	<u>398,943</u>	<u>336,416</u>
<b>NET ASSETS</b>		<u>755,129</u>	<u>859,695</u>	<u>1,142,846</u>	<u>1,152,068</u>
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders of the Company</b>					
Share capital	L	457,283	457,283	457,283	457,283
Other reserves		189,205	170,785	(16,985)	(37,193)
Retained profits		108,641	231,627	702,548	731,978
<b>Total equity</b>		<u>755,129</u>	<u>859,695</u>	<u>1,142,846</u>	<u>1,152,068</u>

## The Group

### Note 1

Cash and cash equivalents increased by \$9.0 million mainly due to :

	S\$' million
Proceeds from disposal of financial assets, at FVOCI	106.1
Dividends from financial assets, at FVOCI	2.0
Dividends from HKT and PCCW	79.3
	<u>187.4</u>
Less:	
Purchase of property, plant and equipment	(0.9)
Purchase of financial assets, at FVOCI	(13.4)
Net repayment of borrowings and lease payments	(37.7)
Net cash used in operating activities	(4.6)
Dividend paid to equity holders of the Company	(121.8)
Net increase in cash	<u>9.0</u>

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

### Note 2

Assets classified as held-for-sale decreased by \$91.5 million mainly due to the disposal of all financial assets classified as held-for-sale during the financial period.

### Note 3

Financial assets, at FVOCI increased by \$34.1 million mainly due to :

	S\$' million
Net fair value gain on the Company's holding of SSUs in HKT	15.7
Purchase of financial assets, at FVOCI	13.4
Increase in fair value, including translation differences, of the Group's other equity investments	8.7
	<u>37.8</u>
Net fair value loss on the Company's holding of shares in Pacific Century Premium Developments Limited ("PCPD")	(3.7)
	<u>34.1</u>

### Note 4

Investments in associated corporations decreased by \$87.2 million due to :

	S\$' million
Cash dividend received from PCCW	(69.1)
Group's share of PCCW's 2021 loss	(12.3)
Group's share of PCCW's 2021 reserves	(7.4)
Unrealised exchange gain on the Company's interest in Hong Kong Dollar ("HKD") denominated net assets in PCCW reflecting the strengthening of the HKD against the SGD	1.1
Group's share of KSH Distriparks Private Limited's ("KSH") 2021 profit and reserves	0.5
	<u>(87.2)</u>

### Note 5

Other non-current assets increased by \$1.1 million mainly due to a prepayment of finance facility fees.

### Note 6

Borrowings decreased by \$30.3 million mainly due to repayments of \$134.7 million, partially offset by additional drawdowns totalling \$101.2 million mainly for dividend payments and unrealised exchange gain of \$3.2 million on HKD denominated borrowings due to the strengthening of the HKD against the SGD during the financial period.

### Note 7

The increase in deferred tax liabilities of \$1.9 million was due to a deferred tax provision of \$1.7 million for distributions from HKT and a deferred tax provision of \$0.2 million arising from fair value gains on certain financial assets, at FVOCI which were disposed during the financial period.

**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:-**

For details, please refer to Note K in the Notes to the Condensed Interim Financial Statements on page 12.

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

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>6 months ended</b>	
	Note 30/06/2021 S\$'000	30/06/2020 S\$'000
<b>Cash flow from operating activities:</b>		
Loss after tax	(7,695)	(20,817)
Adjustments for :		
- Income tax expense (credit)	1,722	(1,497)
- Depreciation expenses	163	196
- Dividend income	(12,192)	(10,757)
- Interest income	(4)	(76)
- Finance expenses	2,869	6,382
- Unrealised currency translation gains	(526)	(663)
- Loss on deemed dilution	-	960
- Share of loss of associated corporations, net of tax	11,834	23,549
	<u>(3,829)</u>	<u>(2,723)</u>
Change in working capital:		
- Trade and other receivables	110	116
- Trade and other payables	(721)	(916)
<b>Cash used in operations</b>	<u>(4,440)</u>	<u>(3,523)</u>
Interest received	4	76
Income tax paid	(145)	(266)
<b>Net cash used in operating activities</b>	<u>(4,581)</u>	<u>(3,713)</u>
<b>Cash flow from investing activities:</b>		
Purchase of property, plant and equipment	(859)	(18)
Purchase of financial assets, at FVOCI	(13,438)	-
Proceeds from disposal of financial assets, at FVOCI	106,116	5,886
Refund of capital contribution from financial assets, at FVOCI	-	1,982
Dividends from financial assets, at FVOCI	1,952	166
Dividends from HKT	10,240	10,591
Dividends from PCCW	69,053	72,528
<b>Net cash provided by investing activities</b>	<u>173,064</u>	<u>91,135</u>
<b>Cash flow from financing activities:</b>		
Payment of finance expenses	(4,189)	(5,911)
Proceeds from borrowings	101,217	47,825
Repayment of borrowings and lease payments	(134,725)	(111,252)
Purchases of the Company's shares	-	(460)
Dividend paid to equity holders of the Company	(121,815)	(20,126)
<b>Net cash used in financing activities</b>	<u>(159,512)</u>	<u>(89,924)</u>
Net increase (decrease) in cash and cash equivalents	1 8,971	(2,502)
Cash and cash equivalents at beginning of period	8,174	13,763
Effects of currency translation on cash and cash equivalents	65	269
<b>Cash and cash equivalents at end of period</b>	<u>17,210</u>	<u>11,530</u>
<b>Summary of cash and cash equivalents:</b>		
Cash at bank and on hand	17,210	11,530
Short-term bank deposits	-	-
	<u>17,210</u>	<u>11,530</u>

Note 1

The net increase (decrease) in cashflows for the period ended 30 June 2021 and 2020 respectively were mainly due to:

	<b>6 months ended</b>	
	30/06/2021 S\$' million	30/06/2020 S\$' million
Proceeds from disposal of financial assets, at FVOCI	106.1	5.9
Refund of capital contribution from financial assets, at FVOCI	-	2.0
Dividends from financial assets, at FVOCI	2.0	0.2
Dividends from HKT	10.2	10.6
Dividends from PCCW	69.1	72.5
Proceeds from borrowings	101.2	47.8
	<u>288.6</u>	<u>139.0</u>
Less:		
Purchase of property, plant and equipment	(0.9)	-
Purchase of financial assets, at FVOCI	(13.4)	-
Payment of finance expenses	(4.2)	(5.9)
Repayment of borrowings and lease payments	(134.7)	(111.3)
Purchases of the Company's shares	-	(0.5)
Net cash used in operating activities	(4.6)	(3.7)
Dividend paid to equity holders of the Company	(121.8)	(20.1)
Net increase (decrease) in cashflows	<u>9.0</u>	<u>(2.5)</u>

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

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**

<b>The Group</b>	Share capital S\$'000	Other reserves S\$'000	Retained profits S\$'000	Total equity S\$'000
Balance at 1 January 2021	457,283	170,785	231,627	859,695
Total comprehensive income for the period	-	30,578	(7,695)	22,883
Share of reserves of associated corporations	-	(707)	(7,108)	(7,815)
Write back of deferred tax provision for gains on disposal of investments	-	-	2,181	2,181
Dividend paid	-	-	(121,815)	(121,815)
Transfer upon disposal of investments	-	(11,451)	11,451	-
Balance at 30 June 2021	<u>457,283</u>	<u>189,205</u>	<u>108,641</u>	<u>755,129</u>
Balance at 1 January 2020	457,283	245,980	356,325	1,059,588
Total comprehensive income (loss) for the period	-	23,819	(20,817)	3,002
Share of reserves of associated corporations	-	(494)	(403)	(897)
Purchase and cancellation of shares	-	-	(460)	(460)
Dividend paid	-	-	(20,126)	(20,126)
Transfer upon disposal of investments	-	(686)	686	-
Balance at 30 June 2020	<u>457,283</u>	<u>268,619</u>	<u>315,205</u>	<u>1,041,107</u>

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**

<b>The Company</b>	Share capital S\$'000	Other reserves S\$'000	Retained profits S\$'000	Total equity S\$'000
Balance at 1 January 2021	457,283	(37,193)	731,978	1,152,068
Total comprehensive income for the period	-	20,208	92,385	112,593
Dividend paid	-	-	(121,815)	(121,815)
Balance at 30 June 2021	<u>457,283</u>	<u>(16,985)</u>	<u>702,548</u>	<u>1,142,846</u>
Balance at 1 January 2020	457,283	47,830	636,661	1,141,774
Total comprehensive income for the period	-	47,837	68,237	116,074
Purchase and cancellation of shares	-	-	(460)	(460)
Dividend paid	-	-	(20,126)	(20,126)
Balance at 30 June 2020	<u>457,283</u>	<u>95,667</u>	<u>684,312</u>	<u>1,237,262</u>

During the financial period ended 30 June 2021, there was a write back of deferred tax provision of S\$2,181,000 for gains on disposal of investments which were used to pay a tax exempt dividend by a subsidiary corporation to the Company.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

### A. General information

Pacific Century Regional Developments Limited (the "Company") is listed on the Singapore Exchange Securities Trading Limited and incorporated and domiciled in Singapore. The address of its registered office is 50 Raffles Place, #35-01 Singapore Land Tower, Singapore 048623.

The immediate holding company of the Company is Pacific Century Group (Cayman Islands) Limited, which is incorporated in the Cayman Islands. The ultimate holding company is OS Holdings Limited, which is incorporated in Bermuda.

The principal activity of the Company is investment holding. The principal activities of its subsidiary corporations and principal associated corporations are set out in Note M.

### B. Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note B.1.

The condensed interim financial statements are presented in Singapore dollars which is the Company's functional currency.

These condensed interim financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s") under the historical cost convention, except for investments which are stated at fair value.

#### B.1. New and amended standards adopted by the Group

On 1 January 2021, the Group adopted certain new or amended SFRS(I)s 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 SFRS(I)s.

The adoption of these new or amended SFRS(I)s did not result in substantial changes to the accounting policies of the Group and the Company, and had no material effect on the results reported for the current or prior financial years.

#### B.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no critical areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the condensed interim financial statements.

### C. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

## D Segment information

The Group is organised into the following main business segments:

1. Segment 1: Investment holding; and
2. Segment 2: Business management and consultancy services

These operating segments are reported in a manner consistent with internal reporting provided to the Chairman and Group Managing Director who are responsible for allocating resources and assessing performance of the operating segments.

### D.1. Reportable segments

	Investment holding S\$'000	Business management and consultancy services S\$'000	Consolidated S\$'000	<u>Geographical information</u>	
<b>1 January 2021 to 30 June 2021</b>					
External revenue	12,192	-	12,192		Revenue S\$'000
Operating profit (loss) before interest income and depreciation	10,066	(1,177)	8,889	Hong Kong	10,240
Interest income	4	-	4	Cayman Islands	1,952
Depreciation	(162)	(1)	(163)		<u>12,192</u>
Profit (loss) from operating activities	9,908	(1,178)	8,730		Non-current assets
Finance expenses	(2,869)	-	(2,869)		S\$'000
Share of losses of associated corporations, net of tax	(11,834)	-	(11,834)	Singapore	3,369
Loss before income tax	(4,795)	(1,178)	(5,973)	India	12,264
Income tax (expense) credit	(1,724)	2	(1,722)	Hong Kong	607,817
Total loss	(6,519)	(1,176)	(7,695)		<u>623,450</u>
Segment assets	392,564	118	392,682		
Property, plant and equipment	-	860	860		
Other non-current assets	2,679	86	2,765		
Investments in associated corporations	619,825	-	619,825		
	622,504	946	623,450		
Unallocated corporate assets					
- Cash and cash equivalents			17,210		
Total assets			1,033,342		
Segment liabilities	3,524	331	3,855		
Unallocated corporate liabilities					
- Borrowings			272,286		
- Current income tax liabilities			15		
- Deferred income tax liabilities			2,057		
Total liabilities			278,213		
<b>Other segment information:</b>					
Additions to property, plant and equipment	-	859	859		



**D.1. Reportable segments (Continued)**

	Investment holding S\$'000	Business management and consultancy services S\$'000	Consolidated S\$'000	Geographical information
<b>1 January 2020 to 30 June 2020</b>				
External revenue	10,757	-	10,757	Revenue S\$'000
Operating profit before interest income and depreciation	9,779	(1,082)	8,697	Hong Kong <u>10,757</u>
Interest income	76	-	76	Non-current assets
Depreciation	(195)	(1)	(196)	S\$'000
Profit (loss) from operating activities	9,660	(1,083)	8,577	Singapore 522
Finance expenses	(6,382)	-	(6,382)	India 11,298
Share of losses of associated corporations, net of tax	(23,549)	-	(23,549)	Hong Kong <u>850,847</u>
Loss on deemed dilution	(960)	-	(960)	<u>862,667</u>
Loss before income tax	(21,231)	(1,083)	(22,314)	
Income tax credit	1,497	-	1,497	
Total loss	(19,734)	(1,083)	(20,817)	
Segment assets	463,393	135	463,528	
Property, plant and equipment	-	337	337	
Other non-current assets	325	86	411	
Investments in associated corporations	861,919	-	861,919	
	862,244	423	862,667	
Unallocated corporate assets				
- Cash and cash equivalents			11,530	
Total assets			1,337,725	
Segment liabilities	3,708	344	4,052	
Unallocated corporate liabilities				
- Borrowings			291,976	
- Current income tax liabilities			25	
- Deferred income tax liabilities			565	
Total liabilities			296,618	
<b>Other segment information:</b>				
Additions to property, plant and equipment	-	18	18	

## E. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2021 and 31 December 2020:

	Note	Group		Company	
		30/06/2021 S\$'000	31/12/2020 S\$'000	30/06/2021 S\$'000	31/12/2020 S\$'000
<b>Financial assets</b>					
Financial assets at FVOCI	I	390,966	356,871	303,001	277,567
Cash and cash equivalents, trade and other receivables, current deposits and non-current deposits (Amortised cost)		17,356	8,322	11,991	3,125
		<u>408,322</u>	<u>365,193</u>	<u>314,992</u>	<u>280,692</u>
<b>Financial liabilities</b>					
Trade and other payables, and borrowings (Amortised cost)		<u>276,141</u>	<u>306,844</u>	<u>397,261</u>	<u>336,416</u>

## F. Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

## G. Taxation

The Group calculates the period's income tax expense (credit) using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense (credit) in the condensed interim consolidated statement of profit or loss are:

	Group	
	6 months ended 30/06/2021 S\$'000	6 months ended 30/06/2020 S\$'000
Current income tax expense	53	232
Deferred income tax expense (credit)	1,669	(1,729)
	<u>1,722</u>	<u>(1,497)</u>

## H. Dividends

	Group	
	6 months ended 30/06/2021 S\$'000	6 months ended 30/06/2020 S\$'000
Ordinary dividends paid: Final and special (2020: final) dividend paid in respect of the previous financial year of 0.67 cents and 3.93 cents respectively (2020: 0.76 cents) per share	121,815	20,126
Dividend per share (net of tax) (Cents per share)	<u>4.60</u>	<u>0.76</u>

## I. Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income comprise the following:

	<u>Group</u>		<u>Company</u>	
	30/06/2021 S\$'000	31/12/2020 S\$'000	30/06/2021 S\$'000	31/12/2020 S\$'000
Equity investments, at fair value:				
- Unquoted				
Foxdale Asset Holding Ltd	29,608	23,013	-	-
Exoduspoint Partners International Fund, Ltd	57,881	55,841	-	-
Others	476	450	-	-
	<u>87,965</u>	<u>79,304</u>	<u>-</u>	<u>-</u>
- Quoted				
HKT	266,619	250,961	266,619	250,961
Pacific Century Premium Developments Limited	36,382	26,606	36,382	26,606
	<u>303,001</u>	<u>277,567</u>	<u>303,001</u>	<u>277,567</u>
<b>Total</b>	<u>390,966</u>	<u>356,871</u>	<u>303,001</u>	<u>277,567</u>

### Assets classified as held-for-sale

During the interim period, the Group disposed of certain of its investments. These investments had a fair value \$103,687,000 at the date of disposal. The cumulative gain on disposal of \$11,451,000 was reclassified from fair value reserve to retained profits.

In the interim period ended 30 June 2020, the Group disposed of certain investments which had a fair value of approximately \$5,769,000 at the date of disposal, with cumulative gain on disposal of \$686,000 reclassified from fair value reserve to retained profits.

### I.1. Fair value measurement

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- (i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (ii) inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- (iii) inputs for the assets or liabilities that are not based on observable market data (unobservable inputs) (Level 3).

	<u>Level 1</u> S\$'000	<u>Level 2</u> S\$'000	<u>Level 3</u> S\$'000	<u>Total</u> S\$'000
<u>Group</u>				
<b>Assets</b>				
Financial assets, at FVOCI				
<b>30 June 2021</b>	303,001	58,357	29,608	390,966
31 December 2020	<u>277,567</u>	<u>56,291</u>	<u>23,013</u>	<u>356,871</u>
<u>Company</u>				
<b>Assets</b>				
Financial assets, at FVOCI				
<b>30 June 2021</b>	303,001	-	-	303,001
31 December 2020	<u>277,567</u>	<u>-</u>	<u>-</u>	<u>277,567</u>

## J. Property, plant and equipment

During the six months ended 30 June 2021, the Group acquired assets amounting to \$859,000 (30 June 2020: \$18,000).

**K. Borrowings**

	<u>Group</u>		<u>Company</u>	
	30/06/2021 S\$'000	31/12/2020 S\$'000	30/06/2021 S\$'000	31/12/2020 S\$'000
<u>Amount repayable within one year or on demand</u>				
Unsecured	294	113	-	-
<u>Amount repayable after one year</u>				
Secured	271,473	302,461	171,091	182,530
Unsecured	519	-	-	-

The secured revolving loan facilities for the Group and the Company are denominated in Hong Kong Dollars and United States Dollars. The loans are secured by shares in PCCW and Share Stapled Units in HKT held by the Company.

The amounts advanced under the revolving loan facilities were classified as non-current liabilities as the Group and the Company expect to rollover the facilities for at least 12 months after the balance sheet date, and have the discretion to do so.

**Details of any collateral**

	<u>Group</u>	
	30/06/2021 S\$'000	31/12/2020 S\$'000
Carrying values of shares and SSUs pledged for bank borrowings comprise:		
- shares in PCCW (at cost)	311,800	308,600
- SSUs in HKT	266,600	251,000
	<u>578,400</u>	<u>559,600</u>

**L. Share capital**

	<u>The Group and the Company</u>			
	30/06/2021		31/12/2020	
	No. of shares '000	Amount S\$'000	No. of shares '000	Amount S\$'000
Beginning and end of interim period	<u>2,648,150</u>	<u>457,283</u>	<u>2,648,150</u>	<u>457,283</u>

The Company did not hold any treasury shares as at 30 June 2021.

The Company's subsidiaries did not hold any shares in the Company as at 30 June 2021 and 31 December 2020.

**M. Group corporations**

Details of subsidiary corporations and associated corporations are as follows:

Name of company (country of incorporation)	Principal activities (place of business)	Carrying amount of investment		Percentage of equity held by the Group	
		30/06/2021 S\$'000	31/12/2020 S\$'000	30/06/2021 %	31/12/2020 %
<b>Subsidiary corporations directly held by the Company</b>					
PCRD Services Pte Ltd (Singapore)	Investment holding, business management and consultancy services (Singapore)	21,125	20,913	100	100
Gladioli Investments Pte Ltd (Singapore)	Dormant	292	292	100	100
Riyan Pte Ltd (Singapore)	Dormant	-	-	100	100
Elsmore Pte Ltd (Singapore)	Investment holding (Singapore)	50,965	50,451	100	100
Leapford Pte. Ltd. (Singapore)	Investment holding (Singapore)	102,338	101,307	100	100
Pacific Century Regional Developments (HK) Limited (Hong Kong)	Business management and consultancy services (Hong Kong)	30,410	25,164	100	100
Telegraph Investments Limited (British Virgin Islands)	Dormant	-	-	100	100
Valuable Enterprises Limited (British Virgin Islands)	Dormant	-	-	100	100
a Starvest Limited (Cayman Islands)	Dormant	-	-	100	100
b PCRD Investments Limited (Hong Kong)	Dormant	-*	-*	100	100
		205,130	198,127		

**M. Group corporations** (continued)

Details of subsidiary corporations and associated corporations are as follows: (continued)

Name of company (country of incorporation)	Principal activities (place of business)	Carrying amount of investment		Percentage of equity held by the Group	
		30/06/2021 S\$'000	31/12/2020 S\$'000	30/06/2021 %	31/12/2020 %
<b>Associated corporation held by the Company</b>					
PCCW Limited (Hong Kong)	Provision of local and international telecommunications and information technology services, technology-related businesses, and investment holding (Hong Kong)	607,561	695,235	22.7	22.7
		607,561	695,235		
<b>Subsidiary corporations indirectly held by the Company</b>					
City Ventures Global Limited (Cayman Islands)	Investment holding (Cayman Islands)			100	100
Prosper Global Investments Limited (Cayman Islands)	Investment holding (Cayman Islands)			100	100
<b>Associated corporation indirectly held by the Company</b>					
KSH Distriparks Private Limited (India)	Rendering services for an Inland Container Depot, warehousing and third party logistics and transportation solutions (India)			49.9	49.9

\* Less than \$1,000

a In the process of liquidation.

b In the process of de-registration.

**N. Related party transactions**

(a) In addition to information disclosed elsewhere in the financial statements, the following transactions took place between the Group and its related parties, on terms agreed between the respective parties:

	<u>Group</u>	
	6 months ended 30/06/2021 S\$'000	6 months ended 30/06/2020 S\$'000
Management services rendered to:		
- other related parties*	6	6
Payments made on behalf of and reimbursable by		
- associated corporations	-	1
- other related parties*	2	1
Payments made on behalf by and reimbursable to		
- associated corporations	227	416
- other related parties*	306	-
	<hr/>	<hr/>

\* *Other related parties comprise mainly companies which are controlled or significantly influenced by the Group's key management personnel.*

(b) Key management personnel compensation is as follows:

	<u>Group</u>	
	6 months ended 30/06/2021 S\$'000	6 months ended 30/06/2020 S\$'000
Wages, salaries and other short-term employee benefits	1,032	1,008
Employer's contribution to defined contribution plans including Central Provident Fund	22	17
	<hr/>	<hr/>
	1,054	1,025

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in the class that is listed 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 30 June 2021 and 31 December 2020 is summarised as follows:

	30/06/2021		31/12/2020	
	No. of shares	\$	No. of shares	\$
Issued and paid up share capital including treasury shares	<u>2,648,150,200</u>	<u>457,282,366</u>	<u>2,648,150,200</u>	<u>457,282,366</u>
Issued and paid up share capital excluding treasury shares	<u>2,648,150,200</u>		<u>2,648,150,200</u>	

During H1 2021, the Company did not purchase any shares in the Company.

During H1 2020, the Company purchased a total of 1,590,100 shares in the Company on the open market for a total consideration of \$460K (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 30 June 2021 and 30 June 2020.

**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 30/06/2021	As at 31/12/2020
Issued ordinary shares, excluding treasury shares	<u>2,648,150,200</u>	<u>2,648,150,200</u>

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

NIL.

**1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings 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 (International) ("SFRS(I)s") 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 2020.

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.**

Please refer to Note B.1 in the Notes to the Condensed Interim Financial Statements on page 7.

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:- (a) Based on the weighted average number of ordinary shares on issue; and (b) On a fully diluted basis (detailing any adjustments made to the earnings).**

<b>Group</b>	H1 2021	H1 2020
Net loss attributable to equity holders of the Company (S\$'000)	(7,695)	(20,817)
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	2,648,150	2,648,787
(i) Basic loss per share (Cents per share)	(0.291)	(0.786)
(ii) On a fully diluted basis (Cents per share)	(0.291)	(0.786)

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

Diluted loss per share is the same as basic loss per share as there was no dilutive effect on loss 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.**

	<b>Group</b>		<b>Company</b>	
	30/06/2021	31/12/2020	30/06/2021	31/12/2020
Net asset value (S\$'000)	755,129	859,695	1,142,846	1,152,068
Number of issued shares excluding treasury shares ('000)	2,648,150	2,648,150	2,648,150	2,648,150
Net asset value per ordinary share based on issued share capital at the end of the period	\$0.285	\$0.325	\$0.432	\$0.435

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 for H1 2021 relates to distributions by HKT of \$10.2 million and dividends from financial asset, at FVOCI of \$2.0 million as compared to distributions by HKT of \$10.8 million in H1 2020.

Total expenses for H1 2021 amounted to \$6.4 million compared to \$8.7 million for H1 2020. The decrease was mainly due to a decrease in finance expenses of \$3.5 million which was mainly due to reduced interest costs resulting from decreased borrowings and a decrease in travelling expenses of \$177K but partially offset by an increase in legal and professional fees of \$358K and net foreign exchange losses of \$138K in H1 2021 compared to net exchange gains of \$872K in H1 2020.

The Group's share of results of associated companies for H1 2021 was a net loss of \$11.8 million as compared to \$23.5 million for H1 2020. These include the Group's share of results from PCCW for H1 2021 of a loss of \$12.3 million as compared to a loss of \$23.9 million for H1 2020.

The Group's share of profit from its 49.87% associated company, KSH, was approximately \$435K for H1 2021 compared to \$326K for H1 2020.

Deferred tax of \$1.7 million was provided for in H1 2021 on distributions from HKT as compared to a net income tax credit of \$1.5 million in H1 2020. The net income tax credit in H1 2020 was mainly due to deferred tax previously provided on distributions from HKT of \$1.7 million which was reversed when these distributions were used to pay tax exempt dividends to equity holders of the Company for the financial year ended 31 December 2019, offset by withholding taxes on interest expense for bank borrowings of \$0.2 million.

The Group recorded a loss attributable to equity holders of \$7.7 million for H1 2021 as compared to a loss of \$20.8 million for H1 2020.

*Extracts from PCCW's Interim Results Announcement for the 6 months ended 30 June 2021:*

*"Following the initial recovery of the economy from a severe recession amid COVID-19 vaccine rollouts, PCCW recorded a robust performance across its core businesses of telecommunications, media and IT services for the six months ended June 30, 2021.*

*HKT Limited's ("HKT") total revenue increased by 7% to HK\$15,643 million benefiting from a continued strong demand for broadband and data services alongside the growing adoption of our 5G services by both consumers and enterprises, which lifted our Mobile business revenue, as well as higher handset sales. The local data services business of the Telecommunications Services ("TSS") business registered a 5% growth in revenue which offset the decline in our roaming and wholesale voice related revenue. The Pay TV business, which was fully consolidated into HKT in this interim period, generated revenue of HK\$1,231 million and EBITDA of HK\$212 million in the first half of the year, benefiting from our exclusive broadcast of UEFA EURO 2020™ with the associated subscription, event-specific pass, and advertising revenue. HKT's total EBITDA increased by 3% to HK\$5,715 million, reflecting the steady EBITDA of HKT's main businesses, the breadth and scale of its diversified business portfolio, as well as the effectiveness of cost control measures.*

*Both the over-the-top ("OTT") and Free TV & Related Business maintained their growth momentum with revenue expanding 29% and 97% respectively. These increases were underpinned by the rising viewership and popularity of their services in their respective markets. In particular, our video streaming service, Viu, achieved an impressive revenue growth of 47%. As a result of the broadened revenue base, OTT and Free TV & Related Business further narrowed their EBITDA losses and are on the path to profitability.*

*On the back of the secured orders amassed by the end of 2020, the Solutions Business continued to deliver several mission-critical projects in 2021 which lifted revenue by 51% to HK\$2,886 million with a corresponding improvement in EBITDA which recorded a 118% increase to HK\$491 million and an EBITDA margin that improved from 12% to 17%.*

Consequently, core revenue climbed 9% to HK\$18,143 million and core EBITDA increased by 6% to HK\$5,710 million.

Pacific Century Premium Developments Limited (“PCPD”) revenue decreased by 87% to HK\$212 million mainly because the Park Hyatt Niseko Hanazono Residences (“Branded Residences”) were completed and handed over in the first half of 2020 which contributed significantly to the revenue for that period, whereas the amount of property sales completed in the first half of 2021 was lower. Additionally, the hotel operations in Japan were heavily affected by the global travel restrictions amid the COVID-19 pandemic. Therefore, PCPD recorded an EBITDA loss of HK\$102 million for the period.

On a consolidated basis, revenue was stable at HK\$18,355 million and EBITDA increased by 4% to HK\$5,608 million. Consolidated loss attributable to equity holders of the Company for the period narrowed to HK\$315 million as a consequence of improvements in EBITDA for the Solutions, OTT and Free TV & Related Business.”

**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.

*The following commentary is substantially based on the commentary from PCCW’s Interim Results Announcement for the 6 months ended 30 June 2021:*

PCCW’s pan-regional OTT video service Viu should continue to drive viewership and subscriptions through Viu Originals and localised content, aided by data analytics and predictive modeling of audience preferences. PCCW looks forward to achieving breakeven in the near term.

Domestic free TV ViuTV intends to continue to produce and release quality scripted and non-scripted content in order to expand its viewership and advertising and associated revenues.

PCCW Solutions intends to grow its IP solution suites to facilitate the digital transformation of enterprises in Hong Kong and Southeast Asia, while continuing to develop its project pipeline for recurrent revenues. In July 2021, PCCW divested its data center business operating in Hong Kong and Malaysia for US\$750 million. The proceeds will be deployed to create shareholder value through various uses, including but not limited to strategic investments in growth areas such as financial services, buyback of PCCW’s shares, repayment of debt and other general corporate purposes.

Utilising its 5G infrastructure, HKT aims to facilitate certain Hong Kong Government smart city projects, and will keep exploring new enterprise applications and use cases for monetisation opportunities. HKT aims to expand its market penetration with synergistic quadplay offerings to create new revenue streams from digital services.

Vaccination is key to the resolution of the global pandemic. As more Hong Kong people get vaccinated, including PCCW’s own staff to whom it has extended paid vaccination leave, the local economy looks set to continue its steady recovery. PCCW will closely monitor the external environment including the prospect of the reopening of the border between mainland China and Hong Kong. With PCCW’s sound financial footing, it will actively seek growth opportunities that may arise from the gradually improving business environment, with the objective of creating additional value for shareholders.

**11. If a decision regarding dividend has been made:-**

**(a) Whether an interim (final) dividend has been declared (recommended).**

Yes.

**(b)(i) Current Financial Period Reported On**

Name of Dividend	Interim Dividend	Special Dividend
Dividend Type	Cash	Cash
Dividend Rate	2.88 cents per ordinary share	0.65 cents per ordinary share
Tax Rate	One-tier tax exempt	One-tier tax exempt

**(b)(ii) Previous Corresponding Period**

Name of Dividend	Interim Dividend
Dividend Type	Cash
Dividend Rate	2.3 cents per ordinary share
Tax Rate	One-tier tax exempt

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

One-tier tax exempt.

**(d) The date the dividend is payable.**

The payment date of the dividends will be announced at a later date.

**(e) 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.**

The notice of the closure of the Register of Members and Transfer Books of the Company for the purposes of determining the entitlement of the dividends will be announced at a later date.

**12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**

N.A.

- 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 obtained a general mandate from the shareholders of the Company for interested person transactions on 28 May 2020. During the financial period under review, the following interested person transactions were entered into by the Group:

Name of interested person	Nature of relationship	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)
N.A.	N.A.	None, all IPTs below \$100,000	N.A.

- 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 six months ended 30 June 2021 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).

**BY ORDER OF THE BOARD**

Lim Beng Jin  
Company Secretary  
13/08/2021