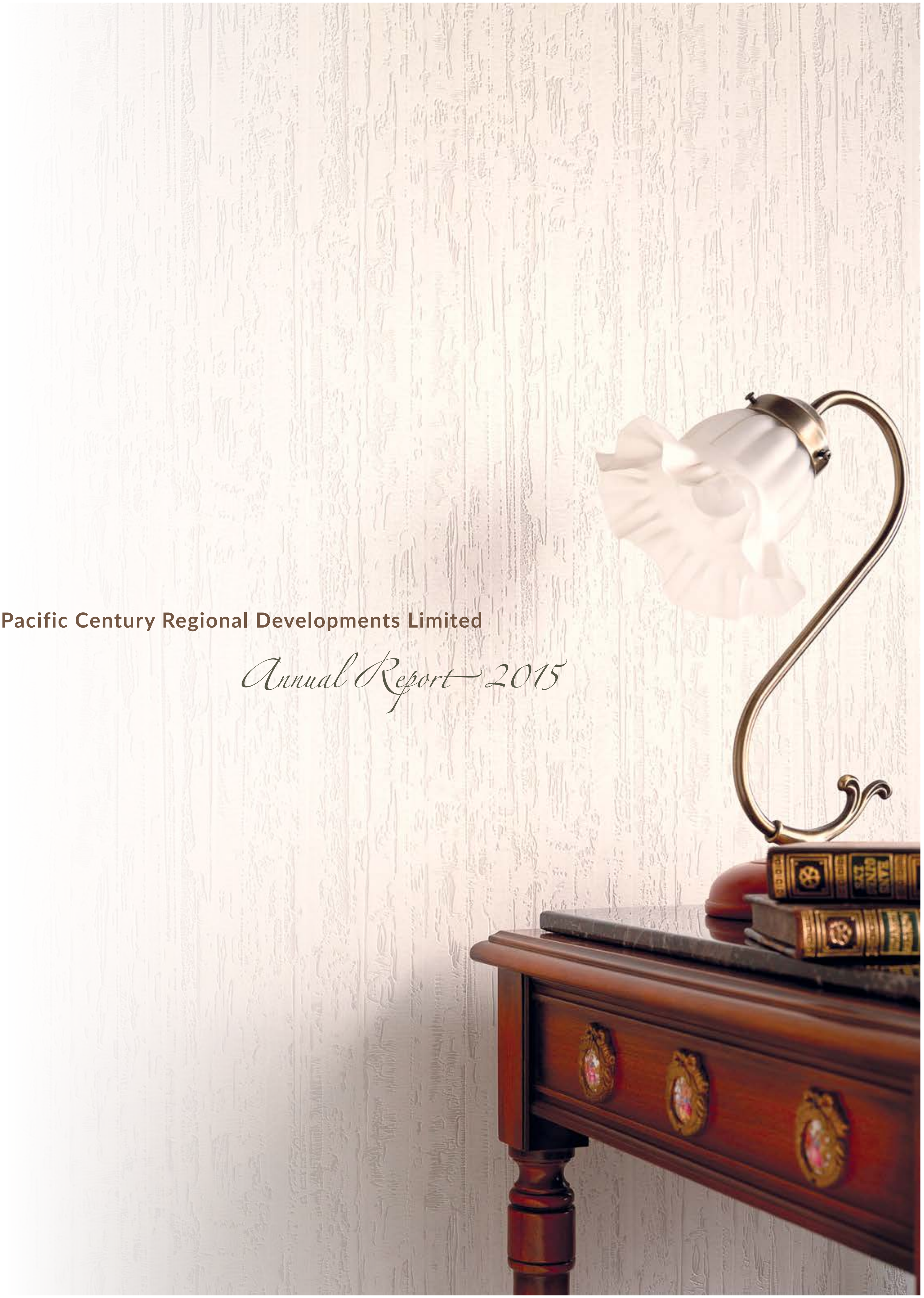
Pacific Century Regional Developments Limited

Annual Report 2015



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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

On behalf of the Board, I am pleased to present the annual report of PCRD for the financial year ended 31 December 2015.

PCCW Limited, PCRD's most significant asset, reported a set of solid financial results for the year ended 31 December 2015. All of PCCW's core operations recorded significant progress in business development in its evolution to become a global digital service provider.

PCCW's pay-TV service **now** TV continues to maintain its market leadership and is strengthening its Asian and international programming, delivering more exclusive and express content to address the needs of every member of the family. In order to create a better viewing experience, a new 4K ultra high definition integrated box with **now** TV, OTT (Over-the-top), DTT (digital terrestrial TV) and other features will be launched shortly.

PCCW's media business has also taken significant steps to execute its digital entertainment strategy, including the launch of the Viu OTT video service brand in the last quarter. The OTT service is available in more than 30 languages across 12 countries.

On domestic free TV, HK Television Entertainment Company Limited (HKTVE) has unveiled the ViuTV brand and its refreshing programming. ViuTV targets to begin broadcasting its Cantonese channel via DTT frequency spectrum in April.

PCCW Solutions continued to maintain a leadership position securing major IT contracts in both the public and commercial sectors, driving growth by providing seamless support and exceptional value to customers in targeted industries through its offerings of digital and cloud services to an expanding footprint in Greater China and the Asia Pacific region. In particular, it launched a comprehensive cloud solutions suite, "Infinitum", in Hong Kong and the Mainland during the last quarter.

HKT reported good results reflecting its robust broadband business, which attracted an encouraging number of new fibre broadband customers despite intense competition, as well as the operational synergies released from the successful integration of the HKT and CSL radio cell sites and core networks in the mobile business. HKT continues to lead the mobile communications market in both service excellence and technology evolution. Service innovations during the year included NETVIGATOR's 10Gbps broadband service and secure mobile payment service Tap & Go.

The property business of PCCW's 63% subsidiary, Pacific Century Premium Developments' (PCPD), saw substantial progress in 2015. Construction of PCPD's Premium Grade A office building in Jakarta, Indonesia has proceeded as planned and Citibank has committed to leasing over five floors of the 40-storey building as its headquarters in this important emerging economy.

As for PCRD's logistics investment in KSH Distriparks in India, there continues to be pent-up demand for warehousing facilities in India. The development by KSH Distriparks of its new warehouse and logistics facilities in Chakan is progressing smoothly and negotiations to lease available space to multinational clients are encouraging. The Inland Container Depot volumes and margins have improved as the triangulation strategy gains traction and provides a much stronger basis for improved and sustainable operating results.

The Company continued to buy-back its shares. A further 89 million shares were repurchased since the renewal of the Share Purchase Mandate in April 2015, representing approximately 3.25% of the issued share capital at the time the mandate was renewed.

Global economic uncertainties triggered by concerns about China's economy, low oil prices and heightened geo-political risks will continue into 2016. Despite these uncertainties, PCRD is well positioned to meet the challenges ahead while continuing to act cautiously in evaluating business opportunities in Singapore and elsewhere.

I would like to extend my sincere appreciation to our shareholders, business partners and stakeholders for their continued strong support and confidence in the Company. I would also like to thank our directors as well as my management and staff for their hard work, commitment and valuable contributions to the Company. Special thanks go to Mr. Chng Hee Kok, who is retiring as Director of the Company at the next AGM, for his more than 27 years of service on the Board.

Richard Li
Chairman

Corporate Structure

Pacific Century Regional Developments Limited

COMMUNICATIONS SERVICES

Hong Kong
China
Overseas

PCCW Limited
(associated corporation & major investment)

Media Business
now TV •

Solutions Business
PCCW Solutions •

Other Businesses
UK Broadband •

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

PROPERTY AND LOGISTICS

Hong Kong
Overseas

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

Cyberport, Hong Kong

Hanazono Resort, Japan

Phang Nga Resort, Thailand

Sudirman CBD Office Building, Jakarta

India

KSH Distriparks
(associated corporation)

Logistics and Warehousing
Inland Container Depot
Warehousing
Logistics

Board of Directors

RICHARD LI TZAR KAI was appointed as Chairman of PCRD in 1994 and was last re-elected as a Director in 2015. 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 Chairman and an Executive Director of Pacific Century Premium Developments Limited.

Mr. Li is an Independent Non-Executive Director of The Bank of East Asia, Limited, 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 as Deputy Chairman of PCRD in 2005 and was last re-elected as a Director in 2015. 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 Chairman of the Remuneration Committee and also a member of the Audit 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 Agricultural Bank of China Limited.

He 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.

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 2014. 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, 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 and a Fellow of the Institute of Singapore Chartered Accountants.

ALEXANDER ANTHONY ARENA was appointed as Executive Director in 1999 and was last re-elected as a Director in 2014. He is Group Managing Director of HKT Limited and HKT Management Limited, the trustee-manager of the HKT Trust. He joined the Pacific Century Group in 1998. He was re-designated as Non-Executive Director of PCRD with effect from 1 July 2011. He was Chairman of the Executive Committee of PCRD prior to July 2011. He was Group Managing Director of PCCW Limited and Executive Director of Pacific Century Premium Developments Limited prior to November 2011.

Prior to joining the Pacific Century Group, Mr. Arena was Special Policy Adviser to the Hong Kong Government from 1997 to 1998. From 1993 to 1997, he was Director-General of Telecommunications at the Office of the Telecommunications Authority of Hong Kong as well as a member of the Broadcasting Authority of Hong Kong. Before his appointment as Director-General, Mr. Arena was appointed by the Hong Kong Government to plan a reform program for the liberalisation of Hong Kong's telecommunications sector. Prior to his appointment to the Hong Kong Government, he served as an inaugural member of the Australian Telecommunications Authority, for four years.

Mr. Arena has led an extensive career in public administration, specialising in high technology and infrastructure industries. From a practising radio/communications engineer to a public policy maker, his experience spans such diverse areas as the commercialisation of government-owned business enterprises and deregulation in the aviation, transport, telecommunications and postal industries.

Mr. Arena graduated from the University of New South Wales, Australia, with a Bachelor's Degree in Electrical Engineering. He completed an MBA at The University of Melbourne, Australia, and is a Fellow of the Hong Kong Institution of Engineers.

Board of Directors

TOM YEE LAT SHING was appointed as a Director in 1991 and was last re-appointed as a Director in 2015. Mr. Yee is a Lead Independent Director and Chairman of the Audit Committee and also a member of the Nominating Committee of PCRD.

Mr. Yee is a Chartered Accountant and was a partner of an international public accounting firm from 1974 to 1989. He has more than 35 years of experience in the field of accounting and auditing and extensive experience in handling major audit assignments of public listed and private companies in various industries, including insurance, manufacturing and retailing. Currently a consultant, Mr. Yee also sits on the boards of the following listed companies: Bonvests Holdings Limited, Powermatic Data Systems Limited, and Cosco Corporation (Singapore) Limited.

He is a fellow member of Singapore Institute of Directors.

CHNG HEE KOK was appointed as a Director in 1988 and was last re-elected as a Director in 2015. An Independent Director, Mr. Chng is also a member of the Nominating and Remuneration Committees of PCRD.

Mr. Chng graduated from the University of Singapore with a BEng (First Class Honours) and obtained a MBA from National University of Singapore. He is a former Member of Parliament (1984 to 2000). He was formerly a board member of the Public Utilities Board, Singapore Power Ltd and the Sentosa Development Corporation. He also served as a council member of the Singapore Institute of Directors. Mr. Chng is Managing Director of LH Group Limited. He had served at various times as CEO of Scotts Holdings Ltd, Yeo Hiap Seng Limited, Hartawan Holdings Limited and HG Metal Manufacturing Limited. Mr. Chng sits on the boards of the following llisted companies: Full Apex (Holdings) Ltd, Chinasing Investment Holdings Ltd, Luxking Group Holdings Ltd, Samudera Shipping Line Ltd, China Flexible Packaging Holdings Limited, Ellipsiz Limited, Infinio Group Limited and United Food Holdings Limited.

FRANCES WONG WAIKWUN was appointed as a Director in June 2013 and was last re-elected as a Director in 2014. 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 a financial advisor of Good Harbour Finance Limited. She began her career as a management consultant at McKinsey & Company in the United States in 1986. 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 in 1992, 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 April 2015. An Independent Director, Ms. Lacey is a member of the Nominating and Remuneration Committees of PCRD.

Ms. Lacey is currently the Managing Director of the Milken Institute Asia Center in Singapore. The Milken Institute is a global non-profit, economic and policy think tank. Ms. Lacey started the Milken Institute in Singapore three years ago and was responsible for growing its outreach in Asia with impactful programs to address capital market development and inclusive economic growth. She leads the organisation of the annual Milken Institute Asia Summit, which has become recognised as Asia's premier conference for constructive and collaborative problem-solving among the regional investment elite.

Prior to joining the Institute, Ms Lacey was based in New York as global marketing director for Edelman, where she worked out of the CEO's office to promote the agency, its leadership and its intellectual capital around the world. She also worked as a vice president for Edelman's corporate social responsibility and sustainability practice. Ms. Lacey started her career in Geneva, Switzerland at the World Economic Forum (WEF). Over her six years at WEF, she held several leadership roles including senior partnership manager and head of corporate affairs. She co-founded WEF's Women Leaders Programme, aimed at increasing the participation of women leaders at the Davos conference.

Ms. Lacey holds a Bachelor of Science in Business from Arizona State University and a Master of Science in Strategic Communications from Columbia University in the city of New York.

Significant Events in 2015

January

PCCW Solutions joins a partner program of BMC Software to deliver its products in Hong Kong, Macau and mainland China.

March

PCCW Media acquires a controlling majority interest in Silicon Valley-based mobile video platform Vuclip.

April

HK Television Entertainment Company Limited (HKTVE) is formally granted a free TV licence.

HKT demonstrates the world's first LTE-A 450Mbps solution.

PCRD'S most significant asset is its 22.3% stake in Hong Kong-listed PCCW Limited (PCCW). PCRD has been the largest shareholder of PCCW since 1999.

PCCW reported solid results for the year ended 31 December 2015 demonstrating resilient operational and financial performance while continuing to reinvest and drive future growth. The following review outlines the main achievements and outlook for the various business segments of PCCW and PCRD.

ENHANCED MEDIA VIEWING EXPERIENCE

now TV continues to enjoy its leadership position in the Hong Kong pay-TV market with more than 1.3 million subscribers at the end of 2015 by focusing on its core strengths in content and customer experience. With more than 200 top-notch content providers from all over the world, **now** TV provides more than 180 channels, many of which offer exclusive, express (within 12-24 hours of telecast in the U.S. or other origins) and live content that is available for viewers on an on-demand basis. Its multi-screen strategy enables customers to enjoy content on the move via the Internet and mobile devices, in addition to the TV at home.

PCCW will soon introduce a new user interface so customers can find their favourite programs easily by genre or brand, and create their personal TV service with a new My Now feature. To further enhance viewing experience, a new 4K ultra high definition all-in-one appliance, "Now One", powered by Samsung and with a full range of functions, including access to **now** TV, OTT (Over-the-top) and DTT (digital terrestrial TV) services, will also shortly be launched jointly with HKT, the telecommunications subsidiary of PCCW. Such a comprehensive suite of services will make Now One the centrepiece of home entertainment in Hong Kong.

As part of PCCW's strategy to become a regional leader in digital entertainment, PCCW Media has been actively expanding its OTT business following its earlier acquisition of Vuclip, the Silicon Valley-based mobile video platform. PCCW's OTT offering has a presence in 12 countries with nine million subscribers. Content is available in more than 30 languages and is delivered across variable network conditions and devices using patented Dynamic Adaptive Transcoding technology.

May

Music service MOOV offers CD quality lossless music streaming.

June

PCCW Solutions and SAP's hybris software cooperate to enhance commerce solutions for enterprises in Hong Kong and mainland China.

July

HKT introduces mobile payment service Tap & Go via an all-in-one SIM card for NFC (Near Field Communication) Android phone users.

The Hong Kong Government announces allocation of broadcast frequency spectrum to HKTVE to provide its free TV service.

August

HKT's NETVIGATOR launches Hong Kong's first 10Gbps fibre service.

September

PCCW Media and HKT jointly unveil the development of a true 4K ultra high definition all-in-one appliance.

Pacific Century Premium Developments (PCPD) signs an agreement with Citibank to lease over five floors of PCPD's Premium Grade A office building in Jakarta, Indonesia.

Viu OTT was launched in Hong Kong last October. Based on a freemium model, it offers Hong Kong users access to premium content sourced from Korea, Japan, mainland China and Taiwan on multi-platforms and devices. For instance, Korean drama series and variety shows can be offered with Traditional Chinese subtitling as soon as eight hours after local telecast. Shortly after its launch, the Viu app became number one in Hong Kong on the App Store and Google Play Store charts for free apps.

FREE TV READY TO AIR

In April 2015, the Hong Kong Government formally granted a Domestic Free Television Programme Service License to HK Television Entertainment Company Limited (HKTVE). Then in July, the Hong Kong Government announced the allocation of a certain amount of broadcast frequency spectrum to HKTVE for the delivery of its content to the Hong Kong audience.

HKTVE is actively preparing for the launch of its free TV service, which is branded ViuTV. A soft launch is scheduled for March and public broadcast of its Cantonese digital channel, Channel 99, via DTT frequency spectrum will commence in the following month.

ViuTV is committed to driving the continuous development and sustainability of Hong Kong's TV industry. As a comprehensive and quality channel, ViuTV's program lineup will include locally produced factual entertainment, news and financial content, international sports, dramas and variety shows, and information and cultural programs.

DRIVING GROWTH IN INFORMATION TECHNOLOGY SERVICES

PCCW Solutions, PCCW's IT services flagship, aims to drive growth through strengthening its offerings for targeted industries and expanding its footprint in Greater China and the Asia Pacific region. It provides a range of digital and IoT (Internet of Things) solutions and platforms, and cloud services to support enterprises' digital transformation and business needs, cooperating with strategic alliances where it is beneficial to customers. Last year, PCCW Solutions continued to maintain a leadership position winning major IT projects and contracts in both the public and commercial sectors in Hong Kong, the Mainland and elsewhere.

October

Global Internet video platform Viu OTT debuts in Hong Kong.

HKTVE unveils the new ViuTV brand for its free TV service.

November

PCCW Solutions announces grant of Internet Data Center (IDC) and Internet Service Provider (ISP) licences in Guangdong, China.

HKT demonstrates the world's first 4.5G 1Gbps mobile network at the Global Mobile Broadband Forum 2015 in Hong Kong.

PCCW Solutions and LTF Asia jointly introduce digital logistics platform HOP! (House of Parcels).

PCPD enters into an agreement with Hyatt Hotels Corporation to manage PCPD's first resort hotel in Niseko, Japan.

A significant business development took place in December when PCCW Solutions launched "Infinitum", a cloud solutions suite comprised of a comprehensive range of enterprise business applications and digital and analytics solutions. Scalable and cost-effective, Infinitum enables customers to move their back-office applications to the cloud and focus on innovation of their products and services.

Infinitum's enterprise business applications consist of back-office applications, front-office applications and business processes that can be delivered as a service. Digital solutions are a portfolio of industry-specific as well as domain agnostic functional solutions. Infinitum also supports business data analytics to be delivered to customers as a service, a vital tool for enterprises to make strategic and tactical business decisions.

To offer reliable cross-border services, PCCW Solutions has also formed a joint venture data centre operation in Guangdong, China which has been granted both Internet Data Center (IDC) and Internet Service Provider (ISP) licences in the province. This represents new growth potential for co-location services and hosting IP (intellectual property) centres for global software providers, as well as for registering cloud solutions.

STEADY CONTRIBUTION FROM TELECOM SERVICES

The broadband business recorded a solid performance despite intense competition. HKT continued to record an expansion of its customer base, with a steady double-digit growth in the number of customers using HKT's genuine fibre-to-the-home (FTTH) service. During the third quarter, NETVIGATOR commercially launched its 10Gbps fibre service – the first in Hong Kong – following a pilot period in the first half.

On mobile services, consolidation of the HKT radio cell sites with those acquired from CSL Holdings (previously CSL New World Mobility) was completed at the end of 2015, resulting in better user experience and significant cost savings following the closure of more than 1,500 redundant sites. Full integration of the core networks is also progressing well.

HKT has been able to not only harness the latest technologies, as exemplified by its ability to demonstrate increasingly higher mobile network speeds, but also to continuously innovate in services and products. Last year, HKT introduced a mobile payment service Tap & Go, which can be enjoyed by all mobile users for payments at shops, online purchases, and peer-to-peer money transfers.

December

PCCW Solutions launches Infinitum, a cloud solutions suite of enterprise business applications and digital and analytics solutions, to facilitate enterprises' digital transformation.

now TV unveils two new exclusive channels, Oh!K and FOX Action Movies, and other strong content lineup for the first quarter of 2016.

Completion of the consolidation of HKT and CSL radio cell sites for better customer experience and operational efficiency.

A physical card for HKT's Tap & Go is made available so all Hong Kong mobile users can enjoy the service.

PCCW receives an award for the highest service hours of volunteer services from the Social Welfare Department.

PROPERTY PROJECTS PROGRESSING WELL

The major project of Pacific Century Premium Developments (PCPD), a Premium Grade A office building in Jakarta, Indonesia made substantial progress in construction and leasing in the past year. In September, Citibank, N.A., Indonesia signed an agreement committing to take up over five floors of the 40-storey building. PCPD is also in discussions with other potential tenants. Located in the Sudirman CBD (Central Business District), the building is targeted for completion in 2017.

Following the LEED Platinum Grade Pre-certification awarded by the US Green Building Council in 2014, the project was last year conferred more awards including the Greenship Design Recognition Platinum Grade certification, Winner of the Best Green Development in the Indonesia Property Awards, and a Highly Commended Best Green Development (Southeast Asia). These recognitions help attract prestigious global tenants who share the same values on environmental protection and sustainable development.

For the resort project in Japan, PCPD has entered into an agreement with Hyatt Hotels Corporation which will manage the first hotel of the project, Park Hyatt Niseko, Hanazono. Expected to open in 2019, the hotel will be a pivotal part of PCPD's resort and residential development in Niseko.

In 2016, PCPD will continue its efforts to source suitable projects around the world.

KSH DISTRIPARKS

KSH, in which PCRD has a 49.9% stake, is an Indian logistics company with an inland container depot (ICD) in Pune, India. It provides ICD services (including bonding) infrastructure, transportation and national third party logistics services to blue chip international industrial clients. Pune continues to benefit from the need to shift container volumes from the overcrowded port of Mumbai. There also continues to be a large demand for warehouse and logistics infrastructure in India. KSH is well positioned to exploit this demand with the development of new warehousing and logistics facilities in Chakan. Building of the Chakan facility is progressing well and KSH is in discussions with multinational clients to take up the space.

Financial Highlights

Condensed Consolidated Income Statement Information

For the year ended 31 December

	Group	
	2015	2014
	$'000	$'000
Revenue	**11,612**	9,064
Profit from operating activities after finance costs	**3,080**	2,271
Share of profit of associated corporations	**89,780**	117,009
Loss on liquidation of subsidiary corporations	**–**	(886)
Profit before income tax	**92,860**	118,394
Attributable to equity holders of the Company	**90,973**	116,898
Per Share Data		
Earnings per share (Singapore cents)	**3.36**	3.90

Condensed Consolidated Balance Sheet Information

As at 31 December

	Group	
	2015	2014
	$'000	$'000
Current assets	**71,418**	15,613
Non-current assets	**1,049,690**	929,990
Total assets	**1,121,108**	945,603
Current liabilities	**(166,810)**	(66,686)
Non-current liabilities	**(5,747)**	(3,543)
Total liabilities	**(172,557)**	(70,229)
Net assets	**948,551**	875,374
Represented by:		
Share capital	**457,283**	457,283
Other reserves	**238,609**	211,536
Retained profits	**252,659**	206,555
Net assets	**948,551**	875,374
Attributable to equity holders of the Company		
Net assets	**948,551**	875,374
Per Share Data		
Net assets per share (Singapore cents)	**35.8**	31.8

Corporate Information

BOARD OF DIRECTORS

Richard Li Tzar Kai
Chairman

Francis Yuen Tin Fan
Deputy Chairman

Peter A. Allen
Group Managing Director

Alexander Anthony Arena

Tom Yee Lat Shing
Lead Independent Director

Chng Hee Kok

Frances Wong Waikwun

Laura Deal Lacey

EXECUTIVE COMMITTEE

Richard Li Tzar Kai
Chairman

Peter A. Allen

NOMINATING COMMITTEE

Frances Wong Waikwun
Chairwoman

Tom Yee Lat Shing

Chng Hee Kok

Laura Deal Lacey

AUDIT COMMITTEE

Tom Yee Lat Shing
Chairman

Francis Yuen Tin Fan

Frances Wong Waikwun

REMUNERATION COMMITTEE

Francis Yuen Tin Fan
Chairman

Chng Hee Kok

Laura Deal Lacey

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

Charlotte Hsu
(appointed in 2012)

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623

COMPANY REGISTRATION NO.

196300381N

Financial Statements

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Directors' Statement

For the financial year ended 31 December 2015

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2015 and the balance sheet of the Company as at 31 December 2015.

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 18 to 68 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 2015 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
Mr. Alexander Anthony Arena
Mr. Tom Yee Lat Shing
Mr. Chng Hee Kok
Ms. Frances Wong Waikwun
Ms. Laura Deal Lacey

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 31.12.2015	At 1.1.2015	At 31.12.2015	At 1.1.2015
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 2016. 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.

Directors' Statement

For the financial year ended 31 December 2015

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 Singapore Companies Act, Cap. 50, including the following:

1. Reviewed the independence of external auditors and recommended to the Board of Directors whether the external auditors be re-appointed.

2. Reviewed with management, upon finalisation and prior to publication, the financial results for each quarter, half-year and full year.

3. Reviewed interested person transactions and the adequacy of the Company'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 during the year in accounting policies and their application.

6. Reviewed any significant adjustments proposed or 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 the nature and scope of the audit and the co-operation given by management.

8. Reviewed with the Company's management the adequacy of the Company's internal controls in respect of management and business practices and reviewed with management and external auditors' significant accounting and auditing issues.

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

10. Reviewed the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2015 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.

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. There were no non-audit services provided by the external auditors to the Company and its subsidiary corporations during the year.

AUDIT COMMITTEE (continued)

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 the appropriate approval for interested person transactions.

The Committee convened four 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 re-appointment.

On behalf of the directors

Francis Yuen Tin Fan
Deputy Chairman

Peter A. Allen
Group Managing Director

Singapore
23 March 2016

Independent Auditor's Report

To the Members of Pacific Century Regional Developments Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Pacific Century Regional Developments Limited (the "Company") and its subsidiary corporations (the "Group") set out on pages 18 to 68, which comprise the consolidated balance sheet of the Group and balance sheet of the Company as at 31 December 2015, and the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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 Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015, and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date.

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.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore
23 March 2016

Consolidated Income Statement

For the financial year ended 31 December 2015

	Notes	2015 $'000	2014 $'000
Revenue	4	**11,612**	9,064
Other income	5	**74**	42
Expenses			
– Depreciation of property, plant and equipment	17	**(64)**	(45)
– Employee compensation	6	**(1,467)**	(1,278)
– Directors' fees		**(286)**	(221)
– Legal and other professional fees		**(1,687)**	(1,161)
– Rental expense – operating leases		**(365)**	(340)
– Travelling expenses		**(345)**	(203)
– Foreign exchange loss, net		**(859)**	(262)
– Subscriptions and donations		**(231)**	(520)
– Telecommunications		**(49)**	(43)
– Others		**(252)**	(515)
– Finance expenses	7	**(3,001)**	(2,247)
Total expenses		**(8,606)**	(6,835)
Share of profit of associated corporations, net of tax		**89,780**	117,009
Loss on liquidation of subsidiary corporations		**–**	(886)
Profit before income tax		**92,860**	118,394
Income tax expense	8(a)	**(1,887)**	(1,496)
Total profit		**90,973**	116,898
Attributable to equity holders of the Company		**90,973**	116,898
Earnings per share attributable to equity holders of the Company			
(Singapore cents per share)	9		
– Basic		**3.36**	3.90
– Diluted		**3.36**	3.90

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

Consolidated Statement of Comprehensive Income

For the financial year ended 31 December 2015

	2015 $'000	2014 $'000
Total profit	**90,973**	116,898
Other comprehensive income/(loss):		
Items that may be reclassified subsequently to profit or loss:		
Available-for-sale financial assets		
– Fair value gains	**5,034**	59,299
Currency translation differences arising from consolidation		
– Gains, net	**44,451**	26,492
– Reclassification of currency translation differences of liquidated subsidiary corporations to income statement	**–**	886
Share of comprehensive loss of associated corporations		
– Currency translation reserves	**(13,095)**	(54,972)
– Others	**(9,555)**	(3,676)
Other comprehensive income, net of tax	**26,835**	28,029
Total comprehensive income	**117,808**	144,927
Total comprehensive income attributable to equity holders of the Company	**117,808**	144,927

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

Balance Sheets

As at 31 December 2015

	Notes	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
ASSETS					
Current assets					
Cash and cash equivalents	10	**69,760**	14,978	**63,484**	8,523
Financial assets, at fair value through profit or loss	11	**–**	8	**–**	8
Trade and other receivables	12	**775**	174	**22**	5
Other current assets	13	**883**	453	**525**	103
		71,418	15,613	**64,031**	8,639
Non-current assets					
Available-for-sale financial assets	14	**281,248**	260,593	**237,213**	226,753
Investments in associated corporations	15	**767,029**	669,087	**1,018,100**	894,785
Investments in subsidiary corporations	16	**–**	–	**109,690**	159,841
Property, plant and equipment	17	**188**	62	**–**	–
Other non-current assets	18	**1,225**	248	**781**	–
		1,049,690	929,990	**1,365,784**	1,281,379
Total assets		**1,121,108**	945,603	**1,429,815**	1,290,018
LIABILITIES					
Current liabilities					
Trade and other payables	19	**4,777**	4,392	**55,853**	116,754
Current income tax liabilities	8(b)	**5**	6	**–**	1
Borrowings	20	**162,028**	62,288	**116,503**	26,470
		166,810	66,686	**172,356**	143,225
Non-current liabilities					
Borrowings	20	**59**	–	**–**	–
Deferred income tax liabilities	22	**5,688**	3,543	**5,688**	3,543
		5,747	3,543	**5,688**	3,543
Total liabilities		**172,557**	70,229	**178,044**	146,768
NET ASSETS		**948,551**	875,374	**1,251,771**	1,143,250
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	23	**457,283**	457,283	**457,283**	457,283
Other reserves	24	**238,609**	211,536	**83,375**	10,361
Retained profits		**252,659**	206,555	**711,113**	675,606
Total equity		**948,551**	875,374	**1,251,771**	1,143,250

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

Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2015

	Share capital $'000	Treasury shares $'000	Other reserves $'000	Retained profits $'000	Total equity $'000
2015					
Beginning of financial year	**457,283**	**–**	**211,536**	**206,555**	**875,374**
Total comprehensive income for the year	**–**	**–**	**26,835**	**90,973**	**117,808**
Purchase and cancellation of shares (Note 23)	**–**	**–**	**–**	**(42,924)**	**(42,924)**
Share of reserves of associated corporations	**–**	**–**	**238**	**(1,945)**	**(1,707)**
End of financial year	**457,283**	**–**	**238,609**	**252,659**	**948,551**
	(Note 23)	(Note 23)	(Note 24)		
2014					
Beginning of financial year	457,283	(9,276)	181,327	175,816	805,150
Total comprehensive income for the year	–	–	28,029	116,898	144,927
Purchase of treasury shares (Note 23)	–	(35,448)	–	–	(35,448)
Cancellation of treasury shares (Note 23)	–	44,724	–	(44,724)	–
Purchase and cancellation of shares (Note 23)	–	–	–	(41,472)	(41,472)
Share of reserves of associated corporations	–	–	2,180	37	2,217
End of financial year	457,283	–	211,536	206,555	875,374
	(Note 23)	(Note 23)	(Note 24)		

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

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2015

	Notes	2015 $'000	2014 $'000
Cash flow from operating activities:			
Profit after tax		**90,973**	116,898
Adjustments for:			
– Income tax expense		**1,887**	1,496
– Depreciation of property, plant and equipment		**64**	45
– Loss on liquidation of subsidiary corporations		**–**	886
– Dividend income		**(11,451)**	(8,928)
– Interest income		**(3)**	(29)
– Gain on disposal of property, plant and equipment		**(29)**	–
– Finance expenses		**3,001**	2,247
– Unrealised currency translation losses/(gains)		**283**	(315)
– Fair value (gain)/loss on financial assets designated as fair value through profit or loss		**(2)**	9
– Share of profit of associated corporations, net of tax		**(89,780)**	(117,009)
		(5,057)	(4,700)
Change in working capital:			
– Trade and other receivables		**(578)**	867
– Trade and other payables		**(175)**	(29)
Cash used in operations		**(5,810)**	(3,862)
Interest received		**3**	29
Income tax paid		**(31)**	(13)
Net cash used in operating activities		**(5,838)**	(3,846)
Cash flow from investing activities:			
Purchase of property, plant and equipment		**(190)**	(23)
Disposal of property, plant and equipment		**29**	–
Purchase of available-for-sale financial assets		**–**	(48,252)
Refund of capital contribution from available-for-sale financial assets		**1,392**	–
Dividends received		**11,451**	8,928
Disposal of financial assets, at fair value through profit or loss		**7**	–
Net cash generated from/(used in) investing activities		**12,689**	(39,347)
Cash flow from financing activities:			
Finance expenses		**(4,068)**	(2,247)
Proceeds from borrowings		**295,790**	88,067
Repayment of borrowings		**(201,553)**	(27,121)
Purchases of treasury shares		**–**	(35,448)
Purchases of the Company's shares		**(42,924)**	(41,472)
Net cash generated from/(used in) financing activities		**47,245**	(18,221)
Net increase/(decrease) in cash and cash equivalents		**54,096**	(61,414)
Cash and cash equivalents at beginning of year	10	**14,978**	73,332
Effects of currency translation on cash and cash equivalents		**686**	3,060
Cash and cash equivalents at end of year	10	**69,760**	14,978

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 is incorporated and domiciled in Singapore. The address of its registered office is 50 Raffles Place, #35-01 Singapore Land Tower, Singapore 048623.

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

The principal activity of the Company is investment holding. The principal activities of its subsidiary corporations and principal associated corporations are set out in Note 28.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements of the Company and the Group are prepared on a going concern basis for the financial year ended 31 December 2015 notwithstanding the net current liability positions of the Company and the Group, on the basis that the Company and the Group hold a significant number of quoted shares in PCCW Limited ("PCCW") and Share Stapled Units ("SSUs") in HKT Trust and HKT Limited which are frequently traded, and whose market values are higher than their carrying values on the balance sheets of the Company and the Group as at 31 December 2015.

These financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2015

On 1 January 2015, the Group adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

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

2.2 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the Group's activities. Revenue is presented after eliminating revenue within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectibility of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(a) *Dividend income*

Dividend income is recognised when the right to receive payment is established.

(b) *Rendering of other services – fee income and others*

Revenue from the provision of other services are recognised when the services are rendered.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Revenue recognition (continued)

(c) Interest income

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

(d) Rental income

Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

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 on which that control ceases.

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

Non-controlling interests comprise the portion of a subsidiary corporation's net results of operations and its net assets which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity, and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary corporation, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary corporation or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary corporation measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Group accounting (continued)

(a) *Subsidiary corporations* (continued)

(ii) *Acquisitions* (continued)

The excess 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 the fair value of the identifiable net assets acquired is recorded as goodwill. Refer to Note 2.5 "Intangible assets – Goodwill on acquisitions" for the policy on accounting for goodwill.

(iii) *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.

Refer to Note 2.7 "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) *Transactions with non-controlling interests*

Changes in the Group's ownership interest in a subsidiary corporation that do not result in a loss of control over that subsidiary corporation are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

(c) *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 but not exceeding 50%. 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*

In applying the equity method of accounting, the Group's share of its associated corporations' post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from associated corporations are adjusted against the carrying amount of the investments.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Group accounting (continued)

(c) *Associated corporations* (continued)

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

When the Group's share of losses in an associated corporation equals to 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 equals 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 the former associated corporation is a financial asset, the retained equity interest is measured 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. Gains and losses arising from partial disposals or dilutions in investments in associated corporations are recognised in profit or loss.

Refer to Note 2.7 "Investments in subsidiary corporations and associated corporations" for the accounting policy on investments in 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 their depreciable amounts over estimated useful lives as follows:

	Useful lives
Renovations, furniture, fittings and office equipment	3 to 5 years
Motor vehicles	5 years

The amount initially recognised in respect of an item of property, plant and equipment is allocated to its significant parts and each significant part is depreciated separately if those parts have different useful lives.

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 or equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

2.5 Intangible assets – Goodwill on acquisitions

Goodwill on acquisitions of subsidiary corporations and businesses on or after 1 January 2010 represents the excess 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 the fair value of the identifiable net assets acquired.

Goodwill on acquisitions of subsidiary corporations and businesses prior to 1 January 2010 and on acquisitions of associated corporations represents the excess of the cost of the acquisition over the fair value of the Group's share of the identifiable net assets acquired.

Goodwill on subsidiary corporations is recognised separately as an intangible asset and is carried at cost less accumulated impairment losses.

Goodwill on acquisition of associated corporations is included in the carrying amount of the investments.

Gains and losses on the disposal of a subsidiary corporation or associated corporation include the carrying amount of goodwill relating to the entity sold, except for goodwill arising from acquisitions prior to 1 January 2001. Such goodwill was adjusted against retained profits in the year of acquisition and is not recognised in profit or loss on disposal.

2.6 Borrowing costs

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 is recognised in profit or loss.

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 any 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 is not reversed in subsequent periods.

(b) *Property, plant and equipment*
Investments in subsidiary corporations and associated corporations

Property, plant and equipment, 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 flows that are largely independent from those of 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 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 an 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*

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available-for-sale. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at the time of initial recognition.

(i) *Financial assets, at fair value through profit or loss*

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the short term. Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performances are evaluated on a fair value basis, in accordance with a documented Group investment strategy. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are presented as current assets if they are either held for trading or are expected to be realised within 12 months after the balance sheet date.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months from the balance sheet date which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables" (Note 12) and "cash and cash equivalents" (Note 10) on the balance sheet.

(iii) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless management intends to dispose of the assets within 12 months after the balance sheet date.

(b) *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 them have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, 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.

(c) *Initial measurement*

Financial assets are initially recognised at fair value plus transaction costs, except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately as expenses.

(d) *Subsequent measurement*

Financial assets, both available-for-sale and at fair value through profit or loss, are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets at fair value through profit or loss, including the effects of currency translation, interest and dividends, are recognised in profit or loss when the changes arise.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Financial assets (continued)

(d) *Subsequent measurement* (continued)

Interest and dividend income on available-for-sale financial assets are recognised separately in income. Changes in the fair values of available-for-sale debt securities (i.e. monetary items) denominated in foreign currencies are analysed into currency translation differences on the amortised cost of the securities and other changes; the currency translation differences are recognised in profit or loss and the other changes are recognised in other comprehensive income and accumulated in the fair value reserve. Changes in the fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in other comprehensive income and accumulated in the fair value reserve, together with the related currency translation differences.

(e) *Impairment*

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

(i) *Loans and receivables*

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost, had no impairment been recognised in prior periods.

(ii) *Available-for-sale financial assets*

In addition to the objective evidence of impairment described in Note 2.9(e)(i), a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

If any evidence of impairment exists, the cumulative loss that was previously recognised in other comprehensive income is reclassified to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value less any impairment loss previously recognised as an expense. The impairment losses recognised as an expense on equity securities are not reversed through profit or loss.

2.10 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months from the balance sheet date, in which case they are presented as non-current liabilities.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year (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.

2.12 Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices for financial liabilities are the current asking prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Company and the Group use a variety of methods and make assumptions that are based on market conditions existing at each balance sheet date including estimating the fair values of the financial assets by reference to the values reflected in statements from fund managers or the net assets of the investee company, adjusting where applicable using appropriate measures to fair value the underlying assets and liabilities.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2.13 Leases – When the Group is the lessee

The Group leases motor vehicles under finance leases and office premises under operating leases from non-related parties.

(a) *Finance leases*

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the balance sheet as plant and equipment and finance lease liabilities respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

(b) *Operating leases*

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

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 tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

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 in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Income taxes (continued)

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 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:

(i) 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

(ii) 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 leave as a result of services rendered by employees up to the balance sheet date.

2.16 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 date of the transactions. Currency translation 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.16 Currency translation (continued)

(b) *Transactions and balances* (continued)

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 the 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 loss, net”.

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

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

The results and financial position of all 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 the 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 of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January 2005 are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date. For acquisitions prior to 1 January 2005, the exchange rates at the dates of acquisition are used.

2.17 Segment reporting

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

2.18 Cash and cash equivalents

For the purpose of presentation in the consolidated cash flow statement, 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. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 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 capital of the Company, or against the retained profits of the Company if the shares are purchased out of 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.

2.20 Dividends to the Company's shareholders

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

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Judgement made in the process of applying the significant accounting policies.

Besides making estimates, Group management also make judgements in deciding upon the appropriate accounting policies to apply to certain activities and transactions. In particular, the Group exercises its judgement in determining the nature of control over entities in which the Group does not have a 100% equity interest.

The Group considers the following information and criteria in determining whether it has control or significant influence over an entity:

- Governance arrangements – whether the Group has majority of voting rights, and rights of veto; and
- Whether substantive or protective rights are granted to shareholders, particularly in relation to the entity's relevant activities.

The Group's investments in associated corporations are disclosed in Note 15 to the financial statements. Management has evaluated the Group's rights or ability to exercise its power over its associated corporations as at 31 December 2015, and concluded that the Group continues to exercise significant influence, but not control or joint control over these associated corporations.

4. REVENUE

	Group	
	2015	2014
	$'000	$'000
Dividend income	**11,451**	8,928
Management fees		
– associated corporation	**3**	3
– related parties	**158**	133
	11,612	9,064

5. OTHER INCOME

	Group 2015 $'000	Group 2014 $'000
Interest income – bank deposits	**3**	29
Rental income	**40**	21
Fair value gain/(loss) on financial assets designated as fair value through profit or loss	**2**	(9)
Gain on disposal of property, plant and equipment	**29**	–
Sundry income	**–**	1
	74	42

6. EMPLOYEE COMPENSATION

	Group 2015 $'000	Group 2014 $'000
Wages and salaries	**1,368**	1,188
Employer's contributions to defined contribution plans including Central Provident Fund	**99**	90
	1,467	1,278

7. FINANCE EXPENSES

	Group 2015 $'000	Group 2014 $'000
Interest expense		
– bank borrowings	**1,742**	150
– finance lease liability	**1**	–
Finance facility fees	**1,258**	2,097
	3,001	2,247

8. INCOME TAXES

(a) Income tax expense

	Group 2015 $'000	Group 2014 $'000
Tax expense attributable to profit is made up of:		
Profit from current financial year:		
Current income tax - Singapore	**30**	6
Deferred income tax (Note 22)	**1,880**	1,461
	1,910	1,467
(Over)/under provision in prior financial years:		
Deferred income tax (Note 22)	**(23)**	29
Tax expense	**1,887**	1,496

8. INCOME TAXES (continued)

(a) Income tax expense (continued)

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

	Group	
	2015	2014
	$'000	$'000
Profit before tax	**92,860**	118,394
Less: Share of profit of associated corporations	**(89,780)**	(117,009)
	3,080	1,385
Tax calculated at tax rate of 17% (2014: 17%)	**524**	235
Effects of:		
– income not subject to tax	**(2,529)**	(440)
– expenses not deductible for tax purposes	**3,913**	1,679
– different tax rates in other countries	**11**	5
– partial tax exemption	**(7)**	(10)
– corporate income tax rebate	**(2)**	(2)
Tax charge	**1,910**	1,467

(b) Movement in current income tax liabilities

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**6**	13	**1**	2
Income tax paid	**(31)**	(13)	**(1)**	(2)
Tax expense	**30**	6	**–**	1
End of financial year	**5**	6	**–**	1

(c) There are no tax charges or credits relating to each component of other comprehensive income.

(d) There are no tax charges or credits recognised directly in equity.

9. EARNINGS PER SHARE

(a) Basic earnings per share

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

	Group	
	2015	2014
Net profit attributable to equity holders of the Company ($'000)	**90,973**	116,898
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**2,705,796**	2,998,450
Basic earnings per share (Cents per share)	**3.36**	3.90

(b) Diluted earnings per share

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 financial years ended 31 December 2014 and 2015.

10. CASH AND CASH EQUIVALENTS

	Group		Company	
	2015 $'000	2014 $'000	**2015 $'000**	2014 $'000
Cash at bank and on hand	**52,964**	10,263	**46,688**	3,808
Short-term bank deposits	**16,796**	4,715	**16,796**	4,715
	69,760	14,978	**63,484**	8,523

11. FINANCIAL ASSETS, AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group		Company	
	2015 $'000	2014 $'000	**2015 $'000**	2014 $'000
Designated at fair value on initial recognition				
Quoted securities:				
– Equity securities – Singapore	**–**	8	**–**	8

12. TRADE AND OTHER RECEIVABLES – CURRENT

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Trade receivables				
– Non-related parties	**7**	3	**7**	5
Other receivables				
– Related parties [i]	**762**	160	**43**	27
– Non-related parties	**596**	600	**596**	596
	1,358	760	**639**	623
Less: Allowance for impairment of receivables				
– Related parties	**(28)**	(27)	**(28)**	(27)
– Non-related parties	**(596)**	(596)	**(596)**	(596)
Other receivables, net	**734**	137	**15**	–
Amount receivable on sale of an associated corporation [ii]	**59,776**	59,776	**–**	–
Less: Allowance for impairment of receivable	**(59,776)**	(59,776)	**–**	–
Amount receivable on sale of an associated corporation, net	**–**	–	**–**	–
Others	**34**	34	**–**	–
	775	174	**22**	5

(i) Amounts due from related parties (Note 29(a)) are non-trade in nature, unsecured, interest-free and repayable on demand.

(ii) 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 has been charged in accordance with the sale and purchase agreement on a net outstanding balance amounting to $53,000,000 (2014: $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 2015, the amount due, inclusive of interest, was $94,606,000 (2014: $93,604,000). However, the Company has not recognised any amount beyond the amount receivable of $59,776,000 (2014: $59,776,000), which is fully provided for.

13. OTHER CURRENT ASSETS

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Deposits	**3**	13	**1**	1
Prepayments	**880**	440	**524**	102
	883	453	**525**	103

14. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**260,593**	147,029	**226,753**	139,727
Currency translation differences	**17,013**	6,013	**15,252**	6,013
(Refund of capital contribution)/capital contribution	**(1,392)**	48,252	**–**	23,425
Fair value gains/(losses) recognised in other comprehensive income (Note 24(b)(iv))	**5,034**	59,299	**(4,792)**	57,588
End of financial year	**281,248**	260,593	**237,213**	226,753

Available-for-sale financial assets are analysed as follows:

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Unquoted equity investments, at fair value				
– Cayman Islands	**44,035**	33,840	**–**	–
Quoted equity investments, at fair value				
– Hong Kong	**237,213**	226,753	**237,213**	226,753
Total	**281,248**	260,593	**237,213**	226,753

15. INVESTMENTS IN ASSOCIATED CORPORATIONS

	Company	
	2015	2014
	$'000	$'000
Equity investments – Quoted shares		
At cost	**1,018,100**	894,785
Market value of quoted shares at balance sheet date	**1,405,397**	1,466,566

Set out below are the associated corporations of the Group as at 31 December 2015. 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	
		2015	2014
PCCW Limited	Hong Kong	**22.3**	21.8
KSH Distriparks Private Limited	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.

15. INVESTMENTS IN ASSOCIATED CORPORATIONS (continued)

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. KSH is not considered to be material to the Group and therefore no further disclosure relating to the summarised financial information of the associated corporation is made.

As at 31 December 2015, the fair value of the Group's interest in PCCW, which is listed on the Hong Kong Stock Exchange, was $1,405,397,000 (2014: $1,466,566,000). The carrying amount of the Group's interest in PCCW was $742,197,000 (2014: $644,845,000).

Share of associated corporations' contingent liabilities is as follows:

	Group	
	2015	2014
	$'000	$'000
Performance guarantee	**96,887**	86,814
Others	**3,647**	5,607

Summarised financial information for associated corporations

Set out below are the summarised financial information for PCCW.

Summarised balance sheet

	PCCW As at 31 December	
	2015	2014
	$'000	$'000
Current assets	**3,666,036**	3,648,536
Includes:		
– Cash and cash equivalents	**1,365,821**	1,354,790
Current liabilities	**(3,184,367)**	(3,243,787)
Includes:		
– Financial liabilities (excluding trade and other payables)	**(858,849)**	(1,001,552)
Non-current assets	**9,942,658**	8,809,292
Non-current liabilities	**(7,995,595)**	(7,104,334)
Includes:		
– Financial liabilities (excluding trade and other payables)	**(7,269,815)**	(6,481,775)
– Other liabilities	**(725,780)**	(622,559)
Capital and reserves		
Attributable to:		
Equity holders of the associated corporation	**2,006,771**	1,732,419
Non-controlling interests	**421,961**	377,288
Net assets	**2,428,732**	2,109,707

15. INVESTMENTS IN ASSOCIATED CORPORATIONS (continued)

Summarised statement of comprehensive income

	PCCW For the year ended 31 December	
	2015	2014
	$'000	$'000
Revenue	**6,966,985**	5,436,619
Interest income	**15,418**	14,704
Expenses		
Includes:		
– Depreciation and amortisation	**(1,073,916)**	(1,029,751)
– Interest expense	**(289,567)**	(231,665)
Profit before income tax	**786,829**	894,313
Income tax expense	**(79,215)**	(131,190)
Total profit	**707,614**	763,123
Total profit attributable to:		
Equity holders of the associated corporation	**406,706**	540,770
Non-controlling interests	**300,908**	222,353
	707,614	763,123
Other comprehensive loss	**(143,012)**	(295,872)
Total comprehensive income	**564,602**	467,251
Total comprehensive income attributable to:		
Equity holders of the associated corporation	**299,491**	284,599
Non-controlling interests	**265,111**	182,652
	564,602	467,251
Dividends received from associated corporation	**63,130**	55,648

The information above reflects the amounts presented in the financial statements of the associated corporation (and not the Group's share of those amounts), adjusted for differences in accounting policies between the Group and the associated corporation.

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, is as follows:

	PCCW [#] As at 31 December	
	2015 $'000	2014 $'000
Net assets		
At 1 January	**1,732,419**	1,502,323
Profit for the year	**406,706**	540,770
Other comprehensive loss	**(107,215)**	(256,171)
Transactions with equity holders	**(149,816)**	(131,675)
Currency translation differences	**124,677**	77,172
At 31 December	**2,006,771**	1,732,419

	Group	
	2015 $'000	2014 $'000
Interest in associated corporation (22.3%) (2014: 21.8%)	**447,510**	377,667
Dividends from associated corporation [*]	**232,605**	232,605
Goodwill and foreign exchange differences	**62,082**	34,573
Carrying value of PCCW	**742,197**	644,845
Add:		
Carrying value of KSH	**24,832**	24,242
Carrying value of Group's interest in associated corporations	**767,029**	669,087

Further details of associated corporations are provided in Note 28.

[#] 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.

16. INVESTMENTS IN SUBSIDIARY CORPORATIONS

	Company	
	2015	2014
	$'000	$'000
Equity investments, at cost		
Beginning of financial year	**159,841**	121,548
Currency translation difference	**10,752**	5,231
Additions	**–**	34,113
Capital reduction	**(58,157)**	–
Allowance for impairment	**(2,746)**	(1,051)
End of financial year	**109,690**	159,841

Details of the subsidiary corporations are provided in Note 28.

In 2015, a subsidiary corporation reduced its issued share capital by $69,000,000 and $600,000 on 16 November 2015 and 31 December 2015 respectively via a Court-free process. The capital reductions of $69,600,000 were settled by way of netting against an equal amount due by the Company to the subsidiary corporation (Note 19). $58,157,000 represents the Singapore Dollar equivalent of the Company's investment in the subsidiary corporation. Management is of the view that the capital reduction does not result in a change in the company's ownership interest in the subsidiary corporation, and hence the cumulative currency translation differences relating to the capital reduction do not need to be reclassified to profit or loss.

In 2014, additions to subsidiary corporations were through cash.

The Company recognised impairment losses of $2,746,000 (2014: $1,051,000) against its investments in subsidiary corporations in Singapore and Hong Kong arising from losses incurred by these subsidiary corporations.

17. PROPERTY, PLANT AND EQUIPMENT

	Renovations, furniture, fittings and office equipment	Motor vehicles	Total
	$'000	$'000	$'000
Group			
2015			
Cost			
Beginning of financial year	**322**	**181**	**503**
Currency translation differences	**3**	**–**	**3**
Additions	**27**	**163**	**190**
Disposals	**(108)**	**(181)**	**(289)**
End of financial year	**244**	**163**	**407**
Accumulated depreciation			
Beginning of financial year	**260**	**181**	**441**
Currency translation differences	**3**	**–**	**3**
Depreciation charge	**48**	**16**	**64**
Disposals	**(108)**	**(181)**	**(289)**
End of financial year	**203**	**16**	**219**
Net book value			
End of financial year	**41**	**147**	**188**

17. PROPERTY, PLANT AND EQUIPMENT (continued)

	Renovations, furniture, fittings and office equipment $'000	Motor vehicles $'000	Total $'000
2014			
Cost			
Beginning of financial year	311	181	492
Currency translation differences	2	–	2
Additions	23	–	23
Disposals	(14)	–	(14)
End of financial year	322	181	503
Accumulated depreciation			
Beginning of financial year	227	181	408
Currency translation differences	2	–	2
Depreciation charge	45	–	45
Disposals	(14)	–	(14)
End of financial year	260	181	441
Net book value			
End of financial year	62	–	62

	Renovations, furniture, fittings and office equipment $'000
Company	
2015	
Cost	
Beginning of financial year	**29**
Currency translation differences	**2**
End of financial year	**31**
Accumulated depreciation	
Beginning of financial year	**29**
Currency translation differences	**2**
End of financial year	**31**
Net book value	
End of financial year	**–**

17. PROPERTY, PLANT AND EQUIPMENT (continued)

	Renovations, furniture, fittings and office equipment $'000
2014	
Cost	
Beginning of financial year	28
Currency translation differences	1
End of financial year	29
Accumulated depreciation	
Beginning of financial year	28
Currency translation differences	1
End of financial year	29
Net book value	
End of financial year	–

Included within additions in the consolidated financial statements is a motor vehicle amounting to $163,000 (2014: nil) which was acquired under a finance lease.

The carrying amount of the motor vehicle held under finance lease is $147,000 (2014: nil) at the balance sheet date.

18. OTHER NON-CURRENT ASSETS

	Group		Company	
	2015 $'000	2014 $'000	**2015 $'000**	2014 $'000
Deposits	**92**	93	**–**	–
Prepayments	**1,130**	119	**781**	–
Other sundry receivable	**3**	36	**–**	–
	1,225	248	**781**	–

19. TRADE AND OTHER PAYABLES – CURRENT

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Trade payables				
– Non-related parties	**4**	–	**–**	–
Other payables to				
– Non-related parties	**352**	347	**352**	347
– Subsidiary corporations	**–**	–	**53,075**	114,655
– Related parties	**132**	124	**–**	–
	484	471	**53,427**	115,002
Accruals for operating expenses	**4,289**	3,921	**2,426**	1,752
	4,773	4,392	**55,853**	116,754
	4,777	4,392	**55,853**	116,754

Amounts due to subsidiary corporations and related parties (Note 29(a)) are non-trade in nature, unsecured, interest-free and repayable on demand.

20. BORROWINGS

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Current				
Bank loans	**162,013**	62,288	**116,503**	26,470
Finance lease liabilities (Note 21)	**15**	–	**–**	–
	162,028	62,288	**116,503**	26,470
Non-current				
Finance lease liabilities (Note 21)	**59**	–	**–**	–
Total borrowings	**162,087**	62,288	**116,503**	26,470

The secured bank loans for both 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 SSUs in HKT (Note 14) held by the Company. The secured bank loans were repayable in January 2016 (2014: January 2015) and bear effective interest rates ranging from 1.20% to 2.02% (2014: 1.83% to 1.91%) per annum as at the end of the financial year.

Undrawn bank facilities

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Expiring within one year	**27,305**	73,343	**–**	68,226
Expiring beyond one year	**200,530**	232,906	**127,715**	164,680
	227,835	306,249	**127,715**	232,906

Those facilities expiring within one year from the balance sheet date are facilities subject to annual review at various dates during 2016. The longer term facilities are mainly for general corporate funding requirements of the Group.

21. FINANCE LEASE LIABILITY

The Group leases a motor vehicle from a non-related party under finance lease.

	Group	
	2015	2014
	$'000	$'000
Minimum lease payments due		
– Not later than one year	**18**	–
– Between one and five years	**64**	–
	82	–
Less: Future finance charges	**(8)**	–
Present value of finance lease liability	**74**	–

The present value of finance lease liability is analysed as follows:

	Group	
	2015	2014
	$'000	$'000
Not later than one year (Note 20)	**15**	–
Between one and five years (Note 20)	**59**	–
Total	**74**	–

22. DEFERRED INCOME TAX LIABILITIES

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Deferred income tax liabilities				
– to be settled after one year	**5,688**	3,543	**5,688**	3,543

Movements in the deferred income tax account are as follows:

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**3,543**	1,905	**3,543**	1,905
Currency translation differences	**288**	148	**288**	148
Tax charge to income statement (Note 8(a))	**1,880**	1,461	**1,880**	1,490
(Over)/under provision in prior financial year (Note 8(a))	**(23)**	29	**(23)**	–
End of financial year	**5,688**	3,543	**5,688**	3,543

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 the jurisdictions in which they operate.

A deferred income tax liability has been provided in respect of certain unremitted earnings from the Company's available-for-sale financial assets. These earnings will be brought to tax by the tax authority if and when they are remitted into Singapore. There are no assessable temporary differences relating to the Group's investments in subsidiary corporations and associated corporations.

At 31 December 2015, a subsidiary corporation has unutilised tax losses amounting to approximately $45,730,000 (2014: $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 country in which the subsidiary corporation operates.

23. SHARE CAPITAL

	No. of ordinary shares			Amount		
	Issued share capital '000	Treasury shares '000	Company shares '000	Share capital $'000	Treasury shares $'000	Company shares $'000
Group and Company						
2015						
Beginning of financial year	**2,751,667**	**–**	**–**	**457,283**	**–**	**–**
Shares purchased	**–**	**–**	**(99,111)**	**–**	**–**	**(42,924)**
Shares cancelled	**(99,111)**	**–**	**99,111**	**–**	**–**	**42,924**
End of financial year	**2,652,556**	**–**	**–**	**457,283**	**–**	**–**
2014						
Beginning of financial year	3,088,867	(41,764)	–	457,283	(9,276)	–
Treasury shares purchased	–	(136,339)	–	–	(35,448)	–
Shares purchased	–	–	(159,097)	–	–	(41,472)
Treasury shares and shares cancelled	(337,200)	178,103	159,097	–	44,724	41,472
End of financial year	2,751,667	–	–	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.

The Company acquired 99,111,000 (2014: 295,436,000) shares in the Company from the open market and cancelled them during the financial year. The total amount paid to acquire the shares was $42,924,000 (2014: $76,920,000) and this was presented as a component within shareholders' equity.

The Company cancelled 99,111,000 (2014: 337,200,000) shares during the financial year.

24. OTHER RESERVES

(a) Composition:

	Group		Company	
	2015 $'000	2014 $'000	**2015 $'000**	2014 $'000
Currency translation reserve	**111,331**	79,975	**(24,240)**	(102,046)
Equity share compensation reserve	**3,585**	3,347	**–**	–
Cash flow hedge reserve	**(5,698)**	4,369	**–**	–
Fair value reserve	**133,443**	127,803	**107,615**	112,407
Other reserve	**(4,052)**	(3,958)	**–**	–
	238,609	211,536	**83,375**	10,361

24. OTHER RESERVES (continued)

(b) Movements:

(i) Currency translation reserve

Movements of currency translation reserve arise mainly as a result of differences arising from 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	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**79,975**	107,569	**(102,046)**	(148,407)
Net currency translation differences of financial statements of the Company, foreign subsidiary corporations and associated corporations	**44,451**	26,492	**77,806**	46,361
Reclassification to profit or loss on liquidation of subsidiary corporations	**–**	886	**–**	–
Share of currency translation reserve of associated corporations	**(13,095)**	(54,972)	**–**	–
End of financial year	**111,331**	79,975	**(24,240)**	(102,046)

(ii) Equity share compensation reserve

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

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**3,347**	1,167	**–**	–
Share of equity share compensation reserve of an associated corporation	**238**	2,180	**–**	–
End of financial year	**3,585**	3,347	**–**	–

(iii) Cash flow hedge reserve

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**4,369**	3,469	**–**	–
Share of net fair value (losses)/gains, net of tax of an associated corporation	**(10,067)**	900	**–**	–
End of financial year	**(5,698)**	4,369	**–**	–

24. OTHER RESERVES (continued)

(b) Movements: (continued)

(iv) *Fair value reserve*

Fair value reserve records the cumulative fair value changes in available-for-sale financial assets until they are derecognised or impaired.

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**127,803**	70,010	**112,407**	54,819
Fair value gain/(loss) on available-for-sale investments:				
– Net gain/(loss) on fair value changes during the year	**5,034**	59,299	**(4,792)**	57,588
– Share of an associated corporation's net gains/(losses) on fair value changes	**606**	(1,506)	**–**	–
End of financial year	**133,443**	127,803	**107,615**	112,407

(v) *Other reserve*

Other reserve records the increase in ownership interest in a subsidiary corporation of an associated corporation and dividend paid under the associated corporation's share award schemes.

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**(3,958)**	(888)	**–**	–
Share of dividend paid under an associated corporation's share award schemes	**(25)**	(25)	**–**	–
Share of an associated corporation's transaction costs in relation to the issuance of SSUs	**(69)**	(3,045)	**–**	–
End of financial year	**(4,052)**	(3,958)	**–**	–

25. OPERATING LEASE COMMITMENTS – WHERE THE GROUP IS A LESSEE

The Group leases certain office properties under operating lease arrangements. Leases of properties are negotiated for terms ranging from two to three years.

As at the balance sheet date, the Group has future minimum lease payments under operating leases, cancellable with a 3-month notice period, which are not recognised as liabilities, as follows:

	Group	
	2015	2014
	$'000	$'000
Payable within one year	**365**	365
Payable after one year but within five years	**259**	624
	624	989

26. SEGMENT INFORMATION

Management has determined operating segments based on reports reviewed by the chief operating decision makers to make strategic decisions. The chief operating decision makers consist of the Chairman and Group Managing Director.

The chief operating decision makers consider the business from a business segment perspective. Management manages and monitors 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 related parties and associated corporations.

The information provided to the chief operating decision makers with respect to total assets and total liabilities is measured in a manner consistent with that used in the financial statements.

For the purpose of monitoring segment performance and allocating resources between segments, the chief operating decision makers monitor all assets other than cash and cash equivalents. 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.

26. SEGMENT INFORMATION (continued)

2015	Investment holding $'000	Business management and consultancy services $'000	Eliminations $'000	Consolidated $'000
External revenue	**11,451**	**161**	**–**	**11,612**
Inter-segment revenue	**–**	**1,536**	**(1,536)**	**–**
Total revenue	**11,451**	**1,697**	**(1,536)**	**11,612**
Operating profit before interest income and depreciation	**6,092**	**50**	**–**	**6,142**
Interest income	**3**	**–**	**–**	**3**
Depreciation	**(58)**	**(6)**	**–**	**(64)**
Profit from operating activities	**6,037**	**44**	**–**	**6,081**
Finance expenses	**(3,001)**	**–**	**–**	**(3,001)**
Share of profits of associated corporations, net of tax	**89,780**	**–**	**–**	**89,780**
Profit before income tax	**92,816**	**44**	**–**	**92,860**
Income tax expense	**(1,882)**	**(5)**	**–**	**(1,887)**
Total profit	**90,934**	**39**	**–**	**90,973**
Segment assets	**283,234**	**1,085**	**–**	**284,319**
Investments in associated corporations	**767,029**	**–**	**–**	**767,029**
Unallocated corporate assets				
– Cash and cash equivalents				**69,760**
Total assets				**1,121,108**
Segment liabilities	**4,442**	**335**	**–**	**4,777**
Unallocated corporate liabilities				
– Borrowings				**162,087**
– Current income tax liabilities				**5**
– Deferred income tax liabilities				**5,688**
Total liabilities				**172,557**
Other segment information:				
Additions to property, plant and equipment	**–**	**190**	**–**	**190**

26. SEGMENT INFORMATION (continued)

2014	Investment holding $'000	Business management and consultancy services $'000	Eliminations $'000	Consolidated $'000
External revenue	8,928	136	–	9,064
Inter-segment revenue	–	1,567	(1,567)	–
Total revenue	8,928	1,703	(1,567)	9,064
Operating profit before interest income and depreciation	4521	13	–	4,534
Interest income	29	–	–	29
Depreciation	(41)	(4)	–	(45)
Profit from operating activities	4,509	9	–	4,518
Finance expenses	(2,247)	–	–	(2,247)
Share of profits of associated corporations, net of tax	117,009	–	–	117,009
Loss on liquidation of subsidiary corporations	(886)	–	–	(886)
Profit before income tax	118,385	9	–	118,394
Income tax expense	(1,491)	(5)	–	(1,496)
Total profit	116,894	4	–	116,898
Segment assets	261,116	422	–	261,538
Investments in associated corporations	669,087	–	–	669,087
Unallocated corporate assets				
– Cash and cash equivalents				14,978
Total assets				945,603
Segment liabilities	4,073	319	–	4,392
Unallocated corporate liabilities				
– Borrowings				62,288
– Current income tax liabilities				6
– Deferred income tax liabilities				3,543
Total liabilities				70,229
Other segment information:				
Additions to property, plant and equipment	–	23	–	23

26. SEGMENT INFORMATION (continued)

Geographical information:

	Group Revenue		Group Non-current assets	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Singapore	**161**	136	**1,063**	191
India	**–**	–	**24,832**	24,242
Hong Kong	**11,451**	8,928	**742,547**	644,964
	11,612	9,064	**768,442**	669,397

27. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to market risk (including currency risk, interest rate risk and price risk), 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 of financial risk management for 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"), United States Dollar ("USD") and Hong Kong Dollar ("HKD").

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 the net assets involving monetary items in foreign operations. The Group monitors foreign currency exposures on an on-going basis.

27. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) *Currency risk* (continued)

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

	HKD $'000	SGD $'000	USD $'000	Other $'000	Total $'000
At 31 December 2015					
Financial assets					
Cash and cash equivalents	17,159	46,711	5,889	1	69,760
Trade and other receivables	15	760	–	–	775
Other financial assets	–	98	–	–	98
Intercompany receivables	45,398	3,301	4,376	–	53,075
	62,572	50,870	10,265	1	123,708
Financial liabilities					
Other financial liabilities	(1,923)	(1,283)	(894)	(677)	(4,777)
Borrowings	(162,013)	(74)	–	–	(162,087)
Intercompany payables	(45,398)	(3,301)	(4,376)	–	(53,075)
	(209,334)	(4,658)	(5,270)	(677)	(219,939)
Net financial (liabilities)/assets	(146,762)	46,212	4,995	(676)	(96,231)
Less:					
Net financial liabilities/ (assets) denominated in the respective entities' functional currencies	146,762	(682)	(5,821)	–	
Net intercompany receivables denominated in the respective entities' functional currencies	–	(3,301)	(4,376)	–	
Currency exposure	–	42,229	(5,202)	(676)	

27. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) *Currency risk* (continued)

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

	HKD $'000	SGD $'000	USD $'000	Other $'000	Total $'000
At 31 December 2014					
Financial assets					
Cash and cash equivalents	5,793	4,696	4,488	1	14,978
Trade and other receivables	–	210	–	–	210
Other financial assets	–	106	–	–	106
Intercompany receivables	36,978	73,574	4,104	–	114,656
	42,771	78,586	8,592	1	129,950
Financial liabilities					
Other financial liabilities	(1,316)	(1,178)	(1,468)	(430)	(4,392)
Borrowings	(35,818)	–	(26,470)	–	(62,288)
Intercompany payables	(36,978)	(73,574)	(4,104)	–	(114,656)
	(74,112)	(74,752)	(32,042)	(430)	(181,336)
Net financial (liabilities)/assets	(31,341)	3,834	(23,450)	(429)	(51,386)
Less:					
Net financial liabilities/ (assets) denominated in the respective entities' functional currencies	31,341	(1,264)	(4,156)	–	
Net intercompany receivables denominated in the respective entities' functional currencies	–	(73,574)	(4,104)	–	
Currency exposure	–	(71,004)	(31,710)	(429)	

27. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) *Currency risk* (continued)

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

	HKD $'000	SGD $'000	USD $'000	Total $'000
At 31 December 2015				
Financial assets				
Cash and cash equivalents	**17,025**	**46,445**	**14**	**63,484**
Trade and other receivables	**15**	**7**	**–**	**22**
Other financial assets	**–**	**1**	**–**	**1**
	17,040	**46,453**	**14**	**63,507**
Financial liabilities				
Borrowings	**(116,503)**	**–**	**–**	**(116,503)**
Other financial liabilities	**(47,268)**	**(4,209)**	**(4,376)**	**(55,853)**
	(163,771)	**(4,209)**	**(4,376)**	**(172,356)**
Net financial (liabilities)/assets	**(146,731)**	**42,244**	**(4,362)**	
Currency exposure after deducting net financial assets denominated in the Company's functional currency	**–**	**42,244**	**(4,362)**	
At 31 December 2014				
Financial assets				
Cash and cash equivalents	4,829	3,412	282	8,523
Trade and other receivables	–	5	–	5
Other financial assets	–	1	–	1
	4,829	3,418	282	8,529
Financial liabilities				
Borrowings	–	–	(26,470)	(26,470)
Other financial liabilities	(38,223)	(74,407)	(4,124)	(116,754)
	(38,223)	(74,407)	(30,594)	(143,224)
Net financial liabilities	(33,394)	(70,989)	(30,312)	
Currency exposure after deducting net financial assets denominated in the Company's functional currency	–	(70,989)	(30,312)	

27. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

If the value of the SGD and USD change against the HKD by 8% (2014: 6%) with all other variables including tax rate being held constant, the effects arising from the net financial liability/asset position will be as follows:

	2015		2014	
	Increase/(Decrease)			
	Total profit $'000	**Other comprehensive income $'000**	Total profit $'000	Other comprehensive income $'000
Group				
USD against HKD				
– strengthened	**(55)**	**(291)**	(1,375)	(204)
– weakened	**55**	**291**	1,375	204
SGD against HKD				
– strengthened	**3,023**	**(219)**	128	(3,664)
– weakened	**(3,023)**	**219**	(128)	3,664
Company				
USD against HKD				
– strengthened	**(290)**	**–**	(1,510)	–
– weakened	**290**	**–**	1,510	–
SGD against HKD				
– strengthened	**2,805**	**–**	(3,535)	–
– weakened	**(2,805)**	**–**	3,535	–

(ii) Price risk

The Group is exposed to equity securities price risk because of investments held by the Group which are classified in the consolidated balance sheet as fair value through profit or loss and available-for-sale.

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

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 the limits set by the Group.

27. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(ii) Price risk (continued)

If prices for the listed equity securities in Singapore and Hong Kong, and unlisted equity securities in Cayman Islands change by 7% (2014: 5%) with all other variables including tax rate being held constant, the total profit and other comprehensive income will be as follows:

	2015		2014	
	Increase/(Decrease)			
	Total profit $'000	**Other comprehensive income $'000**	Total profit $'000	Other comprehensive income $'000
Group				
Listed equity securities in Singapore				
– increased by	**–**	**–**	–*	–
– decreased by	**–**	**–**	–*	–
Listed equity securities in Hong Kong				
– increased by	**–**	**13,782**	–	9,410
– decreased by	**–**	**(13,782)**	–	(9,410)
Unlisted equity securities in Cayman Islands				
– increased by	**–**	**2,558**	–	1,404
– decreased by	**–**	**(2,558)**	–	(1,404)
Company				
Listed equity securities in Singapore				
– increased by	**–**	**–**	–*	–
– decreased by	**–**	**–**	–*	–
Listed equity securities in Hong Kong				
– increased by	**–**	**13,782**	–	9,410
– decreased by	**–**	**(13,782)**	–	(9,410)

* Amounts are less than $1,000

(iii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is risk that the 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 Company and the Group have insignificant exposure to cash flow interest rate risks.

27. 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 the 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 the policy of dealing only with high credit quality counterparties.

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 on the balance sheet.

The Group's and Company's major classes of financial assets are bank deposits, trade and other receivables and available-for-sale financial assets.

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

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
By geographical areas				
Singapore	**321**	210	**22**	5
Hong Kong	**457**	–	**–**	–
	778	210	**22**	5
By types of customers				
Non-related parties	**44**	77	**7**	5
Related parties	**734**	133	**15**	–
	778	210	**22**	5

(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 companies with a good collection track record with the Group.

27. 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	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Gross amount	**60,400**	60,399	**624**	623
Less: Allowance for impairment	**(60,400)**	(60,399)	**(624)**	(623)
	–	–	**–**	–
Beginning of financial year	**60,399**	61,983	**623**	621
Currency translation differences	**1**	2	**1**	2
Allowance utilised	**–**	(1,586)	**–**	–
End of financial year	**60,400**	60,399	**624**	623

(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 2 and 5 years $'000
Group		
At 31 December 2015		
Trade and other payables	**4,777**	**–**
Borrowings	**162,031**	**64**
	166,808	**64**
At 31 December 2014		
Trade and other payables	4,392	–
Borrowings	62,288	–
	66,680	–

27. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk (continued)

	Less than 1 year $'000	Between 2 and 5 years $'000
Company		
At 31 December 2015		
Trade and other payables	**55,853**	**–**
Borrowings	**116,503**	**–**
	172,356	**–**
At 31 December 2014		
Trade and other payables	116,754	–
Borrowings	26,470	–
	143,224	–

The Group and the Company manage liquidity risk by maintaining sufficient cash to meet normal operating commitments and by maintaining an adequate amount of committed credit facilities.

(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	
	2015 $'000	2014 $'000	**2015 $'000**	2014 $'000
Net debt	**97,104**	51,702	**108,872**	134,701
Capital and reserves attributable to equity holders of the Company	**948,551**	875,374	**1,251,771**	1,143,250
Total capital	**1,045,655**	927,076	**1,360,643**	1,277,951

There are no externally imposed capital requirements for the financial years ended 31 December 2014 and 2015.

27. FINANCIAL RISK MANAGEMENT (continued)

(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 asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and

(iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
2015				
Assets				
Available-for-sale financial assets				
– Equity investments	**237,213**	**7,419**	**36,616**	**281,248**
Total assets	**237,213**	**7,419**	**36,616**	**281,248**
2014				
Assets				
Financial assets, at fair value through profit or loss				
– Equity securities	8	–	–	8
Available-for-sale financial assets				
– Equity investments	226,753	7,182	26,658	260,593
Total assets	226,761	7,182	26,658	260,601
Company				
2015				
Assets				
Available-for-sale financial assets				
– Equity investments	**237,213**	**–**	**–**	**237,213**
Total assets	**237,213**	**–**	**–**	**237,213**
2014				
Assets				
Financial assets, at fair value through profit or loss				
– Equity securities	8	–	–	8
Available-for-sale financial assets				
– Equity investments	226,753	–	–	226,753
Total assets	226,761	–	–	226,761

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

The fair values of available-for-sale financial assets held in funds based on values reflected in statements from fund managers are included in Level 2.

27. FINANCIAL RISK MANAGEMENT (continued)

(e) Fair value measurements (continued)

The following table presents the changes in Level 3 instruments.

	Group	
	2015	2014
	$'000	$'000
Available-for-sale financial assets		
Beginning of financial year	**26,658**	–
Currency translation differences	**1,761**	–
(Refund of capital contribution)/capital contribution	**(1,392)**	24,827
Fair value gains recognised in other comprehensive income	**9,589**	1,831
End of financial year	**36,616**	26,658

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 31 December		Valuation techniques	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
	2015	2014				
	$'000	$'000				
Unquoted equity securities	**36,616**	26,658	Net asset value	Net asset value	Not applicable	The higher the net asset value, the higher is the fair value.

The Group's finance team assessed the fair value of the available-for-sale investments 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 different categories of financial instruments is as disclosed on the face of the balance sheet and in Notes 11 and 14, respectively, to the financial statements, except for the following:

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Loans and receivables	**70,633**	15,294	**63,507**	8,529
Financial liabilities at amortised cost	**166,864**	66,680	**172,356**	143,224

28. GROUP CORPORATIONS

Details of the subsidiary corporations and associated corporations are as follows:

Name of company (country of incorporation)	Principal activities (place of business)	Carrying amount of investment 2015 $'000	Carrying amount of investment 2014 $'000	Percentage of equity held by the Group 2015 %	Percentage of equity held by the Group 2014 %
Subsidiary corporations directly held by the Company					
[a] PCRD Services Pte Ltd (Singapore)	Investment holding, business management and consultancy services (Singapore)	**22,219**	20,819	**100**	100
[a] Surrey Investments Pte. Ltd. (Singapore)	Dormant	**–**	–	**100**	100
[a] Gladioli Investments Pte Ltd (Singapore)	Dormant	**47,196**	98,797	**100**	100
[a] Riyan Pte Ltd (Singapore)	Dormant	**–**	–	**100**	100
[a] Elsmore Pte Ltd (Singapore)	Investment holding (Singapore)	**7,427**	7,163	**100**	100
[a] Leapford Pte. Ltd. (Singapore)	Dormant	**–***	–	**100**	–
[b] Pacific Century Regional Developments (HK) Limited (Hong Kong)	Business management and consultancy services (Hong Kong)	**32,848**	33,062	**100**	100
[c] Carander Corporation (British Virgin Islands)	Dormant	**–***	–*	**100**	100
[c] Telegraph Investments Limited (British Virgin Islands)	Dormant	**–**	–	**100**	100
[c] Valuable Enterprises Limited (British Virgin Islands)	Dormant	**–**	–	**100**	100
[c] Starvest Limited (Cayman Islands)	Dormant	**–**	–	**100**	100
[d] PCRD Investments Limited (Hong Kong)	Dormant	**–***	–*	**100**	100
		109,690	159,841		

28. GROUP CORPORATIONS (continued)

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

Name of company (country of incorporation)	Principal activities (place of business)	Carrying amount of investment 2015 $'000	Carrying amount of investment 2014 $'000	Percentage of equity held by the Group 2015 %	Percentage of equity held by the Group 2014 %
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)	**1,018,100**	894,785	**22.3**	21.8
		1,018,100	894,785		
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					
[e] KSH Distriparks Private Limited (India)	Provision of infrastructure and services for an Inland Container Depot, the development of warehousing and industrial parks 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 Limited, Hong Kong.
[c] A corporation not requiring audit under the laws in its country of incorporation.
[d] Audited by Central & Co., Hong Kong
[e] Audited by BSR & Co. LLP., India.

29. 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 during the year, on terms agreed between the respective parties:

	Group	
	2015	2014
	$'000	$'000
Management services rendered to:		
– associated corporations	**3**	3
– related parties*	**158**	132
Payments made on behalf of and reimbursable by		
– associated corporations	**673**	–
– related parties*	**90**	99
Payments made on behalf by and reimbursable to		
– associated corporations	**34**	990
– related parties*	**619**	–

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

(b) Key management personnel compensation is as follows:

	Group	
	2015	2014
	$'000	$'000
Wages, salaries and other short-term employee benefits	**1,054**	852
Employer's contribution to defined contribution plans including Central Provident Fund	**30**	29
	1,084	881

30. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2016 and which the Group has not early adopted:

FRS 109 *Financial instruments* (effective for annual periods beginning on or after 1 January 2018)

The complete version of FRS 109 replaces most of the guidance in FRS 39. FRS 109 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income (OCI) and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI. There is now a new expected credit losses model that replaces the incurred loss impairment model used in FRS 39.

For financial liabilities, there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value, through profit or loss. FRS 109 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under FRS 39.

This amendment is not expected to have any significant impact on the financial statements of the Group.

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 23 March 2016.

Report on Corporate Governance

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 2012 ("Code") 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.

The Company has complied in all material respects with the principles of 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 take decisions objectively in the interests of the Company.

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 these stakeholders are understood and met.

Specifically, the Board is responsible for:

1. Providing entrepreneurial leadership, formulation of policies and strategies, 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 of 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.

4. Approving the nominations of board directors.

5. Assuming responsibility for compliance with the 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. Specific Board approval is required 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.

The Board meets at least four times 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 in 2015 were as follows:

Name	Board		Audit		Nominating		Remuneration	
	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
Richard Li Tzar Kai	5	3	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Francis Yuen Tin Fan [1]	5	5	4	3	n.a.	n.a.	1	n.a.
Peter A. Allen	5	5	n.a.	4*	n.a.	1*	n.a.	1*
Alexander Anthony Arena	5	5	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Tom Yee Lat Shing [2]	5	5	4	4	1	1	1	1
Chng Hee Kok [3]	5	5	4	1	1	1	1	1
Frances Wong Waikwun [4]	5	4	4	4	1	1	1	1
Laura Deal Lacey [5]	5	4	n.a.	n.a.	1	n.a.	1	n.a.

* By invitation
n.a. Not applicable
1 Re-designated as an Independent Non-Executive Director and appointed as member of the Audit Committee and Chairman of the Remuneration Committee with effect from 12 February 2015
2 Resigned as member of the Remuneration Committee with effect from 12 February 2015
3 Resigned as member of the Audit Committee with effect from 12 February 2015
4 Resigned as member of the Remuneration Committee with effect from 12 February 2015
5 Appointed as a Director and member of the Nominating and Remuneration Committees with effect from 12 February 2015

New directors are briefed on the Group's business 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, particularly on relevant new laws, regulations and changing commercial risks, are conducted when necessary.

BOARD OF DIRECTORS (continued)

Principle 2: Board Composition and Guidance

The Board 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. Alexander Anthony Arena.

The five independent non-executive directors are the Deputy Chairman, Mr. Francis Yuen Tin Fan, Mr. Tom Yee Lat Shing (Lead Independent Director), Mr. Chng Hee Kok, Ms. Frances Wong Waikwun and Ms. Laura Deal Lacey.

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

In reviewing the degree of independence, the Nominating Committee adopts the Code's definition on what constitutes an independent director. The Board recognises the contribution of its independent directors who over time have developed a deep insight into the Company's businesses and who are therefore able to provide valuable contributions to the Company. In view of this invaluable insight 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. Mr. Tom Yee Lat Shing and Mr. Chng Hee Kok have served on the Board for more than nine years and as a result, the Board has reviewed the extent to which each of them remains independent. Following this review, the Board is satisfied that, despite each of their respective lengths of tenure, Mr. Yee and Mr. Chng are able to discharge their duties with professionalism and objectivity, and exercise strong independent judgement and act in the best interests of the Company; and that therefore they remain independent.

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 its current Board structure, size and composition appropriate for the Group's present scope and nature of operations. The Board has the right mix of skills, experience and gender to provide the Company with the necessary management, financial, business and industry knowledge. 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.

BOARD OF DIRECTORS (continued)

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. This 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 to ensure 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.

The Company's Lead Independent Director ("LID") is Mr. Tom Yee Lat Shing. The LID is available to shareholders in cases where they have concerns which contact through the normal channels of the Chairman or the Group Managing Director 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.

Principle 6: Access to Information

In order to ensure that the Board is able to fulfill its responsibilities, Board members have full co-operation from Management 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 papers, including sufficient background information, 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 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 the 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.

BOARD OF DIRECTORS (continued)

Should directors, whether as a group or individually, need independent professional advice in relation to the conduct of his or their duties, the Company Secretary will, upon direction by the Board, 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 the removal of the Company Secretary is a matter for the Board as a whole.

BOARD COMMITTEES

The Board and Board Committees do not have direct oversight over the affairs of PCCW Limited ("PCCW") as this company is listed in Hong Kong and the Board and Board Committees of the Company 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 comprises four independent directors namely, Ms. Frances Wong Waikwun (Chairman), Mr. Tom Yee Lat Shing, Mr. Chng Hee Kok and Ms. Laura Deal Lacey.

The duties and responsibilities of the Nominating Committee are as follows:-

1. To assess the skills represented on the Board by directors and 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 to make recommendations to the Board on candidates 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 the independence of appointees in accordance with the guidelines contained in the Code.

3. To evaluate and assess the effectiveness of the Board as a whole by establishing a process for conducting reviews of all Board members by such means as it considers appropriate.

New directors and retiring directors seeking re-election are recommended to the Board, after the Nominating Committee has agreed to their nomination. Article 104 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 108 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 appointment.

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	24.04.15	Present – PCCW Limited – HKT Limited – Pacific Century Premium Developments Limited – The Bank of East Asia, Limited
Francis Yuen Tin Fan	Non-Executive/ Independent	15.03.05	24.04.15	Present – China Foods Limited – Agricultural Bank of China Limited Past 3 years – China Pacific Insurance (Group) Co., Ltd.
Peter A. Allen	Executive	01.11.97	28.04.14	Present – HKT Limited
Alexander Anthony Arena	Non-Executive	05.11.99	28.04.14	Present – HKT Limited
Tom Yee Lat Shing	Non-Executive/ Independent	19.04.91	24.04.15	Present – Bonvests Holdings Limited – Powermatic Data Systems Limited – Cosco Corporation (Singapore) Limited
Chng Hee Kok@	Non-Executive/ Independent	21.10.88	24.04.15	Present – Full Apex (Holdings) Limited – Chinasing Investment Holdings Limited – Luxking Group Holdings Limited – LH Group Limited – Samudera Shipping Line Ltd – China Flexible Packaging Holdings Limited – Ellipsiz Ltd – Infinio Group Ltd – United Food Holdings Limited Past 3 years – CHT (Holdings) Ltd – People's Food Holdings Limited – Hartawan Holdings Limited – Sunray Holdings Limited – EL Corporation Limited
Frances Wong Waikwun	Non-Executive/ Independent	01.06.13	28.04.14	Present – PCCW Limited – HKT Limited
Laura Deal Lacey	Non-Executive/ Independent	12.02.15	24.04.15	None

@ Mr. Chng Hee Kok has notified the Board of his intention to retire as a Director of the Company immediately after the forthcoming AGM on 22 April 2016.

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 a number of factors including board diversity. In selecting potential new directors, the Nominating Committee seeks to identify the range of expertise and competencies, such as, broad commercial experience in fund management, property and financial services industries and in the legal field, as well as appropriate financial qualifications and 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 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.

Principle 5: Board Performance

The Nominating Committee evaluated the Board’s performance as a whole and assessed the effectiveness of the Board Committees for 2015 based on performance criteria which included 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 included 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 Nominating Committee concluded that the Board has met its performance objectives.

In the assessment of the contribution of each individual director to the effectiveness of the Board and Board Committees, 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, directors must demonstrate 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 seven. This number will be reviewed in future years to take into account any changes in the nature and activities of the Company. The Board is satisfied that the directors are able to adequately carry out their respective duties and responsibilities as directors 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. The form is designed to assess the director’s performance of his responsibilities 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.

The Nominating Committee collates and reviews the feedback from these evaluations and recommends steps 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.

AUDIT COMMITTEE

Principle 12: Audit Committee

The Audit Committee was formed on 19 April 1991. The Audit Committee comprises three independent non-executive directors namely, Mr. Tom Yee Lat Shing (Chairman), Mr. Francis Yuen Tin Fan and Ms. Frances Wong Waikwun. The Board is satisfied that members of the Audit Committee are appropriately qualified to discharge their responsibilities.

The Audit Committee performs the following main functions:

1. Reviews the independence of external auditors and recommends to the Board of Directors whether the external auditors be re-appointed.

2. Reviews with management, upon finalisation and prior to publication, the financial results for each quarter, half-year and full year.

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 any significant adjustments proposed and any recommendations on internal accounting controls arising from the statutory audit by the 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 the co-operation given by management.

8. Reviews with PCRD's management the adequacy of the Company's internal controls in respect of management and business practices and reviews with management and external auditors significant accounting and auditing issues.

9. 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.

10. Reviews 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.

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 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 four times a year. The Audit Committee may invite any executive management team member to attend 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.

AUDIT COMMITTEE (continued)

PricewaterhouseCoopers LLP ("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 has reviewed the scope and results of the audit, 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 Singapore Companies Act.

There were no non-audit services provided by its auditor, PricewaterhouseCoopers for FY2015.

Fees paid for audit and non-audit services:

	2015 **$'000**	2014 $'000
Fees for audit services paid/payable to:		
– Auditor of the Company	**220**	224
– Other auditors *	**–**	–
Fees for non-audit services paid/payable to:		
– Auditor of the Company	**–**	–
– Other auditors *	**–**	–
Total	**220**	224

* 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.

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.

AUDIT COMMITTEE (continued)

Principle 11: Risk Management and Internal Controls

Risk awareness and ownership of risk management are continuously fostered across the organisation. The Audit Committee has reviewed and reported to the Board annually the Group's risk assessment systems and, based on the 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. 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 27 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. 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, risk management functions for the PCCW group and, in particular, the adequacy of resources, staff qualifications and experience, training programs and 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.

For FY2015, 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 provides a negative assurance statement to shareholders in respect of the interim financial statements, 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 quarterly 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 2015. 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.

AUDIT COMMITTEE (continued)

Principle 13: Internal Audit

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, external firms of internal auditors are engaged to conduct internal audits on the Group's associated corporation in India. The Group's listed associated corporation, PCCW, 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. This 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 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.

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 reporting, unlawful conduct or other matters.

The policy aims to encourage employees to feel 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 from reprisals or victimisation. The policy also ensures employees get a response to their concerns and feedback on any action taken.

To ensure such matters are independently investigated and appropriately followed up, any whistle-blowing report must be recorded and investigated. An annual status report on any whistle-blowing reports must be sent to the Audit Committee. 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.

REMUNERATION COMMITTEE

Principle 7: Procedures for Developing Remuneration Policies

Principle 8: Level and Mix of Remuneration

Principle 9: 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), Mr. Chng Hee Kok and Ms. Laura Deal Lacey. 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 has not appointed any experts or consultants in FY2015.

The Remuneration Committee's principal responsibilities 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.

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/her own remuneration.

Executive directors and non-independent non-executive directors do not receive directors' fees. Each member of the Remuneration Committee abstains from voting on any resolutions in respect of his remuneration package.

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

Directors' Remuneration

For financial years ended 31 December 2015 and 31 December 2014, the number of directors in each remuneration band is as follows:

	2015	2014
$750,000 to $999,999	**1**	–
$500,000 to $749,999	**–**	1
$250,000 to $499,999	**–**	–
Below $250,000	**7**	7
Total	**8**	8

The above table includes all directors who held office in 2014 and 2015.

REMUNERATION COMMITTEE (continued)

Independent 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.

For financial years ended 31 December 2015 and 31 December 2014, the number of non-executive directors in remuneration bands of $10,000 is as follows:

	2015	2014
$50,000 to $59,999	**1**	1
$40,000 to $49,999	**4**	4
Below $10,000	**1**	1
Total	**6**	6

PCRD is an investment holding company and its main asset is its Hong Kong-listed associated corporation, 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. Remuneration packages are comparable within the industry and with comparable companies and include a performance-related element coupled with appropriate measures of appraising each individual's performance.

The Board is of the view that, for competitive reasons and to preserve confidentiality of remuneration, it is in the best interest of the Company and the Group not to disclose the detailed breakdown of the various remuneration components on a named basis (in percentage and dollar terms) and aggregate of the total remuneration of each of the directors' (including the Group Managing Director) and key management personnel's remuneration. Where precise information as aforesaid is disclosed publicly, this could be detrimental to the Company's interests as it allows competitors to gain an unfair advantage when seeking to entice either existing directors and/or management personnel (including key management personnel) from 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 and Company Secretary of the Company. The disclosure of the remuneration of the other executives is considered not relevant.

For financial years ended 31 December 2015 and 31 December 2014, the number of key management personnel in each remuneration band is as follows:

	2015	2014
$250,000 to $499,999	**1**	–
Below $250,000	**–**	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) during the year.

Currently, the Company does not have a share option scheme in place for its directors and employees. 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.

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 FY2015.

COMMUNICATIONS WITH SHAREHOLDERS

Principle 10: Accountability

Principle 14: Shareholders Rights and Responsibilities

Principle 15: Communications with Shareholders

Principle 16: Conduct of Shareholder Meetings

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 through SGXNET.

In its communications on the Company's performance, it is the Board's aim to provide shareholders with a balanced and understandable assessment of the Company's performance, position and prospects on a quarterly basis using timely information provided by management and reviewed by the Board.

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. The 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 subsidiary corporations and to participate in the meeting itself. The Constitution of the Company further allows a member of the Company to appoint one or two proxies to attend and vote instead of the member.

The Chairpersons of the Audit, Nomination and Remuneration Committees are normally present to address questions at general meetings. In particular, 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.

All resolutions are put to the vote by poll. The detailed results of voting at general meetings showing the number of votes cast for and against each resolution and the respective percentages are presented to shareholders after the voting process and are thereafter published on the SGX website.

As and where appropriate, the Company will conduct investor briefings to solicit and understand the views of shareholders. The Company 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.

No dividends were declared or paid for FY2015. The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on factors such as the Company's earnings and results, cash flow and capital requirements, general business condition, investment activities and development plans. The Board continues to evaluate investment opportunities and new businesses for the Company. The Company is focused on preserving shareholder value and is careful and conservative at looking at new opportunities and will announce any developments as they occur.

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 an extraordinary general meeting following the AGM held on 24 April 2015. This general mandate remains in force until the forthcoming AGM and is proposed for renewal at the forthcoming AGM. In 2015, 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	None, all IPTs below $100,000

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 and confidential information are not permitted to deal in the Company's shares when they are in possession of unpublished price-sensitive information on the Group or during periods commencing fourteen days before the date of announcement of the Group's quarterly financial results (for the first three quarters of the financial year) or one month before the date of announcement of the Group's 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, no material contracts of the Company or its subsidiary corporations were entered into which involved the interests of any director or controlling shareholder.

Shareholding Statistics

As at 11 March 2016

ISSUED AND FULLY PAID-UP

S$457,282,365.61 divided into 2,649,740,300 ordinary shares.

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

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	32	0.67	737	0.00
100 – 1,000	242	5.03	223,680	0.01
1,001 – 10,000	2,612	54.30	17,166,672	0.65
10,001 – 1,000,000	1,893	39.36	110,283,199	4.16
1,000,001 and above	31	0.64	2,522,066,012	95.18
Total	**4,810**	**100.00**	**2,649,740,300**	**100.00**

Approximately 10.15% 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 11 March 2016

SUBSTANTIAL SHAREHOLDERS

(including deemed interest as recorded in the Register of Substantial Shareholders as at 11 March 2016)

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.

Shareholding Statistics

As at 11 March 2016

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	Raffles Nominees (Pte) Limited	2,364,430,130	89.23
2	DBS Nominees (Private) Limited	22,807,570	0.86
3	DBS Vickers Securities (Singapore) Pte Ltd	22,330,800	0.84
4	Citibank Nominees Singapore Pte Ltd	20,247,834	0.76
5	BNP Paribas Nominees Singapore Pte Ltd	18,424,000	0.70
6	HSBC (Singapore) Nominees Pte Ltd	6,677,882	0.25
7	OCBC Securities Private Limited	6,130,498	0.23
8	Maybank Kim Eng Securities Pte. Ltd.	5,721,907	0.22
9	Allen Peter Anthony	5,000,000	0.19
10	United Overseas Bank Nominees (Private) Limited	4,604,700	0.17
11	Chong Yean Fong	4,051,000	0.15
12	DB Nominees (Singapore) Pte Ltd	3,857,791	0.15
13	UOB Kay Hian Private Limited	3,619,500	0.14
14	Tan Ling San	3,400,000	0.13
15	Phillip Securities Pte Ltd	3,230,500	0.12
16	Lim & Tan Securities Pte Ltd	2,497,000	0.09
17	OCBC Nominees Singapore Private Limited	2,411,900	0.09
18	Leong Chee Tong	2,200,000	0.08
19	Liu Ming Ching	2,100,000	0.08
20	Teo Thian Seng	1,893,000	0.07
	Total	**2,505,636,012**	**94.55**

Notice of 52nd Annual General Meeting

Pacific Century Regional Developments Limited
(Incorporated in the Republic of Singapore)
Company Registration No. 196300381N

NOTICE IS HEREBY GIVEN that the 52nd Annual General Meeting of the Company will be held at Raffles Town Club, Dunearn 3, Level 1, 1 Plymouth Avenue, Singapore 297753 on Friday, 22 April 2016 at 10.00 a.m. to transact the following business:

AS ROUTINE BUSINESS

1. To receive and adopt the Directors' Statement and Audited Financial Statements of the Company for the year ended 31 December 2015 and the Auditor's Report thereon.

2. To re-elect the following Directors retiring by rotation pursuant to Article 104 of the Constitution of the Company and who, being eligible, offer themselves for re-election:

   (a) Mr. Peter A. Allen
   (b) Mr. Alexander Anthony Arena
   (c) Ms. Frances Wong Waikwun

3. To re-appoint Mr. Tom Yee Lat Shing, a Director who will retire under the resolution passed at the Annual General Meeting held on 24 April 2015 pursuant to Section 153 of the Companies Act, Chapter 50 (which was then in force), to hold office from the date of this Annual General Meeting.

4. To approve Directors' fees of S$234,700 for the year ended 31 December 2015 (2014: S$234,250).

5. To re-appoint Messrs PricewaterhouseCoopers LLP as Auditor of the Company and to authorise the Directors to fix its remuneration.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modifications, the following resolutions as Ordinary Resolutions:

6. That pursuant to Section 161 of the Companies Act, Chapter 50 (the "**Companies Act**") and the listing rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), authority be and is hereby given to the Directors of the Company to:

   (a) (i) issue shares of the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit; and

   (b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

AS SPECIAL BUSINESS (continued)

provided that:

(1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50 per cent of the total number of issued shares (excluding treasury shares) (as calculated in accordance with paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20 per cent of the total number of issued shares (excluding treasury shares) (as calculated in accordance with paragraph (2) below);

(2) (subject to such manner of calculation and adjustment as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) at the time this Resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

(ii) any subsequent bonus issue, consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

7. The Proposed Renewal of the Shareholders Mandate for Interested Person Transactions

THAT:

(a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual ("**Chapter 9**") of the SGX-ST, for the Company, its subsidiaries and associated companies that are entities at risk (as that term is used in Chapter 9), or any of them, to enter into any of the transactions falling within the types of interested person transactions described in the Appendix to the Company's Letter to Shareholders dated 5 April 2016 (the "**Letter**") with any party who is of the class of interested persons described in the Appendix to the Letter, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions;

(b) the approval given in paragraph (a) above (the "**Shareholders Mandate**") shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company; and

(c) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to the Shareholders Mandate and/or this Resolution.

AS SPECIAL BUSINESS (continued)

8. The Proposed Renewal of the Share Purchase Mandate

THAT:

(a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company ("**Shares**") not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market purchase(s) on the SGX-ST and/or any other stock exchange on which the Shares may for the time being be listed and quoted ("**Other Exchange**"); and/or

(ii) off-market purchase(s) (if effected otherwise than on the SGX-ST or, as the case may be, Other Exchange) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST or, as the case may be, Other Exchange as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next Annual General Meeting of the Company is held;

(ii) the date by which the next Annual General Meeting of the Company is required by law to be held; and

(iii) the date on which purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

(c) in this Resolution:

"**Average Closing Price**" means the average of the last dealt prices of a Share for the five consecutive market days on which the Shares are transacted on the SGX-ST or, as the case may be, Other Exchange immediately preceding the date of market purchase by the Company, and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action which occurs after the relevant five-day period;

"**Highest Last Dealt Price**" means the highest price transacted for the Shares as recorded on the market day on which the Shares are transacted on the SGX-ST or, as the case may be, Other Exchange, immediately preceding the date of the making of the offer pursuant to the off-market purchase;

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the purchase price (which shall not be more than the Maximum Price) for each Share and the relevant terms of the equal access scheme for effecting the off-market purchase;

AS SPECIAL BUSINESS (continued)

"**Maximum Limit**" means that number of issued Shares representing 10% of the total number of issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares as at that date); and

"**Maximum Price**" in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed:

(i) in the case of a market purchase of a Share, 105% of the Average Closing Price of the Shares; and

(ii) in the case of an off-market purchase of a Share pursuant to an equal access scheme, 120% of the Highest Last Dealt Price of the Shares; and

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.

By Order of the Board

Lim Beng Jin
Company Secretary

Singapore
5 April 2016

EXPLANATORY NOTES

Items 2 to 3 – Detailed information on these Directors can be found under the Board of Directors and Report on Corporate Governance sections in the Annual Report 2015.

Item 2(c) – Subject to her re-election, Ms. Frances Wong Waikwun, who is an Independent Director, will remain as Chairwoman of the Nominating Committee and member of the Audit Committee.

Item 3 – Resolution 3 is to re-appoint the Director who is over 70 years old and who is retiring under the resolution passed at the Annual General Meeting held on 24 April 2015 as pursuant to Section 153(6) of the Companies Act which was then in force, such resolution could only permit the re-appointment of the Director to hold office until this Annual General Meeting. If passed, Resolution 3 will approve and authorise the continuation of the Director in office from the date of this Annual General Meeting onwards without limitation in tenure, save for prevailing applicable laws, listing rules and/or regulations, including the Company's Constitution. Subject to his re-appointment, Mr. Tom Yee Lat Shing, who is an Independent Director, will remain as Lead Independent Director, Chairman of the Audit Committee and a member of the Nominating Committee.

Item 6 – Resolution 6 is to empower the Directors, from the date of the forthcoming Annual General Meeting until the next Annual General Meeting, to issue shares of the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to a number not exceeding in total 50 per cent of the total number of issued shares (excluding treasury shares) of the Company of which up to 20 per cent may be issued other than on a *pro rata* basis to shareholders. The aggregate number of shares which may be issued shall be based on the total number of issued shares (excluding treasury shares) of the Company at the time that Resolution 6 is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that Resolution 6 is passed, and (b) any subsequent bonus issue, consolidation or subdivision of shares.

Item 7 – Resolution 7 is to renew the mandate to enable the Company, its subsidiaries and associated companies that are entities at risk (as that term is used in Chapter 9 of the Listing Manual), or any of them, to enter into certain interested person transactions with specified classes of interested persons, as described in the Letter. Please refer to the Letter for more details.

Item 8 – Resolution 8 is to renew the mandate to enable the Company to purchase or otherwise acquire its issued Shares, on the terms and subject to the conditions set out in the Resolution.

The amount of financing required for the Company to purchase or acquire its Shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on the number of Shares purchased or acquired, whether the purchase or acquisition is made out of profits or capital, the price at which such Shares were purchased or acquired and whether the Shares purchased or acquired are held in treasury or cancelled.

The illustrative financial effects shown in paragraph 3.7 of the Company's Letter to Shareholders dated 5 April 2016 are based on a purchase or acquisition of Shares by the Company of up to (i) 0.15% of its issued Shares which, based on the number of issued and paid-up Shares as at 14 March 2016 (the "**Latest Practicable Date**") and assuming that no further Shares are issued, purchased or acquired by the Company, and held as treasury shares, on or prior to the Annual General Meeting, is 3,974,610 Shares, and (ii) 10% of its issued Shares which, based on the number of issued and paid-up Shares as at the Latest Practicable Date and assuming that no further Shares are issued, purchased or acquired by the Company, and held as treasury shares, on or prior to the Annual General Meeting, is 264,974,030 Shares.

EXPLANATORY NOTES (continued)

In the case of market purchases by the Company and assuming that the Company purchases or acquires the 3,974,610 Shares representing 0.15% of such issued Shares at the Maximum Price of S$0.412 for one Share (being the price equivalent to 5% above the average of the last dealt prices of the Shares for the five consecutive market days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 3,974,610 Shares is S$1,637,539. In the case of off-market purchases by the Company and assuming that the Company purchases or acquires the 3,974,610 Shares representing 0.15% of such issued Shares at the Maximum Price of S$0.474 for one Share (being the price equivalent to 20% above the highest dealt prices of the Shares on the market day on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 3,974,610 Shares is S$1,883,965.

In the case of market purchases by the Company and assuming that the Company purchases or acquires the 264,974,030 Shares representing 10% of such issued Shares at the Maximum Price of S$0.412 for one Share (being the price equivalent to 5% above the average of the last dealt prices of the Shares for the five consecutive market days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 264,974,030 Shares is S$109,169,300. In the case of off-market purchases by the Company and assuming that the Company purchases or acquires the 264,974,030 Shares representing 10% of such issued Shares at the Maximum Price of S$0.474 for one Share (being the price equivalent to 20% above the highest dealt prices of the Shares on the market day on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 264,974,030 Shares is S$125,597,690.

The financial effects of the purchase or acquisition of such Shares by the Company pursuant to the proposed Share Purchase Mandate on the audited financial statements of the Group and the Company for the financial year ended 31 December 2015 based on these assumptions are set out in paragraph 3.7 of the Company's Letter to Shareholders dated 5 April 2016.

Please refer to the Letter for more details.

Notes:

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member’s form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member’s form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   “**Relevant intermediary**” has the meaning ascribed to it in Section 181 of the Companies Act.

2. A proxy need not be a member of the Company.

3. The instrument appointing a proxy or proxies that has been executed by a member must be lodged at the registered office of the Company at 50 Raffles Place, #35-01, Singapore Land Tower, Singapore 048623 (Attention: Company Secretary), not less than 48 hours before the time appointed for the Annual General Meeting.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Notes to the Proxy Form

Notes:

1. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all shares held by the member.

2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.

3. A proxy need not be a member of the Company.

4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 50 Raffles Place, #35-01, Singapore Land Tower, Singapore 048623 (Attention: Company Secretary) not less than 48 hours before the time appointed for the Annual General Meeting. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting in person at the Annual General Meeting if he finds that he is able to do so. In such event, the relevant instrument appointing a proxy or proxies will be deemed to be revoked.

5. The instrument appointing a proxy or proxies, must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with Section 179 of the Companies Act, Chapter 50.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument (including any related attachment) appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Pacific Century Regional Developments Limited
(Incorporated in the Republic of Singapore)
Company Registration No. 196300381N

IMPORTANT

1. Relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For CPF/SRS investors who have used their CPF/SRS monies to buy shares of Pacific Century Regional Developments Limited, this form of proxy is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.
3. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 5 April 2016.

Annual General Meeting Proxy Form

I/We, ____ (NRIC/Passport/UEN No.)_______________________

of____(Address)

being a member/members of Pacific Century Regional Developments Limited (the "**Company**") hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the Annual General Meeting of the Company, to be held at Raffles Town Club, Dunearn 3, Level 1, 1 Plymouth Avenue, Singapore 297753 on Friday, 22 April 2016 at 10.00 a.m. and at any adjournment thereof.

(Voting will be conducted by poll. Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the Ordinary Resolutions as set out in the Notice of Annual General Meeting. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the Annual General Meeting.)

No.	Routine Business	For	Against
1	To adopt the Directors' Statement, Audited Financial Statements and Auditor's Report		
2	To re-elect the following Directors:		
	(a) Mr. Peter A. Allen		
	(b) Mr. Alexander Anthony Arena		
	(c) Ms. Frances Wong Waikwun		
3	To re-appoint Mr. Tom Yee Lat Shing as Director		
4	To approve Directors' fees for the year ended 31 December 2015		
5	To re-appoint Messrs PricewaterhouseCoopers LLP as Auditor and to authorise the Directors to fix its remuneration		
	Special Business		
6	To authorise the share issue mandate		
7	To approve the proposed renewal of the Shareholders Mandate for Interested Person Transactions		
8	To approve the proposed renewal of the Share Purchase Mandate		

Dated this_____________ day of __________________________________ 2016.

Signature(s) of Member(s) or Common Seal

Total Number of Shares Held	

IMPORTANT: PLEASE READ NOTES ON PAGE 94

Fold this flap here for sealing

Affix
Stamp
Here

The Company Secretary

PACIFIC CENTURY REGIONAL DEVELOPMENTS LIMITED

50 Raffles Place
#35-01 Singapore Land Tower
Singapore 048623

2nd fold here

3rd fold here

Pacific Century Regional Developments Limited

50 Raffles Place, #35-01 Singapore Land Tower,
Singapore 048623
Tel: (65) 6438 2366 Fax: (65) 6230 8777
Company Registration No. 196300381N