

PACIFIC CENTURY REGIONAL DEVELOPMENTS LIMITED

Company Registration No. 196300381N

First Quarter Financial Statements And Dividend Announcement for the Period Ended 31/03/2014

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

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

For the current results, the Group's share of the results of PCCW Limited ("PCCW"), PCRD's Hong Kong listed associated company, for Q1 2014 and the comparative figures for Q1 2013 are not available as PCCW is not required to announce quarterly results in Hong Kong and is only required under Hong Kong Stock Exchange listing rules to report H1 2014 results within three months of the end of the financial period.

The Group's interest in PCCW is its most significant asset. The Group's 21.3% share of PCCW's results for the financial year ended 31 December 2013 amounted to S\$65.1 million, which was the most significant contribution to PCRD Group's profit. These quarterly results, without any contribution from PCCW, should be considered in this context.

UNAUDITED CONSOLIDATED INCOME STATEMENT

	Group		
	3 months ended		
	31/03/2014	31/03/2013	% Increase/
	S\$'000	S\$'000	(decrease)
Continuing operations			
Revenue	4,416	-	n.m.
Other income (Note 1)	11	515	(97.9)
Expenses			
- Depreciation of property, plant and equipment	(11)	(8)	37.5
- Employee compensation	(302)	(346)	(12.7)
- Finance expenses (Note 2)	(421)	(609)	(30.9)
- Foreign exchange loss, net	(6)	(243)	(97.5)
- Legal and other professional fees (expense) write-back	(250)	503	n.m.
- Rental expense - operating leases	(79)	(79)	0.0
- Travelling expenses	(98)	(120)	(18.3)
- Subscriptions and donations	(396)	(68)	n.m.
- Others	(209)	(157)	33.1
Total expenses	(1,772)	(1,127)	57.2
Changes in carrying value of associated company:			
- Share of loss of associated companies, net of tax	(17)	(116)	(85.3)
Gain on liquidation of a subsidiary company	-	729	n.m.
Profit before income tax	2,638	1	n.m.
Income tax (expense) credit (Note 3)	(751)	245	n.m.
Total profit for the period	1,887	246	667.1
Attributable to:			
Equity holders of the Company	1,887	136	n.m.
Non-controlling interests	-	110	n.m.
	1,887	246	667.1

n.m. = not meaningful

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group 3 months ended		
	31/03/2014 S\$'000	31/03/2013 S\$'000	% Increase/ (decrease)
Total profit for the period	1,887	246	667.1
Other comprehensive income (loss):			
Items that may be reclassified subsequently to profit or loss:			
Financial assets, available-for-sale			
- Fair value gains	9,334	3,963	135.5
Currency translation differences arising from consolidation			
- (Losses) gains, net	(432)	3,585	n.m.
- Reclassification	-	(729)	n.m.
Other comprehensive income, net of tax	8,902	6,819	30.5
Total comprehensive income for the period	10,789	7,065	52.7
Total comprehensive income attributable to:			
Equity holders of the Company	10,789	6,777	59.2
Non-controlling interests	-	288	n.m.
	10,789	7,065	52.7

n.m. = not meaningful

	Group 3 months ended	
	31/03/2014 S\$'000	31/03/2013 S\$'000
(Note 1)		
Other income :		
Interest income	11	503
Fair value gain on financial assets designated as fair value through profit or loss	-	12
	11	515

(Note 2)		
Finance expenses :		
Interest expense - bank borrowings	-	(43)
Finance facility fees	(421)	(566)
	(421)	(609)

(Note 3)
Income tax (expense) credit :
The tax expense for Q1 2014 is due to deferred tax of \$0.8 million provided on accrued distributions from HKT Trust and HKT Limited ("HKT").

The income tax credit in Q1 2013 is due to a refund of \$0.2 million taxes received following finalisation of tax assessments for prior years.

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

		Group		Company	
	Notes	31/03/2014	31/12/2013	31/03/2014	31/12/2013
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Current assets					
Cash and cash equivalents	1	69,848	73,332	64,938	70,676
Financial assets, at fair value through profit or loss		17	17	17	17
Trade and other receivables	2	4,536	175	4,407	31
Other current assets		774	1,017	458	614
		<u>75,175</u>	<u>74,541</u>	<u>69,820</u>	<u>71,338</u>
Non-current assets					
Financial assets, available-for-sale	3	155,774	147,029	148,583	139,727
Other receivables		62	70	-	-
Investments in associated companies		589,599	589,180	801,122	804,515
Investments in subsidiary companies		-	-	121,036	121,548
Property, plant and equipment		82	84	-	-
Other non-current assets		454	485	54	95
		<u>745,971</u>	<u>736,848</u>	<u>1,070,795</u>	<u>1,065,885</u>
Total assets		<u>821,146</u>	<u>811,389</u>	<u>1,140,615</u>	<u>1,137,223</u>
LIABILITIES					
Current liabilities					
Trade and other payables	4	3,485	4,321	73,389	77,095
Current income tax liabilities		13	13	2	2
		<u>3,498</u>	<u>4,334</u>	<u>73,391</u>	<u>77,097</u>
Non-current liabilities					
Deferred income tax liabilities	5	2,645	1,905	2,645	1,905
		<u>2,645</u>	<u>1,905</u>	<u>2,645</u>	<u>1,905</u>
Total liabilities		<u>6,143</u>	<u>6,239</u>	<u>76,036</u>	<u>79,002</u>
NET ASSETS		<u>815,003</u>	<u>805,150</u>	<u>1,064,579</u>	<u>1,058,221</u>
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital		457,283	457,283	457,283	457,283
Treasury shares		-	(9,276)	-	(9,276)
Other reserves		190,229	181,327	(88,611)	(93,588)
Retained profits		167,491	175,816	695,907	703,802
		<u>815,003</u>	<u>805,150</u>	<u>1,064,579</u>	<u>1,058,221</u>
Non-controlling interests		-	-	-	-
Total equity		<u>815,003</u>	<u>805,150</u>	<u>1,064,579</u>	<u>1,058,221</u>

Note 1

Cash and cash equivalents decreased by \$3.5 million mainly made up of payments for :

	S\$' million
Cost of share repurchases	0.9
Previously accrued expenses	1.1
Operating expenses	1.5
	<u>3.5</u>

Note 2

Trade and other receivables increased by \$4.4 million mainly due to accrual of distributions from HKT of \$4.4 million.

Note 3

Financial assets, available-for-sale increased by \$8.7 million, mainly due to a net increases of \$8.9 million in the market value of the Company's holding of Share Stapled Units in HKT.

Note 4

Trade and other payables decreased by \$0.8 million mainly due to payment of previously accrued expenses of \$1.1 million.

Note 5

Deferred income tax liabilities increased by \$0.7 million mainly due to deferred tax of \$0.8 million provided on distributions accrued from HKT.

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

Amount repayable in one year or less, or on demand

As at 31/03/2014		As at 31/12/2013	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

As at 31/03/2014		As at 31/12/2013	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral

N.A.

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

Cash flow statement for the period ended 31 March

	Group	
	3 months ended	
	31/03/2014	31/03/2013
	S\$'000	S\$'000
Cash flow from operating activities:		
Profit from continuing operations, after tax	1,887	246
Adjustments for :		
- Income tax expense (credit)	751	(245)
- Depreciation of property, plant and equipment	11	8
- Gain on liquidation of a subsidiary company	-	(729)
- Interest income	(11)	(503)
- Finance expenses	421	609
- Unrealised currency translation (gains) losses	(5)	246
- Fair value gain on financial assets designated as fair value through profit or loss	-	(12)
Change in carrying values of associated companies:		
- Share of loss of associated companies, net of tax	17	116
	<u>3,071</u>	<u>(264)</u>
Change in working capital:		
- Trade and other receivables	(4,086)	2,054
- Trade and other payables	(814)	(2,040)
Cash used in operations	<u>(1,829)</u>	<u>(250)</u>
Interest received	11	503
Net cash (used in) generated from operating activities	<u>(1,818)</u>	<u>253</u>
Cash flow from investing activities:		
Purchase of property, plant and equipment	(9)	(5)
Movements in fixed deposits	-	(5,725)
Cash used in investing activities	<u>(9)</u>	<u>(5,730)</u>
Cash flow from financing activities:		
Finance expenses paid	(421)	(609)
Proceeds from borrowings	-	25,630
Purchases of treasury shares	(936)	-
Net cash (used in) generated from financing activities	<u>(1,357)</u>	<u>25,021</u>
Net (decrease) increase in cash and cash equivalents	(3,184)	19,544
Cash and cash equivalents at beginning of period	73,332	57,563
Effects of currency translation on cash and cash equivalents	(300)	1,149
Cash and cash equivalents at end of period	<u>69,848</u>	<u>78,256</u>
Note 1 : Cash and cash equivalents per cash flow statement		
Included in cash and cash equivalents per balance sheet (Note 2)	69,848	83,981
Less: Fixed deposits	-	(5,725)
	<u>69,848</u>	<u>78,256</u>
Note 2 : Included in cash and cash equivalents per balance sheet		
Cash at bank and on hand	38,261	49,111
Short-term bank deposits	31,587	34,870
	<u>69,848</u>	<u>83,981</u>

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

Changes in equity for the period ended 31 March

The Group

	Share capital S\$'000	Treasury shares S\$'000	Other reserves S\$'000	Retained profits S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
Balance at 1 January 2014	457,283	(9,276)	181,327	175,816	-	805,150
Total comprehensive income for the period	-	-	8,902	1,887	-	10,789
Purchase of treasury shares	-	(936)	-	-	-	(936)
Cancellation of treasury shares	-	10,212	-	(10,212)	-	-
Balance at 31 March 2014	457,283	-	190,229	167,491	-	815,003

The Group

	Share capital S\$'000	Treasury shares S\$'000	Other reserves S\$'000	Retained profits S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
Balance at 1 January 2013	457,283	-	164,552	110,348	6,605	738,788
Total comprehensive income for the period	-	-	6,641	136	288	7,065
Balance at 31 March 2013	457,283	-	171,193	110,484	6,893	745,853

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

Changes in equity for the period ended 31 March

The Company	Share capital S\$'000	Treasury shares S\$'000	Other reserves S\$'000	Retained profits S\$'000	Total equity S\$'000
Balance at 1 January 2014	457,283	(9,276)	(93,588)	703,802	1,058,221
Total comprehensive income for the period	-	-	4,977	2,317	7,294
Purchase of treasury shares	-	(936)	-	-	(936)
Cancellation of treasury shares	-	10,212	-	(10,212)	-
Balance at 31 March 2014	<u>457,283</u>	<u>-</u>	<u>(88,611)</u>	<u>695,907</u>	<u>1,064,579</u>

The Company	Share capital S\$'000	Treasury shares S\$'000	Other reserves S\$'000	Retained profits S\$'000	Total equity S\$'000
Balance at 1 January 2013	457,283	-	(127,315)	456,896	786,864
Total comprehensive income for the period	-	-	15,609	2,548	18,157
Balance at 31 March 2013	<u>457,283</u>	<u>-</u>	<u>(111,706)</u>	<u>459,444</u>	<u>805,021</u>

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

The Company's issued share capital as at 31 March 2014 and 31 December 2013 is summarised as follows: -

	31/03/2014		31/12/2013	
	No. of shares	\$	No. of shares	\$
Issued and paid up share capital including treasury shares	3,043,192,100	457,282,366	3,088,867,100	457,282,366
Issued and paid up share capital excluding treasury shares	3,043,192,100		3,047,103,100	

During Q1 2014, the Company purchased a total of 3,911,000 shares in the Company on the open market for a total consideration of \$0.94 million (including transaction costs), financed by internal funds. These shares were held as treasury shares and, together with 41,764,000 treasury shares brought forward from previous periods were cancelled on 29 January 2014.

The Company does not have any convertibles or treasury shares as at 31 March 2014 and 31 March 2013.

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

	Number of shares	
	As at 31/03/2014	As at 31/12/2013
Issued ordinary shares	3,043,192,100	3,088,867,100
Less: Treasury shares	-	(41,764,000)
Issued ordinary shares, excluding treasury shares	3,043,192,100	3,047,103,100

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

	Number of treasury shares
	Quarter ended 31/03/2014
Balance at beginning of period	41,764,000
Purchased during the period	3,911,000
Less: Treasury shares cancelled	(45,675,000)
Balance at end of period	Nil

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

The figures have not been audited or reviewed.

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

N.A.

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

Except for the adoption of new or revised Singapore Financial Reporting Standards as described in Section 5, the Group has applied the same accounting policies and methods of computation in these results as in the audited financial statements for the year ended 31 December 2013.

For the current results under review, the Group's share of results of PCCW for Q1 2014 and the comparative figures for Q1 2013 are not available as PCCW is not required to announce quarterly results in Hong Kong and it is only required under Hong Kong listing rules to report its H1 2014 results within three months of the end of the financial period.

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

On 1 January 2014, the Group adopted the new or revised Singapore Financial Reporting Standards (FRS) and Interpretations (INT FRS) that are effective in financial year ending 31 December 2014.

The following are the new or amended FRSs that are relevant to the Group:

- (i) FRS 110 – Consolidated Financial Statements
- (ii) FRS 111 – Joint Arrangements
- (iii) FRS 112 – Disclosures of Interests in Other Entities

The adoption of the above FRSs did not result in any substantial change to the Group's accounting policies nor any significant impact on the financial statements.

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

Group	31/03/2014	31/03/2013
Net profit attributable to equity holders of the Company (S\$'000)	1,887	136
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	3,043,329	3,096,269
(i) Basic earnings per share (Cents per share)	0.062	0.004
(ii) On a fully diluted basis (Cents per share)	0.062	0.004

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

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

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

	Group		Company	
	31/03/2014	31/12/2013	31/03/2014	31/12/2013
Net asset value (S\$'000)	815,003	805,150	1,064,579	1,058,221
Number of issued shares excluding treasury shares ('000)	3,043,192	3,047,103	3,043,192	3,047,103
Net asset value per ordinary share based on issued share capital at the end of the year	\$0.268	\$0.264	\$0.350	\$0.347

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

The Group's revenue for 2014 was \$4.4 million compared to nil in 2013. The Group's revenue for 2014 mainly relates to distributions from the Company's investment in HKT declared in Q1 2014.

Other income for Q1 2014 was \$11K compared to \$0.5 million for Q1 2013. The decrease was mainly due to a decrease in interest income.

Total expenses for Q1 2014 amounted to \$1.77 million compared to a \$1.13 million for Q1 2013. The increase is mainly due to the following:-

- Legal and professional fees of \$0.25 million were incurred in Q1 2014 compared to a credit of \$0.05 million in Q1 2013 (as a result of a write back of provisions in legal and professional fees no longer required). The result is a net increase of \$0.75 million compared to the corresponding quarter.
- Subscriptions and donations for Q1 2014 was \$0.4 million compared to \$68K in Q1 2013. The increase was mainly due to donations of \$0.3 million made in Q1 2014.

These increases were mainly offset by the following:

- Finance costs fell from \$0.61 million in Q1 2013 to \$0.42 million in Q1 2014. The decrease in finance costs was mainly due to a decrease in renewal fees for bank facilities of \$0.15 million and the absence of interest expense in Q1 2014.
- The Group recorded a reduction in foreign exchange losses from \$0.24 million in Q1 2013 to \$6K in Q1 2014. This was due to the elimination of unrealised translation losses on intercompany balances owing to the Company following the capitalisation of these intercompany balances.

The Group's share of loss of its 49.87% associated company, KSH Distriparks Private Limited ("KSH"), amounted to \$17K in Q1 2014, as compared to a share of loss of \$0.12 million in Q1 2013.

The Group's results for Q1 2014 do not include the Group's share of results of PCCW. The Q1 2014 results of PCCW are not available as PCCW does not publish quarterly results in Hong Kong and is only required under Hong Kong listing rules to report its H1 2014 results within 3 months from the end of the financial period.

Without the Group's share of results for PCCW, the Group recorded a profit after taxation of \$1.89 million for Q1 2014 compared to a profit after taxation of \$0.25 million for Q1 2013.

After taking into account non-controlling interests, the Group recorded a profit attributable to equity holders of \$1.89 million for Q1 2014 as compared to \$0.14 million for Q1 2013.

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

N.A.

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

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

11. Dividend

(a) Current Financial Period Reported On

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

None

Name of Dividend

Dividend Type

Dividend Rate

Tax Rate

(c) The date the dividend is payable.

N.A.

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

N.A.

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

No dividend has been declared or recommended.

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

The Group has obtained a general mandate from the shareholders of the Company for interested person transactions in the Annual General Meeting held on 26 April 2013. During the financial period under review, the following interested person transactions were entered into by the Group:

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

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

The Directors have confirmed that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial results for the quarter ended 31 March 2014 to be false or misleading.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

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

N.A.

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

N.A.

17. A breakdown of sales

N.A.

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

Total Annual Dividend:

	Latest Full Year 31/12/2013 S\$'000	Previous Full Year 31/12/2012 S\$'000
Ordinary	-	-
Preference	-	-
Total:	-	-

N.A.

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

N.A.

BY ORDER OF THE BOARD

Lim Beng Jin
Company Secretary
08/05/2014