

PACIFIC CENTURY REGIONAL DEVELOPMENTS LIMITED

Company Registration No. 196300381N

Second Quarter Financial Statements And Dividend Announcement for the Period Ended 30/06/2014

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 Group's Q2 results for the 3 months ended 30 June 2014, the Group's share of results of PCCW Limited ("PCCW") for Q2 2014 and the comparative figures for Q2 2013 are not available as Hong Kong Stock Exchange listing rules do not require PCCW to announce quarterly results but only half year and full year results.

PCCW announced its H1 results for the 6 months ended 30 June 2014 on 6 August 2014. The Group's share of the results of PCCW for H1 2014 and the comparative figures for H1 2013 are included in the Group's H1 results for the 6 months ended 30 June 2014.

UNAUDITED CONSOLIDATED INCOME STATEMENT

	Group 3 months ended			Group 6 months ended		
	30/06/2014	30/06/2013	% Increase/ (decrease)	30/06/2014	30/06/2013	% Increase/ (decrease)
	S\$'000	S\$'000		S\$'000	S\$'000	
Revenue	-	3,858	n.m.	4,416	3,858	14.5
Other income (Note 1)	12	366	(96.7)	23	881	(97.4)
Expenses						
- Depreciation of property, plant and equipment	(12)	(8)	50.0	(23)	(16)	43.8
- Employee compensation	(330)	(400)	(17.5)	(632)	(746)	(15.3)
- Finance expenses (Note 2)	(419)	(510)	(17.8)	(840)	(1,119)	(24.9)
- Foreign exchange loss, net	(14)	(595)	(97.6)	(20)	(838)	(97.6)
- Legal and other professional fees	(257)	(591)	(56.5)	(507)	(88)	476.1
- Rental expense - operating leases	(79)	(79)	-	(158)	(158)	-
- Travelling expenses	(19)	(13)	46.2	(117)	(133)	(12.0)
- Subscriptions and donations	(1)	(9)	(88.9)	(397)	(77)	415.6
- Others	(201)	(230)	(12.6)	(410)	(387)	5.9
Total expenses	(1,332)	(2,435)	(45.3)	(3,104)	(3,562)	(12.9)
Changes in carrying value of associated companies:						
- Share of profit (loss) of associated companies, net of tax (Note 3)	18	(23)	n.m.	36,610	29,064	26.0
(Loss) gain on liquidation of subsidiary companies	(886)	-	n.m.	(886)	729	n.m.
(Loss) profit before income tax	(2,188)	1,766	n.m.	37,059	30,970	19.7
Income tax credit (expense) (Note 4)	5	(601)	n.m.	(746)	(356)	109.6
Total (loss) profit for the period	(2,183)	1,165	n.m.	36,313	30,614	18.6
Attributable to:						
Equity holders of the Company	(2,183)	1,094	n.m.	36,313	30,433	19.3
Non-controlling interests	-	71	n.m.	-	181	n.m.
	(2,183)	1,165	n.m.	36,313	30,614	18.6

n.m. = not meaningful

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group 3 months ended			Group 6 months ended		
	30/06/2014 S\$'000	30/06/2013 S\$'000	% Increase/ (decrease)	30/06/2014 S\$'000	30/06/2013 S\$'000	% Increase/ (decrease)
Total (loss) profit for the period	(2,183)	1,165	n.m.	36,313	30,614	18.6
Other comprehensive income (loss):						
Items that may be reclassified subsequently to profit or loss:						
Financial assets, available-for-sale						
- Fair value gains (loss) (Note 5)	16,987	(5,937)	n.m.	26,321	(1,974)	n.m.
Currency translation differences arising from consolidation						
- (Losses) gains, net (Note 6)	(2,369)	2,148	n.m.	(7,652)	18,106	n.m.
- Reclassification of currency translation differences of liquidated subsidiary companies to income statement	886	-	n.m.	886	(729)	n.m.
Share of other comprehensive loss of associated companies (Note 7)	-	-	n.m.	(7,000)	(2,652)	164.0
Other comprehensive income (loss), net of tax	<u>15,504</u>	<u>(3,789)</u>	n.m.	<u>12,555</u>	<u>12,751</u>	(1.5)
Total comprehensive income (loss) for the period	<u>13,321</u>	<u>(2,624)</u>	n.m.	<u>48,868</u>	<u>43,365</u>	12.7
Total comprehensive income (loss) attributable to:						
Equity holders of the Company	13,321	(2,180)	n.m.	48,868	43,521	12.3
Non-controlling interests	<u>-</u>	<u>(444)</u>	n.m.	<u>-</u>	<u>(156)</u>	n.m.
	<u>13,321</u>	<u>(2,624)</u>	n.m.	<u>48,868</u>	<u>43,365</u>	12.7

n.m. = not meaningful

	Group 3 months ended		Group 6 months ended	
	30/06/2014 S\$'000	30/06/2013 S\$'000	30/06/2014 S\$'000	30/06/2013 S\$'000
(Note 1)				
Other income :				
Interest income	12	383	23	886
Fair value loss on financial assets designated as fair value through profit or loss	<u>-</u>	<u>(17)</u>	<u>-</u>	<u>(5)</u>
	<u>12</u>	<u>366</u>	<u>23</u>	<u>881</u>
(Note 2)				
Finance expenses :				
Interest expense - bank borrowings	-	(127)	-	(170)
Finance facility fees	<u>(419)</u>	<u>(383)</u>	<u>(840)</u>	<u>(949)</u>
	<u>(419)</u>	<u>(510)</u>	<u>(840)</u>	<u>(1,119)</u>

(Note 3)

Share of profit (loss) of associated companies, net of tax :

The Group's Unaudited Consolidated Income Statement for the 6 months ended 30 June 2014 and 2013 includes the Group's share of results of PCCW for H1 2014 and H1 2013.

The Group's Unaudited Consolidated Income Statement for the 3 months ended 30 June 2014 and 2013 excludes the Group's share of results of PCCW as the information is not available. Hong Kong Stock Exchange listing rules do not require PCCW to announce quarterly results but only half year and full year results.

(Note 4)

Income tax credit (expense) :

The tax expense for H1 2014 is due to deferred tax of \$0.7 million provided on distributions from HKT Trust and HKT Limited ("HKT").

Income tax expense of \$0.4 million for H1 2013 reflects tax provided of \$0.6 million for dividends received from HKT partially offset by a refund of \$0.2 million taxes paid in the prior year following finalisation of the tax assessment for the prior year.

Profits before tax for H1 2014 and H1 2013 include the Group's share of PCCW H1 2014 and H1 2013 profits respectively, which are net of taxes.

(Note 5)

Financial assets, available-for-sale - Fair value gains (loss) :

The Group recorded a fair value gain of \$26.3 million in H1 2014 and \$17.0 million in Q2 2014 mainly due to increases in the market value of the financial assets of the Group's holding of Share Stapled Units ("SSUs") in HKT.

The Group recorded a fair value loss of \$2.0 million in H1 2013 and \$5.9 million in Q2 2013 mainly due to decreases in the market value of the financial assets of the Group's holding of SSUs in HKT.

(Note 6)

Currency translation differences arising from consolidation - (Losses) gains, net :

The Group recorded currency translation losses of \$7.7 million in H1 2014 and \$2.4 million in Q2 2014 mainly due to unrealised translation losses resulting from the translation of the Company's net assets and the Group's share of PCCW's net assets which are recorded in Hong Kong Dollar (functional currency) to Singapore Dollar (presentation currency) reflecting the weakening of the Hong Kong Dollar against the Singapore Dollar.

The Group recorded currency translation gains of \$18.1 million in H1 2013 and \$2.1 million in Q2 2013 mainly due to unrealised translation gains resulting from the translation of the Company's net assets and the Group's share of PCCW's net assets which are recorded in Hong Kong Dollar (functional currency) to Singapore Dollar (presentation currency) reflecting the strengthening of the Hong Kong Dollar against the Singapore Dollar.

(Note 7)

Share of other comprehensive loss of associated companies :

The Group's Unaudited Consolidated Statement of Comprehensive Income for the 3 months ended 30 June 2014 and 2013 excludes the Group's share of results of PCCW as the information is not available. Hong Kong Stock Exchange listing rules do not require PCCW to announce quarterly results but only half year and full year results.

The Group's share of other comprehensive losses of associated companies of \$7.0 million in H1 2014 and \$2.7 million in H1 2013 were mainly due to the Group's share of PCCW's H1 2014 and H1 2013 currency translation reserve relating to exchange differences on the translation of PCCW's foreign operations, respectively.

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	30/06/2014	31/12/2013	30/06/2014	31/12/2013
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Current assets					
Cash and cash equivalents	1	43,395	73,332	35,515	70,676
Financial assets, at fair value through profit or loss		17	17	17	17
Trade and other receivables	2	5,039	175	26	31
Other current assets		624	1,017	309	614
		<u>49,075</u>	<u>74,541</u>	<u>35,867</u>	<u>71,338</u>
Non-current assets					
Financial assets, available-for-sale	3	195,132	147,029	164,152	139,727
Other receivables		53	70	418	-
Investments in associated companies	4	615,415	589,180	827,536	804,515
Investments in subsidiary companies		-	-	151,866	121,548
Property, plant and equipment		71	84	-	-
Other non-current assets		338	485	14	95
		<u>811,009</u>	<u>736,848</u>	<u>1,143,986</u>	<u>1,065,885</u>
Total assets		<u>860,084</u>	<u>811,389</u>	<u>1,179,853</u>	<u>1,137,223</u>
LIABILITIES					
Current liabilities					
Trade and other payables	5	3,097	4,321	72,936	77,095
Current income tax liabilities		1	13	1	2
		<u>3,098</u>	<u>4,334</u>	<u>72,937</u>	<u>77,097</u>
Non-current liabilities					
Deferred income tax liabilities	6	2,618	1,905	2,618	1,905
		<u>2,618</u>	<u>1,905</u>	<u>2,618</u>	<u>1,905</u>
Total liabilities		<u>5,716</u>	<u>6,239</u>	<u>75,555</u>	<u>79,002</u>
NET ASSETS		<u>854,368</u>	<u>805,150</u>	<u>1,104,298</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		(52)	(9,276)	(52)	(9,276)
Other reserves		194,225	181,327	(82,624)	(93,588)
Retained profits		202,912	175,816	729,691	703,802
		<u>854,368</u>	<u>805,150</u>	<u>1,104,298</u>	<u>1,058,221</u>
Non-controlling interests		-	-	-	-
Total equity		<u>854,368</u>	<u>805,150</u>	<u>1,104,298</u>	<u>1,058,221</u>

Note 1

Cash and cash equivalents decreased by \$29.9 million mainly due to :

	S\$' million
Purchase of financial assets, available-for-sale	28.7
Cost of share repurchases	1.0
Payments of previously accrued expenses	1.2
Payments of operating expenses	3.4
	<u>34.3</u>
Less:	
Distributions from HKT	(4.4)
	<u>29.9</u>

Note 2

Trade and other receivables increased by \$4.9 million mainly due to a receivable of \$4.9 million for the refund of excess capital contribution from the purchase of financial assets, available-for-sale by a subsidiary company.

Note 3

Financial assets, available-for-sale increased by \$48.1 million, mainly due to a net cost of purchase of financial assets, available-for-sale of \$23.8 million and a net increase of \$24.4 million in the market value of the Company's holding of SSUs in HKT.

Note 4

Investments in associated companies increased by \$26.2 million mainly due to the Company's share of PCCW's H1 2014 profit of \$36.6 million and decreases in PCCW's other reserves of \$10.5 million.

Note 5

Trade and other payables decreased by \$1.2 million mainly due to payment of previously accrued expenses of \$1.4 million.

Note 6

Deferred income tax liabilities increased by \$0.7 million mainly due to deferred tax of \$0.7 million provided on distributions 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 30/06/2014		As at 31/12/2013	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

As at 30/06/2014		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 30 June

	(Note 1)			
	Group		Group	
	3 months ended		6 months ended	
	30/06/2014	30/06/2013	30/06/2014	30/06/2013
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flow from operating activities:				
(Loss) profit after tax	(2,183)	1,165	36,313	30,614
Adjustments for :				
- Income tax (credit) expense	(5)	601	746	356
- Depreciation of property, plant and equipment	12	8	23	16
- Loss (gain) on liquidation of subsidiary companies	886	-	886	(729)
- Interest income	(12)	(383)	(23)	(886)
- Finance expenses	419	510	840	1,119
- Unrealised currency translation losses	15	290	10	536
- Fair value loss on financial assets designated as fair value through profit or loss	-	17	-	5
Change in carrying values of associated companies:				
- Share of (profit) loss of associated companies, net of tax	(18)	23	(36,610)	(29,064)
	(886)	2,231	2,185	1,967
Change in working capital:				
- Trade and other receivables	4,658	(19,132)	572	(17,078)
- Trade and other payables	(360)	(2,625)	(1,174)	(4,665)
Cash generated from (used in) operations	3,412	(19,526)	1,583	(19,776)
Interest received	12	383	23	886
Income tax (paid) refund	(12)	246	(12)	246
Net cash generated from (used in) operating activities	3,412	(18,897)	1,594	(18,644)
Cash flow from investing activities:				
Purchase of property, plant and equipment	-	(5)	(9)	(10)
Purchase of financial assets, available-for-sale	(28,674)	-	(28,674)	-
Movements in fixed deposits	-	425	-	(5,300)
Dividend from associated company	-	34,382	-	34,382
Cash (used in) generated from investing activities	(28,674)	34,802	(28,683)	29,072
Cash flow from financing activities:				
Finance expenses paid	(419)	(510)	(840)	(1,119)
Proceeds from borrowings	-	593	-	26,223
Purchases of treasury shares	(52)	(7,430)	(988)	(7,430)
Net cash (used in) generated from financing activities	(471)	(7,347)	(1,828)	17,674
Net (decrease) increase in cash and cash equivalents	(25,733)	8,558	(28,917)	28,102
Cash and cash equivalents at beginning of period	69,848	78,256	73,332	57,563
Effects of currency translation on cash and cash equivalents	(720)	(1,036)	(1,020)	113
Cash and cash equivalents at end of period	43,395	85,778	43,395	85,778
Note 1 : Cash and cash equivalents per cash flow statement				
Included in cash and cash equivalents per balance sheet (Note 2)	43,395	91,078	43,395	91,078
Less: Fixed deposits	-	(5,300)	-	(5,300)
	43,395	85,778	43,395	85,778
Note 2 : Included in cash and cash equivalents per balance sheet				
Cash at bank and on hand	33,696	57,863	33,696	57,863
Short-term bank deposits	9,699	33,215	9,699	33,215
	43,395	91,078	43,395	91,078

Note 1:

The Group's Consolidated Cash Flow Statement for the 3 months ended 30 June 2014 and 2013 excludes the Group's share of results of PCCW as the information is not available. Hong Kong Stock Exchange listing rules do not require PCCW to announce quarterly results but only half year and full year results.

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 3 months ended 30 June

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 April 2014	457,283	-	190,229	167,491	-	815,003	
Total comprehensive income (loss) for the period	-	-	15,504	(2,183)	-	13,321	
Purchase of treasury shares	-	(52)	-	-	-	(52)	
Balance at 30 June 2014	457,283	(52)	205,733	165,308	-	828,272	Note 1

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 April 2013	457,283	-	171,193	110,484	6,893	745,853	
Total comprehensive (loss) income for the period	-	-	(3,274)	1,094	(444)	(2,624)	
Purchase of treasury shares	-	(7,430)	-	-	-	(7,430)	
Cancellation of treasury shares	-	1,523	-	(1,523)	-	-	
Balance at 30 June 2013	457,283	(5,907)	167,919	110,055	6,449	735,799	Note 1

Note 1:

The Group's Consolidated Statement of Changes in Equity for the 3 months ended 30 June 2014 and 2013 excludes the Group's share of results of PCCW as the information is not available. Hong Kong Stock Exchange listing rules do not require PCCW to announce quarterly results but only half year and full year results.

Changes in equity for the 6 months ended 30 June

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	-	-	12,555	36,313	-	48,868	
Purchase of treasury shares	-	(988)	-	-	-	(988)	
Cancellation of treasury shares	-	10,212	-	(10,212)	-	-	
Share of reserves of associated companies:							
- Equity share compensation reserve	-	-	343	-	-	343	
- Vesting of PCCW Shares under the shares award schemes and Share Stapled Units under the Share Stapled Units award schemes	-	-	-	171	-	171	
- Change in ownership interests in a subsidiary without change of control	-	-	-	824	-	824	
Balance at 30 June 2014	457,283	(52)	194,225	202,912	-	854,368	

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 (loss) for the period	-	-	13,088	30,433	(156)	43,365	
Purchase of treasury shares	-	(7,430)	-	-	-	(7,430)	
Cancellation of treasury shares	-	1,523	-	(1,523)	-	-	
Share of reserves of associated companies:							
- Equity share compensation reserve	-	-	(733)	-	-	(733)	
- Adoption of FRS 19 (revised 2011) Employee Benefits by PCCW	-	-	-	(6,246)	-	(6,246)	
- Purchase of Share Stapled Units under Share Stapled Units award schemes	-	-	-	(489)	-	(489)	
- Vesting of PCCW Shares under the shares award schemes and Share Stapled Units under the Share Stapled Units award schemes	-	-	-	70	-	70	
Balance at 30 June 2013	457,283	(5,907)	176,907	132,593	6,449	767,325	

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 3 months ended 30 June

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 April 2014	457,283	-	(88,611)	695,907	1,064,579
Total comprehensive income for the period	-	-	5,987	33,784	39,771
Purchase of treasury shares	-	(52)	-	-	(52)
Balance at 30 June 2014	457,283	(52)	(82,624)	729,691	1,104,298

	Share capital S\$'000	Treasury shares S\$'000	Other reserves S\$'000	Retained profits S\$'000	Total equity S\$'000
Balance at 1 April 2013	457,283	-	(111,706)	459,444	805,021
Total comprehensive income for the period	-	-	13,428	41,053	54,481
Purchase of treasury shares	-	(7,430)	-	-	(7,430)
Cancellation of treasury shares	-	1,523	-	(1,523)	-
Balance at 30 June 2013	457,283	(5,907)	(98,278)	498,974	852,072

Changes in equity for the 6 months ended 30 June

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	-	-	10,964	36,101	47,065
Purchase of treasury shares	-	(988)	-	-	(988)
Cancellation of treasury shares	-	10,212	-	(10,212)	-
Balance at 30 June 2014	457,283	(52)	(82,624)	729,691	1,104,298

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	-	-	29,037	43,601	72,638
Purchase of treasury shares	-	(7,430)	-	-	(7,430)
Cancellation of treasury shares	-	1,523	-	(1,523)	-
Balance at 30 June 2013	457,283	(5,907)	(98,278)	498,974	852,072

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 is summarised as follows: -

	Quarter ended 30/06/2014		Quarter ended 30/06/2013	
	No. of shares	\$	No. of shares	\$
Issued and paid up share capital including treasury shares				
Beginning of period	3,043,192,100	457,282,366	3,096,269,100	457,282,366
Shares cancelled	-	-	(7,402,000)	-
End of period	<u>3,043,192,100</u>	<u>457,282,366</u>	<u>3,088,867,100</u>	<u>457,282,366</u>
Issued and paid up share capital excluding treasury shares	<u>3,042,980,100</u>		<u>3,061,444,100</u>	

During Q2 2014, the Company purchased a total of 212,000 shares in the Company on the open market for a total consideration of \$52K (including transaction costs), financed by internal funds. These shares were held as treasury shares and were recorded separately in shareholders' equity.

The Company does not have any convertibles as at 30 June 2014 and 30 June 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 30/06/2014	As at 31/12/2013
Issued ordinary shares	3,043,192,100	3,088,867,100
Less: Treasury shares	(212,000)	(41,764,000)
Issued ordinary shares, excluding treasury shares	<u>3,042,980,100</u>	<u>3,047,103,100</u>

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.

Treasury shares:	Number of shares			
	Quarter ended		6 months ended	
	30/06/2014	30/06/2013	30/06/2014	30/06/2013
Balance at beginning of period	-	-	41,764,000	-
Purchased during the period	212,000	34,825,000	4,123,000	34,825,000
Less: Treasury shares cancelled	-	(7,402,000)	(45,675,000)	(7,402,000)
Balance at end of period	<u>212,000</u>	<u>27,423,000</u>	<u>212,000</u>	<u>27,423,000</u>

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.

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 the 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 – Disclosure 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	Q2 2014	Q2 2013
Net (loss) profit attributable to equity holders of the Company (S\$'000)	<u>(2,183)</u>	<u>1,094</u>
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	<u>3,043,156</u>	<u>3,083,945</u>
(i) Basic (loss) earnings per share (Cents per share)	<u>(0.072)</u>	<u>0.036</u>
(ii) On a fully diluted basis (Cents per share)	<u>(0.072)</u>	<u>0.036</u>

Group	H1 2014		H1 2013	
Net profit attributable to equity holders of the Company (S\$'000)		36,313		30,433
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)		3,043,242		3,090,073
(i) Basic earnings per share (Cents per share)		1.193		0.985
(ii) On a fully diluted basis (Cents per share)		1.193		0.985

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 period.

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 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	
	30/06/2014	31/12/2013	30/06/2014	31/12/2013
Net asset value (S\$'000)	854,368	805,150	1,104,298	1,058,221
Number of issued shares excluding treasury shares ('000)	3,042,980	3,047,103	3,042,980	3,047,103
Net asset value per ordinary share based on issued share capital at the end of the period	\$0.281	\$0.264	\$0.363	\$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 mainly relates to distributions received from the Company's investment in HKT. The Group's revenue for Q2 2014 was nil compared to \$3.9 million for Q2 2013. This was due to the declaration of HKT's distributions in Q1 2014. The Group's revenue for H1 2014 was \$4.4 million compared to \$3.9 million for H1 2013.

Other income for Q2 2014 was \$12K compared to \$0.4 million for Q2 2013. The decrease was mainly due to a decrease in interest income.

Total expenses for Q2 2014 amounted to \$1.3 million compared to a \$2.4 million for Q2 2013. The decrease was mainly due to the following reasons:-

- The Group recorded foreign exchange losses of \$14K in Q2 2014 compared to \$0.6 million in Q2 2013. The exchange losses in Q2 2013 were mainly the result of unrealised exchange losses on Hong Kong Dollar balances payable by subsidiaries reflecting the strengthening of the Hong Kong Dollar against the Singapore Dollar. The foreign exchange losses have been significantly reduced due to the reduction of such intercompany balances in 2014.
- Legal and other professional fees decreased from \$0.6 million in Q2 2013 to \$0.3 million in Q2 2014.

The Group's results for Q2 2014 do not include the Group's share of results of PCCW. The Q2 2013 results of PCCW are not available as Hong Kong Stock Exchange listing rules do not require PCCW to publish quarterly results, only half year and full year results.

The Group's share of profit of associated companies for H1 2014 was \$36.6 million as compared to \$29.1 million for H1 2013. These included the Group's share of profit from PCCW for H1 2014 of \$36.6 million compared to \$29.2 million for H1 2013.

Core revenue of PCCW for H1 2014 increased by 13% to \$2,346.9 million (HK\$14,440 million) and core EBITDA also increased by 13% to \$724.4 million (HK\$4,457 million) with a strong contribution from HKT and continued growth at Solutions. Including Pacific Century Premium Developments Limited, consolidated revenue for H1 2014 increased by 10% to \$2,383.3 million (HK\$14,664 million) and consolidated EBITDA increased by 11% to \$711.2 million (HK\$4,376 million). Consolidated profit attributable to equity holders of PCCW increased by 24% to \$172.0 million (HK\$1,058 million).

The Group's share of profit of its 49.87% associated company, KSH Distriparks Private Limited ("KSH"), for Q2 2014 amounted to \$18K compared to a share of loss of \$23K for Q2 2013. For H1 2014, KSH broke-even whereas the Group recognised a share of loss of \$0.1 million for H1 2013. KSH is an Indian logistics company with an inland container depot ("ICD") located in Pune. A slowdown in factory output especially in the automobile sector and an adverse fluctuation in the Indian Rupee have impacted the ICD's throughput. However, this was compensated by rate increases and increased revenue from the logistics and third party logistics businesses with the addition of new locations.

A loss on liquidation of subsidiary companies amounting to \$0.9 million was recorded in H1 2014 following the liquidation of 2 dormant subsidiary companies. The loss was the result of the reclassification of translation losses from currency translation reserve to the income statement on completion of liquidation of these subsidiary companies.

Without the Group's share of results for PCCW, the Group recorded a loss after taxation of \$2.2 million for Q2 2014 compared to a profit of \$1.2 million for Q2 2013. After taking into account non-controlling interests, the Group recorded a loss attributable to equity holders of \$2.2 million for Q2 2014 as compared to a profit of \$1.1 million for Q2 2013.

After taking into account non-controlling interests, the Group recorded a profit attributable to equity holders of \$36.3 million for H1 2014 as compared to \$30.4 million for H1 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 28 April 2014. 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 30 June 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
07/08/2014