Pacific Century Regional Developments Limited

2021

ANNUAL REPORT

CONTENTS

CORPORATE PROFILE

Pacific Century Regional Developments Limited (PCRD), a Singapore-based company listed on the Singapore Exchange Securities Trading Limited (SES: P15), has interests in telecommunications, media, IT solutions, logistics and property development and investment, in the Asia-Pacific region. PCRD's most significant investment is its stake in Hong Kong-listed PCCW Limited (PCCW) (SEHK: 0008; American Depositary Receipts on the OTC Markets Group Inc. in the US: PCCWY). PCRD is 89% owned by the Pacific Century Group, which was founded in 1993. The Pacific Century Group acquired control of PCRD in September 1994.

MESSAGE FROM THE EXECUTIVE CHAIRMAN

The global economic recovery anticipated in 2021 proved to be disappointing. During the year, the COVID-19 pandemic resurged with the spread of Delta and other new variants which increased uncertainty over how quickly the pandemic would be overcome. Even as some measure of control of the pandemic may allow economic activities to gradually resume, the world now faces new challenges and uncertainties arising from the war in Ukraine which cloud any expectation for a recovery in 2022.

The Company's most significant asset, PCCW, recorded favorable operational results across its core businesses in 2021, as consecutive quarters of economic downturn in Hong Kong gave way to a gradual recovery.

Within PCCW's Media Group, pan-regional OTT video service Viu continued to maintain its leadership position in Southeast Asia by delivering engrossing Asian entertainment, with increased efforts to drive Viu Original productions. It concluded the year with strong revenue growth.

Similarly, ViuTV saw an encouraging rise in its TV channel and digital viewership as well as advertising revenue through its ever-progressing creative content proposition. Talent under its management continued to gain recognition, forming synergy with its event business to propel growth and diversification.

PCCW Solutions continued to expand its market presence in target industry segments through applying best practices and leveraging its resources in offshore delivery centers to serve clients efficiently. During the year, PCCW secured key extension projects and long-term contracts from clients in Hong Kong, mainland China and Southeast Asia. The sale of its data center business was completed in December.

HKT delivered a solid set of results underpinned by its market-leading broadband and mobile businesses. New 5G spectrum acquired through a Hong Kong Government auction in the fourth quarter will further enable HKT's network coverage and capacity enhancement. On the commercial front, HKT focused on its commitment to helping enterprises transform digitally, thereby expediting Hong Kong's development into a smart city. HKT's digital ventures, including HealthTech and FinTech initiatives, facilitate citizens' transition towards a digital lifestyle under the new normal.

Last year, the pandemic continued to pose challenges for the overseas hospitality and resort businesses of Pacific Century Premium Developments, while its premium commercial property in Jakarta, Indonesia maintained its stable performance.

Hong Kong's economic recovery that had gained positive momentum in 2021 has been dampened by the spread of the COVID Omicron variant at the beginning of 2022. It is evident that PCCW must, as always, brace itself for unexpected changes in market conditions and respond with agility. The board and management team of PCCW will continue their dedicated efforts to preserve and create value for shareholders.

KSH Distriparks Private Limited, PCRD's logistics investment in India, which operates an Inland Container Depot ("ICD") and transportation business, continued to operate profitably with increased revenue from ICD services and growth in transport volume. Its existing ICD property has been expanded and converted to provide additional warehousing and industrial park facilities.

The Board recommends a final dividend of 0.78 cents per share together with a special dividend of 2.7 cents per share for shareholders' approval at the forthcoming Annual General Meeting. If approved, including the interim dividend of 2.88 cents per share and a special dividend of 0.65 per share paid in August 2021, the total dividend will be 7.01 cents per share for the 2021 financial year, representing a dividend yield of 16.7% (based upon the share price as at 1 March 2022).

PCRD has remained vigilant during the year and is committed to continually provide a safe and healthy working environment for our employees during the pandemic. The Company implemented all necessary measures, including those prescribed by the authorities and encouraged all staff to complete their vaccination and booster shots.

As a responsible investment holding company, PCRD recognises the importance of sustainability when considering new business opportunities and is committed to incorporate key environmental, social and governance factors, including climate change, diversity and transparency, in investment decisions and active ownership while creating sustainable value for our stakeholders.

My sincere gratitude to my fellow directors for their invaluable guidance and commitment in responding to the uncertainties and challenges brought to the business. I thank our management and employees for their dedication and hard work and their flexibility in managing the business, remaining focused and going the extra mile while responding to the challenges presented during the pandemic. Finally, my heartfelt appreciation to our valued stakeholders and shareholders for their unwavering support and confidence in the Company.

Richard Li
Chairman

PACIFIC CENTURY REGIONAL DEVELOPMENTS LIMITED

COMMUNICATIONS SERVICES

Hong Kong
China
North Asia
South Asia
Southeast Asia
Global

PCCW Limited
(associated corporation & major investment)

Media Business
- OTT Business
- Free TV & Related Business

Solutions Business
- PCCW Solutions

HKT Limited
(subsidiary corporation of PCCW Limited)

Telecommunications Services
- Local Telephony Services
- Local Data Services
- International Telecommunications Services
- Other Services
  - Customer Premises Equipment
  - Teleservices

Mobile
- Mobile Services
- Mobile Product Sales

Pay TV
- Now TV

PROPERTY AND LOGISTICS

Hong Kong
North Asia
South Asia
Southeast Asia

Pacific Century Premium Developments Limited
(associated corporation of PCCW Limited)

Property Investment and Development
- Jakarta, Indonesia
- Hokkaido, Japan
- Phang Nga, Thailand
- Hong Kong

Hotel, Recreation and Leisure Operations
- Japan

Property and Facilities Management
- Hong Kong
- Hokkaido, Japan

KSH Distriparks India
(associated corporation)

Logistics and Warehousing
- Inland Container Depot
- Warehousing
- Logistics

BOARD OF DIRECTORS

RICHARD LI TZAR KAI was appointed Chairman of PCRD in 1994 and was last re-elected as a Director in 2021. An Executive Director and Chairman of the Executive Committee of PCRD, Mr. Li is also Chairman and Chief Executive of the Pacific Century Group, Chairman and Executive Director of PCCW Limited, Executive Chairman and Executive Director of HKT Limited and HKT Management Limited, the trustee-manager of the HKT Trust and an Executive Director of Pacific Century Premium Developments Limited.

Mr. Li is a member of the Center for Strategic and International Studies' International Councillors' Group in Washington, D.C., and a member of the Global Information Infrastructure Commission. Mr. Li was awarded the Lifetime Achievement Award by the Cable & Satellite Broadcasting Association of Asia in November 2011.

FRANCIS YUEN TIN FAN was appointed Deputy Chairman of PCRD in 2005 and was last re-elected as a Director in 2019. Mr. Yuen was the Chairman of PCRD in 1993 and 1994 when it was known as Seapower Asia Investments Limited and Deputy Chairman of PCRD from 1997 to 2002. He was a member of the Executive Committee of PCRD until July 2011. Re-designated as Independent Non-Executive Deputy Chairman on 12 February 2015, Mr. Yuen is Lead Independent Director and Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee of PCRD.

He joined the Pacific Century Group in 1996 after an extensive career in investment banking and financial regulatory affairs across Asia. From 1988 to 1991 he was Chief Executive of The Stock Exchange of Hong Kong Limited. Mr. Yuen was also a founding director of Hong Kong Securities Clearing Company Limited. He served from 1992 to 1994 as a member of the International Markets Advisory Board of NASDAQ in the United States. He is an Independent Non-Executive Director of Shanghai Industrial Holdings Limited and Yixin Group Limited.

Mr. Yuen received a Bachelor of Arts degree in Economics from the University of Chicago and is currently a member of the Board of Trustees of the university. He is also the chairman of the board of trustees of the Hong Kong Centre for Economic Research, non-executive chairman of the Board of Directors of Ortus Capital Management Limited and a member of the board of trustees of Fudan University in Shanghai.

PETER A. ALLEN was appointed as Executive Director in 1997 and as Group Managing Director in 2006. He was last re-elected as a Director in 2021. A member of the Executive Committee of PCRD, Mr. Allen is also Executive Director and Chief Financial Officer of the Pacific Century Group, Non-Executive Director of HKT Limited and HKT Management Limited, the trustee-manager of the HKT Trust, Director of FWD Limited and FWD Group Limited and Senior Advisor to PCCW Limited.

Mr. Allen joined KPMG in 1976 before taking up an appointment at Occidental International Oil Incorporated in 1980. In 1983, he joined Schlumberger Limited and worked in various countries holding key management positions. In 1989, Mr. Allen moved to Singapore as Regional Financial Director of the Vestey Group. He later joined Boustead Singapore Limited as Group Operations Controller in 1992 and Morgan Grenfell Investment Management (Asia) Limited as Director and Chief Operating Officer in 1995. Mr. Allen joined the Pacific Century Group in 1997.

Mr. Allen was educated in England and graduated from the University of Sussex with a degree in economics. He is a Fellow of the Institute of Chartered Accountants in England and Wales, a Fellow Member of CPA Australia, a Fellow Member of the Hong Kong Institute of Directors and a Fellow of the Institute of Singapore Chartered Accountants.

FRANCES WONG WAIKWUN was appointed as a Director in June 2013 and was last re-elected as a Director in 2021. An Independent Director and Chairman of the Nominating Committee, Ms. Wong is also a member of the Audit Committee of PCRD. Ms. Wong is also an Independent Non-Executive Director of PCCW Limited, HKT Limited and HKT Management Limited, the trustee-manager of the HKT Trust.

Ms. Wong is currently financial advisor to Good Harbour Finance Limited. She began her career as a management consultant at McKinsey & Company in the United States. Ms. Wong returned to Hong Kong and joined the Hutchison Whampoa group of companies in 1988, taking on various positions. She was managing director of Weatherite Manufacturing Limited, an air conditioning manufacturer. Later, Ms. Wong became chief executive officer of Metro Broadcast Corporation Limited. Eventually, she became chief financial officer of Star TV, Asia's first satellite television company. After leaving the Hutchison Whampoa Group, she became group chief financial officer for the Pacific Century Group. After she resigned from the Pacific Century Group, she founded the Independent Schools Foundation in Hong Kong in 2000.

Ms. Wong was educated in the United States at Stanford University where she received a Bachelor of Science degree. She holds a Master of Science degree from the Massachusetts Institute of Technology. Ms. Wong was a member of the Central Policy Unit, the Government of the Hong Kong Special Administrative Region (think tank). She has served on many educational boards including the Canadian International School of Hong Kong, The Open University of Hong Kong and was a member of the Joint Committee on Student Finance of Student Financial Assistance Agency.

LAURA DEAL LACEY was appointed as a Director in February 2015 and re-elected to the position in 2020. An Independent Director, Ms. Lacey is a member of the Nominating Committee and Remuneration Committee of PCRD.

Laura is the executive director of the Milken Institute Asia Center. The Milken Institute is a nonprofit think tank that helps people build meaningful lives through health, education, gainful employment, and access to capital. Laura brought the work of the Milken Institute to the Asia Pacific region eight years ago and built its strategy, 16-pax team, operations, and programs. She is also responsible for expanding the work of the Milken Institute into the Latin America region.

Prior to the Institute, Laura was the executive director of the American Chamber of Commerce in Singapore, the largest American chamber and most active international business association in Southeast Asia with 5000 members. Acting as the face of the organisation, managing its operations and reporting to a Board of Governors, Laura represented the interest of U.S. companies in Singapore and ASEAN and was responsible for curating the organisation's 200 events a year program schedule.

Before moving to Asia, Laura focused on CEO platforms and executive positioning. She was the marketing director for Edelman, the world's largest privately-owned public relations firm. She worked for the Global CEO to promote the agency, its leadership and intellectual capital around the world. Laura started her career and worked for six years at the World Economic Forum (WEF) in Geneva, Switzerland. She co-founded WEF's Women Leaders Programme that focused on increasing the participation of women leaders in Davos.

Laura is also an independent, non-executive director on the corporate board of FWD Insurance (Singapore). She is an Advisory Board member for two academic institutions – the Sim Kee Boon Institute for Financial Economics at the Singapore Management University and the Aging Research Institute for Society and Education (ARISE) at the Nanyang Technological University.

A dual citizen of Brazil and the United States, Laura is an advocate for diversity, equity and inclusion in the workplace and the boardroom. She is also a champion for the inclusion of global voices and perspectives at CEO events. Outside work, Lacey is passionate about supporting and elevating young women from displaced and disadvantaged communities.

Laura holds a B.S. from Arizona State University and an M.S. from Columbia University in the city of New York.

W. MICHAEL VERGE was appointed as a Non-Executive Director in August 2017 and was last re-elected as a Director in 2020.

Mr. Verge is a Non-Executive Director of PineBridge Investments' Board and a Consultant at Pacific Century Group Holdings. He was Chief Financial Officer at PineBridge from 2010 to 2014. Mr. Verge joined the Pacific Century Group in 1999 as CFO of the Cyberport project. Prior to joining the Pacific Century Group, he held senior executive positions with two major international banks and was CFO of a large pulp and paper company in South-East Asia. During his time with the Pacific Century Group, Mr. Verge served as Group Treasurer of PCCW Limited, and was a member of the PCCW Finance and Management Committee. He also served on the Executive Committee of Pacific Century Premium Developments Limited.

Mr. Verge was educated at McMaster University where he received a Bachelor's Degree in Economics. He is a member of the Singapore Institute of Directors and Singapore Institute of International Affairs. He is a past member of the Canadian Chamber of Commerce (Hong Kong), a past Chairman of the Canadian International School of Hong Kong and a Fellow of the Hong Kong Institute of Directors.

CHRISTOPHER JOHN FOSSICK was appointed as a Director in August 2018 and was last re-elected as a Director in 2019. An Independent Director, Mr. Fossick is a member of the Audit Committee and Nominating Committee of PCRD.

Mr. Fossick is currently Chief Executive Officer, South East Asia at Jones Lang LaSalle Asia Pacific. He is also a member of the Asia Pacific Executive Board of JLL.

He began his career in 1985 in London while an undergraduate at Barclays Bank, where he spent a year on a team responsible for the property management of the bank's real estate portfolio. He moved to Singapore in 1989 to continue on the real estate path. Following this, he moved to Tokyo for a role as President and CEO of CBRE Japan.

He was a board member of Sentosa Development Corporation in Singapore from 2009 to 2015 and the Global Vice President of the Royal Institution of Chartered Surveyors from 2011 to 2014. Currently he is a member of the Global Remuneration Committee for the RICS.

Mr. Fossick was educated at University of South Wales, UK where he received a Bachelor of Science in Estate Management. He holds a Master of Business Administration from the University of Chicago in 2003. He is a Fellow of the Royal Institution of Chartered Surveyors.

YEO WEE KIONG was appointed as a Director in May 2020 and was last re-elected as a Director in 2021. An Independent Director, Mr. Yeo is Chairman of the Audit Committee and a member of the Remuneration Committee of PCRD.

Mr. Yeo is an Independent director of AF Global Limited, Asian Healthcare Specialists Limited and SUTL Enterprise Limited.

Mr. Yeo is a former Director of a leading Singapore law firm. Prior to that, he was the managing partner of a law corporation which he founded. He is a former investment banker with a Singapore-based UK merchant bank and a senior industry officer with a government statutory board.

Mr. Yeo was educated at University of Singapore where he received a Bachelor of Engineering (Mechanical) (First Class Honours) degree. He holds a Master of Business Administration degree from the National University of Singapore. He also graduated with an honours degree in law from the University College of London and qualified as a Barrister-at-Law with the Lincoln's Inn in England and Wales.

PCRD'S most significant asset is its 22.7% stake in Hong Kong-listed PCCW Limited (PCCW). PCRD has been the largest shareholder of PCCW since 1999.

PCCW registered robust performance across its core businesses of telecommunications, media, and IT services for the year ended 31 December 2021. Hong Kong recorded a notable GDP expansion for the reporting year, during which PCCW supported citizens and enterprises alike with its world-class services, as they adapted further to the "new normal" ways of living and doing business.

A WORLD OF MEDIA ENTERTAINMENT

PCCW's leading pan-regional over-the-top (OTT) video service, Viu, recorded strong revenue growth and improved EBITDA performance in 2021. Viu is committed to offering premium Asian entertainment content to engage and entice viewers in its 16 markets worldwide. In 2021, PCCW strategically invested in more Viu Original productions – including Korean drama and those for large markets such as Indonesia, Thailand, Malaysia and Philippines – to create differentiation and long-term monetisation opportunities via IP ownership. Its original drama series have garnered wide recognition by virtue of their outstanding production quality as well as stunning cinematography and visual effects.

Viu also struck deals with some of the largest TV, film and entertainment companies in the region during the year to cater to the growing demand for other types of Asian content, including Chinese drama and Japanese anime.

In addition, by enhancing its partnerships with telcos and other distribution partners, Viu's number of monthly active users (MAU) expanded by 30% during the year to 58.5 million, while the number of paying subscribers recorded an even higher growth of 57% to surpass 8.4 million as at the end of 2021. Moreover, according to market analyses by a leading research agency, Viu was ranked number one by MAU among major video streaming platforms in Southeast Asia (Indonesia, Malaysia, the Philippines, Singapore, and Thailand) for eight consecutive quarters and holds a solid second position amongst global players in the region in terms of subscriber base.

SIGNIFICANT EVENTS IN 2021

FEBRUARY

PCCW Solutions Malaysia receives Multimedia Super Corridor (MSC) Status by Malaysia Digital Economy Corporation.

MARCH

Viu collaborates with Boxx Music in Thailand to launch a Boys' Love series project, Close Friend.

DOMESTIC TELEVISION GAINING TRACTION

Hong Kong-based free TV service, ViuTV, produced and aired a smorgasbord of drama, talent and variety shows to keep viewers engaged. The service's average monthly audience reached 4.2 million, with average television viewer rating (TVR) during prime time rising by nearly a quarter from a year ago. Furthermore, digital stream views more than doubled that of last year.

ViuTV's advertising revenue surged by 127% year on year, driven by its quality scripted and non-scripted content. Clients from diverse sectors chose to advertise on ViuTV in 2021. Nearly half of them did so for the first time and many exclusively.

With the rapidly soaring popularity of its artistes, its talent management business also saw significant growth and diversification. Appearing from local and international music awards to blockbuster movies and campaigns of numerous consumer brands, its groups and individual artistes have captured the hearts of their fans. To further strengthen this aspect of its operations, an all-female group has recently been formed.

ViuTV also actively seeks to boost its visibility outside of Hong Kong. Last year, it distributed over 3,100 hours of programs to 29 markets across Asia and the Americas.

THRIVING IT SOLUTIONS BUSINESS

PCCW Solutions continued to expand its regional footprint by replicating and scaling its industry-specific solutions, and recorded double-digit growth in revenue for 2021. It has maintained its focus on large global enterprises, and is now serving over a hundred Forbes Global 2000 customers, with its top 20 customers making up over 55% of its revenue last year.

During the year, PCCW Solutions secured a slew of long-term strategic digital transformation and outsourcing projects in its target segments, including the public sector, communications, and travel and transportation industries, fueling a strong year-on-year growth in secured orders.

In Hong Kong, PCCW Solutions has been awarded several long-term outsourcing contracts and smart city projects to help accelerate digital adoption and drive business transformation, including the provision of cabling and network infrastructure for the third runway project of the Airport Authority Hong Kong. It also deepened its engagement with one of the largest telecommunications operators in China, winning the second phase of its Planning Management System and a new project to build an integrated Smart Finance Middle Platform for its provincial companies.

APRIL

Tap & Go is selected by the Hong Kong Government to distribute consumption vouchers.

Viu launches Viu Shorts! and Viu Pitching Forum in Thailand.

MAY

PCCW Solutions receives Gold Stevie® Award for 'Most Innovative Marketing Team of the Year' in 2021 Asia-Pacific Stevie Awards.

JUNE

PCCW Solutions launches cloud-native Infinitum Communications Suite to empower digital transformation of communications service providers.

In Singapore, PCCW Solutions has won a number of managed services contracts from various government agencies for their IT infrastructure. It has successfully deployed the Track Access Management System (TAMS) for SMTR Trains in the country to enhance reliability, and embarked on phase two deployment covering more train networks and depots. It has also signed a go-to-market Memorandum of Understanding to jointly promote TAMS across Southeast Asia.

PCCW Solutions is committed to the advocacy of industry best practice for quality excellence, data privacy and information security. Its Malaysian delivery centre and Hong Kong IT Service Management Center have recently been accredited under a number of additional ISO standards.

Announced in July, the sale of PCCW's data centre business was completed in December. Proceeds from the divestment will be used to fund PCCW's investments into new growth areas such as financial services as well as technology.

JULY

Viu bolsters Asian content through volume deals with Huace Film & TV and Huace Croton Media.

ViuTV broadcasts the Tokyo 2020 Olympic Games.

PCCW announces the disposal of its data center businesses in Hong Kong and Malaysia.

RESILIENT TELECOM SERVICES

HKT reported solid results underpinned by its resilient quadplay businesses – including broadband, mobile, and IPTV – as it continued to play a vital role in serving the connectivity needs of individuals and businesses.

Its 5G subscriptions grew steadily throughout the year as the relevant interest picked up amid the recovering economy and improving consumer appetite for spending in Hong Kong. As at the end of December, penetration of its 5G services stood at 21% of its mobile customer base. HKT continued to expand its coverage and capacity for high-traffic zones as well as indoor and underground areas. Spectrum acquired in the Hong Kong Government auction in October, when deployed, will further bolster its indoor reception and wide area coverage. As for the B2B arena, HKT helped industry verticals reap the benefits of 5G and other technologies in unlocking revenue opportunities and improving customer experience.

During the year, HKT continued to evolve its service strategy and portfolio to enable customers' digital lives. Tap & Go registered a significant jump in the volume of both online and physical store transactions as citizens spent their government consumption vouchers through their digital wallet. Registrations for DrGo climbed steadily, with the HealthTech service integrating a greater variety of products and services into its online store. HKT also made continuous improvements to The Club loyalty program and shopping platform.

AUGUST

PCCW Solutions and Strides Engineering collaborate to develop a go-to-market strategy for the Track Access Management System in Southeast Asia.

Pacific Century Premium Developments announces the opening of The Aquella Golf and Country Club in Phang Nga, Thailand.

PCPD

2021 continued to be a challenging year for the hospitality and resort businesses of Pacific Century Premium Developments (PCPD) in Hokkaido, Japan. Occupancy of the Park Hyatt Niseko, Hanazono remained low due to travel restrictions and social distancing measures.

In Indonesia, PCPD's premium commercial property, the Pacific Century Place, Jakarta, maintained stable performance with an 80% occupancy rate as at the end of the year. In Phang Nga, Thailand, the golf and country club commenced operations in the third quarter of last year, while handover of the first batch of villas began in December.

In Hong Kong, foundation work for its property development project in Central is expected to commence in the first quarter of this year.

Following a share transaction in late December, PCPD became an associate company of PCCW. The financial results and positions of PCPD will be accounted for in PCCW's financial statements using the equity method in future periods.

PCRD's other business activities include:

KSH

KSH Distriparks (KSH), in which PCRD has a 49.9% stake, is a logistics company with an inland container depot (ICD) in Pune, India. It provides ICD (including bonding) infrastructure, transportation and national third party logistics services to blue chip international industrial and commercial clients.

Despite the pandemic, KSH has continued to operate profitably. In 2021, it achieved an increase in revenue from ICD services and growth in transport volume. The existing ICD property has been converted to provide additional warehousing and industrial park facilities.

The container transport business has shown significant growth in imports and exports in 2021 due to relaxation of industrial lockdown restrictions. A pickup in the triangulation business has seen end-customers benefit greatly from cost reductions on export movements.

OCTOBER

HKT successfully bids for additional 5G spectrum in the 700 MHz and 2,600 MHz bands.

ViuTV announces plans for self-produced drama series and variety shows for 2022.

NOVEMBER

A new csl 5G x MIRROR campaign is launched to promote 5G services.

Viu Original productions win a total of 20 awards at the 2021 Asian Academy Creative Awards.

DECEMBER

MOOV and NETVIGATOR jointly host the NETVIGATOR Imagine Natives MOOV LIVE: Music On The Road concert, featuring MIRROR.

Viu announces a range of original and exclusive content to enhance its program lineup.

ViuTV's talent show King Maker IV concludes with a finale and the formation of a new girl group COLLAR.

CONDENSED CONSOLIDATED INCOME STATEMENT INFORMATION

For the year ended 31 December

	Group 2021 $'000	Group 2020 $'000
Revenue	**28,709**	23,600
Profit from operating activities after finance costs	**16,967**	7,341
Loss on deemed dilution	**–**	(960)
Share of profit/(loss) of associated corporations, net of tax	**42,042**	(40,194)
Loss on liquidation of subsidiary corporations	**(228)**	–
Profit/(loss) before income tax	**58,781**	(33,813)
Income tax (expense)/credit	**(100)**	1,346
Attributable to equity holders of the Company	**58,681**	(32,467)
Per Share Data		
Earnings per share (Singapore cents)	**2.22**	(1.23)
Cash Distribution		
Interim dividend (Singapore cents)	**2.88**	2.30
Special dividend (Singapore cents)	**0.65**	–
Final dividend (Singapore cents)	**0.78***	0.67
Special dividend (Singapore cents)	**2.70***	3.93
	7.01	6.90

* Subject to approval by shareholders at the 58th Annual General Meeting

CONDENSED CONSOLIDATED BALANCE SHEET INFORMATION

As at 31 December

	Group 2021 $'000	Group 2020 $'000
Current assets	**5,630**	101,042
Non-current assets	**1,049,831**	1,065,730
Total assets	**1,055,461**	1,166,772
Current liabilities	**(3,599)**	(4,425)
Non-current liabilities	**(314,560)**	(302,652)
Total liabilities	**(318,159)**	(307,077)
Net assets	**737,302**	859,695
Represented by:		
Share capital	**457,283**	457,283
Other reserves	**198,195**	170,785
Retained profits	**81,824**	231,627
Net assets	**737,302**	859,695
Attributable to equity holders of the Company		
Net assets	**737,302**	859,695
Per Share Data		
Net assets per share (Singapore cents)	**27.8**	32.5

CORPORATE INFORMATION

BOARD OF DIRECTORS

Richard Li Tzar Kai
Chairman

Francis Yuen Tin Fan
Deputy Chairman
Lead Independent Director

Peter A. Allen
Group Managing Director

Frances Wong Waikwun
Independent Director

Laura Deal Lacey
Independent Director

W. Michael Verge
Non-Executive Director

Christopher Fossick
Independent Director

Yeo Wee Kiong
Independent Director

EXECUTIVE COMMITTEE

Richard Li Tzar Kai
Chairman

Peter A. Allen

NOMINATING COMMITTEE

Frances Wong Waikwun
Chairwoman

Francis Yuen Tin Fan

Laura Deal Lacey

Christopher Fossick

AUDIT COMMITTEE

Yeo Wee Kiong
Chairman

Francis Yuen Tin Fan

Frances Wong Waikwun

Christopher Fossick

REMUNERATION COMMITTEE

Francis Yuen Tin Fan
Chairman

Laura Deal Lacey

Yeo Wee Kiong

COMPANY SECRETARY

Lim Beng Jin

REGISTERED OFFICE

50 Raffles Place #35-01
Singapore Land Tower
Singapore 048623
Tel : (65) 6438 2366
Fax : (65) 6230 8777

AUDITORS

PricewaterhouseCoopers LLP

AUDIT PARTNER

Chua Chin San
(appointed in 2017)

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue #14-07
Keppel Bay Tower
Singapore 098632

COMPANY REGISTRATION NO.

196300381N

FINANCIAL STATEMENTS

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The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2021 and the balance sheet of the Company as at 31 December 2021.

In the opinion of the directors:

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 22 to 73 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2021 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

The directors of the Company in office at the date of this statement are as follows:

Mr. Richard Li Tzar Kai
Mr. Francis Yuen Tin Fan
Mr. Peter A. Allen
Ms. Frances Wong Waikwun
Ms. Laura Deal Lacey
Mr. W. Michael Verge
Mr. Christopher John Fossick
Mr. Yeo Wee Kiong

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of directors' shareholdings, the following directors holding office at the end of the financial year had an interest in the shares or debentures of the Company or its related corporations, or options to subscribe for ordinary shares of the Company:

	Ordinary shares registered in name of director or nominee		Ordinary shares in which directors are deemed to have an interest	
The Company	At 31.12.2021	At 1.1.2021	At 31.12.2021	At 1.1.2021
Richard Li Tzar Kai [(a)]	–	–	28,167,000	28,167,000
Peter A. Allen	5,010,000	5,010,000	–	–

[(a)] Richard Li Tzar Kai is deemed to be interested in 28,167,000 shares of the Company held by Hopestar Holdings Limited, a company which is 100% owned by Richard Li Tzar Kai.

Except as stated above, no other director who held office at the end of the financial year had an interest in shares or debentures of the Company or its related corporations. There was no change in any of these interests between the end of the financial year and 21 January 2022. Neither at the end of the financial year, nor at any time during that year, did there exist any arrangements, to which the Company is a party, whereby directors might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SHARE OPTIONS OF THE COMPANY

There were no options granted during the financial year to subscribe for unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the beginning or end of the financial year.

AUDIT COMMITTEE

The audit committee (the "Committee") carried out its functions in accordance with Section 201B(5) of the Companies Act 1967, including the following:

1. Reviewed the independence of external auditors and made recommendations to the Board of Directors on proposals to shareholders on the appointment (including re-appointment) or removal of the external auditors and the remuneration and terms of engagement of external auditors.

2. Reviewed with management, upon finalisation and prior to publication, the financial results for each half-year and full year, and any announcements relating to the company's financial performance.

3. Reviewed interested person transactions and the adequacy of PCRD's internal control procedures in relation to interested person transactions.

4. Reviewed compliance with accounting standards, all relevant laws, the Listing Rules of the Singapore Exchange Securities Trading Limited ("SGX-ST") and the Code of Corporate Governance issued by the SGX-ST.

5. Reviewed any changes in accounting principles or their application during the year.

6. Reviewed significant adjustments proposed and any recommendations on internal accounting controls arising from the statutory audit by the external auditors.

7. Reviewed the audit plans of the external auditors of the Company and ensured the adequacy of the system of accounting controls and the co-operation given by management.

8. Reviewed the adequacy, effectiveness, independence, scope and results of the external audit and PCCW Group's Internal Audits.

9. Reviewed (at least annually) with PCRD's management the adequacy and effectiveness of the Company's internal controls and risk management systems in respect of management and business practices and reviewed with management and external auditors significant accounting and auditing issues (including significant financial reporting issues and judgements) so as to ensure the integrity of the financial statements.

10. Reviewed assurances from the Group Managing Director and Chief Financial Officer on the financial records and financial statements.

11. Reported to the Board or relevant authorities any suspected fraud or irregularity, or failure of internal controls or suspected infringement of any relevant Singapore laws or other regulations, which has or is likely to have a material impact on PCRD's operating results.

12. Reviewed the balance sheet of the Company and the consolidated financial statements of the Group for the financial year end before their submission to the Board of Directors , as well as the independent auditor's report on the balance sheet of the Company and the consolidated financial statements of the Group.

AUDIT COMMITTEE (continued)

The Committee reviews all non-audit services provided by the external auditors so as to ensure the nature and extent of such non-audit services does not affect the independence of the external auditors.

Pursuant to the requirements of the SGX-ST, the Committee reviewed the SGX-ST requirements for the approval and disclosure of interested person transactions. The Committee has also reviewed the procedures set up by the Company to identify and report and where necessary, to seek appropriate approval for interested person transactions.

The Committee convened three meetings during the year with full attendance from all members. The Committee meets with external auditors, without the presence of the Company's management, at least once a year. Further details regarding the Committee are disclosed in the Report on Corporate Governance.

INDEPENDENT AUDITOR

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept reappointment.

On behalf of the directors

Francis Yuen Tin Fan
Deputy Chairman

Peter A. Allen
Group Managing Director

30 March 2022

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our Opinion

In our opinion, the accompanying consolidated financial statements of Pacific Century Regional Developments Limited ("the Company") and its subsidiary corporations ("the Group") and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Group and the Company comprise:

- the consolidated income statement of the Group for the financial year ended 31 December 2021;
- the consolidated statement of comprehensive income of the Group for the financial year then ended;
- the balance sheets of the Group and of the Company as at 31 December 2021;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	*How our audit addressed the Key Audit Matter*
Key Audit Matters in relation to PCCW Limited and its subsidiaries ("PCCW") *Refer to Note 15 in the financial statements for the financial information of PCCW.*	
PCCW is a significant investment of the Group and is accounted for under the equity method. The Group's share of profit after tax from PCCW for the financial year ended 31 December 2021 was $40.7 million and the carrying value of the Group's share of PCCW net assets was $645.9 million as at 31 December 2021. The key audit matters identified by PCCW's auditor for the financial year ended 31 December 2021 related to the following: (1) Revenue recognition; (2) Impairment assessments for cash generating units ("CGUs") containing goodwill; and (3) Income taxes. PCCW's auditor reported that the key audit matters were supported by available evidence.	In the context of our audit of the Group's investment in PCCW, we received the report from their auditor issued in accordance with our instructions and we discussed the results of their work and reviewed their working papers to enable us to determine whether the audit work performed and evidence obtained were sufficient for our purpose. We also discussed and evaluated their identified key audit matters and audit procedures relating to these key audit matters. We also discussed the impact of the key audit matters in PCCW on the Group's consolidated financial statements with the management of the Group. We found that the Group's share of the profit and net assets of PCCW were supported by available evidence.

Other Information

Management is responsible for the other information. The other information comprises the following sections that have been included in the Group's 2021 Annual Report for the financial year ended 31 December 2021 (but does not include the financial statements and our auditor's report thereon):

- Corporate Profile
- Message from the Executive Chairman
- Corporate Structure
- Board of Directors
- Business Review
- Financial Highlights
- Corporate Information
- Directors' Statement
- Report on Corporate Governance
- Sustainability Report
- Shareholding Statistics

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Chua Chin San.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore
30 March 2022

CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 December 2021

	Note	2021 $'000	2020 $'000
Revenue	3	**28,709**	23,600
Other income	4	**77**	298
Expenses			
– Depreciation expenses	17	**(322)**	(378)
– Employee compensation	5	**(2,319)**	(2,288)
– Directors' fees		**(272)**	(337)
– Legal and other professional fees		**(1,420)**	(1,705)
– Travelling expenses		**(75)**	(246)
– Foreign exchange gain/(loss), net		**136**	(362)
– Subscriptions and donations		**(924)**	(1,011)
– Telecommunications		**(40)**	(40)
– Others		**(558)**	(453)
– Finance expenses	6	**(6,025)**	(9,737)
Total expenses		**(11,819)**	(16,557)
Share of profit/(loss) of associated corporations, net of tax		**42,042**	(40,194)
Loss on deemed dilution		**–**	(960)
Loss on liquidation of subsidiary corporations		**(228)**	–
Profit/(loss) before income tax		**58,781**	(33,813)
Income tax (expense)/credit	7(a)	**(100)**	1,346
Total profit/(loss)		**58,681**	(32,467)
Attributable to equity holders of the Company		**58,681**	(32,467)
Earnings/(loss) per share attributable to equity holders of the Company			
(Singapore cents per share)	8		
– Basic		**2.22**	(1.23)
– Diluted		**2.22**	(1.23)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2021

	Note	2021 $'000	2020 $'000
Total profit/(loss)		**58,681**	(32,467)
Other comprehensive income/(loss):			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation			
– Gains/(losses), net		**6,458**	(7,259)
– Reclassification of currency translation differences from liquidated subsidiary corporations to income statement		**228**	–
Share of other comprehensive gain/(loss) of associated corporations		**7,215**	(2,254)
Gain on deemed dilution of an associated corporation		**–**	45
		13,901	(9,468)
Items that will not be reclassified subsequently to profit or loss:			
Fair value gains/(losses) on equity investments at fair value through other comprehensive income		**25,433**	(65,424)
Other comprehensive income/(loss), net of tax	7(c)	**39,334**	(74,892)
Total comprehensive income/(loss)		**98,015**	(107,359)
Total comprehensive income/(loss) attributable to equity holders of the Company		**98,015**	(107,359)

The accompanying notes form an integral part of these financial statements.

BALANCE SHEETS

As at 31 December 2021

	Note	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 2020 $'000
ASSETS					
Current assets					
Cash and cash equivalents	9	**3,851**	8,174	**1,321**	3,053
Trade and other receivables	10	**77**	60	**77**	70
Other current assets	11	**1,702**	1,264	**1,231**	647
		5,630	9,498	**2,629**	3,770
Assets classified as held-for-sale	12	**–**	91,544	**–**	–
		5,630	101,042	**2,629**	3,770
Non-current assets					
Financial assets, at fair value through other comprehensive income ("FVOCI")	13	**388,063**	356,871	**294,772**	277,567
Other receivables	14	**66**	–	**–**	–
Investments in associated corporations	15	**658,927**	707,016	**1,022,080**	1,007,755
Investments in subsidiary corporations	16	**–**	–	**200,943**	198,127
Property, plant and equipment	17	**705**	164	**–**	–
Other non-current assets	18	**2,070**	1,679	**1,814**	1,265
		1,049,831	1,065,730	**1,519,609**	1,484,714
Total assets		**1,055,461**	1,166,772	**1,522,238**	1,488,484
LIABILITIES					
Current liabilities					
Trade and other payables	19	**3,317**	4,270	**256,640**	153,886
Current income tax liabilities	7(b)	**15**	42	**–**	–
Borrowings	20	**267**	113	**–**	–
		3,599	4,425	**256,640**	153,886
Non-current liabilities					
Borrowings	20	**314,186**	302,461	**193,884**	182,530
Deferred income tax liabilities	21	**374**	191	**–**	–
		314,560	302,652	**193,884**	182,530
Total liabilities		**318,159**	307,077	**450,524**	336,416
NET ASSETS		**737,302**	859,695	**1,071,714**	1,152,068
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	22	**457,283**	457,283	**457,283**	457,283
Other reserves	23	**198,195**	170,785	**(22,743)**	(37,193)
Retained profits		**81,824**	231,627	**637,174**	731,978
Total equity		**737,302**	859,695	**1,071,714**	1,152,068

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

	Note	Share capital $'000	Other reserves $'000	Retained profits $'000	Total equity $'000
2021					
Beginning of financial year		**457,283**	**170,785**	**231,627**	**859,695**
Total comprehensive income for the financial year		**–**	**39,334**	**58,681**	**98,015**
Share of reserves of associated corporations		**–**	**(473)**	**(6,821)**	**(7,294)**
Write back of deferred tax provision for gains on disposal of investments		**–**	**–**	**2,181**	**2,181**
Dividend paid	28	**–**	**–**	**(215,295)**	**(215,295)**
Transfer upon disposal of investments		**–**	**(11,451)**	**11,451**	**–**
End of financial year		**457,283**	**198,195**	**81,824**	**737,302**
		(Note 22)	(Note 23)		
2020					
Beginning of financial year		457,283	245,980	356,325	1,059,588
Total comprehensive loss for the financial year		–	(74,892)	(32,467)	(107,359)
Share of reserves of associated corporations		–	384	(11,425)	(11,041)
Purchase and cancellation of shares		–	–	(460)	(460)
Dividend paid	28	–	–	(81,033)	(81,033)
Transfer upon disposal of investments		–	(687)	687	–
End of financial year		457,283	170,785	231,627	859,695
		(Note 22)	(Note 23)		

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2021

	Note	2021 $'000	2020 $'000
Cash flow from operating activities:			
Profit/(loss) after tax		**58,681**	(32,467)
Adjustments for:			
– Income tax expense/(credit)		**100**	(1,346)
– Depreciation expenses		**322**	378
– Dividend income		**(28,709)**	(23,600)
– Interest income		**(4)**	(78)
– Finance expenses		**6,025**	9,737
– Unrealised currency translation (gains)/losses		**(872)**	518
– Loss on liquidation of subsidiary corporations		**228**	–
– Loss on deemed dilution		**–**	960
– Share of (profit)/loss of associated corporations, net of tax		**(42,042)**	40,194
		(6,271)	(5,704)
Change in working capital:			
– Trade and other receivables		**(90)**	5
– Trade and other payables		**(761)**	(170)
Cash used in operations		**(7,122)**	(5,869)
Interest received		**4**	78
Income tax paid		**(193)**	(365)
Net cash used in operating activities		**(7,311)**	(6,156)
Cash flow from investing activities:			
Purchase of property, plant and equipment		**(14)**	(27)
Purchase of financial assets, at FVOCI		**(13,492)**	–
Proceeds from disposal of financial assets, at FVOCI		**106,116**	5,885
Refund of capital contribution from financial assets, at FVOCI		**–**	1,981
Dividends from financial assets, at FVOCI		**10,672**	5,358
Dividends received from HKT Trust and HKT Limited ("HKT")		**18,037**	18,242
Dividends received from PCCW Limited ("PCCW")		**97,491**	100,774
Net cash provided by investing activities		**218,810**	132,213
Cash flow from financing activities:			
Payment of finance expenses		**(7,109)**	(11,137)
Proceeds from borrowings		**145,962**	94,588
Repayment of borrowings and lease payments		**(139,477)**	(133,443)
Purchases of the Company's shares		**–**	(460)
Dividend paid to equity holders of the Company		**(215,295)**	(81,033)
Net cash used in financing activities		**(215,919)**	(131,485)
Net decrease in cash and cash equivalents		**(4,420)**	(5,428)
Cash and cash equivalents at beginning of year		**8,174**	13,763
Effects of currency translation on cash and cash equivalents		**97**	(161)
Cash and cash equivalents at end of year	9	**3,851**	8,174

The accompanying notes form an integral part of these financial statements.

	Beginning of financial year $'000	Proceeds from borrowings $'000	Principal and finance payments $'000	Non-cash changes: Addition during the year $'000	Non-cash changes: Finance expenses $'000	Non-cash changes: Foreign exchange movement $'000	End of financial year $'000
2021							
Bank borrowings	**302,461**	**145,962**	**(146,285)**	**–**	**7,099**	**4,545**	**313,782**
Lease liabilities	**113**	**–**	**(301)**	**849**	**10**	**–**	**671**
2020							
Bank borrowings	343,418	94,588	(144,232)	–	11,129	(2,442)	302,461
Lease liabilities	453	–	(348)	–	8	–	113

The accompanying notes form an integral part of these financial statements.

1. 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 associated corporations are set out in Note 26.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s") under the historical cost convention, except as disclosed in the accounting policies below.

As at 31 December 2021, the Group is in a net current asset position. However, the Company's current liabilities exceed its current assets by $254,011,000. The financial statements of the Company are prepared on a going concern basis because the Company controls the demand of repayment by the wholly-owned subsidiary corporations of the Company amounting to $254,599,000 (Note 19) so the Company is able to pay its debts as and when they fall due.

The preparation of financial statements in conformity with SFRS(I)s requires management to exercise judgement in applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. There are no critical areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements.

2.2 Revenue and other income recognition

(a) *Dividend income*

Dividend income is recognised when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be reliably measured.

(b) *Rendering of management services*

Income from the provision of management services to related parties is recognised in the accounting period in which the services are rendered.

Related parties are invoiced once every year and a contract asset is recognised for the cumulative revenue recognised but not yet invoiced.

(c) *Interest income*

Interest income is recognised on an accrual basis using the effective interest method.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Group accounting

(a) *Subsidiary corporations*

(i) *Consolidation*

Subsidiary corporations are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary corporations are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiary corporations have been changed where necessary to ensure consistency with the policies adopted by the Group.

(ii) *Disposals*

When a change in the Group's ownership interest in a subsidiary corporation results in a loss of control over the subsidiary corporation, the assets and liabilities of the subsidiary corporation, including any goodwill, are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiary corporations and associated corporations" for the accounting policy on investments in subsidiary corporations and associated corporations in the separate financial statements of the Company.

(b) *Associated corporations*

Associated corporations are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above. Investments in associated corporations are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) *Acquisitions*

Investments in associated corporations are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated corporations represents the excess of the cost of acquisition of the associated corporation over the Group's share of the fair value of the identifiable net assets of the associated corporation and is included in the carrying amount of the investment.

(ii) *Equity method of accounting*

Under the equity method of accounting, investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of its associated corporations' post-acquisition profits or losses, its share of movements in its investee's other comprehensive income and its share of other movements in the investee's reserves recorded in equity. Dividends received or receivable from associated corporations are recognised as a reduction in the carrying amount of these investments.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Group accounting (continued)

(b) *Associated corporations* (continued)

(ii) *Equity method of accounting* (continued)

When the Group's share of losses in an associated corporation equals or exceeds its interest in the associated corporation, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated corporation. If the associated corporation subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits exceeds the share of losses not recognised.

Where dividends paid by an associated corporation are in excess of the carrying amount of the Group's investment, the carrying value of the associated corporation is reduced to nil, but does not become negative. If the Group has no legal or constructive obligations to make payments on behalf of the associated corporation, then dividends in excess of the carrying amount of the Group's investment are recognised in profit or loss. In subsequent years, if the associated corporation makes profits, the Group will increase the carrying value of its investment in the associated corporation by its share of subsequent profits and movement in reserves; and will then assess whether the investment is impaired.

Unrealised gains on transactions between the Group and its associated corporations are eliminated to the extent of the Group's interest in the associated corporations. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associated corporations are changed, where necessary, to ensure consistency with the accounting policies adopted by the Group.

(iii) *Disposals*

Investments in associated corporations are derecognised when the Group loses significant influence. If the retained equity interest in a former associated corporation is a financial asset, the retained equity interest is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiary corporations and associated corporations" for the accounting policy on investments in subsidiary corporations and associated corporations in the separate financial statements of the Company.

2.4 Property, plant and equipment

(a) *Measurement*

(i) *Property, plant and equipment*

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) *Components of costs*

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Property, plant and equipment (continued)

(b) *Depreciation*

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate depreciable amounts over estimated useful lives as follows:

	Useful lives
Renovations, furniture, fittings and office equipment	3 to 5 years
Motor vehicles – Right-of-use assets (Note 2.13)	Lease period of 5 years
Properties – Right-of-use assets (Note 2.13)	Lease period of between 2 to 3 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) *Subsequent expenditure*

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) *Disposal*

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "other gains and losses".

2.5 Intangible assets – Goodwill

Goodwill on acquisition of subsidiary corporations and businesses, represents the excess of (a) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (b) the fair value of the identifiable net assets acquired. Goodwill on subsidiary corporations is recognised separately as an intangible asset and carried at cost less accumulated impairment losses.

Goodwill on acquisition of associated corporations represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable net assets acquired. Goodwill on an associated corporation is included in the carrying amount of the investment.

Gains and losses on the disposal of subsidiary corporations and associated corporations include the carrying amount of goodwill relating to the entity sold.

2.6 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method.

2.7 Investments in subsidiary corporations and associated corporations

Investments in subsidiary corporations and associated corporations are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Impairment of non-financial assets

(a) *Goodwill*

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired. Goodwill included in the carrying amount of an investment in an associated corporation is tested for impairment as part of the investment, rather than separately.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and may not be reversed in a subsequent period.

(b) *Property, plant and equipment*
Right-of-use assets
Investments in subsidiary corporations and associated corporations

Property, plant and equipment, right-of-use assets and investments in subsidiary corporations and associated corporations are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Financial assets

(a) *Classification and measurement*

The Group classifies its financial assets into the following measurement categories:

- Amortised cost; and
- Fair value through other comprehensive income (FVOCI).

The classification depends on the Group's business model for managing financial assets as well as the contractual terms of the cash flows from the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset, in the case of a financial asset not at fair value through profit or loss. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement

(i) *Debt instruments*

Debt instruments comprise mainly cash and cash equivalents, trade and other receivables, listed and unlisted debt securities.

There are two subsequent measurement categories, depending on the Group's business model for managing the asset and cash flow characteristics of the asset:

- Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

- FVOCI: Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income (OCI) and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "other gains and losses". Interest income from these financial assets is recognised using the effective interest rate method and presented in "interest income".

(ii) *Equity investments*

The Group subsequently measures its equity investments at their fair values, and may irrevocably elect to recognise changes in fair value of equity securities which are not held for trading in other comprehensive income on initial recognition of the investments. Movements in fair values of investments classified as FVOCI are presented as "fair value gains/losses" in OCI. Otherwise, changes in fair values are recognised in profit or loss.

Dividends from equity investments are recognised in profit or loss as "dividend income".

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Financial assets (continued)

(b) *Impairment*

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost and FVOCI.

For trade receivables, lease receivables and contract assets, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivable.

(c) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceeds is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceeds amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

2.10 Financial guarantees

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiary corporations. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiary corporations fail to make principal or interest payments when due in accordance with the terms of their borrowings. Intra-Group transactions are eliminated on consolidation.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

(a) premium received on initial recognition less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and

(b) the amount of expected loss computed using the impairment methodology under SFRS(I) 9.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Borrowings

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss, over the period of the borrowings, using the effective interest method.

Borrowings are classified as current liabilities unless the Group expects, and has the discretion, to refinance or roll over the obligations for at least 12 months after the balance sheet date under existing loan facilities.

Effect of interest rate benchmark reform ("IBOR reform")

Following the global financial crisis, the reform and replacement of IBOR has become a priority for global regulators. The Group's risk exposure that is directly affected by IBOR reform predominantly comprises its variable rate borrowings that are linked to the United States Dollar 3 Month London Interbank Offered Rate ("USD 3M LIBOR"). For variable rate borrowings that are linked to Hong Kong Interbank Offered Rate ("HIBOR"), these are not affected by IBOR reform because the Hong Kong Monetary Authority has no plan to discontinue HIBOR.

USD 3M LIBOR loses its representativeness after 30 June 2023. The Group has a variable rate USD borrowing which references to USD 3M LIBOR and matures after 30 June 2023.

The following table contains details of borrowings that the Group and Company holds at 31 December 2021 which are referenced to USD 3M LIBOR and have not yet transitioned to new benchmark rates:

	USD 3M LIBOR	
	Carrying amount $'000	Of which: Not yet transited to an alternative benchmark rate $'000
Group		
31 December 2021		
Liabilities		
– Borrowings	127,853	127,853
Company		
31 December 2021		
Liabilities		
– Borrowings	127,853	127,853

2.12 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of a financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Leases – When the Group is the lessee

At the inception of a contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- Right-of-use assets

  The Group recognises a right-of-use asset and lease liability at the date on which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and any lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use asset.

  A right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

  Right-of-use assets are presented within "Property, plant and equipment".

- Lease liabilities

  The initial measurement of a lease liability is measured at the present value of future lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

  Lease payments include the following:

  – Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
  – Variable lease payments that are based on an index or rate, initially measured using the index or rate as at the commencement date;
  – Amount expected to be payable under any residual value guarantees;
  – The exercise price of a purchase option if the option is reasonably certain to be exercised; and
  – Payment of penalties for terminating the lease, if the lease term reflects that the Group will exercise that option.

  A lease liability is measured at amortised cost using the effective interest method. A lease liability shall be remeasured when:

  – There is a change in future lease payments arising from changes in an index or rate;
  – There is a change in the Group's assessment of whether it will exercise an extension option; or
  – There is a modification in the scope or the consideration for the lease that was not part of the original term.

  A lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

2.14 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or are substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Income taxes (continued)

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when deferred income tax arises from the initial recognition of goodwill or an asset or liability arising from a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiary corporations and associated corporations, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(a) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(b) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.15 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

2.16 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted from the carrying amount of such assets.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The functional currency of the Company is the Hong Kong Dollar. The financial statements are presented in Singapore Dollars because the Company is listed on the Singapore Exchange Securities Trading Limited and is incorporated and domiciled in Singapore.

(b) *Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss.

Monetary items include primarily financial assets (other than equity investments), contract assets and financial liabilities. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "finance expenses". All other foreign exchange gains and losses impacting profit or loss are presented in profit or loss within "foreign exchange gain/(loss), net".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) *Translation of Group entities' financial statements*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at closing exchange rates at the reporting date;

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case, income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at closing rates at the reporting date.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Segment reporting

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.

2.19 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions, which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet.

2.20 Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When the Company purchases its ordinary shares ("treasury shares"), the carrying amount, which includes the consideration paid and any directly attributable transaction cost, is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of the capital of the Company, or against the retained profits of the Company if the shares are purchased out of the earnings of the Company.

When treasury shares are subsequently sold or reissued pursuant to an employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve.

2.21 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

2.22 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.23 Non-current assets held-for-sale

Non-current assets are classified as assets held-for-sale and carried at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

For non-current financial assets which were previously measured based on the policy in Note 2.9(a), the measurement provision above does not apply and the non-current assets classified as held-for-sale continue to be measured at fair value.

3. REVENUE

	Group 2021 $'000	2020 $'000
Dividend income	**28,709**	23,600

4. OTHER INCOME

	Group 2021 $'000	2020 $'000
Government grants	**38**	186
Interest income – bank deposits	**4**	78
Management fees		
– associated corporation	**3**	3
– other related parties (Note 27(a))	**27**	31
Other income	**5**	–
	77	298

5. EMPLOYEE COMPENSATION

	Group 2021 $'000	2020 $'000
Wages and salaries	**2,193**	2,163
Employer's contributions to defined contribution plans including Central Provident Fund	**126**	125
	2,319	2,288

6. FINANCE EXPENSES

	Group 2021 $'000	2020 $'000
Interest expense		
– bank borrowings	**3,647**	7,781
– lease liabilities	**10**	8
Finance facility fees	**2,368**	1,948
	6,025	9,737

7. INCOME TAXES

(a) Income tax expense

	Group 2021 $'000	Group 2020 $'000
Tax expense/(credit) attributable to profit/(loss) is made up of:		
Profit/(loss) from current financial year:		
Current income tax		
– Singapore	**123**	380
	123	380
Under/(Over) provision in prior financial years:		
Current income tax	**43**	(20)
Deferred income tax (Note 21)	**(66)**	(1,706)
Tax expense/(credit)	**100**	(1,346)

The tax charge on the Group's profit/(loss) differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group 2021 $'000	Group 2020 $'000
Profit/(loss) before income tax	**58,781**	(33,813)
Less: Share of (profit)/loss of associated corporations, net of tax	**(42,042)**	40,194
Loss on deemed dilution of associated corporations	**–**	960
	16,739	7,341
Tax calculated at tax rate of 17% (2020: 17%)	**2,845**	1,248
Effects of:		
– income not subject to tax	**(5,010)**	(4,013)
– expenses not deductible for tax purposes	**2,290**	3,148
– different tax rates in other countries	**14**	21
– partial tax exemption	**(16)**	(24)
Tax charge for the financial year	**123**	380

(b) Movement in current income tax liabilities

	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 2020 $'000
Beginning of financial year	**42**	60	**–**	–
Currency translation differences	**–**	(13)	**–**	(13)
Income tax paid	**(193)**	(365)	**(108)**	(331)
Tax expense	**166**	360	**108**	344
End of financial year	**15**	42	**–**	–

7. INCOME TAXES (continued)

(c) The tax (charge)/credit relating to each component of other comprehensive income/(loss) is as follows:

Group	2021			2020		
	Before tax $'000	**Tax (charge) $'000**	**After tax $'000**	Before tax $'000	Tax credit $'000	After tax $'000
Currency translation differences arising from consolidation						
– Gains/(losses), net	**6,458**	**–**	**6,458**	(7,259)	–	(7,259)
– Reclassification of currency translation differences from liquidated subsidiary corporations to income statement	**228**	**–**	**228**	–	–	–
Share of other comprehensive gain/(loss) of associated corporations	**7,215**	**–**	**7,215**	(2,254)	–	(2,254)
Gain on deemed dilution of an associated corporation	**–**	**–**	**–**	45	–	45
Fair value gains/(losses) on equity investments at fair value through other comprehensive income	**25,433**	**–**	**25,433**	(67,127)	1,703	(65,424)
Other comprehensive income/(loss)	**39,334**	**–**	**39,334**	(76,595)	1,703	(74,892)

(d) Income tax recognised directly in equity is as follows:

	Group	
	2021 $'000	2020 $'000
Tax on disposal of financial assets, at FVOCI	**249**	116

8. EARNINGS PER SHARE

(a) Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the net profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2021	2020
Net profit/(loss) attributable to equity holders of the Company ($'000)	**58,681**	(32,467)
Weighted average number of ordinary shares outstanding for basic earnings/(loss) per share ('000)	**2,648,150**	2,648,467
Basic earnings/(loss) per share (Cents per share)	**2.22**	(1.23)

(b) Diluted earnings/(loss) per share

Diluted earnings/(loss) per share is the same as basic earnings/(loss) per share as there was no dilutive effect on earnings/(loss) per share calculations due to the absence of any dilutive financial instruments during the financial years ended 31 December 2020 and 2021.

9. CASH AND CASH EQUIVALENTS

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Cash at bank and on hand	**3,851**	8,174	**1,321**	3,053

10. TRADE AND OTHER RECEIVABLES – CURRENT

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Trade receivables				
– Non-related parties	**18**	11	**13**	7
Other receivables				
– Subsidiary corporation	**–**	–	**63**	62
– Other related parties (Note 10(a))	**17**	40	**1**	1
– Non-related parties	**596**	596	**596**	596
	613	636	**660**	659
Less: Allowance for impairment of receivables				
– Non-related parties	**(596)**	(596)	**(596)**	(596)
Other receivables, net	**17**	40	**64**	63
Amount receivable on sale of an associated corporation (Note 10(b))	**59,776**	59,776	**–**	–
Less: Allowance for impairment of receivable	**(59,776)**	(59,776)	**–**	–
Amount receivable on sale of an associated corporation, net	**–**	–	**–**	–
Others	**42**	9	**–**	–
	77	60	**77**	70

(a) Amounts due from a subsidiary corporation and other related parties (Note 27(a)) are non-trade in nature, unsecured, interest-free and repayable on demand.

(b) The allowance of $59,776,000 for the amount receivable on sale of an associated corporation was made in 1999. The background to this debt is as follows:

In 1995, the Company's 51%-owned subsidiary corporation, Gladioli Investments Pte Ltd ("Gladioli"), disposed of its 39% equity interest in an associated corporation, Bugis City Holdings Pte Ltd ("BCH"), to Montien International Limited ("Montien"). Montien was a shareholder of Gladioli.

The sale was completed in July 1996. Interest was charged in accordance with the sale and purchase agreement on a net outstanding balance amounting to $53,000,000 (2020: $53,000,000).

The receivable was secured by a second charge against 69,576,000 shares in BCH and by a guarantee given by Madam Endang Utari Mokodompit. On 31 March 2003, a judgement debt was recognised by The High Court of The Republic of Singapore in the sum of $70,224,000 against Madam Endang Utari Mokodompit as well as Montien. As at 31 December 2021, the amount due, inclusive of interest, was $102,658,000 (2020: $101,038,000). However, the Company has not recognised any amount beyond the amount receivable of $59,776,000 (2020: $59,776,000), which is fully provided for.

11. OTHER CURRENT ASSETS

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Deposits	**1**	87	**1**	2
Prepayments	**1,701**	1,177	**1,230**	645
	1,702	1,264	**1,231**	647

12. ASSETS CLASSIFIED AS HELD-FOR-SALE

In 2019, certain financial assets, at FVOCI were classified as assets held-for-sale.

	Group	
	2021	2020
	$'000	$'000
Quoted equity investments, at fair value:		
– FWDGRP ZERO Perpetual Corp (USD)	**–**	91,544
Beginning of financial year	**91,544**	107,337
Fair value gains/(losses) (Note 23 (b)(v))	**12,142**	(10,024)
Disposals during the financial year	**(103,686)**	(5,769)
End of financial year	**–**	91,544

During the financial year ended 31 December 2021, the Group disposed certain holdings of FWDGRP ZERO Perpetual Corp (USD). These investments had a fair value of $103,686,000 (2020: $5,769,000) at the date of disposal, and the cumulative gain on the disposal amounted to $11,451,000 (2020: $687,000), net of tax. The cumulative gain on disposal was reclassified from fair value reserve to retained profits.

13. FINANCIAL ASSETS, AT FVOCI

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**356,871**	351,710	**277,567**	277,849
Currency translation differences	**4,409**	(4,217)	**3,946**	(3,937)
Additions				
– Purchased in cash	**13,492**	–	**13,492**	–
– Dividends in specie declared by an associated corporation	**–**	68,462	**–**	68,462
Refund of capital contribution	**–**	(1,981)	**–**	–
Fair value gains/(losses) (Note 23(b)(v))	**13,291**	(57,103)	**(233)**	(64,807)
End of financial year	**388,063**	356,871	**294,772**	277,567
Non-current assets				
Equity investments, at fair value:				
– Unquoted				
Foxdale Asset Holding Ltd	**32,953**	23,013	**–**	–
Exoduspoint Partners International Fund, Ltd	**59,863**	55,841	**–**	–
Others	**475**	450	**–**	–
	93,291	79,304	**–**	–
– Quoted				
HKT	**265,155**	250,961	**265,155**	250,961
Pacific Century Premium Developments Limited	**29,617**	26,606	**29,617**	26,606
	294,772	277,567	**294,772**	277,567
Total	**388,063**	356,871	**294,772**	277,567

The Group's quoted equity investments are issued by related corporations.

14. OTHER RECEIVABLES – NON-CURRENT

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Other receivables				
– Others	**66**	–	**–**	–

15. INVESTMENTS IN ASSOCIATED CORPORATIONS

	Company 2021 $'000	Company 2020 $'000
Equity investments – Quoted shares		
At cost	**1,022,080**	1,007,755
Market value of quoted shares at balance sheet date	**1,203,573**	1,403,016

Set out below are the associated corporations of the Group as at 31 December 2021. The associated corporations as listed below have share capital consisting solely of ordinary shares, which are held directly by the Group; the country of incorporation is also their principal place of business.

Name of entity	Place of business/country of incorporation	% of ownership interest 2021	% of ownership interest 2020
PCCW Limited	Hong Kong	**22.7**	22.7
KSH Distriparks Private Limited ("KSH")	India	**49.9**	49.9

PCCW's principal activities are the provision of local and international telecommunications and information technology services, technology-related businesses, and investment holding in Hong Kong.

KSH's principal activities are the provision of infrastructure and services for an Inland Container Depot, the development of warehousing and industrial parks and third party logistics and transportation solutions in India.

As at 31 December 2021, the fair value of the Group's interest in PCCW, which is listed on the Hong Kong Stock Exchange, was $1,203,573,000 (2020: $1,403,016,000). The carrying amount of the Group's interest in PCCW was $645,859,000 (2020: $695,235,000).

To provide shareholders with information on the results and financial position of PCCW, financial information from its audited annual report dated 24 February 2022 is set out below. The summarised consolidated statement of comprehensive income is translated at the average rate for each financial year and the summarised consolidated balance sheet at the closing rate as at each balance sheet date.

Summarised consolidated statement of comprehensive income of PCCW

	For the year ended 31 December 2021 $'000	For the year ended 31 December 2020 $'000 (Restated)
Revenue	**6,681,188**	6,397,383
Profit before income tax	**676,001**	370,324
Profit for the year	**509,377**	115,382
Other comprehensive (loss)/income for the year	**(16,593)**	4,445
Total comprehensive income for the year	**492,784**	119,826

The comparative figures were restated to reflect the reclassification between continuing operations and discontinued operations of the associated corporation accordingly.

15. INVESTMENTS IN ASSOCIATED CORPORATIONS (continued)

Summarised consolidated balance sheet of PCCW

	2021 $'000	2020 $'000
Current assets	**3,235,677**	2,965,888
Current liabilities	**(3,755,930)**	(3,141,159)
Non-current assets	**13,136,979**	13,796,837
Non-current liabilities	**(9,926,497)**	(11,299,364)
Net assets	**2,690,229**	2,322,202
CAPITAL AND RESERVES		
Share capital	**2,250,951**	2,219,405
Reserves	**(777,946)**	(517,587)
Equity attributable to equity holders of PCCW	**1,473,005**	1,701,818
Perpetual capital securities	**1,022,781**	–
Non-controlling interests	**194,443**	620,384
Total equity	**2,690,229**	2,322,202

The information on pages 46 and 47 reflects the information presented in the audited financial statements of PCCW (and not the Group's share of these figures). There are no differences in accounting policies between the Group and PCCW.

Group's share of PCCW's contingent liabilities is as follows:

	2021 $'000	2020 $'000
Performance guarantee	**61,928**	61,177
Others	**6,311**	13,107

PCCW is subject to certain corporate guarantee obligations to guarantee the performance of its subsidiaries in the normal course of their businesses. The amount of liabilities arising from such obligations, if any, cannot be ascertained but the directors of PCCW are of the opinion that any resulting liability would not materially affect the financial position of PCCW.

The following table summarises, in aggregate, the Group's share of profit and other comprehensive income of the Group's individually immaterial associated corporation accounted for using the equity method:

	2021 $'000	2020 $'000
Profit after income tax and total comprehensive income	**1,287**	952

15. INVESTMENTS IN ASSOCIATED CORPORATIONS (continued)

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in associated corporations:

	PCCW #	
	2021	2020
	$'000	$'000
Net assets		
At 1 January	**1,701,818**	2,700,382
Profit/(loss) for the year	**179,587**	(181,340)
Other comprehensive gain/(loss)	**26,791**	(15,289)
Transactions with equity holders	**(460,477)**	(770,812)
Currency translation differences	**25,286**	(31,123)
At 31 December	**1,473,005**	1,701,818

	Group	
	2021	2020
	$'000	$'000
Interest in PCCW (22.7%) (2020: 22.7%)	**334,372**	386,313
Dividends from PCCW *	**232,605**	232,605
Goodwill and foreign exchange differences	**78,882**	76,317
Carrying value of PCCW	**645,859**	695,235
Add:		
Carrying value of KSH	**13,068**	11,781
Carrying value of Group's interest in associated corporations	**658,927**	707,016
Dividends received from PCCW	**97,491**	100,774

The information above reflects the amounts attributable to equity holders of PCCW.

* In 2009, the Company received dividends amounting to $377,478,000 from PCCW. This was $232,605,000 in excess of the carrying value of the Group's investment in PCCW. This amount was recognised in the consolidated income statement. Subsequently, the Group continued to increase the carrying value of its investment in PCCW by recognising its share of subsequent profits and reserves of PCCW.

Further details of associated corporations are provided in Note 26.

16. INVESTMENTS IN SUBSIDIARY CORPORATIONS

	Company	
	2021	2020
	$'000	$'000
Equity investments, at cost		
Beginning of financial year	**198,127**	204,408
Currency translation difference	**2,816**	(2,896)
Allowance for impairment	**–**	(3,385)
End of financial year	**200,943**	198,127

Details of subsidiary corporations are provided in Note 26.

In 2020, the Company recognised impairment losses of $3,385,000 against its investments in subsidiary corporations in Singapore and Hong Kong arising from losses incurred by these subsidiary corporations.

17. PROPERTY, PLANT AND EQUIPMENT

(a) Property, plant and equipment

	Renovations, furniture, fittings and office equipment $'000	Motor vehicles $'000	Properties $'000	Total $'000
Group				
2021				
Cost				
Beginning of financial year	**313**	**163**	**659**	**1,135**
Additions	**14**	**–**	**849**	**863**
Disposals	**(13)**	**–**	**(659)***	**(672)**
End of financial year	**314**	**163**	**849**	**1,326**
Accumulated depreciation				
Beginning of financial year	**259**	**163**	**549**	**971**
Depreciation charge	**35**	**–**	**287**	**322**
Disposals	**(13)**	**–**	**(659)***	**(672)**
End of financial year	**281**	**163**	**177**	**621**
Net book value				
End of financial year	**33**	**–**	**672**	**705**
Group				
2020				
Cost				
Beginning of financial year	302	163	659	1,124
Additions	27	–	–	27
Disposals	(16)	–	–	(16)
End of financial year	313	163	659	1,135
Accumulated depreciation				
Beginning of financial year	242	147	220	609
Depreciation charge	33	16	329	378
Disposals	(16)	–	–	(16)
End of financial year	259	163	549	971
Net book value				
End of financial year	54	–	110	164

* The disposal of properties amounting to $659,000 relates to the expiry of an office lease in 2021 which was renewed.

17. PROPERTY, PLANT AND EQUIPMENT (continued)

(a) Property, plant and equipment (continued)

	Renovations, furniture, fittings and office equipment $'000
Company	
2021	
Cost	
Beginning and end of financial year	**23**
Accumulated depreciation	
Beginning and end of financial year	**23**
Net book value	
End of financial year	**–**
Company	
2020	
Cost	
Beginning and end of financial year	23
Accumulated depreciation	
Beginning and end of financial year	23
Net book value	
End of financial year	–

(b) Leases

(i) *Amounts recognised in the balance sheet*

	Group	
	2021 $'000	2020 $'000
Right-of-use assets*		
Properties	**672**	110
Lease liabilities#		
Current (Note 20)	**267**	113
Non-current (Note 20)	**404**	–
	671	113

Additions to the right-of-use assets during the financial year ended 31 December 2021 were $849,000 (2020: $nil).

* included in the line item 'Property, plant and equipment' in the balance sheet
\# included in the line item 'borrowings' in the balance sheet.

17. PROPERTY, PLANT AND EQUIPMENT (continued)

(b) Leases (continued)

(ii) Amounts recognised in the income statement

The income statement shows the following amounts relating to leases:

	Note	Group 2021 $'000	Group 2020 $'000
Depreciation charge of right-of-use assets			
Motor vehicles	17(a)	**–**	16
Properties	17(a)	**287**	329
		287	345
Finance expenses			
Lease liabilities	6	**10**	8

The total cash outflow relating to leases for the financial year ended 31 December 2021 was $301,000 (2020: $348,000).

(iii) The Group's leasing activities and how these are accounted for

The Group leases various office properties and a motor vehicle. Rental contracts are typically made for periods of two to five years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and corresponding liability at the date on which the leased asset is available for use by the Group.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. A right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

18. OTHER NON-CURRENT ASSETS

	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 2020 $'000
Deposits	**86**	1	**–**	–
Prepayments	**1,984**	1,678	**1,814**	1,265
	2,070	1,679	**1,814**	1,265

19. TRADE AND OTHER PAYABLES

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Other payables to				
– Subsidiary corporations	**–**	–	**254,599**	151,514
– Other related parties	**–**	427	**–**	427
– Other non-related parties	**953**	670	**953**	670
	953	1,097	**255,552**	152,611
Accruals for operating expenses	**2,364**	3,173	**1,088**	1,275
	3,317	4,270	**256,640**	153,886

Amounts due to subsidiary corporations and other related parties (Note 27(a)) are non-trade in nature, unsecured, interest-free and repayable on demand.

20. BORROWINGS

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Current				
Lease liabilities (Note 17(b)(i))	**267**	113	**–**	–
Non-current				
Revolving loan facilities (Note 20(a))	**313,782**	302,461	**193,884**	182,530
Lease liabilities (Note 17(b)(i))	**404**	–	**–**	–
	314,186	302,461	**193,884**	182,530
Total borrowings	**314,453**	302,574	**193,884**	182,530

(a) 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 (Note 15) and Share Stapled Units in HKT (Note 13) 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.

The revolving loan facilities are priced at LIBOR or HIBOR, plus a margin ranging from 0.93% to 1.15% per annum (2020: 0.93% to 1.15% per annum).

21. DEFERRED INCOME TAX LIABILITIES

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Deferred income tax liabilities				
– to be settled after one year	**374**	191	**–**	–

Movements in deferred income tax liabilities are as follows:

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**191**	3,446	**–**	1,668
Currency translation differences	**–**	38	**–**	38
Tax charged/(credited) to				
– other comprehensive income (Note 7(c))	**–**	(1,703)	**–**	–
– equity (Note 7(d))	**249**	116	**–**	–
Over provision in prior financial years (Note 7(a))	**(66)**	(1,706)	**–**	(1,706)
End of financial year	**374**	191	**–**	–

The Group's and Company's deferred tax liabilities have been measured based on the corporate tax rates and tax laws prevailing at the balance sheet date in relevant jurisdictions.

Deferred income tax liabilities have been provided in respect of certain earnings not remitted into Singapore from the Group's assets classified as held-for-sale and the Company's financial assets, at FVOCI. These earnings will be brought to tax by the tax authority if and when they are remitted into Singapore unless for the purpose of paying dividends. There are no assessable temporary differences relating to the Group's investments in subsidiary corporations and associated corporations.

As at 31 December 2021, a subsidiary corporation had unutilised tax losses amounting to approximately $45,730,000 (2020: $45,730,000) available for set-off against taxable income in the future for which no deferred tax asset is recognised due to uncertainty as to its recoverability. The use of these tax losses is subject to agreement by the tax authority and in compliance with certain provisions of the tax legislation of the jurisdiction in which the subsidiary corporation operates. These tax losses have no expiry date.

In 2020, there was a write back of deferred tax provision of $1,706,000 for distributions from HKT which were used to pay a tax exempt dividend to equity holders of the Company.

22. SHARE CAPITAL

	No. of ordinary shares		Amount	
	Issued share capital '000	Company shares '000	Share capital $'000	Company shares $'000
Group and Company				
2021				
Beginning and end of financial year	**2,648,150**	–	**457,283**	–
2020				
Beginning of financial year	**2,649,740**	–	**457,283**	–
Shares purchased	**–**	(1,590)	**–**	(460)
Shares cancelled	**(1,590)**	1,590	**–**	460
End of financial year	**2,648,150**	–	**457,283**	–

All issued ordinary shares are fully paid. There is no par value for these ordinary shares. The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

During the financial year ended 31 December 2020, the Company acquired 1,590,000 shares in the Company from the open market and cancelled them. The total amount paid to acquire the shares was $460,000. This is included as a component of shareholders' equity.

23. OTHER RESERVES

(a) *Composition:*

	Group		Company	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
Currency translation reserve	**88,158**	72,837	**(91,207)**	(105,890)
Equity share compensation reserve	**3,654**	4,127	**–**	–
Cash flow hedge reserve	**6,101**	6,613	**–**	–
Other reserve	**(13,840)**	(13,130)	**–**	–
Fair value reserve	**114,122**	100,338	**68,464**	68,697
	198,195	170,785	**(22,743)**	(37,193)

23. OTHER RESERVES (continued)

(b) *Movements:*

(i) *Currency translation reserve*

Movements in the currency translation reserve arise mainly from differences in the translation of the financial statements of companies in the Group whose functional currencies are different from that of the Group's presentation currency.

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**72,837**	79,472	**(105,890)**	(85,674)
Net currency translation differences of financial statements of the Company, foreign subsidiary corporations and associated corporations	**6,458**	(7,259)	**14,683**	(20,216)
Reclassification of currency translation differences from liquidated subsidiary corporations to income statement	**228**	–	**–**	–
Share of currency translation reserve of associated corporations	**8,635**	624	**–**	–
End of financial year	**88,158**	72,837	**(91,207)**	(105,890)

(ii) *Equity share compensation reserve*

Equity share compensation reserve represents the equity-settled share options granted to employees of an associated corporation.

	Group	
	2021	2020
	$'000	$'000
Beginning of financial year	**4,127**	3,743
Share of equity share compensation reserve of an associated corporation	**(473)**	384
End of financial year	**3,654**	4,127

(iii) *Cash flow hedge reserve*

	Group	
	2021	2020
	$'000	$'000
Beginning of financial year	**6,613**	9,970
Share of net fair value losses, net of tax of an associated corporation	**(512)**	(3,357)
End of financial year	**6,101**	6,613

23. OTHER RESERVES (continued)

(b) *Movements:* (continued)

(iv) *Other reserve*

The other reserve records the increase in ownership interest in a subsidiary corporation of an associated corporation and dividends paid under the associated corporation's share award scheme.

	Group	
	2021	2020
	$'000	$'000
Beginning of financial year	**(13,130)**	(13,654)
Share of an associated corporation's other reserves relating to disposal of subsidiary corporations and accretion on a put option to the non-controlling shareholder of an indirect non-wholly owned subsidiary corporation	**(710)**	524
End of financial year	**(13,840)**	(13,130)

(v) *Fair value reserve*

The fair value reserve records the cumulative fair value changes in financial assets, at FVOCI and asset classified as held-for-sale until they are derecognised or impaired.

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**100,338**	166,449	**68,697**	133,504
Fair value gains/(losses) on financial assets, at FVOCI and assets classified as held-for-sale:				
– Gross gains/(losses) on fair value changes during the year (Notes 12 and 13)	**25,433**	(67,127)	**(233)**	(64,807)
– Tax on fair value changes	**–**	1,703	**–**	–
– Share of an associated corporation's net losses on fair value changes	**(198)**	–	**–**	–
– Transfer upon disposal of investments	**(11,451)**	(687)	**–**	–
End of financial year	**114,122**	100,338	**68,464**	68,697

24. SEGMENT INFORMATION

The chief operating decision makers consist of the Chairman and Group Managing Director.

The chief operating decision makers include a business segment analysis in their strategic decision making process. Management provides information on the business in two business segments: investment holding and business management and consultancy services.

The chief operating decision makers assess the performance of these operating segments based on net profit.

Revenue is derived from dividend income and the provision of business management and consultancy services to other related parties and associated corporations.

Information with respect to total assets and total liabilities is measured in a manner consistent with that used in the financial statements.

All assets other than cash and cash equivalents are allocated to reportable segments.

Liabilities are allocated based on operations within the segment. All liabilities are allocated to reportable segments other than borrowings, current income tax liabilities and deferred income tax liabilities.

Geographical information:

	Group Revenue		Group Non-current assets	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Singapore	**–**	–	**2,672**	1,430
India	**–**	–	**13,068**	11,781
Hong Kong	**18,037**	18,242	**646,028**	695,648
Cayman Islands	**10,672**	5,358	**–**	–
	28,709	23,600	**661,768**	708,859

24. SEGMENT INFORMATION (continued)

	Investment holding $'000	Business management and consultancy services $'000	Consolidated $'000
2021			
External revenue	28,709	–	28,709
Operating profit before interest income and depreciation	22,879	431	23,310
Interest income	4	–	4
Depreciation	(320)	(2)	(322)
Profit from operating activities	22,563	429	22,992
Finance expenses	(6,025)	–	(6,025)
Share of profits of associated corporations, net of tax	42,042	–	42,042
Loss on liquidation of subsidiary corporations	(228)	–	(228)
Profit before income tax	58,352	429	58,781
Income tax (expense)/credit	(107)	7	(100)
Total profit	58,245	436	58,681
Segment assets	389,729	113	389,842
Property, plant and equipment	–	705	705
Other non-current assets	1,984	152	2,136
Investments in associated corporations	658,927	–	658,927
	660,911	857	661,768
Unallocated corporate assets			
– Cash and cash equivalents			3,851
Total assets			1,055,461
Segment liabilities	3,004	313	3,317
Unallocated corporate liabilities			
– Borrowings			314,453
– Current income tax liabilities			15
– Deferred income tax liabilities			374
Total liabilities			318,159
Other segment information:			
Additions to property, plant and equipment	–	863	863

24. SEGMENT INFORMATION (continued)

	Investment holding $'000	Business management and consultancy services $'000	Consolidated $'000
2020			
External revenue	23,600	–	23,600
Operating profit before interest income and depreciation	16,791	587	17,378
Interest income	78	–	78
Depreciation	(375)	(3)	(378)
Profit from operating activities	16,494	584	17,078
Finance expenses	(9,737)	–	(9,737)
Loss on deemed dilution	(960)	–	(960)
Share of losses of associated corporations, net of tax	(40,194)	–	(40,194)
(Loss)/profit before income tax	(34,397)	584	(33,813)
Income tax credit/(expense)	1,357	(11)	1,346
Total (loss)/profit	(33,040)	573	(32,467)
Segment assets	449,559	180	449,739
Property, plant and equipment	–	164	164
Other non-current assets	1,678	1	1,679
Investments in associated corporations	707,016	–	707,016
	708,694	165	708,859
Unallocated corporate assets			
– Cash and cash equivalents			8,174
Total assets			1,166,772
Segment liabilities	3,972	298	4,270
Unallocated corporate liabilities			
– Borrowings			302,574
– Current income tax liabilities			42
– Deferred income tax liabilities			191
Total liabilities			307,077
Other segment information:			
Additions to property, plant and equipment	–	27	27

25. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to market risk (including currency, price, cash flow and fair value interest rate risks), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group's associated corporation, PCCW, uses financial instruments such as currency forwards, interest rate swaps and foreign currency borrowings to hedge certain financial risk exposures.

The Board of Directors is responsible for setting the objectives and underlying principles for financial risk management of the Group.

(a) Market risk

(i) Currency risk

The Group operates in Asia with operations in Singapore, Hong Kong and India. Entities in the Group regularly transact in currencies other than their functional currencies ("foreign currencies") such as the Singapore Dollar ("SGD") and United States Dollar ("USD").

Currency risk arises when transactions involving monetary items are denominated in foreign currencies. Where material, the Group takes steps to manage currency risk.

In addition, the Group is exposed to currency translation risk on net monetary assets in foreign operations. The Group monitors foreign currency exposures on an on-going basis.

25. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) *Currency risk* (continued)

The Group's currency exposure, based on information provided to key management, is as follows:

	HKD $'000	SGD $'000	USD $'000	Other $'000	Total $'000
At 31 December 2021					
Financial assets					
Cash and cash equivalents	**1,328**	**976**	**1,546**	**1**	**3,851**
Trade and other receivables	**–**	**143**	**–**	**–**	**143**
Other financial assets	**–**	**87**	**–**	**–**	**87**
Intercompany receivables	**125,854**	**118,137**	**17,935**	**–**	**261,926**
	127,182	**119,343**	**19,481**	**1**	**266,007**
Financial liabilities					
Other financial liabilities	**(403)**	**(1,843)**	**(424)**	**(647)**	**(3,317)**
Borrowings	**(298,876)**	**(671)**	**(14,906)**	**–**	**(314,453)**
Intercompany payables	**(125,854)**	**(118,137)**	**(17,935)**	**–**	**(261,926)**
	(425,133)	**(120,651)**	**(33,265)**	**(647)**	**(579,696)**
Net financial liabilities	**(297,951)**	**(1,308)**	**(13,784)**	**(646)**	**(313,689)**
Less:					
Net financial liabilities/(assets) denominated in respective entities' functional currencies	**297,965**	**219**	**(951)**	**–**	
Net intercompany receivables denominated in respective entities' functional currencies	**–**	**(118,011)**	**(17,935)**	**–**	
Currency exposure	**14**	**(119,100)**	**(32,670)**	**(646)**	

25. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) *Currency risk* (continued)

The Group's currency exposure, based on information provided to key management, is as follows: (continued)

	HKD $'000	SGD $'000	USD $'000	Other $'000	Total $'000
At 31 December 2020					
Financial assets					
Cash and cash equivalents	4,553	2,033	1,587	1	8,174
Trade and other receivables	–	57	3	–	60
Other financial assets	–	88	–	–	88
Intercompany receivables	134,826	14,248	7,943	–	157,017
	139,379	16,426	9,533	1	165,339
Financial liabilities					
Other financial liabilities	(251)	(1,547)	(1,834)	(638)	(4,270)
Borrowings	(222,729)	(113)	(79,732)	–	(302,574)
Intercompany payables	(134,832)	(14,249)	(7,943)	–	(157,024)
	(357,812)	(15,909)	(89,509)	(638)	(463,868)
Net financial (liabilities)/assets	(218,433)	517	(79,976)	(637)	(298,529)
Less:					
Net financial liabilities/(assets) denominated in respective entities' functional currencies	218,427	(1,335)	(20)	–	
Net intercompany liabilities/(receivables) denominated in respective entities' functional currencies	8,823	(14,123)	(7,943)	–	
Currency exposure	8,817	(14,941)	(87,939)	(637)	

25. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) *Currency risk* (continued)

The Company's currency exposure, based on information provided to key management, is as follows:

	HKD $'000	SGD $'000	USD $'000	Total $'000
At 31 December 2021				
Financial assets				
Cash and cash equivalents	**430**	**400**	**491**	**1,321**
Trade and other receivables	**–**	**77**	**–**	**77**
Other financial assets	**–**	**1**	**–**	**1**
	430	**478**	**491**	**1,399**
Financial liabilities				
Borrowings	**(178,978)**	**–**	**(14,906)**	**(193,884)**
Other financial liabilities	**(126,242)**	**(117,860)**	**(12,538)**	**(256,640)**
	(305,220)	**(117,860)**	**(27,444)**	**(450,524)**
Net financial liabilities	**(304,790)**	**(117,382)**	**(26,953)**	
Currency exposure after deducting net financial liabilities denominated in the Company's functional currency	**–**	**(117,382)**	**(26,953)**	
At 31 December 2020				
Financial assets				
Cash and cash equivalents	2,655	390	8	3,053
Trade and other receivables	–	70	–	70
Other financial assets	–	2	–	2
	2,655	462	8	3,125
Financial liabilities				
Borrowings	(102,798)	–	(79,732)	(182,530)
Other financial liabilities	(134,455)	(15,393)	(4,038)	(153,886)
	(237,253)	(15,393)	(83,770)	(336,416)
Net financial liabilities	(234,598)	(14,931)	(83,762)	
Currency exposure after deducting net financial liabilities denominated in the Company's functional currency	–	(14,931)	(83,762)	

25. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

If the value of the USD and SGD change against the HKD by 4% (2020: 10%) with all other variables including tax rate being held constant, the effects arising from the net financial liability/asset position will be as follows:

	Increase/(Decrease) 2021		(Increase)/Decrease 2020	
	Profit after tax $'000	**Other comprehensive income $'000**	Loss after tax $'000	Other comprehensive loss $'000
Group				
USD against HKD				
– strengthened	**(489)**	**(595)**	(6,640)	(659)
– weakened	**489**	**595**	6,640	659
SGD against HKD				
– strengthened	**(36)**	**(3,918)**	(68)	(1,172)
– weakened	**36**	**3,918**	68	1,172
Company				
USD against HKD				
– strengthened	**(895)**	**–**	(6,952)	–
– weakened	**895**	**–**	6,952	–
SGD against HKD				
– strengthened	**(3,897)**	**–**	(1,239)	–
– weakened	**3,897**	**–**	1,239	–

25. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(ii) Price risk

The Group is exposed to equity securities price risk arising from investments held by the Group which are classified as financial assets at FVOCI.

These securities consist of listed equity securities in Hong Kong and unlisted equity securities in Cayman Islands and Japan.

The Group is not exposed to commodity price risk. To manage price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of its portfolio is done in accordance with limits set by the Group.

If prices for listed equity securities in Hong Kong and unlisted equity securities in Cayman Islands and Japan change by 7% (2020: 18%) with all other variables including tax rate being held constant, total profit and other comprehensive income will be as follows:

	Increase/(Decrease)			
	2021		2020	
	Profit after tax $'000	**Other comprehensive income $'000**	Loss after tax $'000	Other comprehensive loss $'000
Group				
Listed in Hong Kong				
– increased by	**–**	**17,126**	–	41,469
– decreased by	**–**	**(17,126)**	–	(41,469)
Unlisted in Cayman Islands				
– increased by	**–**	**5,412**	–	11,828
– decreased by	**–**	**(5,412)**	–	(11,828)
Unlisted in Japan				
– increased by	**–**	**8**	–	20
– decreased by	**–**	**(8)**	–	(20)
Company				
Listed in Hong Kong				
– increased by	**–**	**17,126**	–	41,469
– decreased by	**–**	**(17,126)**	–	(41,469)

(iii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that future cash flows from a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group and the Company have insignificant exposures to cash flow and fair value interest rate risks.

25. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

For trade receivables, the Group adopts a policy of dealing only with external customers with appropriate credit standing and history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group adopts a policy of dealing only with high credit quality counterparties. As these policies have been applied consistently, the Group does not expect to incur material credit losses on these financial assets.

As the Group and Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instrument is the carrying amount of that class of financial instrument presented in the balance sheet.

The Group's and Company's major classes of financial assets are bank deposits, trade and other receivables and financial assets, at FVOCI. These assets are subject to immaterial credit loss.

The credit risk for trade and other receivables, based on information provided to key management, is as follows:

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
By geographical areas				
Singapore	**126**	20	**77**	69
Hong Kong	**16**	37	**–**	1
Cayman Islands	**–**	3	**–**	–
Others	**1**	–	**–**	–
	143	60	**77**	70
By types of customers				
Non-related parties	**126**	20	**13**	8
Subsidiary corporation	**–**	–	**63**	62
Other related parties	**17**	40	**1**	–
	143	60	**77**	70

(i) *Financial assets that are neither past due nor impaired*

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade and other receivables that are neither past due nor impaired are substantially from companies with a good collection track record with the Group and the Company, and are expected to be collected within 12 months from the balance sheet date.

25. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

(ii) Financial assets that are past due and/or impaired

The Group and the Company do not have any receivables that are past due but not impaired.

The carrying amount of trade and other receivables individually determined to be impaired and the movement in the related allowance for impairment are as follows:

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Gross amount	**60,372**	60,372	**596**	596
Less: Allowance for impairment	**(60,372)**	(60,372)	**(596)**	(596)
	–	–	**–**	–
Beginning and end of financial year	**60,372**	60,372	**596**	596

The Group and the Company do not have further dealings with the counterparties to these impaired receivables.

(c) Liquidity risk

The table below analyses the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Less than 1 year $'000	Between 1 and 5 years $'000
Group		
At 31 December 2021		
Trade and other payables	**3,317**	**–**
Borrowings	**5,161**	**319,367**
	8,478	**319,367**
At 31 December 2020		
Trade and other payables	4,270	–
Borrowings	4,346	309,838
	8,616	309,838
Company		
At 31 December 2021		
Trade and other payables	**256,640**	**–**
Borrowings	**2,840**	**196,684**
	259,480	**196,684**
At 31 December 2020		
Trade and other payables	153,886	–
Borrowings	2,686	187,859
	156,572	187,859

25. FINANCIAL RISK MANAGEMENT (continued)

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors its capital based on total capital. Total capital is calculated as capital and reserves attributable to equity holders of the Company plus net debt. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents.

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Net debt	**313,919**	298,670	**449,203**	333,363
Capital and reserves attributable to equity holders of the Company	**737,302**	859,695	**1,071,714**	1,152,068
Total capital	**1,051,221**	1,158,365	**1,520,917**	1,485,431

There are no externally imposed capital requirements for the financial years ended 31 December 2021 and 2020.

(e) Fair value measurements

The table below presents assets and liabilities measured and carried at fair value and classified by level of the following fair value measurement hierarchy:

(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).

	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000
Group				
Assets				
Financial assets, at FVOCI				
2021	**294,772**	**60,338**	**32,953**	**388,063**
2020	277,567	56,291	23,013	356,871
Company				
Assets				
Financial assets, at FVOCI				
2021	**294,772**	**–**	**–**	**294,772**
2020	277,567	–	–	277,567

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets held by the Group are the closing prices. These instruments are included in Level 1.

25. FINANCIAL RISK MANAGEMENT (continued)

(e) Fair value measurements (continued)

The fair values of financial assets at FVOCI held in funds based on values reflected in statements from fund managers are included in Level 2.

The following table presents the changes in Level 3 instruments:

	Group	
	2021	2020
	$'000	$'000
Financial assets at FVOCI		
Beginning of financial year	**23,013**	22,929
Currency translation differences	**464**	(281)
Refund of capital contribution	**–**	(1,981)
Fair value gains recognised in other comprehensive income	**9,476**	2,346
End of financial year	**32,953**	23,013

The following table presents the valuation techniques and key inputs that were used to determine the fair value of financial instruments categorised under Level 3 of the fair value hierarchy.

Description	Fair value as at		Valuation techniques	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
	2021	2020				
	$'000	$'000				
Unquoted equity securities	**32,953**	23,013	Net asset value #	Net asset value	Not applicable	The higher the net asset value, the higher the fair value.

Unquoted equity securities are valued based on the net asset value per share as reported by the investee. The net assets of the investee is principally made up of quoted equity instruments that are carried at fair value.

The Group's finance team assesses the fair value of financial assets at FVOCI on a quarterly basis.

The carrying values less impairment provision of trade and other receivables and trade and other payables are assumed to approximate their fair values. The fair values of current borrowings approximate their carrying amounts.

(f) Financial instruments by category

The carrying amount of each different category of financial instrument is as disclosed on the face of the balance sheet and in Note 13 to the financial statements, except for the following:

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Financial assets, at amortised cost	**4,081**	8,322	**1,399**	3,125
Financial liabilities, at amortised cost	**317,770**	306,844	**450,524**	336,416

26. 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	
		2021	2020	**2021**	2020
		$'000	$'000	**%**	%
Subsidiary corporations directly held by the Company					
[a] PCRD Services Pte Ltd (Singapore)	Investment holding, business management and consultancy services (Singapore)	**21,210**	20,913	**100**	100
[a] Gladioli Investments Pte Ltd (Singapore)	Dormant	**296**	292	**100**	100
[a] Riyan Pte Ltd (Singapore)	Dormant	**–**	–	**100**	100
[a] Elsmore Pte Ltd (Singapore)	Investment holding (Singapore)	**51,168**	50,451	**100**	100
[a] Leapford Pte. Ltd. (Singapore)	Investment holding (Singapore)	**102,747**	101,307	**100**	100
[b] Pacific Century Regional Developments (HK) Limited (Hong Kong)	Business management and consultancy services (Hong Kong)	**25,522**	25,164	**100**	100
[c] Telegraph Investments Limited (British Virgin Islands)	Dormant	**–**	–	**100**	100
[c] Valuable Enterprises Limited (British Virgin Islands)	Dormant	**–**	–	**100**	100
[d] Starvest Limited (Cayman Islands)	Dormant	**–**	–	**–**	100
[e] PCRD Investments Limited (Hong Kong)	Dormant	**–**	–*	**–**	100
		200,943	198,127		

26. 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	
		2021	2020	**2021**	2020
		$'000	$'000	**%**	%
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)	**645,859**	695,235	**22.7**	22.7
		645,859	695,235		
Subsidiary corporations indirectly held by the Company					
[c] City Ventures Global Limited (Cayman Islands)	Investment holding (Cayman Islands)			**100**	100
[c] Prosper Global Investments Limited (Cayman Islands)	Investment holding (Cayman Islands)			**100**	100
Associated corporation indirectly held by the Company					
[f] 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] Audited by PricewaterhouseCoopers LLP, Singapore
[b] Audited by PricewaterhouseCoopers, Hong Kong
[c] A corporation not requiring audit under the laws in its country of incorporation
[d] Liquidated during the financial year
[e] De-registrated during the financial year
[f] Audited by BSR & Co. LLP, India

27. 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:

	Group 2021 $'000	Group 2020 $'000
Management services rendered to:		
– associated corporations	**3**	3
– other related parties *	**27**	31
Payments made on behalf of and reimbursable by		
– associated corporations	**1**	2
– other related parties *	**17**	2
Payments made on behalf by and reimbursable to		
– associated corporations	**239**	452
– other related parties *	**357**	442

* 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:

	Group 2021 $'000	Group 2020 $'000
Wages, salaries and other short-term employee benefits	**1,532**	1,507
Employer's contribution to defined contribution plans including Central Provident Fund	**35**	35
	1,567	1,542

28. DIVIDENDS

	Company 2021 $'000	Company 2020 $'000
Ordinary dividends		
Interim dividend paid in respect of the financial year ended 31 December 2020 of 2.3 cents per share	**–**	60,907
Interim and special dividend paid in respect of the financial year ended 31 December 2021 of 2.88 cents and 0.65 cents respectively per share	**93,480**	–
Final dividend paid in respect of the financial year ended 31 December 2019 of 0.76 cents per share	**–**	20,126
Final and special dividend paid in respect of the financial year ended 31 December 2020 of 0.67 cents and 3.93 cents respectively per share	**121,815**	–
	215,295	81,033

29. IMPACT OF THE CORONAVIRUS DISEASE 2020 ("COVID-19")

The COVID-19 pandemic has affected almost all countries of the world, and resulted in border closures, production stoppages, workplace closures, movement controls and other measures imposed by various governments. The Group's operations are mainly in Singapore, Hong Kong and India which were all affected by the spread of COVID-19 in 2021.

The Group has considered market conditions (including the impact of COVID-19) as at the balance sheet date, in making estimates and judgements on the recoverability of assets as at 31 December 2021. There are no such estimates or assumptions that are significant to the financial statements as disclosed in Note 2.1.

As the global COVID-19 situation remains very fluid as at the date these financial statements were authorised for issuance, the Group cannot reasonably ascertain the full extent of the impact of COVID-19 disruptions on its operating and financial performance for the financial year ending 31 December 2022.

30. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Company. These standards are not expected to have a material impact on the Company in current or future reporting periods and on foreseeable future transactions.

31. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Pacific Century Regional Developments Limited on 30 March 2022.

Pacific Century Regional Developments Limited ("PCRD" or the "Company") is committed to upholding high standards of corporate governance in conformity with the Code of Corporate Governance issued by the Singapore Exchange Securities Trading Limited ("SGX").

PCRD supports the principles underpinning best practice in corporate governance. The challenge, as PCRD sees it, is not simply to put the various elements of good corporate governance in place but also to ensure that these elements are effectively integrated, well understood, and appropriately applied. Importantly, also, an appropriate balance must be maintained between the conformance and performance roles of the Board and its Committees.

PCRD has always recognised that improving corporate governance is a continuous process and if implemented effectively, good corporate governance practices provide the integrated strategic framework necessary to achieve required performance outputs and outcomes, as well as discharging the Company's accountability obligations.

This report describes the Company's corporate governance practices during the financial year ended 31 December 2021 with specific reference to the Code of Corporate Governance 2018 ("Code"). The Company has complied with the principles of the Code, and substantially, with the provisions as set out in the Code. Deviations from the Code, if any, are explained under the respective sections.

BOARD OF DIRECTORS

Principle 1: Board's Conduct of Affairs

The Board:

1. Acts as the ultimate decision-making body of the Company, except with respect to those matters reserved to shareholders. Directors are fiduciaries who take decisions objectively in the interests of the Company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.

2. Represents shareholders' interest in developing the Company's businesses to successfully optimise long-term financial returns.

3. Reviews and evaluates management performance and ensures that Management is capably executing its responsibilities.

4. Acts as an advisor and counselor to senior management.

5. Identifies key stakeholder groups, sets the Company's values and standards, and recognises and ensures its legal, social and moral obligations towards shareholders and stakeholders are understood and met.

Specifically, the Board is responsible for:

1. Providing entrepreneurial leadership, formulation of policies and strategies (including consideration of sustainability issues), ensuring that the necessary financial and human resources are in place for the Company to meet its objectives and overseeing the management of the Company as a whole.

2. Approving major funding, investment and divestment proposals.

3. Overseeing the processes for evaluating the adequacy and effectiveness of internal controls and risk management, including safeguarding of the Company's assets and shareholders' interests.

4. Approving the nominations of board directors.

5. Assuming responsibility for compliance with the Companies Act 1967 ("Companies Act") and the rules and requirements of regulatory bodies.

BOARD OF DIRECTORS (continued)

Matters that are specifically reserved to the full Board for decision are those involving material acquisitions and disposals of assets, corporate or financial restructuring, share issuances, share buy-backs and dividends. Written internal guidelines adopted by the Company, which have been communicated to Management, require specific Board approval for any investment or expenditure exceeding US$50 million (or its equivalent in any other currency) in total. To facilitate effective management, certain functions have been delegated by the Board to Board Committees namely, the Executive Committee, the Audit Committee, the Nominating Committee and the Remuneration Committee. Each of these Board Committees has clear written terms of reference which are reviewed regularly and set out their composition, authority and duties, including requirements to report back to the Board.

The Board meets at least twice a year and as warranted by circumstances. The Company's Constitution allows a board meeting to be conducted by way of videoconference, teleconference and other forms of electronic communication. Attendances of directors at meetings of the Board and Board Committees and the Company's Annual General Meeting ("AGM") in 2021 were as follows:

	Board		Audit		Nominating		Remuneration		AGM
Name	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Attended
Richard Li Tzar Kai	2	2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	–
Francis Yuen Tin Fan	2	2	3	3	1	-	1	1	–
Peter A. Allen	2	2	3	3*	1	1*	1	1*	1
Frances Wong Waikwun	2	2	3	3	1	1	n.a.	n.a.	1
Laura Deal Lacey	2	2	n.a	n.a.	1	1	1	1	1
W. Michael Verge	2	2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1
Christopher John Fossick	2	2	3	3	1	1	n.a.	n.a.	1
Yeo Wee Kiong	2	2	3	3	n.a.	n.a.	1	1	1

* By invitation
n.a. Not applicable

Directors understand the Group's businesses as well as their directorship duties. New directors are briefed on the Group's businesses and corporate governance policies. Upon appointment of each new director, PCRD provides a formal letter to the director setting out the director's duties and obligations. Familiarisation visits are organised and funded, as necessary, to facilitate a better understanding of the Group's operations. Whilst there are no formal continuing training programmes for existing directors, briefing sessions and training (including by external professional legal and financial advisors), particularly on relevant new laws, regulations and changing commercial risks, are conducted or provided at the Company's expense when necessary.

In order to ensure that the Board is able to fulfill its responsibilities, Board members receive full co-operation from Management in providing them with key information in a complete, adequate and timely manner and access to company records and information on an on-going basis. In furtherance of the same, each of the directors has been provided with the contact numbers and e-mail addresses of all other PCRD directors, senior management and the Company Secretary.

BOARD OF DIRECTORS (continued)

Board papers, including sufficient background information on matters to be brought before the Board such as business strategies and summaries of disclosure documents, are circulated to Board members prior to meetings by the Company Secretary. Minutes of all Board and Board Committee meetings are also circulated to Board members periodically. The Board is updated on the status of the performance of subsidiary companies ("subsidiary corporations" and each, a "subsidiary corporation") and associated companies ("associated corporations" and each, an "associated corporation") and the Company also provides independent directors with relevant background and explanatory information to enable them to understand its business and financial environment as well as those particular risks faced by the Company.

The Board has separate and independent access to the Company Secretary and senior management of the Company as and when the need arises.

The Company Secretary's role includes advising the Board on all governance matters. Should directors, whether individually or as a group, need independent professional advice in relation to the conduct of his or their duties, the Directors, or the Company Secretary upon direction by the Board, may appoint a professional advisor selected by the individual or individuals concerned and approved by the executive directors to render advice. The cost of such professional advice is borne by the Company.

The Company Secretary or his assistant attends all Board meetings and is responsible for ensuring that Board procedures are followed. It is the Company Secretary's responsibility to ensure that the Company complies with the requirements of the Companies Act and all other rules and regulations which are applicable to the Company and that Board members are fully briefed on these and have regard to them when taking decisions. The Company Secretary's responsibilities also include ensuring good information flows within the Board and its Board Committees and between senior management and non-executive directors, as well as facilitating orientation and assisting with professional development as required.

The appointment and removal of the Company Secretary is a matter for the Board as a whole.

Principle 2: Board Composition and Guidance

The Board currently comprises eight directors of whom two are executive directors, one is a non-executive director and five are independent non-executive directors.

The executive directors are the Chairman of the Board, Mr. Richard Li Tzar Kai, and the Group Managing Director, Mr. Peter A. Allen. The non-executive director is Mr. W. Michael Verge.

The five independent non-executive directors are the Deputy Chairman, Mr. Francis Yuen Tin Fan (Lead Independent Director), Ms. Frances Wong Waikwun, Ms. Laura Deal Lacey, Mr. Christopher John Fossick and Mr. Yeo Wee Kiong.

The Nominating Committee is responsible for reviewing at least annually the actual structure, size and composition of the Board (including the skills, knowledge, experience and degree of independence) compared to the attributes required by the Board and making recommendations to the Board with regard to any proposed changes.

BOARD OF DIRECTORS (continued)

In its annual review of the degree of independence based on a questionnaire on independence which directors are required to complete, the Nominating Committee adopts the Code's definition of what constitutes an independent director. The Board recognises the contribution of its independent directors who over time have developed deep insights into the Company's businesses and who are therefore able to provide valuable contributions to the Company. In view of these invaluable insights and the appropriate fit of the present Board members to the current businesses of the Company, the Board has not set a fixed term of office for each of its independent directors so as to be able to retain the services of these directors.

The independence of any director who has served on the Board beyond nine years from the date of his/her first appointment is subject to particularly rigorous review. Ms. Frances Wong Waikwun will have served on the Board for more than nine years on 1 June 2022 and as a result, the Board has reviewed the extent to which she remains independent. Following this review which comprised an assessment of Ms. Wong's objective Board participation based on a review of Board and Board Committee meeting minutes, and which took into account the questionnaire on independence which directors are required to complete. The Board remains satisfied that, despite her length of tenure, Ms. Wong is able to discharge her duties with professionalism and objectivity, exercise strong independent judgement and act in the best interests of the Company and she therefore remains independent. The SGX listing rules require that any independent director who has served more than nine years must have his or her continued appointment as an independent director of the Company approved by shareholders. Such approval will continue in force until the retirement or resignation of such a director or the conclusion of the third AGM of the Company following the passing of the two-tier resolutions at the AGM, whichever is the earlier. Accordingly, the director would continue to be regarded as an independent director despite having served for more than nine years on the Board.

The profiles of directors are set out on pages 4 to 5 of this Annual Report.

Members of the Board of Directors are drawn from a range of professional disciplines and all directors have prior relevant practical experience. The Board communicates regularly through the Company Secretary to ensure that alternative views are obtained before embarking on transactions, as well as to ensure that there is an adequate flow of information.

The Board considers the current Board structure, size and composition is suitable for the Group's present scope and nature of operations. The Board has an appropriate mix of skills, knowledge, experience, and other aspects of diversity such as age and gender to provide the Company with the necessary management, financial, legal, business and industry knowledge, and to avoid groupthink and foster constructive debate. Non-executive directors constructively challenge and help develop proposals on strategy and review the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance. Non-executive directors may meet without the presence of Management on a need-be basis when warranted by circumstances from time to time and are able to communicate via telephonic conferences or otherwise to discuss issues relating to board processes, corporate governance initiatives and other matters to be discussed during Board meetings. Although the Company does not have a formal board diversity policy, the Nominating Committee and the Board are mindful of the importance of diversity for an effective Board, and various dimensions of diversity such as professional competencies and gender are incorporated in the selection and nomination process for the appointment of directors that is currently in place. The Company is of the view that the Board has an appropriate level of diversity of thought and independence to enable it to make decisions in the best interests of the Company.

BOARD OF DIRECTORS (continued)

Additional information on those Directors who are proposed for re-election at the 2022 AGM is as follows:

Name of Director	Francis Yuen Tin Fan	Laura Deal Lacey	Christopher John Fossick
Age	69	46	61
Date of appointment	15 March 2005	12 February 2015	13 August 2018
Date of last re-appointment (if applicable)	2 April 2019	28 May 2020	2 April 2019
Country of principal residence	Hong Kong	Singapore	Singapore
Whether appointment is executive, and if so, the area of responsibility	No	No	No
Job title (e.g. Lead ID, AC Chairman, AC member etc.)	1. Deputy Chairman 2. Lead Independent Director 3. Chairman of the Remuneration Committee 4. Member of the Audit Committee 5. Member of the Nominating Committee	1. Independent Non-Executive Director 2. Member of the Nominating Committee 3. Member of the Remuneration Committee	1. Independent Non-Executive Director 2. Member of the Audit Committee 3. Member of the Nominating Committee
Professional qualifications	Bachelor of Arts degree in Economics from the University of Chicago	1. Master of Science in Strategic Communications from the Columbia University 2. Bachelor of Science degree in Business from the Arizona State University	1. Master of Business Administration from the University of Chicago 2. Bachelor of Science in Estate Management from the University of South Wales, UK
Working experience and occupation(s) during the last 10 years	Director	Director	Director
Shareholding interest in the listed issuer and its subsidiaries	No	No	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No	No
Other principal commitments including directorships	Chairman of the Advisory Board of Ortus Capital Management Limited	Executive Director of the Milken Institute Asia Center	Chief Executive Officer, Southeast Asia at Jones Lang LaSalle
Past (for the last 5 years) – Directorships in listed entities	1. China Food Limited 2. Agricultural Bank of China Limited	None	None
Present – Directorships in listed entities	1. Shanghai Industrial Holdings Limited 2. Yixin Group Limited	None	None

BOARD OF DIRECTORS (continued)

The Directors seeking re-election at the 2022 AGM, namely Mr. Francis Yuen Tin Fan, Ms. Laura Deal Lacey and Mr. Christopher John Fossick, have each:

- Provided an undertaking in the format set out in Appendix 7.7 under Rule 720(1) of the SGX Listing Manual.
- Confirmed that he/she has no conflict of interest (including any competing business).
- Confirmed that he/she has prior experience as a director of an issuer listed on the SGX-ST.
- Confirmed that his/her responses under items (a) to (k) of Appendix 7.4.1 of the SGX Listing Manual are all "No".

The above Directors are proposed for re-appointment to ensure that the Board continues to have the right mix of skills, knowledge, experience and diversity such as gender, qualifications, professional experience and age to provide the Company with the necessary management, financial, business and industry knowledge.

Principle 3: Chairman and Group Managing Director

The Chairman, Mr. Richard Li Tzar Kai, is an executive director and his role is separate from that of Mr. Peter A. Allen, the Group Managing Director. The clear separation of the role and responsibilities of the Chairman and the Group Managing Director, which are set out in writing, is to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making. The Chairman is assisted by an Executive Committee comprising himself and Mr. Peter A. Allen. The Group Managing Director is responsible for the workings of the Board as well as ensuring conformity by Management with corporate governance policies laid down by the Board. The Chairman ensures that board meetings are held when necessary and sets the board meeting agenda in consultation with the Group Managing Director. The Chairman also:

1. Leads the Board to ensure its effectiveness in all aspects of its role;
2. Sets the agenda and ensures that adequate time is available for discussion of all agenda items, including strategic issues;
3. Promotes a culture of openness and debate at the Board;
4. Ensures that directors receive complete, accurate, timely and clear information;
5. Ensures effective communication with shareholders;
6. Encourages constructive relations within the Board and between the Board and Management;
7. Facilitates the effective contribution of non-executive directors;
8. Encourages constructive relations between executive directors and non-executive directors; and
9. Promotes high standards of corporate governance.

As the Chairman is not an independent director and is part of the management team, the Company has appointed a Lead Independent Director ("LID") in line with the recommendations of the Code. The Company's LID is Mr. Francis Yuen Tin Fan. The LID is available to shareholders in cases where they have concerns which contact through the normal channels of the Chairman or Management has failed to resolve or is inappropriate. The LID and other independent directors meet periodically without the presence of the other directors, and the LID provides feedback to the Chairman after such meetings.

BOARD COMMITTEES

The Board and Board Committees do not have direct oversight over the affairs of PCCW Limited ("PCCW") as this company is listed on The Stock Exchange of Hong Kong Limited whose high regulatory standards allow the Board and Board Committees of the Company to rely on the board and board committees of PCCW to oversee their own operations.

NOMINATING COMMITTEE

Principle 4: Board Membership

The Nominating Committee was formed on 5 December 2002.

The Nominating Committee currently comprises four independent directors namely, Ms. Frances Wong Waikwun (Chairwoman), Ms. Laura Deal Lacey, Mr. Christopher John Fossick and Mr. Francis Yuen Tin Fan, the LID.

The duties and responsibilities of the Nominating Committee (as set out in its terms of reference) are as follows:

1. To review the succession plans for directors (in particular, the Chairman, Group Managing Director and key management personnel) and assess the skills represented on the Board by directors to determine whether those skills meet the required standard to competently discharge the Board's duties, having regard to the strategic direction of the Company and its succession plans, and to make recommendations to the Board on individuals it considers appropriate for appointment or re-appointment.

2. To implement a process for identification of suitable candidates for appointment to the Board and assess, based on disclosures by directors of their relationships with the Company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence, the independence of new appointees and existing directors in accordance with the guidelines contained in the Code and make recommendations to the Board in relation thereto.

3. To evaluate and assess the effectiveness of the Board as a whole, its Board Committees and directors (including whether a director is able to and has been adequately carrying out his or her duties as a director of the Company), by establishing a process for conducting reviews of all Board members by such means as it considers appropriate, and to make recommendations to the Board in relation thereto.

4. To make recommendations to the Board in relation to the appointment of new directors and re-election of incumbent directors who are retiring by rotation.

5. To make recommendations to the Board in relation to training and professional development programmes for directors, and ensure that new directors are aware of their duties and obligations. Whilst there are no formal continuing training programmes for existing directors, briefing sessions and training (including by external professional legal and financial advisors), particularly on relevant new laws, regulations and changing commercial risks, are conducted or provided at the Company's expense when necessary.

New directors and retiring directors seeking re-election are recommended to the Board, after the Nominating Committee has agreed to their nomination. Article 99 of the Company's Constitution provides that one-third of the Board of Directors is to retire from office by rotation and is subject to re-election at the Company's Annual General Meeting ("AGM") and every director is to submit himself for re-election at least once every 3 years. In addition, Article 105 of the Company's Constitution provides that a newly appointed director must retire and submit himself for re-election at the next AGM following his initial appointment.

Where directors step down from the Board, cessation announcements providing detailed reason(s) for the cessation are released on the SGXNet in compliance with the requirements of the SGX-ST Listing Manual.

NOMINATING COMMITTEE (continued)

The date of appointment and last re-election of each director, together with their directorships or chairmanships both present and those held in the preceding three years in other listed companies are set out below:

Name of Director	Appointment	Date of initial appointment	Date of last re-election / re-appointment	Directorships or chairmanships both present and those held over the preceding three years in other listed companies
Richard Li Tzar Kai	Executive	08.09.94	23.04.21	Present – PCCW Limited – HKT Limited – Pacific Century Premium Developments Limited
Francis Yuen Tin Fan	Non-Executive/ Independent	15.03.05	02.04.19	Present – Shanghai Industrial Holdings Limited – Yixin Group Limited Past 3 years – Agricultural Bank of China Limited
Peter A. Allen	Executive	01.11.97	23.04.21	Present – HKT Limited
Frances Wong Waikwun	Non-Executive/ Independent	01.06.13	23.04.21	Present – PCCW Limited – HKT Limited
Laura Deal Lacey	Non-Executive/ Independent	12.02.15	28.05.20	None
W. Michael Verge	Non-Executive	11.08.17	28.05.20	None
Christopher John Fossick	Non-Executive/ Independent	13.08.18	02.04.19	None
Yeo Wee Kiong	Non-Executive/ Independent	29.05.20	23.04.21	Present – AF Global Limited – Asian Healthcare Specialists Limited – SUTL Enterprise Limited Past 3 years – Roxy-Pacific Holdings Limited – Bonvests Holdings Limited

Key information regarding directors, including academic and professional qualifications, is set out on pages 4 to 5 of this Annual Report.

NOMINATING COMMITTEE (continued)

The process for selection and appointment of new directors to the Board is carried out when necessary by the Nominating Committee. The Nominating Committee initiates and executes a process to search for and identify suitable candidates for nomination to the Board for appointment, taking into consideration the core competencies required to meet the needs of the Company and the competencies of the existing directors. In selecting potential new directors, the Nominating Committee seeks to identify the range of expertise and competencies, such as, broad commercial experience in the fund management, property and financial services industries, as well as appropriate financial and legal qualifications and other skills required to enable the Board to fulfill its responsibilities. The need to maximise the effectiveness of the Board is taken into consideration. In so doing, the Nominating Committee has regard to the results of an annual appraisal of the Board's performance. The Nominating Committee also takes into consideration whether a candidate had previously served on the board of companies with adverse track records or a history of irregularities, and assesses whether a candidate's resignation from the board of any such company would cast any doubt on his ability to act as a Director of the Company. The Nominating Committee may engage recruitment consultants to undertake research on, or assess, candidates for new positions on the Board, or to engage such other independent experts as the Committee considers necessary to assist it in carrying out its duties and responsibilities. The Nominating Committee, having considered the composition of the Board in relation to the needs of the Company and its businesses, prepares a shortlist of candidates with the appropriate profile for nomination.

The Board does not appoint alternate directors. Alternate directors would only be appointed in exceptional cases such as when a director has a medical emergency.

Principle 5: Board Performance

The Nominating Committee evaluates the Board's performance as a whole and assesses the effectiveness of the Board Committees annually based on performance criteria (as recommended by the Nominating Committee and approved by the Board) which include an evaluation of the size and composition of the Board, the Board's access to information, Board performance in relation to discharging its principal functions, fiduciary duties and communication with senior management. These performance criteria also include certain financial indicators as a guide to directors such as the company's share price performance over a five-year period compared to the Singapore Straits Times Index and its industry peers, return on assets, return on equity and return on investment as well as other measures of the Board's performance such as the accretion in value of its major investments. PCCW, which comprises the bulk of the inherent value of PCRD, is managed on a day-to-day basis by a separate board and professional management team. The performance criteria do not change from year to year, unless the Nominating Committee is of the view that it is necessary to change the performance criteria, for example, in order to align with any changes in the Code. The evaluation of the Board and Board Committees includes the completion of a Board and Board Committee Evaluation Form by each director. The Nominating Committee collates these responses into a report which is discussed by the Nominating Committee

In its assessment of the contribution of each individual director (including the Chairman) to the effectiveness of the Board and Board Committees (including discussion of re-nomination of directors for re-appointment), the Nominating Committee takes into consideration their respective preparedness, commitment, participation, attendance at Board and Board Committee meetings and whether they have the essential skills to competently discharge the Board's duties. As part of the review process (which takes into account the assessment of each individual director facilitated by the completion of a Director Evaluation Form by each director, attendance at Board and/or Board Committee meetings and the level of commitment required by a director's other board representations or principal commitments), directors must demonstrate that they are able to give sufficient time and attention to the affairs of PCRD, particularly when a director holds multiple board appointments or other principal commitments. After considering the competing time commitments faced by directors who serve on multiple boards and the level of activities of the Company, the Board has determined that the maximum number of listed company board representations which any director may hold is five. This number will be reviewed in future years to take into account any changes in the nature and activities of the Company.

Each director is required to individually complete a Director Evaluation Form to facilitate the deliberations of the Nominating Committee in its assessment of the Board (including the contribution by the Chairman) and Board Committees. The form is designed to assess each director's performance and commitment to the Company's affairs, his understanding of the Company's strategies and operations, business developments, corporate goals and objectives of the Company, his contribution to the development of the Company's strategies and policies and to identify areas for improvement. No external facilitator is involved in the process of assessment of the effectiveness of the Board, Board Committees and individual directors.

NOMINATING COMMITTEE (continued)

The Nominating Committee collates and reviews the feedback from these evaluations and recommends any actions required for improvement to the Board. The Chairman takes careful note of the results of the performance evaluations by the Nominating Committee and, where appropriate, may propose new members to be appointed to the Board and Board Committees or seek the resignation of directors, in consultation with the Nominating Committee.

Based on the Board's assessment and review, the Board has met its performance objectives. The Board and its Board Committees have operated effectively and each Director has contributed to the effectiveness of the Board.

The Board is satisfied that its directors are able to adequately carry out their respective duties and responsibilities as directors of the Company.

AUDIT COMMITTEE

Principle 10: Audit Committee

The Audit Committee was formed on 19 April 1991. The Audit Committee comprises four independent non-executive directors namely, Mr. Yeo Wee Kiong (Chairman), Mr. Francis Yuen Tin Fan, Ms. Frances Wong Waikwun and Mr. Christopher John Fossick. The Board considers that Mr. Yeo Wee Kiong, (who was a corporate lawyer with many years' experience in corporate finance including the chairmanship of an audit committee of a listed entity), is well qualified to chair the Audit Committee. Mr. Francis Yuen Tin Fan and Ms. Frances Wong Waikwun collectively have strong accounting and financial management expertise and experience. Mr. Christopher John Fossick has many years' experience and a strong track record in the commercial real estate business in Singapore, Asia and the UK and has spearheaded the development, analysis and marketing of numerous major commercial developments. More details on these directors' qualifications and experience can be found in the profiles of directors set out on pages 4 to 5 of this Annual Report. The Board is satisfied that the Audit Committee members' collective wealth of experience and expertise in accounting and financial management enables them to discharge their responsibilities competently. None of the members of the Audit Committee are previous partners or directors of the Company's auditor, PricewaterhouseCoopers LLP ("PricewaterhouseCoopers") and none of the members of the Audit Committee hold any interest in PricewaterhouseCoopers.

The Audit Committee performs the following main functions:

1. Reviews the independence of external auditors and makes recommendations to the Board of Directors on proposals to shareholders on the appointment (including re-appointment) or removal the external auditors and the remuneration and terms of engagement of the external auditors.

2. Reviews with management, upon finalisation and prior to publication, the financial results for each half-year and full year, and any announcements relating to the company's financial performance.

3. Reviews interested person transactions and the adequacy of PCRD's internal control procedures in relation to interested person transactions.

4. Reviews compliance with accounting standards, all relevant laws, the listing rules of the SGX and the Code.

5. Reviews any changes in accounting principles or their application during the year.

6. Reviews significant adjustments proposed and any recommendations on internal accounting controls arising from the statutory audit by external auditors.

7. Reviews the audit plans of the external auditors of the Company and ensures the adequacy of the system of accounting controls and co-operation given by management.

8. Reviews the adequacy, effectiveness, independence, scope and results of the external audit and PCCW's Group Internal Audit.

AUDIT COMMITTEE (continued)

9. Reviews (at least annually) with PCRD's management the adequacy and effectiveness of the Company's internal controls and risk management systems in respect of management and business practices and reviews with management and external auditors significant accounting and auditing issues (including significant financial reporting issues and judgements) so as to ensure the integrity of financial statements.

10. Reviews assurances from the Group Managing Director/Chief Financial Officer on the financial records and financial statements.

11. Reports to the Board or relevant authorities any suspected fraud or irregularity, or failure of internal controls or suspected infringement of any relevant Singapore laws or other regulations, which has or is likely to have a material impact on PCRD's operating results.

12. Reviews the balance sheet of the Company and consolidated financial statements of the Group for the financial year end before their submission to the Board of Directors, as well as the independent auditor's report on the balance sheet of the Company and the consolidated financial statements of the Group.

In the performance of its functions, the Audit Committee is empowered to investigate any activity of PCRD, and all employees must cooperate as requested by members of the Audit Committee.

The Audit Committee reviews policy and arrangements by which staff of the Company may, in confidence, raise concerns about possible improprieties in financial reporting or other matters and ensures arrangements are made for an independent investigation of such matters and appropriate follow up action.

The Audit Committee meets at least twice a year. The Audit Committee may invite any management executive to attend its meetings, as they consider appropriate. The Audit Committee meets with the external auditors, without the presence of the Company's management, at least once a year. PricewaterhouseCoopers reviews, in the course of its statutory audit, the effectiveness of the Company's material internal controls, focusing primarily on financial controls, with the aim of designing audit procedures that are appropriate to the Company's circumstances. Any material non-compliance noted during this review is reported to the Audit Committee together with the auditor's recommendations and management's comments.

For the financial statements under review, the Audit Committee considers the adequacy, effectiveness, scope and results of the internal and external audits, and the independence and objectivity of the external auditor and confirms that PricewaterhouseCoopers are independent chartered accountants with respect to the Company within the meaning of Section 10 of the Companies Act. The Audit Committee has also reviewed all non-audit services provided by the auditors and confirms that they would not affect the independence of the auditors.

Fees paid for audit and non-audit services:

	2021 $'000	2020 $'000
Fees for audit services paid/payable to:		
– Auditor of the Company	**271**	284
– Other auditors *	**–**	–
Fees for non-audit services paid/payable to:		
– Auditor of the Company	**8**	9
– Other auditors *	**–**	–
Total	**279**	293

* Includes the network of member firms of PricewaterhouseCoopers International Limited

The Audit Committee is satisfied that Rules 712 and 715 or 716 of the SGX Listing Manual have been complied with and has recommended to the Board that PricewaterhouseCoopers be nominated for re-appointment as auditor at the next AGM.

AUDIT COMMITTEE (continued)

Key Audit Matters

PricewaterhouseCoopers has highlighted 3 key audit matters in its Audit Report.

These key audit matters all relate to PCCW and were also highlighted by PricewaterhouseCoopers in Hong Kong in their audit report to the shareholders of PCCW.

The key audit matters identified by PCCW's auditors for the financial year ended 31 December 2021 are:

1. Revenue recognition;

2. Impairment assessments for cash generating units ("CGUs") containing goodwill; and

3. Income taxes.

The Audit Committee is aware of and has considered the above key audit matters highlighted by PricewaterhouseCoopers in relation to PCCW. The Audit Committee has considered the approach and work carried out by PricewaterhouseCoopers in their review of the audit work performed and the evidence obtained by the auditors of PCCW.

The Audit Committee is satisfied that the Company's share of the profits and net assets of PCCW are properly supported by audit evidence.

In carrying out its duties, the Audit Committee is guided by its Committee terms of reference and the Guidebook for Audit Committees in Singapore. The Audit Committee takes measures to keep abreast of changes to accounting standards and issues which have a direct impact on financial statements such as attending briefing updates on recent developments in accounting and governance standards, where necessary. In addition, periodic updates on changes in accounting standards and treatment are prepared by external auditors and circulated to members of the Audit Committee to keep them abreast of such changes and the corresponding impact on the financial statements, if any.

The Audit Committee has the mandate to authorise special reviews or investigations, where appropriate, in discharging its responsibilities. Periodic visits by finance staff are made to review the operations and internal controls of subsidiary corporations and to report back to the Audit Committee. In addition, an external firm of internal auditors are engaged to conduct internal audits on the Group's associated corporation in India. The Group's listed associated corporation, PCCW, which comprises the bulk of the inherent value of PCRD, has its own Group Internal Audit function which conducts selective reviews on the effectiveness of its system of internal controls over financial, operational, compliance controls and risk management functions with emphasis on information technology, data privacy, systems contingency planning and procurement. Additionally, PCCW's heads of major business and corporate functions are required to undertake a control self-assessment of their key controls and the results are assessed by PCCW's Group Internal Audit.

The Company also periodically engages PCCW's Group Internal Audit to carry out internal audits on the Company. Internal audit work is carried out in compliance with the requirements of the Standards for the Professional Practice of Internal Auditing pronounced by The Institute of Internal Auditors. The teams that carry out these internal audit activities have unfettered access to all the company documents, records, properties and personnel, including the Audit Committee.

The internal audit activities are carried out by PCCW's Group Internal Audit and the internal function of the Company's associated corporation in India. The Audit Committee is not the primary reporting line for these teams, and the Audit Committee also does not decide on the appointment, termination and remuneration of the heads of these internal audit teams. However, the results of internal audit activities are communicated to the Audit Committee and key members of executive and senior management. Audit issues are tracked and followed up on to ensure proper implementation, and progress is reported to senior management and the Audit Committee periodically. The Audit Committee is satisfied that PCCW's Group Internal Audit and the internal audit function of the Company's associated corporation in India are independent, effective and adequate with respect to the adequacy of resources, staff qualifications and experience, training programs and budget. The Audit Committee is similarly satisfied with the resourcing of the accounting and financial reporting functions of these two entities. The Board is of the view that the Audit Committee discharges its duty to review the adequacy, independence, scope and results of internal audit activities.

AUDIT COMMITTEE (continued)

Whistle-blowing

The Company has in place a whistle-blowing policy and arrangements by which staff and agents working for the Company may raise concerns in good faith and in confidence about possible corporate improprieties in financial control and reporting, unlawful conduct or other such matters.

The policy aims to encourage employees to be confident in raising serious concerns and to question and act upon their concerns. It provides avenues within the Company, including a direct channel to the Chairman of the Audit Committee, to raise concerns and assures protection and safeguards to employees who are whistleblowers from detrimental or unfair treatment, reprisals or victimisation. The policy also ensures employees receive a response to their concerns and feedback on any action taken, and that the identity of a whistleblower is kept confidential.

To ensure such matters are independently investigated and appropriately followed up, any whistle-blowing report must be recorded and investigated. The Company has established a process whereby whistle-blowing reports made in good faith are independently investigated. An annual status report on any whistle-blowing reports must be sent to the Audit Committee, which is responsible for oversight and monitoring of whistle-blowing. Whistle-blowing records must be made available for inspection by the Audit Committee.

Details of the whistle-blowing policy and arrangements are given to all staff for their easy reference.

Principle 9: Risk Management and Internal Controls

The Board recognises that it is responsible for the governance of risk management, for determining the Group's levels of risk tolerance in achieving its strategic objectives and value creation and for determining the Group's risk policies to safeguard shareholders' interests and the Group's assets for the oversight of management in implementing the risk management and internal control systems of the Group. Risk awareness and ownership of risk management are continuously fostered across the Group. The Audit Committee provides oversight and reports annually to the Board on the Group's risk assessment systems. Having considered the Group's business operations as well as its existing internal control and risk management systems, the Board is of the opinion that a separate risk committee is not presently required. Based on the management controls in place throughout the Group, the internal control policies and procedures established and maintained by the Group, regular audits, monitoring and reviews performed by external auditors, the Board, with the concurrence of the Audit Committee, is satisfied that there are adequate and effective internal controls, including material financial, operational, compliance and information technology controls, and risk management systems in the Group. The Group's activities expose it to market risk (including currency, interest rate and price risks), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise the adverse effects of unpredictability in financial markets on the Group's financial performance. The Group's financial risk management strategy is discussed in detail in Note 25 to the financial statements. The Group is geographically diverse with earnings from the Asia-Pacific region including India. The Group's operations are subject to extensive government regulation which may impact or limit its flexibility to respond to market conditions and competition. Governments may alter their policies relating to certain industries as well as the regulatory environment in which the Group operates, including taxation. The Group's overseas investments are also subject to risk of imposition of laws restricting the level and manner of ownership and investment. Risk management evaluation includes an assessment of the Group's exposure to and impact of country and sanctions-related risks, if any. The Group has access to appropriate advisors with regulatory expertise and resources who advise on risk mitigation measures. The Group also works closely with management and partners in countries in which the Group operates and leverages on local expertise, knowledge and ability to ensure compliance. The directors of PCCW, PCRD's major investment, review the effectiveness of its internal controls, including material financial, operational, information technology and compliance controls, the risk management functions of the PCCW group and, in particular, the adequacy of resources, staff qualifications and experience, training programs and the budget of PCCW's accounting and financial reporting functions. At PCCW, appropriate policies and control procedures have been designed and established to ensure that: assets are safeguarded against improper use or disposal, relevant rules and regulations are adhered to and complied with, reliable financial and accounting records are maintained in accordance with relevant accounting standards and regulatory reporting requirements, and key risks that may impact on the performance of the group are appropriately identified and managed.

AUDIT COMMITTEE (continued)

For FY2021, the Group Managing Director/Chief Financial Officer provided written confirmation to the Board that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances and that the Company's risk management, compliance and internal control systems are adequate and effective in addressing the material financial, operational, information technology and compliance risks. This certification covers the Company and subsidiary corporations which are under the Company's management control. In line with the SGX listing rules, the Board has provided a negative assurance statement to shareholders in respect of each reported set of financial statements for FY2021, which is supported by a negative assurance statement from the Group Managing Director/Chief Financial Officer, and which is in turn supported by a negative assurance confirmation from the various key business and operating/functional heads within the Group that nothing has come to their attention that would render the reported financial results to be false or misleading.

The Board, with the concurrence of the Audit Committee, is of the opinion, based on the work of external auditors, the findings of internal auditors and reviews performed by Management, that the Group's internal controls addressing financial, operational, information technology and compliance risks, which the Group considers relevant and material to its operations, are adequate and effective in meeting the requirements of the Group as at 31 December 2021. For FY2021, no material weaknesses in the systems of risk management and internal controls were identified by the Board or the Audit Committee. Internal control systems established and maintained by the Group provide reasonable, but not absolute, assurance against material financial misstatements or loss. In this regard, the Board also notes that no system can provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, fraud or other irregularities.

Covid-19 has accelerated digital transformation with the payment landscape evolving rapidly driven by innovation in digital technology and requirements for on-demand banking and payment solutions. This can give rise to additional avenues for potential fraud and cybercrimes. To combat increased vulnerability to electronic and digital fraud, the Company has increased vigilance on its financials by strengthening its internal controls including undertaking a review of the effectiveness of its internal controls and placing close scrutiny on high-risk areas such as cash balances and payment transfers as well as educating employees on the prevention or reduction of fraud.

REMUNERATION COMMITTEE

Principle 6: Procedures for Developing Remuneration Policies

Principle 7: Level and Mix of Remuneration

Principle 8: Disclosure on Remuneration

The Remuneration Committee was formed on 5 December 2002.

The Remuneration Committee is presently comprised entirely of independent non-executive directors. They are Mr. Francis Yuen Tin Fan (Chairman), Ms. Laura Deal Lacey and Mr. Yeo Wee Kiong. The Remuneration Committee has access to expert advice, both inside and outside the Company, when required. In the event of such advice being sought, the Remuneration Committee ensures that existing relationships, if any, between the Company and its appointed experts or consultants will not affect their independence and objectivity. The Company did not appoint any remuneration experts or consultants in FY2021 as the Remuneration Committee was satisfied that remuneration packages are benchmarked against industry peers and against comparable companies.

REMUNERATION COMMITTEE (continued)

The Remuneration Committee's principal responsibilities (as set out in its terms of reference) are as follows:

1. Recommends to the Board a framework of remuneration for the Board which covers all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options and benefits in kind. The Remuneration Committee also reviews the remuneration of senior management (including key management personnel).

2. Reviews the on-going appropriateness and relevance of the directors' remuneration policy.

3. Reviews and approves the design of all equity-based plans.

4. Oversees the implementation of remuneration policies within PCRD and ensures that no director participates in decisions on his own remuneration.

Executive directors do not receive directors' fees. Each member of the Remuneration Committee abstains from voting on any resolutions in respect of his/her remuneration package.

For confidentiality and competitive reasons, the Company discloses remuneration bands as follows:

Directors' Remuneration

For financial years ended 31 December 2021 and 31 December 2020, the number of directors in each remuneration band is as follows:

	2021	2020
$1,000,000 to $1,249,999	**1**	1
$750,000 to $999,999	**–**	–
$500,000 to $749,999	**–**	–
$250,000 to $499,999	**–**	–
Below $250,000	**7**	8
Total	**8**	9

The above table includes all directors who held office in 2021 and 2020.

Independent directors and non-executive directors are paid a basic fee and additional fees for attendance at meetings. The Board recommends the payment of such fees for approval by shareholders at the AGM of the Company. The Board ensures that non-executive directors' fees are appropriate to their level of contribution, taking into account factors such as effort and time spent, and the responsibilities of the non-executive directors, such that the independence of the independent non-executive directors is not compromised by their compensation.

For financial years ended 31 December 2021 and 31 December 2020, the number of non-executive directors in remuneration bands of $10,000 is as follows:

	2021	2020
$40,000 to $49,999	**6**	7
$30,000 to $39,999	**–**	–
$10,000 to $19,999	**–**	–
Below $10,000	**–**	–
Total	**6**	7

REMUNERATION COMMITTEE (continued)

PCRD is an investment holding company and its main asset is its equity position in its Hong Kong-listed associated company, PCCW. The primary executive functions in PCRD itself are performed by executive directors who undertake responsibility for the day-to-day operations of both the Company and the Group. The details of directors' remuneration are disclosed above. Remuneration for executive directors and key management personnel is established in accordance with a remuneration framework comprising basic salary and variable bonuses and benefits-in-kind, and structured to attract, retain and motivate executive directors and key management personnel to provide good stewardship and run the Company successfully for the long-term. Remuneration packages are comparable within the industry and with comparable companies and include a significant and appropriate performance-related element coupled with appropriate measures of appraising each individual's performance. Base salaries of executive directors and key management personnel are determined based on the scope, criticality and complexity of each role, equity against peers with similar responsibilities, experience and competencies, individual performance and market competitiveness. Variable bonuses are intended to recognise the performance and contribution of the individual, and are linked to achievement of financial and non-financial key performance indicators. These indicators such as core values, competencies, key result areas, performance rating, and potential of the employees (including key management) link remuneration to corporate and individual performance. For 2021, all executive directors and key management personnel met their respective performance criteria.

The Board is of the view that, given the confidential and commercial sensitivities associated with remuneration matters and the highly competitive human resource environment in which the Company and the Group operate, as well as in the interest of maintaining good morale and a strong spirit of teamwork within the Company and the Group, it is in the best interests of the Company and the Group not to disclose a detailed breakdown of the various remuneration components on a named basis (in percentage and dollar terms) or an aggregation of the remuneration of each of the directors (including the Group Managing Director) and key management personnel. Where such precise information is disclosed publicly, this could be detrimental to the Company's interests as it will allow competitors to gain an unfair advantage when seeking to entice either existing Directors and/or management personnel (including key management personnel) within the Company or, as the case may be, where both the Company and its competitors are desirous of employing senior executives within the same industry. The Company has a limited number of staff, and takes the view that there is only one key management personnel who is not also a director who has the authority and responsibility for planning, directing and controlling the activities of the Company. This is the Vice President Finance/Company Secretary of the Company. Disclosure of the remuneration of the other executives is considered not relevant. The Board is of the view that the Company has provided a high level of transparency on remuneration matters, as information on its remuneration policies, procedure for setting remuneration and the relationships between remuneration, performance and value creation has been disclosed in detail in the preceding paragraphs.

For financial years ended 31 December 2021 and 31 December 2020, the number of key management personnel in each remuneration band is as follows:

	2021	2020
$250,000 to $499,999	**1**	1
Total	**1**	1

There was no employee in the Group who is an immediate family member of a director (including the Group Managing Director) or substantial shareholder during the year.

Whilst the Company currently does not have a share option scheme in place for its directors and employees, it will consider the establishment of other forms of longer term incentive schemes, as and when appropriate. The Company does not presently use contractual provisions to clawback incentive components of remuneration from executive directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. Having reviewed and considered the remuneration of executive directors and key management personnel, the Remuneration Committee is of the view that there is no requirement to institute contractual provisions in their terms of employment to reclaim incentive components of remuneration paid in prior years.

The Company's obligations in the event of termination of service of executive directors and key management personnel are contained in their respective employment letters. The Remuneration Committee is satisfied that termination clauses therein are fair and reasonable to the respective employment class and are not overly generous. No termination, retirement or post-employment benefits were granted to directors (including the Group Managing Director) or the key management personnel of the Company during FY2021.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11: Shareholder Rights and Conduct of General Meetings

Principle 12: Engagement with Shareholders

The Board is accountable to shareholders and ensures that all material information is fully disclosed in a timely manner to shareholders in compliance with statutory and regulatory requirements. In particular, the Company does not practise selective disclosure. Price sensitive announcements, including financial results and relevant announcements from PCCW, which is listed on The Stock Exchange of Hong Kong Limited, are released in a timely manner through SGXNET and posted on the Company's website.

In its communications on the Company's performance, the Board aims to provide shareholders with a balanced and understandable assessment of the Company's performance, position and prospects using timely information provided by management and reviewed by the Board. The Board provides shareholders with results as required by the rules of the SGX. Results for the first half of the financial year are released to shareholders within 45 days, whilst annual results are released within 60 days from the financial year-end.

In relation to communications with shareholders at general meetings of the Company, shareholders are informed of shareholders' meetings through published notices and announcements or circulars sent to all shareholders. Notices of meetings and related explanatory information are drafted to provide all information that is relevant to shareholders on matters to be voted upon at shareholders' general meetings. It is the objective of the Company to ensure that such information is presented clearly and concisely so that it is unambiguous and easy to understand.

At general meetings, shareholders are encouraged to participate and are given reasonable opportunity to ask the Board of Directors questions regarding the Company and its subsidiaries and to participate in the meeting itself. Under the multiple proxies regime introduced pursuant to the Companies (Amendment) Act 2014, "relevant intermediaries" such as banks, capital markets services licence holders which provide custodial services for securities and the Central Provident Fund Board, are allowed to appoint more than two proxies to attend, speak and vote at general meetings. This enables indirect investors, including CPF investors, to be appointed as proxies to participate at shareholders' meetings. If any shareholder (who is not a "relevant intermediary") is unable to attend, he or she is allowed to appoint up to two proxies to vote on his or her behalf at the meeting through proxy forms circulated in advance.

The Constitution of the Company does not permit shareholders to vote at general meetings in absentia (such as via mail, email or fax). The Company is of the opinion that shareholders nevertheless should have the opportunity to communicate their views on matters affecting the Company even when they are not in attendance at general meetings. To facilitate this, shareholders may appoint proxies to attend, speak and vote, on their behalf, at general meetings.

The Chairpersons of the Audit, Nominating and Remuneration Committees are normally present to address questions at general meetings, except where business commitments do not permit. In addition, the external auditor of the Company is present at the AGM of the Company to answer shareholders' questions about the conduct of the audit and the preparation and content of the auditor's report.

A separate resolution is proposed for each substantially separate issue at general meetings, unless the issues are interdependent and linked so as to form one significant proposal. Where resolutions are bundled, the Company explains the reasons and material implications in the notice of general meeting. All resolutions are put to the vote by poll and the voting procedures and rules governing general meetings are explained to shareholders during the meeting. The Company has not adopted electronic poll voting at its general meetings of shareholders as the number of shareholders and/or proxies in attendance currently does not warrant the implementation of electronic poll voting. The detailed results of voting at general meetings showing the number of votes cast for and against each resolution and the respective percentages are announced to shareholders shortly after the voting and counting process and are thereafter published on the SGXNET.

SHAREHOLDER RIGHTS AND ENGAGEMENT (continued)

Minutes of general meetings are prepared and are made available upon request. These minutes include substantial and relevant comments or queries from shareholders and responses from the Board, Management and/or external advisors. The Company treats all shareholders fairly and equitably to enable them to exercise their shareholders' rights, including shareholders who are unable to attend general meetings, as the minutes of shareholders' meetings are available to any shareholder upon request. The minutes of the AGM of the Company held in April 2021 were also published on the Company's website.

The foregoing description of the Company's usual practices for shareholders' meetings is in relation to the conduct of its general meetings where there are no public health and other risks arising from the COVID-19 situation in Singapore to be taken into consideration. Due to the COVID-19 situation in Singapore, the AGMs held in May 2020 and April 2021 were convened and held by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "COVID-19 Order"). Shareholders were not able to attend the AGMs in person, ask questions or vote at the AGMs live during the audio-visual webcast or audio-only stream, or appoint any person other than the chairman of the meeting as proxy to attend, speak or vote on their behalf at the AGMs. Shareholders instead participated at the AGMs held in May 2020 and April 2021 by:

- observing and/or listening to the AGM proceedings via live audio-visual webcast or live audio-only stream;
- submitting questions in advance of the AGM; and
- appointing the chairman of the meeting as proxy to attend, speak and vote on their behalf at the AGM.

In respect of the AGMs held in May 2020 and April 2021, both the Company's response to the substantial and relevant questions received from shareholders in advance of the AGMs, as well as the minutes of the AGMs, were published on the Company's website and on SGXNET.

The Board also takes steps to solicit and understand the views of shareholders (aside from regular communications with shareholders at general meetings of the Company). As and when appropriate, the Company conducts investor briefings to solicit and understand the views of shareholders. The Company also meets with institutional and retail investors on request periodically. The Company is mindful of not practising selective disclosure and discussions are based on publicly available materials and information. In addition, the Company also attends to general enquiries from shareholders, analysts and the press. Such enquiries, as well as investor briefings and meetings with investors, are handled by appropriate management staff and/or the Group Managing Director (in lieu of a dedicated investor relations team). While the Company has not adopted a formal investor relations policy, the Company is of the view that it communicates regularly and responds to shareholders' questions on various matters affecting the Company, at the Annual General Meeting as well as through other means (as set out above) that the Company uses to actively engage and promote regular, effective and fair communication with shareholders.

An interim dividend and a special dividend were declared in August and paid in September for FY2021, and a final dividend and a special dividend will be proposed for shareholders' approval at the 2022 AGM. 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, investment activities and development plans. The Board continues to evaluate investment opportunities and new business opportunities for the Company. The Company is focused on preserving shareholder value and is careful and conservative at looking at new opportunities, announcing any developments as they occur. The Company is of the view that all shareholders should be treated fairly and equitably to enable them to exercise their shareholders' rights. Notwithstanding the absence of a fixed dividend policy, shareholders have the opportunity to express their views to the Company on matters affecting the Company (including matters relating to dividends) whether at the Annual General Meeting or otherwise, and due consideration is given to such feedback.

MANAGING STAKEHOLDERS RELATIONSHIPS

Principle 13: Engagement with Stakeholders

The Company adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall strategy to ensure that the best interests of the Company are served. The Company has arrangements in place to identify and engage with material stakeholder groups and to manage its relationships with such groups. These stakeholder groups are identified based on their influence and dependency on the Group's business, and comprise the Company's employees, business partners, investors and regulators. The Company maintains a corporate website to facilitate communication and engagement with stakeholders. For more information on the methods that the Company uses to engage with its stakeholders, the key topics relevant to each stakeholder group, and the Company's responses to these matters, please see page 95 of the Annual Report.

INTERESTED PERSON TRANSACTIONS ("IPTs")

The Company has adopted an internal policy in respect of any transactions with interested persons and has established procedures for review and approval of the Company's IPTs. The Audit Committee reviews all such transactions to confirm that the guidelines and procedures established to monitor IPTs have been complied with.

The Group obtained a general mandate from shareholders of the Company for IPTs at the AGM held on 23 April 2021. This general mandate remains in force until the forthcoming AGM and is proposed for renewal at the forthcoming AGM. In 2021, the following IPTs 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, all IPTs below $100,000	None

DEALINGS IN SECURITIES

The Group has in place an internal code which provides guidance to directors and certain employees in relation to dealings in the Company's shares. Directors and certain employees of the Group who have access to price-sensitive or trade-sensitive and confidential information are not permitted to deal in the Company's shares when they are in possession of unpublished price-sensitive or trade-sensitive information on the Group or during periods commencing one month before the date of announcement of the Group's interim and full year financial results and ending on the date of announcement of such results. In the event that the date of announcement of the financial results of PCCW should fall more than seven days before the date of announcement of the Group's financial results for that financial period, all directors and certain employees of the Group are not permitted to deal in the Company's shares during the period commencing seven days before the announcement of PCCW's financial results and ending on the date of announcement of the Group's results. The code also requires officers of the Company not to deal in securities of the Company on short-term considerations.

MATERIAL CONTRACTS

In the financial year under review, no material contracts of the Company or its subsidiaries were entered into or subsisted at the end of the financial year which involved the interests of any Director or controlling shareholder.

Board Statement

We are pleased to publish the fifth Sustainability Report for Pacific Century Regional Developments Limited ("PCRD") in compliance with the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Rules 711 and 711B.

The Board of Directors recognises the importance of creating sustainable value for all our stakeholders and views sustainability as a key consideration in strategy formulation for the Group. The Board has been actively involved in selecting and overseeing the management of material environmental, social and governance ("ESG") factors for the Group.

PCRD believes that good ESG performance brings the company and its stakeholders a host of advantages in the long-run through operational performance excellence, careful risk management and protection of its assets and the interests of its shareholders. The Group continues to take into consideration ESG factors when seeking new business opportunities. In this regard, where applicable, ESG issues are incorporated into the investment analysis and decision-making process. Appropriate disclosure of ESG issues by investee entities is sought, critically reviewed and reported.

The Board, supported by Management, continues to make improvements in the Group's sustainability efforts and works with its stakeholders towards promoting sustainability in its businesses.

The Group continues to face challenges from global issues such as Covid-19 and climate change. Environmental protection remains one of the focus areas in the sustainability journey of the Group's major investments. Climate change can significantly affect the business operations of the Group's investments if climate-related risks are not properly assessed. The impact of climate change is considered to be an emerging risk to the Group.

During the year, PCRD continued to take precautionary measures to ensure our employees remain safe during the Covid-19 pandemic. PCRD is committed to continually provide a safe and healthy working environment and to ensure all necessary measures including those prescribed by the authorities are adhered to and encourages all staff to complete their vaccination and booster shots.

About the Report

PCRD is a limited liability company incorporated in the Republic of Singapore where it is headquartered. The Company is listed on the SGX-ST and is part of the Pacific Century Group of companies. In this report, unless otherwise stated, references to "PCRD", the "Company" and the "Group" refer to Pacific Century Regional Developments Limited and its controlled subsidiaries.

REPORTING SCOPE AND PERIOD

This report covers the sustainability performance of our operations for the financial year ended 31 December 2021 ("FY2021") and includes data and information relating to our operations in Singapore. To provide additional information for stakeholders, PCRD has included in this report certain highlights on sustainability efforts of Hong Kong-listed PCCW Limited ("PCCW") and its subsidiary, Hong Kong-listed HKT Limited ("HKT") drawn from their ESG reports.

REPORTING STANDARD AND ASSURANCE

This report has been prepared in reference to the Global Reporting Initiative ("GRI") Standards and in line with the SGX Sustainability Reporting Guide. GRI is the most commonly adopted set of sustainability reporting standards in Singapore, and additionally helps organisations understand and disclose their impacts in a way that meets the needs of multiple stakeholders. The report covers the Group's policies, practices, initiatives, performance and goals in relation to material ESG factors and will be updated on an annual basis.

We have not sought external assurance for this reporting period, but will consider doing so in future if circumstances merit such assurance. Internal assurance will be undertaken in the next reporting cycle, as per the updated reporting requirements of SGX-ST.

About the Report (continued)

FEEDBACK

Stakeholder input is important to defining our sustainability approach and we value and welcome any feedback with regards to this report or any aspect of our sustainability performance. Please feel to reach out to us at info1@pcrd.com.

ABOUT PCRD

PCRD is a Singapore-based investment holding company and is 89% owned by the Pacific Century Group, which was founded in 1993. The Pacific Century Group acquired control of PCRD in September 1994.

PCRD's principal activity is investment holding, with interests in telecommunications, media, IT solutions, logistics and property development and investment, in the Asia-Pacific region.

PCRD's most significant investment is its 22.69% stake in PCCW. Noting our level of investment, PCCW will be highlighted specifically in this report.

PCCW's investments are described in the table below:

PCCW'S MAJOR INVESTMENTS

Company	Description
Hong Kong Telecommunications (HKT)	Hong Kong's premier telecommunications service provider and leading operator of fixed-line, broadband, mobile communication and media entertainment services. HKT delivers end-to-end integrated solutions employing emerging technologies to assist enterprises in transforming their businesses. HKT has also built a digital ecosystem integrating its loyalty program, eCommerce, travel, insurance, FinTech and HealthTech services to deepen its relationship with customers.
PCCW Media	A fully integrated multimedia and entertainment group in Hong Kong engaged in the provision of over-the-top (OTT) video service in Hong Kong and in other countries in the region.
HK Television Entertainment Company	A domestic free TV service in Hong Kong.
PCCW Solutions	A leading IT and business process outsourcing provider in Hong Kong, mainland China and Southeast Asia.
Pacific Century Premium Developments Limited (PCPD)	Engaged in the development and management of premium property and infrastructure projects, as well as investment in premium-grade buildings in the Asia-Pacific region.

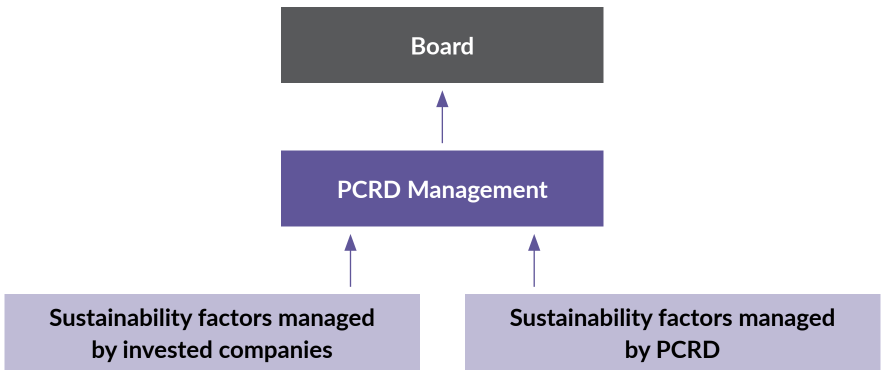
Separately, PCRD holds a direct interest of 1.92% in HKT and a 13.94% direct interest in PCPD. Neither are subsidiaries nor associated companies of PCRD, however noting that we hold a significant investment in HKT, reference to their sustainability efforts has been included and their report has been linked.

Sustainability at PCRD

Sustainability is embedded in our DNA. We strongly believe that as an investment holding company, we can influence the sustainability agenda across our businesses and the companies in which we invest.

GOVERNING SUSTAINABILITY AT PCRD

Following the announcement of the SGX sustainability reporting guidelines in 2017, we formalised the governance of our sustainability risks and opportunities. The structure below represents how we govern sustainability across the company.



STAKEHOLDER ENGAGEMENT

Stakeholder engagement is one of the key drivers in the continuous improvement of the Group's sustainability efforts. The Group's main stakeholders are employees, business partners, investors and regulators. These have been selected based on their influence and dependency on the Group's business.

Stakeholders	Frequency of engagement	Method	Topics of Concern	Our Response
Employees	Ad hoc	• Open feedback channel	• COVID-19 related health concern • Training and career development • Pay and benefits • Channel for reporting of breaches of ethics	• COVID-19 related safety measures • Training opportunities • Competitive benefits • Whistle blowing policy • Anti-bribery and corruption policy
Invested companies	Ad hoc	• Meetings • Board participation	• Business performance • Investment initiatives and opportunities	• Perform due diligence • Assess risks and opportunities
Investors	Semi-Annually Annually Ad hoc	• Semi-Annually/ad hoc announcements • Annual Report • Annual General Meeting	• Business performance • Dividends • Shareholder value	• Corporate Governance Report • Follow-up on feedback • Reduce Costs
Regulators	Semi-Annually Annually Ad hoc	• Direct engagement • Semi-Annually/ad hoc announcement • Returns	• COVID-19 related compliance • Compliance with laws and regulations	• COVID-19 related safety measures • Trainings and updates • External professional support

Sustainability at PCRD (continued)

MATERIALITY ASSESSMENT

We carried out our Materiality Assessment with guidance from the "GRI Standards' Principles for defining report content" when we commenced our formal sustainability reporting journey in 2017. A peer and industry review exercise was conducted to short-list potential material factors where our business creates significant impacts. The process additionally involved input from internal stakeholders, as well as considerations from external stakeholders as identified in the peer and industry review exercise. We then validated the material factors to arrive at the final list of material factors which are shown in the table below. We decided to retain these factors for the current report as there have not been any significant changes to our business, industry landscape and stakeholder expectations. However, we are also considering the continued impact of COVID-19 on our operations and workforce.

Pillars	Material Factors
Governance	1. Responsible Investments 2. Corporate Governance – Compliance – Business Integrity and Anti-Corruption – Risk Management
Social	3. Corporate Social Responsibility 4. Training and Development

While the Group recognises the importance of all aspects covered by GRI for reporting, the focus for PCRD's sustainability reporting continues to lean towards the areas of Governance and Social. PCRD's approach has been formulated to strike a balance between business integrity by ensuring good corporate governance and compliance with the law, rules and regulations and social engagement by ensuring development of employees and engaging with communities.

Similarly, as an investment holding company, PCRD does not have direct operational control over our investments. For the purposes of the report for this financial year, environmental KPIs of our investments are therefore not an area of focus.

However, the Company recognises the importance of responsible investment and is committed to invest in businesses that adopt good environmental practices. Investments for consideration are subject to assessment of ESG risks, including those covering environmental risks. We also recognise that investment companies can play an important role in advocating sound environmental management to portfolio companies and emerging expectations from stakeholders. The Company will continue to review the relevance and importance of these issues in future years.

PCCW and HKT, the Company's major investments, have conducted comprehensive materiality assessments to identify those factors that represent significant economic, environmental and social impacts on their businesses and the issues that matter most to their stakeholders. Material areas identified are reported in their own respective ESG reports.

Governance

RESPONSIBLE INVESTMENT

Why this is material?

We believe that we can create a positive impact on sustainability through the investments we make and the way in which we monitor these investments. Any ESG related issues faced by our investments can potentially give rise to reputational and financial risks for us. PCRD recognises this and is committed to invest in companies that adopt good environmental and social practices.

How we manage this material factor

We have put in place mechanisms to assess new investments from a social and economic perspective. These include risk assessments identifying potential ESG issues, where appropriate, and the incorporation of the findings of such risk assessments into the overall investment analysis and decision making. We also regularly monitor the sustainability performance of our key investment companies.

Sustainability performance summary of PCCW and HKT

Information on PCCW's and HKT's ESG management approach, strategy, priorities and objectives are disclosed in their ESG reports.

These reports cover their ESG accomplishments and challenges in 2021, as well as their ongoing initiatives to enhance their ESG performance. The reports highlight the following aspects of their sustainability efforts:

- Environmental
  - Energy efficiency
  - GHG emissions
  - Waste management
  - Climate change
  - Green ICT solutions
  - Employee environmental awareness
- Employment and labour standards
  - Employee well-being
  - Employee diversity
  - Employee retention and talent development
  - Occupational safety and health
  - Human rights
- Supply chain management
  - Supply chain management
  - Sustainable procurement
- Product responsibility
  - Responsible advertising
  - Customer health and safety
  - Reliable services and products
  - Customer service and satisfaction
  - Customer data privacy and protection
  - Information security and management
  - Content dissemination to different audience groups
  - Business innovation
- Corporate governance
  - Corporate and risk management
  - Anti-corruption
  - Competitive behaviour
- Community
  - Community engagement
  - Digital empowerment

Governance (continued)

RESPONSIBLE INVESTMENT (continued)

Sustainability performance summary of PCCW and HKT (continued)

As a leading company in providing telecommunications, media entertainment and enterprise IT solutions in Hong Kong and globally, PCCW upholds its responsibilities in promoting sustainability and making meaningful contributions to society. Its management approach is to conduct its business in an ethically, socially and environmentally responsible manner, supporting the communities it serves. It aims to do this while maintaining service excellence and solid financial returns.

Employees are among PCCW's greatest assets Through diverse talent strategies, PCCW strives to cultivate a pleasant, inclusive and productive work environment for its 20,693 employees globally. As an Employer of Choice, PCCW supports and empowers its employees to unleash their potential and succeed in their career.

PCCW has in place comprehensive employment policies and procedures to protect employees' rights and benefits, and offer competitive pay and career progression opportunities. These policies and procedures are formulated in accordance with all relevant laws and regulations.

PCCW makes continuous efforts to build a more sustainable business and help address the threat of climate change. PCCW has adopted a wide range of mitigation and adaptation measures on energy saving, waste management, sustainable use of resources and smart city development to help achieve a low-carbon economy.

PCCW understands the importance of enhancing energy efficiency and reducing its carbon footprint to combat climate change in its daily business operations. Its Environmental Advisory Group meets regularly to evaluate its sustainability agenda. The Risk Management, Controls and Compliance Committee includes in its scope a continuous assessment of the impact of climate change which it currently considers as an emerging risk. During the year, PCCW has been studying the feasibility of conducting the first phase of a climate risk assessment in a bid to build a more sustainable business and address impending threats.

PCCW is committed to creating a positive social impact through a variety of community service initiatives. PCCW continuously identifies and supports social causes through financial donations and in-kind contributions, education and corporate volunteering programs.

To build long-term relationships with customers, PCCW endeavours to provide exceptional customer experience and high-quality products and services, including fixed-line, broadband, mobile communication, media entertainment and other innovative service offerings. PCCW also strives to help its customers to make informed decisions by providing accurate and transparent information on its products and services.

PCCW's pledge to accelerate digital transformation could not be achieved without the help of its supply chain, which covers a wide range of goods and services including IT, office equipment, and marketing and sales services. PCCW extends its efforts on sustainability to its supply chain through supplier collaboration. All its suppliers, contractors, subcontractors and service providers are required to adopt PCCW's Supplier Code of Conduct, which provides a common standard of ethical conduct and compliance requirement.

The full ESG reports of PCCW and HKT are available at www.pccw.com and www.hkt.com.

Future outlook

We will continue to monitor the sustainability performance of our invested companies on a regular basis and also assess any new investments from a social and environmental perspective.

Governance (continued)

CORPORATE GOVERNANCE

PCRD has zero-tolerance for risks concerning governance issues. PCRD's Board and Management are committed to continually enhancing stakeholder value by maintaining high standards of compliance, professionalism, integrity and commitment at all levels, underpinned by strong internal controls and risk management systems.

Further information on the Company's corporate governance practices can be found in the 2021 Annual Report – Report on Corporate Governance.

COMPLIANCE

Why this is material?

As a listed entity, we are subject to a number of social and economic laws and regulations. Any breach of such rules can result in financial loss and pose a risk to our ability to operate.

How we manage this material factor

The Company places great importance on regulatory compliance. PCRD has put in place internal controls and procedures to ensure it is conducting its business in compliance with prevailing laws and regulations. The Company therefore strives to ensure compliance with internal systems of control that are imposed to achieve compliance with externally imposed regulations as well as compliance with external regulations imposed on the company as a whole.

Performance

In 2021, we did not face any fines or sanctions under laws and/or regulations governing social or economic matters.

Future outlook

We will strive to maintain full compliance and to incur zero fines, sanctions or other penalties for social or economic infringements.

BUSINESS INTEGRITY

Why this is material?

We recognise that business integrity can be a significant risk in our industry and any breach of policies pertaining to corruption and ethics can result in significant fines, reputational damage and loss of stakeholder confidence.

How we manage this material factor

The Group is committed to upholding the principles of ethical behaviour, transparency, responsibility and integrity in all aspects of its business.

Objectives	Measures
• Zero bribery • Comprehensive anti-corruption measures • Effective anti-money laundering procedures	• Anti-bribery and corruption policy • Whistleblowing policy • Staff education and training

To ensure that the Group's interests are safeguarded and to prevent any illegal or improper behaviour, all directors, officers and employees of the Group are required to observe and uphold the Group's zero-tolerance for corruption, bribery and fraud in any form or at any level in association with any aspect of the Group's activities.

All employees are required to confirm annually that they have read and understood our anti-bribery and corruption policies. These policies provide guidelines for staff to avoid bribery and potential conflicts of interest with related parties. Clear procedures have been developed for expense reimbursement approval. All employees are required to report any gifts received to Human Resources and to follow the rules and limits regarding the use of gifts received.

Governance (continued)

CORPORATE GOVERNANCE (continued)

BUSINESS INTEGRITY (continued)

How we manage this material factor (continued)

The Group also has a whistleblowing policy for staff and agents working for the Company to report on possible corporate improprieties in financial controls or unlawful conduct. Complaint channels through which employees and other parties can confidentially and anonymously report unethical and illegal behaviour have been established. Whistleblowing reports must be investigated to the fullest extent possible and reported to the Audit Committee. Further details on the Company's whistleblowing policy can be found in the Report on Corporate Governance.

The Company is also committed to comply with all relevant anti-money laundering rules and regulations. Employees are briefed on and are made aware of laws for the prevention of money laundering and financing of terrorism and proliferation. Specifically, finance and corporate secretarial staff are required to confirm that they understand anti-money laundering and counter financing of terrorism guidelines issued by ACRA.

Performance

– The Company did not have any reported incidents of corruption or bribery in the 2021 financial year.

– The Company also did not receive any whistleblowing reports of any impropriety in the 2021 financial year.

Further details on the commitments by PCCW and HKT regarding anti-corruption can be found in their separate ESG reports.

Future Outlook

We will aim to maintain our zero incidents for bribery and also conduct refresher training courses for our employees in this area.

RISK ASSESSMENT AND MANAGEMENT

Why this is material?

The Group's activities expose it to market risk (including currency, interest rate and price risks), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise the adverse effects of unpredictability in financial markets on the Group's financial performance.

The Group is geographically diverse with earnings from the Asia-Pacific region including India. The Group's operations are subject to extensive government regulation which may impact or limit its flexibility to respond to market conditions and competition. Governments may alter their policies relating to certain industries as well as the regulatory environment in which the Group operates, including taxation. The Group's overseas investments are also subject to the risk of imposition of laws restricting the level and manner of ownership and investment.

How we manage this material factor and our performance

The Group has access to appropriate advisors with regulatory expertise and resources who advise on risk mitigation measures. The Group also works closely with management and partners in countries in which the Group operates and leverages on local expertise, knowledge and ability to ensure compliance.

Risk awareness and ownership of risk management are continuously fostered across the organisation. The Company's Audit Committee reviews management's reports and updates the Board half-annually on the Group's risk assessment systems. Based on management controls in place throughout the Group, the Board is satisfied that there are adequate and effective internal controls, including material financial, operational, compliance and information technology controls, and risk management systems in the Group.

Social

CORPORATE SOCIAL RESPONSIBILITY

Why this is material?

Corporate social responsibility is an integral part of the Company's business strategy. The Company is committed to operate in a manner that is economically, socially and environmentally sustainable while balancing the interests of its various stakeholders and providing valuable service to society. Meeting this commitment is an important management objective and the individual and collective responsibility of all employees.

How we manage this material factor

The Company is committed to fostering positive relationships with the communities in which it operates. It contributes to communities through charitable donations, as well as, sponsorships of community activities in Singapore such as the SGX Bull Run and the Singapore Repertory Theatre.

Our invested companies, PCCW and HKT are engaged in philanthropic and volunteer work including employee engagement in community service. They continue to identify and support social causes and create social value through education.

Its objectives are:
- Support vulnerable and underprivileged groups
- Enhance the digital environment
- Leverage technology to improve quality of life
- Respond to community needs amid the new normal

Measures taken:
- Corporate volunteering in community service projects
- Telecom services sponsorships
- Programs and workshops for youths and the elderly
- Initiatives to support smart city evolution

Guided by its CSR policy, PCCW focuses on addressing the needs of local communities. PCCW partners with charitable organisations, leveraging its resources and ICT expertise to support underprivileged groups and develop a more inclusive society. PCCW also utilises technologies in promoting active and smart aging and enabling students and youths to engage in the digital world.

Performance

Details of community investments by PCCW and HKT can be found in their respective ESG reports.

Future outlook

We will aim to develop a more strategic approach towards our own corporate social responsibility agenda, focusing on key community needs and impacts.

Social (continued)

EMPLOYEES, TRAINING AND DEVELOPMENT

Why this is material?

It is important that staff are kept abreast of the latest developments in their respective fields. This helps promote their career development, job satisfaction and assists in achieving lower staff turnover rates. In FY2021, we had 10 full-time staff.

How we manage this material factor

The Company believes in the continued training and development of its directors and employees. To this effect, the Company is committed to invest in its employees and provides support to employees for their professional memberships, continuing professional education and related studies. Employees are encouraged to attend training sessions and seminars relevant to their work, whenever necessary.

As well as providing an engaging and supportive working environment, the Company helps employees to pursue a healthy lifestyle. The Company promotes a learning culture and staff are encouraged to attend training and post-education courses. The Company is committed to promote a work environment which values and respects all its employees. It also encourages and supports diversity in its workforce and Board.

Precautionary measures have been taken to ensure our employees remain safe during the Covid-19 pandemic. Preparations were made from the onset of the outbreak. Procedures were formulated and all necessary precautions, such as, social distancing and temperature taking were implemented. Staff are provided with face masks and hand sanitisers. The Company also implemented work-from-home procedures in line with recommendations set out by the government. Staff are encouraged to travel during off-peak periods when travelling by public transport to and from the office. The Company encouraged all staff to be vaccinated against Covid-19. All staff have completed their vaccinations and taken their booster jabs.

Performance

Our staff turnover continues to be low with a large percentage of employees having between 5 and 25 years of service to the Group. Diversity in terms of female to male staff is 1:1.5 with 33% of management roles held by female staff.

For FY2021, 100% of employees received an annual performance review with salary adjustments in line with performance, industry standards and inflation. All employees with professional memberships attended relevant continuing professional education courses. Due to the continued Covid-19 situation in 2021, staff continued to attend courses through e-learning online such as refresher courses on ethics and governance, updates on tax practices and new accounting standards. Training and job-related studies were provided to other staff on an ad hoc basis.

Future outlook

We will strive to provide more needs-based training for our employees.

GRI Content Index

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102-3	Location of headquarters	93
102-4	Location of operations	93
102-5	Ownership and legal form	93
102-6	Markets served	94
102-7	Scale of the organisation	Refer to Annual Report page 3
102-8	Information on employees and other workers	102
102-9	Supply chain	94
102-10	Significant changes to the organisation and its supply chain	No significant changes
102-11	Precautionary Principle or approach	Not applicable
102-12	External initiatives/charters	None
102-13	Membership of associations	• Singapore Business Federation • Singapore International Chamber of Commerce • American Chamber of Commerce, Singapore • British Chamber of Commerce, Singapore • Australian Chamber of Commerce, Singapore • Hong Kong Singapore Business Association • International Institute of Strategic Studies
102-14	Statement from senior decision-maker	93
102-16	Values, principles, standards, and norms of behaviour	Corporate Governance
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ISSUED AND FULLY PAID-UP

S$457,282,365.61 divided into 2,648,150,200 ordinary shares.

Class of Shares	–	Ordinary share
Voting Rights	–	One vote per share
Treasury Shares	–	Nil
Subsidiary Holdings	–	Nil

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	36	0.82	918	0.00
100 – 1,000	234	5.32	196,330	0.01
1,001 – 10,000	2,226	50.61	14,705,094	0.56
10,001 – 1,000,000	1,867	42.45	126,368,218	4.77
1,000,001 and above	35	0.80	2,506,879,640	94.66
Total	**4,398**	**100.00**	**2,648,150,200**	**100.00**

Approximately 10.1% of the issued ordinary shares are held by the public. Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited has accordingly been complied with.

SHAREHOLDING STATISTICS

As at 8 March 2022

SUBSTANTIAL SHAREHOLDERS

(including deemed interest as recorded in the Register of Substantial Shareholders as at 8 March 2022.)

Substantial Shareholder	Direct Interest No. of issued shares	Deemed Interest No. of issued shares
Jenny W.L. Fung [1]	–	2,347,042,230
Lester Huang [1]	–	2,347,042,230
OS Holdings Limited [1]	–	2,347,042,230
Ocean Star Management Limited [1]	–	2,347,042,230
The Ocean Trust [1]	–	2,347,042,230
The Ocean Unit Trust [1]	–	2,347,042,230
The Starlite Trust [1]	–	2,347,042,230
The Starlite Unit Trust [1]	–	2,347,042,230
Pacific Century Group Holdings Limited [2]	200,000	2,346,842,230
Pacific Century International Limited [3]	–	2,330,058,230
Pacific Century Group (Cayman Islands) Limited [4]	1,160,991,050	1,169,067,180
Anglang Investments Limited	1,169,067,180	–

Notes:

(1) In April 2004, Mr. Richard Li Tzar Kai transferred his entire beneficial interest in Pacific Century Group Holdings Limited to Ocean Star Management Limited as trustee holding for and on behalf of The Ocean Unit Trust and The Starlite Unit Trust. All the issued units of each of The Ocean Unit Trust and The Starlite Unit Trust are held by Star Ocean Ultimate Limited as trustee for and on behalf of The Ocean Trust and The Starlite Trust respectively. Ocean Star Management Limited is the wholly-owned subsidiary of OS Holdings Limited. Ms. Jenny W.L. Fung and Mr. Lester Huang each holds more than 20% of the shares of OS Holdings Limited. Each of The Ocean Trust, The Starlite Trust, The Ocean Unit Trust, The Starlite Unit Trust, Ms. Jenny W.L. Fung, Mr. Lester Huang, OS Holdings Limited and Ocean Star Management Limited is deemed to have an interest in 2,347,042,230 shares in the Company through Pacific Century Group Holdings Limited (see Note 2).

(2) Pacific Century Group Holdings Limited has a direct interest in 200,000 shares in the Company. Pacific Century Group Holdings Limited is also deemed to be interested in (i) the 16,784,000 shares held by its wholly-owned subsidiary, Borsington Limited (ii) the 1,169,067,180 shares held by Anglang Investments Limited and (iii) the 1,160,991,050 shares held by Pacific Century Group (Cayman Islands) Limited.

(3) Pacific Century International Limited is deemed to be interested in (i) the 1,169,067,180 shares held by Anglang Investments Limited and (ii) the 1,160,991,050 shares held by Pacific Century Group (Cayman Islands) Limited.

(4) Pacific Century Group (Cayman Islands) Limited is deemed to be interested in the 1,169,067,180 shares held by Anglang Investments Limited.

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1.	Raffles Nominees (Pte.) Limited	2,364,135,630	89.27
2.	HSBC (Singapore) Nominees Pte Ltd	24,954,882	0.94
3.	DBS Nominees (Private) Limited	17,703,208	0.67
4.	Citibank Nominees Singapore Pte Ltd	13,583,571	0.51
5.	OCBC Securities Private Limited	6,378,098	0.24
6.	Morph Investments Ltd	6,073,500	0.23
7.	DBS Vickers Securities (Singapore) Pte Ltd	5,891,500	0.22
8.	Maybank Securities Pte. Ltd.	5,082,350	0.19
9.	Allen Peter Anthony	5,000,000	0.19
10.	Leong Chee Tong	4,500,000	0.17
11.	United Overseas Bank Nominees (Private) Limited	4,432,300	0.17
12.	Chong Yean Fong	4,423,000	0.17
13.	UOB Kay Hian Private Limited	4,033,800	0.15
14.	Yu Poh Suan (Yu Baoxuan)	3,722,800	0.14
15.	Tan Ling San	3,400,000	0.13
16.	Phillip Securities Pte Ltd	3,286,200	0.12
17.	OCBC Nominees Singapore Private Limited	2,688,500	0.10
18.	Tham Peng Cheong Justin	2,180,000	0.08
19.	Chua Kuan Lim Charles	2,000,000	0.08
20.	Ng Soo Chaio	2,000,000	0.08
	Total	**2,485,469,339**	**93.85**

Pacific Century Regional Developments Limited

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