

# PACIFIC CENTURY REGIONAL DEVELOPMENTS LIMITED

Company Registration No. 196300381N

## Half-Year Financial Statements And Dividend Announcement for the Period Ended 30/06/2022

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

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

*PCCW announced its half-year results for the 6 months ended 30 June 2022 on 12 August 2022. The Group's share of the results of PCCW for half-year 2022 and the comparative figures for half-year 2021 are included in the Group's half-year results for the 6 months ended 30 June 2022.*

#### CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT

	6 months ended		% Increase/ (decrease)
	30/06/2022 S\$'000	30/06/2021 S\$'000	
Revenue (Note 1)	15,824	12,192	29.8
Other income (Note 2)	11	51	(78.4)
Expenses			
- Depreciation expenses	(156)	(163)	(4.3)
- Employee compensation	(1,140)	(1,192)	(4.4)
- Directors' fees	(137)	(163)	(16.0)
- Legal and other professional fees	(512)	(998)	(48.7)
- Travelling expenses	(31)	(44)	(29.5)
- Foreign exchange gain (loss), net	1,777	(138)	n.m.
- Subscriptions and donations	(180)	(422)	(57.3)
- Others	(271)	(393)	(31.0)
- Finance expenses (Note 3)	(3,542)	(2,869)	23.5
Total expenses	(4,192)	(6,382)	(34.3)
Share of loss of associated corporations, net of tax	(2,557)	(11,834)	(78.4)
Loss on deemed dilution	(547)	-	n.m.
Profit (loss) before income tax	8,539	(5,973)	n.m.
Income tax expense (Note 4)	(4)	(1,722)	(99.8)
Total profit (loss) for the period	8,535	(7,695)	n.m.
Attributable to equity holders of the Company	8,535	(7,695)	n.m.

n.m. = not meaningful

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<b>6 months ended</b>		% Increase/ (decrease)
	30/06/2022 S\$'000	30/06/2021 S\$'000	
Total profit (loss) for the period	8,535	(7,695)	n.m.
Other comprehensive income (loss):			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation			
- Gains, net	7,124	4,577	55.6
Share of comprehensive loss of associated corporations	<u>(9,454)</u>	<u>(3,692)</u>	156.1
	(2,330)	885	n.m.
Items that will not be reclassified subsequently to profit or loss:			
Fair value (losses) gains on equity investments at fair value through other comprehensive income	(12,547)	29,710	n.m.
Currency translation differences arising from consolidation			
- Loss, net	(352)	(17)	n.m.
Other comprehensive (loss) income, net of tax	<u>(15,229)</u>	<u>30,578</u>	n.m.
Total comprehensive (loss) income for the period	<u>(6,694)</u>	<u>22,883</u>	n.m.
Total comprehensive (loss) income attributable to equity holders of the Company	<u>(6,694)</u>	<u>22,883</u>	n.m.

n.m. = not meaningful

### DETAILED NOTES - GROUP

	<b>6 months ended</b>	
	30/06/2022 S\$'000	30/06/2021 S\$'000
(Note 1)		
<b>Revenue :</b>		
Distributions / dividends from financial assets, at FVOCI	10,683	10,240
- HKT Trust and HKT Limited (both collectively, "HKT")	5,141	1,952
- Others	<u>15,824</u>	<u>12,192</u>
(Note 2)		
<b>Other income :</b>		
Government grants	5	37
Interest income	-	4
Management fee	6	6
Other income	<u>-</u>	<u>4</u>
	11	51
(Note 3)		
<b>Finance expenses :</b>		
Interest expense		
- bank borrowings	(2,227)	(1,816)
- finance lease liability	(6)	(3)
Finance facility fees	<u>(1,309)</u>	<u>(1,050)</u>
	<u>(3,542)</u>	<u>(2,869)</u>

(Note 4)

#### **Income tax expense :**

The tax expense for the 6 months ended 30 June 2022 of \$4K was mainly due to :

	S\$'000
Withholding tax paid	(69)
Write back of income tax due to tax refund by IRAS	<u>65</u>
	<u>(4)</u>

The tax expense for the 6 months ended 30 June 2021 of \$1.7 million was mainly due to :

	S\$' million
Deferred tax expense provided on distributions from HKT	<u>(1.7)</u>

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

**CONDENSED INTERIM BALANCE SHEETS**

	Note	Group		Company	
		30/06/2022 S\$'000	31/12/2021 S\$'000	30/06/2022 S\$'000	31/12/2021 S\$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	1	6,513	3,851	4,330	1,321
Trade and other receivables		95	77	83	77
Other current assets		1,680	1,702	1,259	1,231
Income tax receivables		65	-	-	-
		<u>8,353</u>	<u>5,630</u>	<u>5,672</u>	<u>2,629</u>
<b>Non-current assets</b>					
Financial assets, at fair value through other comprehensive income ("FVOCI")	2, I	381,463	388,063	296,453	294,772
Other receivables		119	66	-	-
Investments in associated corporations	3	569,681	658,927	1,039,970	1,022,080
Investments in subsidiary corporations		-	-	204,460	200,943
Property, plant and equipment		549	705	-	-
Other non-current assets		1,666	2,070	1,226	1,814
		<u>953,478</u>	<u>1,049,831</u>	<u>1,542,109</u>	<u>1,519,609</u>
<b>Total assets</b>		<u>961,831</u>	<u>1,055,461</u>	<u>1,547,781</u>	<u>1,522,238</u>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables		2,820	3,317	243,658	256,640
Current income tax liabilities		7	15	-	-
Borrowings	4, K	267	267	-	-
		<u>3,094</u>	<u>3,599</u>	<u>243,658</u>	<u>256,640</u>
<b>Non-current liabilities</b>					
Borrowings	4, K	319,631	314,186	215,054	193,884
Deferred income tax liabilities		374	374	-	-
		<u>320,005</u>	<u>314,560</u>	<u>215,054</u>	<u>193,884</u>
<b>Total liabilities</b>		<u>323,099</u>	<u>318,159</u>	<u>458,712</u>	<u>450,524</u>
<b>NET ASSETS</b>		<u>638,732</u>	<u>737,302</u>	<u>1,089,069</u>	<u>1,071,714</u>
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders of the Company</b>					
Share capital	L	457,283	457,283	457,283	457,283
Other reserves		182,480	198,195	(7,058)	(22,743)
(Accumulated loss) retained profits		(1,031)	81,824	638,844	637,174
<b>Total equity</b>		<u>638,732</u>	<u>737,302</u>	<u>1,089,069</u>	<u>1,071,714</u>

## The Group

### Note 1

Cash and cash equivalents increased by \$2.7 million mainly due to :

	S\$' million
Dividends from financial assets, at FVOCI	5.1
Distributions from HKT and dividends from PCCW	96.4
Effects of currency translation on cash and cash equivalents	<u>0.1</u>
	101.6
Less:	
Net repayment of borrowings and lease payments	(3.3)
Net cash used in operating activities	(3.4)
Dividend paid to equity holders of the Company	<u>(92.2)</u>
Net increase in cash	<u>2.7</u>

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

### Note 2

Financial assets, at FVOCI decreased by \$6.6 million mainly due to :

	S\$' million
Net fair value loss on the Company's holding of shares in PCPD	(4.5)
Decrease in fair value, including translation differences, of the Group's other equity investments	<u>(8.3)</u>
	(12.8)
Net fair value gain on the Company's holding of Share Stapled Units ("SSUs") in HKT	<u>6.2</u>
	<u>(6.6)</u>

### Note 3

Investments in associated corporations decreased by \$89.2 million due to :

	S\$' million
Cash dividend received from PCCW	(85.7)
Group's share of PCCW's 2022 loss	(3.5)
Group's share of PCCW's 2022 reserves	(3.2)
Loss on deemed dilution in the Group's interest in PCCW	(0.5)
Unrealised exchange gain on the Company's interest in Hong Kong Dollar ("HKD") denominated net assets in PCCW reflecting the strengthening of the HKD against the SGD	3.0
Group's share of KSH Distriparks Private Limited's ("KSH") 2022 profit and reserves	<u>0.7</u>
	<u>(89.2)</u>

### Note 4

Borrowings increased by \$5.4 million mainly due to additional drawdowns totalling \$17.7 million mainly for dividend payments and unrealised exchange loss of \$5.5 million on HKD denominated borrowings due to the strengthening of the HKD against the SGD during the financial year, partially offset by repayments of \$17.8 million.

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

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

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

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>6 months ended</b>	
	Note 30/06/2022	30/06/2021
	S\$'000	S\$'000
<b>Cash flow from operating activities:</b>		
Profit (loss) after tax	8,535	(7,695)
Adjustments for :		
- Income tax expense	4	1,722
- Depreciation expenses	156	163
- Dividend income	(15,824)	(12,192)
- Interest income	-	(4)
- Finance expenses	3,542	2,869
- Unrealised currency translation gains	(2,339)	(526)
- Loss on deemed dilution	547	-
- Share of loss of associated corporations, net of tax	2,557	11,834
	<u>(2,822)</u>	<u>(3,829)</u>
Change in working capital:		
- Trade and other receivables	55	110
- Trade and other payables	(581)	(721)
<b>Cash used in operations</b>	<u>(3,348)</u>	<u>(4,440)</u>
Interest received	-	4
Income tax paid	(78)	(145)
<b>Net cash used in operating activities</b>	<u>(3,426)</u>	<u>(4,581)</u>
<b>Cash flow from investing activities:</b>		
Purchase of property, plant and equipment	-	(859)
Purchase of financial assets, at FVOCI	-	(13,438)
Proceeds from disposal of financial assets, at FVOCI	-	106,116
Dividends from financial assets, at FVOCI	5,141	1,952
Dividends from HKT	10,683	10,240
Dividends from PCCW	85,661	69,053
<b>Net cash provided by investing activities</b>	<u>101,485</u>	<u>173,064</u>
<b>Cash flow from financing activities:</b>		
Payment of finance expenses	(3,158)	(4,189)
Proceeds from borrowings	17,681	101,217
Repayment of borrowings and lease payments	(17,824)	(134,725)
Dividend paid to equity holders of the Company	(92,156)	(121,815)
<b>Net cash used in financing activities</b>	<u>(95,457)</u>	<u>(159,512)</u>
Net increase in cash and cash equivalents	1 2,602	8,971
Cash and cash equivalents at beginning of period	3,851	8,174
Effects of currency translation on cash and cash equivalents	60	65
<b>Cash and cash equivalents at end of period</b>	<u>6,513</u>	<u>17,210</u>
<b>Summary of cash and cash equivalents:</b>		
Cash at bank and on hand	<u>6,513</u>	<u>17,210</u>

**Note 1**

The net increase in cashflows for the period ended 30 June 2022 and 2021 respectively were mainly due to:

	<b>6 months ended</b>	
	30/06/2022	30/06/2021
	S\$' million	S\$' million
Proceeds from disposal of financial assets, at FVOCI	-	106.1
Dividends from financial assets, at FVOCI	5.1	2.0
Dividends from HKT	10.7	10.2
Dividends from PCCW	85.7	69.1
Proceeds from borrowings	17.7	101.2
	<u>119.2</u>	<u>288.6</u>
Less:		
Purchase of property, plant and equipment	-	(0.9)
Purchase of financial assets, at FVOCI	-	(13.4)
Payment of finance expenses	(3.2)	(4.2)
Repayment of borrowings and lease payments	(17.8)	(134.7)
Net cash used in operating activities	(3.4)	(4.6)
Dividend paid to equity holders of the Company	(92.2)	(121.8)
<b>Net increase in cashflows</b>	<u>2.6</u>	<u>9.0</u>

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

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**

<b>The Group</b>	Share capital S\$'000	Other reserves S\$'000	Retained profits S\$'000	Total equity S\$'000
Balance at 1 January 2022	457,283	198,195	81,824	737,302
Total comprehensive (loss) income for the period	-	(15,229)	8,535	(6,694)
Share of reserves of associated corporations	-	(486)	766	280
Dividend paid	-	-	(92,156)	(92,156)
Balance at 30 June 2022	<u>457,283</u>	<u>182,480</u>	<u>(1,031)</u>	<u>638,732</u>
Balance at 1 January 2021	457,283	170,785	231,627	859,695
Total comprehensive income (loss) for the period	-	30,578	(7,695)	22,883
Share of reserves of associated corporations	-	(707)	(7,108)	(7,815)
Write back of deferred tax provision for gains on disposal of investments	-	-	2,181	2,181
Dividend paid	-	-	(121,815)	(121,815)
Transfer upon disposal of investments	-	(11,451)	11,451	-
Balance at 30 June 2021	<u>457,283</u>	<u>189,205</u>	<u>108,641</u>	<u>755,129</u>

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**

<b>The Company</b>	Share capital S\$'000	Other reserves S\$'000	Retained profits S\$'000	Total equity S\$'000
Balance at 1 January 2022	457,283	(22,743)	637,174	1,071,714
Total comprehensive income for the period	-	15,685	93,826	109,511
Dividend paid	-	-	(92,156)	(92,156)
Balance at 30 June 2022	<u>457,283</u>	<u>(7,058)</u>	<u>638,844</u>	<u>1,089,069</u>
Balance at 1 January 2021	457,283	(37,193)	731,978	1,152,068
Total comprehensive income for the period	-	20,208	92,385	112,593
Dividend paid	-	-	(121,815)	(121,815)
Balance at 30 June 2021	<u>457,283</u>	<u>(16,985)</u>	<u>702,548</u>	<u>1,142,846</u>

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

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

### A. General information

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

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

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

### B. Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2021.

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

The functional currency of the Company is the Hong Kong Dollar. The condensed interim 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.

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

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

On 1 January 2022, the Group adopted certain new or amended SFRS(I)s that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I)s.

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

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

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

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

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

### C. Seasonal operations

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

## D.1. Reportable segments (Continued)

### 1 January 2022 to 30 June 2022

	Investment holding S\$'000	Business management and consultancy services S\$'000	Consolidated S\$'000	<u>Geographical information</u>	
External revenue	15,824	-	15,824		Revenue S\$'000
Operating profit (loss) before interest income and depreciation	16,439	(1,098)	15,341	Hong Kong	10,683
Depreciation	(155)	(1)	(156)	Cayman Islands	5,141
Profit (loss) from operating activities	16,284	(1,099)	15,185		<u>15,824</u>
Finance expenses	(3,542)	-	(3,542)		Non-current assets
Share of loss of associated corporations, net of tax	(2,557)	-	(2,557)		S\$'000
Loss on deemed dilution	(547)	-	(547)	Singapore	1,980
Profit (loss) before income tax	9,638	(1,099)	8,539	India	13,749
Income tax expense	(4)	-	(4)	Hong Kong	556,286
Total profit (loss)	9,634	(1,099)	8,535		<u>572,015</u>
Segment assets	383,139	164	383,303		
Property, plant and equipment	-	549	549		
Other non-current assets	1,580	205	1,785		
Investments in associated corporations	569,681	-	569,681		
	571,261	754	572,015		
Unallocated corporate assets					
- Cash and cash equivalents			6,513		
Total assets			961,831		
Segment liabilities	2,537	283	2,820		
Unallocated corporate liabilities					
- Borrowings			319,898		
- Current income tax liabilities			7		
- Deferred income tax liabilities			374		
Total liabilities			323,099		
<b>Other segment information:</b>					
Additions to property, plant and equipment	-	-	-		



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

**1 January 2021 to 30 June 2021**

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

Geographical information

	Revenue S\$'000
Hong Kong	10,240
Cayman Islands	1,952
	<u>12,192</u>
	Non-current assets S\$'000
Singapore	3,369
India	12,264
Hong Kong	607,817
	<u>623,450</u>

## E. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2022 and 31 December 2021:

	Note	Group		Company	
		30/06/2022 S\$'000	31/12/2021 S\$'000	30/06/2022 S\$'000	31/12/2021 S\$'000
<b>Financial assets</b>					
Financial assets at FVOCI	I	381,463	388,063	296,453	294,772
Cash and cash equivalents, trade and other receivables, current deposits and non-current deposits (Amortised cost)		<u>6,814</u>	<u>4,081</u>	<u>4,414</u>	<u>1,399</u>
		<u>388,277</u>	<u>392,144</u>	<u>300,867</u>	<u>296,171</u>
<b>Financial liabilities</b>					
Trade and other payables, and borrowings (Amortised cost)		<u>322,718</u>	<u>317,770</u>	<u>458,712</u>	<u>450,524</u>

## F. Related party transactions

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

## G. Taxation

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

	Group	
	6 months ended 30/06/2022 S\$'000	6 months ended 30/06/2021 S\$'000
Current income tax expense	4	53
Deferred income tax expense	-	1,669
	<u>4</u>	<u>1,722</u>

## H. Dividends

	Group	
	6 months ended 30/06/2022 S\$'000	6 months ended 30/06/2021 S\$'000
Ordinary dividends paid: Final and special (2021: final and special) dividend paid in respect of the previous financial year of 0.78 cents and 2.70 cents respectively (2021: 0.67 cents and 3.93 cents) per share	<u>92,156</u>	<u>121,815</u>
Dividend per share (net of tax) (Cents per share)	<u>3.48</u>	<u>4.60</u>

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

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

	<u>Group</u>		<u>Company</u>	
	30/06/2022 S\$'000	31/12/2021 S\$'000	30/06/2022 S\$'000	31/12/2021 S\$'000
Equity investments, at fair value:				
- Unquoted				
Foxdale Asset Holding Ltd	21,094	32,953	-	-
Exoduspoint Partners International Fund, Ltd	63,406	59,863	-	-
Others	510	475	-	-
	<u>85,010</u>	<u>93,291</u>	<u>-</u>	<u>-</u>
- Quoted				
HKT	271,340	265,155	271,340	265,155
Pacific Century Premium Developments Limited	25,113	29,617	25,113	29,617
	<u>296,453</u>	<u>294,772</u>	<u>296,453</u>	<u>294,772</u>
<b>Total</b>	<b><u>381,463</u></b>	<b><u>388,063</u></b>	<b><u>296,453</u></b>	<b><u>294,772</u></b>

### Assets classified as held-for-sale

During the interim period ended 30 June 2021, the Group disposed of certain of its investments. These investments had a fair value \$103,687,000 at the date of disposal. The cumulative gain on disposal of \$11,451,000 was reclassified from fair value reserve to retained profits.

#### I.1. Fair value measurement

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

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

	<u>Level 1</u> S\$'000	<u>Level 2</u> S\$'000	<u>Level 3</u> S\$'000	<u>Total</u> S\$'000
<u>Group</u>				
<b>Assets</b>				
Financial assets, at FVOCI				
<b>30 June 2022</b>	296,453	63,916	21,094	381,463
<b>31 December 2021</b>	<u>294,772</u>	<u>60,338</u>	<u>32,953</u>	<u>388,063</u>
<u>Company</u>				
<b>Assets</b>				
Financial assets, at FVOCI				
<b>30 June 2022</b>	296,453	-	-	296,453
<b>31 December 2021</b>	<u>294,772</u>	<u>-</u>	<u>-</u>	<u>294,772</u>

## J. Property, plant and equipment

During the six months ended 30 June 2022, the Group did not acquire assets (30 June 2021: \$859,000).

**K. Borrowings**

	<u>Group</u>		<u>Company</u>	
	30/06/2022 S\$'000	31/12/2021 S\$'000	30/06/2022 S\$'000	31/12/2021 S\$'000
<u>Amount repayable within one year or on demand</u>				
Unsecured	267	267	-	-
<u>Amount repayable after one year</u>				
Secured	319,370	313,782	215,054	193,884
Unsecured	261	404	-	-

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

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

**Details of any collateral**

	<u>Group</u>	
	30/06/2022 S\$'000	31/12/2021 S\$'000
Carrying values of shares and SSUs pledged for bank borrowings comprise:		
- shares in PCCW (at cost)	437,100	429,600
- SSUs in HKT	271,300	265,200
	<u>708,400</u>	<u>694,800</u>

**L. Share capital**

	<u>The Group and the Company</u>			
	30/06/2022		31/12/2021	
	No. of shares '000	Amount S\$'000	No. of shares '000	Amount S\$'000
Beginning and end of interim period	<u>2,648,150</u>	<u>457,283</u>	<u>2,648,150</u>	<u>457,283</u>

The Company did not hold any treasury shares as at 30 June 2022.

The Company's subsidiaries did not hold any shares in the Company as at 30 June 2022 and 31 December 2021.

## M. Group corporations

Details of subsidiary corporations and associated corporations are as follows:

Name of company (country of incorporation)	Principal activities (place of business)	Carrying amount of investment		Percentage of equity held by the Group	
		30/06/2022 S\$'000	31/12/2021 S\$'000	30/06/2022 %	31/12/2021 %
<b><i>Subsidiary corporations directly held by the Company</i></b>					
PCRD Services Pte Ltd (Singapore)	Investment holding, business management and consultancy services (Singapore)	21,581	21,210	100	100
Gladioli Investments Pte Ltd (Singapore)	Dormant	301	296	100	100
Riyan Pte Ltd (Singapore)	Dormant	-	-	100	100
Elsmore Pte Ltd (Singapore)	Investment holding (Singapore)	52,064	51,168	100	100
Leapford Pte. Ltd. (Singapore)	Investment holding (Singapore)	104,545	102,747	100	100
Pacific Century Regional Developments (HK) Limited (Hong Kong)	Business management and consultancy services (Hong Kong)	25,969	25,522	100	100
Telegraph Investments Limited (British Virgin Islands)	Dormant	-	-	100	100
Valuable Enterprises Limited (British Virgin Islands)	Dormant	-	-	100	100
		204,460	200,943		
<b><i>Associated corporation held by the Company</i></b>					
PCCW Limited (Hong Kong)	Provision of local and international telecommunications and information technology services, technology-related businesses, and investment holding (Hong Kong)	555,932	645,859	22.7	22.7
		555,932	645,859		
<b><i>Subsidiary corporations indirectly held by the Company</i></b>					
City Ventures Global Limited (Cayman Islands)	Investment holding (Cayman Islands)			100	100
Prosper Global Investments Limited (Cayman Islands)	Investment holding (Cayman Islands)			100	100

**M. Group corporations** (continued)

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

Name of company (country of incorporation)	Principal activities (place of business)	Carrying amount of investment	Percentage of equity held by the Group	
			30/06/2022 %	31/12/2021 %

**Associated corporation indirectly held by the Company**

KSH Distriparks Private Limited (India)	Rendering services for an Inland Container Depot, warehousing and third party logistics and transportation solutions (India)		49.9	49.9
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**N. Related party transactions**

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

	Group	
	6 months ended 30/06/2022 S\$'000	6 months ended 30/06/2021 S\$'000
Management services rendered to:		
- other related parties*	6	6
Payments made on behalf of and reimbursable by		
- associated corporations	1	-
- other related parties*	-	2
Payments made on behalf by and reimbursable to		
- associated corporations	59	227
- other related parties*	-	306
	<hr/>	<hr/>

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

- (b) Key management personnel compensation is as follows:

	Group	
	6 months ended 30/06/2022 S\$'000	6 months ended 30/06/2021 S\$'000
Wages, salaries and other short-term employee benefits	995	1,032
Employer's contribution to defined contribution plans including Central Provident Fund	17	22
	<hr/>	<hr/>
	1,012	1,054

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

The Company's issued share capital as at 30 June 2022 and 31 December 2021 is summarised as follows:

	30/06/2022		31/12/2021	
	No. of shares	\$	No. of shares	\$
Issued and paid up share capital including treasury shares	<u>2,648,150,200</u>	<u>457,282,366</u>	<u>2,648,150,200</u>	<u>457,282,366</u>
Issued and paid up share capital excluding treasury shares	<u>2,648,150,200</u>		<u>2,648,150,200</u>	

During H1 2021 and H1 2022, the Company did not purchase any shares in the Company.

The Company does not have any convertibles or treasury shares as at 30 June 2022 and 30 June 2021.

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

	Number of shares	
	As at 30/06/2022	As at 31/12/2021
Issued ordinary shares, excluding treasury shares	<u>2,648,150,200</u>	<u>2,648,150,200</u>

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

NIL.

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

NIL

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

The figures have not been audited or reviewed.

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

N.A.

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

Except for the adoption of new or amended Singapore Financial Reporting Standards (International) ("SFRS(I)s") as described in Note B.1, the Group has applied the same accounting policies and methods of computation in these results as in the audited financial statements for the year ended 31 December 2021.

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

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

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:- (a) Based on the weighted average number of ordinary shares on issue; and (b) On a fully diluted basis (detailing any adjustments made to the earnings).**

<b>Group</b>	H1 2022	H1 2021
Net profit (loss) attributable to equity holders of the Company (S\$'000)	8,535	(7,695)
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	2,648,150	2,648,150
(i) Basic earnings (loss) per share (Cents per share)	0.322	(0.291)
(ii) On a fully diluted basis (Cents per share)	0.322	(0.291)

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

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

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

	<b>Group</b>		<b>Company</b>	
	30/06/2022	31/12/2021	30/06/2022	31/12/2021
Net asset value (S\$'000)	638,732	737,302	1,089,069	1,071,714
Number of issued shares excluding treasury shares ('000)	2,648,150	2,648,150	2,648,150	2,648,150
Net asset value per ordinary share based on issued share capital at the end of the period	\$0.241	\$0.278	\$0.411	\$0.405



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

The Group's revenue for H1 2022 relates to distributions by HKT of \$10.7 million and dividends from financial assets, at FVOCI of \$5.1 million as compared to \$10.2 million and \$2.0 million in H1 2021 respectively.

Total expenses for H1 2022 amounted to \$4.2 million compared to \$6.4 million for H1 2021. The decrease was mainly due to net foreign exchange gains of \$1.8 million in H1 2022 compared to net exchange losses of \$138K in H1 2021 partially offset by an increase in finance expenses of \$0.7 million which was mainly due to increased interest costs and finance facility fees.

The Group's share of results of associated companies for H1 2022 was a net loss of \$2.6 million as compared to a net loss of \$11.8 million for H1 2021. This includes the Group's share of PCCW's loss of \$3.5 million for H1 2022 as compared to a \$12.3 million loss for H1 2021.

The Group's share of profit from its 49.87% associated company, KSH, was approximately \$921K for H1 2022 compared to \$435K for H1 2021.

Income tax for H1 2022 relates to withholding taxes on interest expense for bank borrowings of \$69K offset by a write-back of income tax from a tax refund of \$65K. Deferred tax of \$1.7 million was provided in H1 2021 on distributions from HKT. No deferred tax provision was required for H1 2022.

The Group recorded profit attributable to equity holders of \$8.5 million for H1 2022 as compared to a loss of \$7.7 million for H1 2021.

*Extracts from PCCW's Interim Results Announcement for the 6 months ended 30 June 2022*

*Impacted by the fifth wave of COVID-19 (the "fifth wave"), Hong Kong and its residents have faced tremendous challenges in the first half of the year leaving the city in search of more innovative ways to bolster its operations. As a member of the community, we strived to support its people and businesses, devising novel applications for technology and to present a suite of the latest products and services in a bid to inject momentum into everyday life.*

*Our Media Business continued to scale with an increase of 22% and 52% in revenue for the over-the-top ("OTT") Business and Free TV & Related Business to HK\$786 million and HK\$388 million respectively. Viu, the main component of the OTT Business, consolidated its position as one of the leading video streaming services in Southeast Asia. With its dual revenue model of advertising and subscription, Viu continued to focus on driving expansion in both its monthly active users ("MAUs") and paid subscribers which reached 60.7 million and 9.1 million respectively as of 30 June 2022. Underpinning this growth was Viu's offering of high-quality content appealing to users in its respective markets and also providing opportunities for syndication to international partners. On the back of the enlarged revenue base, the OTT Business turned EBITDA positive, generating HK\$18 million for the six months ended 30 June 2022.*

*The Free TV & Related Business continued to attract viewers with quality local content that led to a 24% improvement in prime-time ratings and growth in the number of advertisers and total advertising revenue despite the weak local economic environment. ViuTV also witnessed a 19% growth in app downloads bolstering our reach to viewers, particularly in the younger, digitally savvy segment. EBITDA was HK\$79 million for the six months ended 30 June 2022.*

*The Solutions Business delivered 2% growth in revenue to HK\$2,548 million for the six months ended 30 June 2022 while EBITDA increased 35% to HK\$372 million at a margin of 15% due to the enhanced productivity levels. Secured orders as of 30 June 2022 were steady at HK\$24,006 million. The Solutions Business has completed the formation of a strategic partnership with Lenovo Group Limited ("Lenovo") to create a leading technology solutions powerhouse. The Solutions Business will continue to deliver its services to existing customers in Hong Kong while the partnership will benefit from Lenovo's global presence to grow in reach and competitiveness in markets across the Asia Pacific region.*

*HKT Limited's ("HKT") total revenue increased by 3% to HK\$16,157 million while total revenue excluding Mobile product sales grew by 5% to HK\$14,868 million. Revenue growth was driven by continued strong demand for our reliable, high-speed broadband services alongside the growing adoption of our 5G services by both consumer and enterprise customers. HKT's total EBITDA increased by 2% to HK\$5,834 million due to the steady performance of its Telecommunications Services ("TSS") and Mobile businesses and sustained operating efficiencies.*

*Overall, the Group's revenue increased by 1% to HK\$18,256 million and increased by 3% to HK\$16,967 million excluding Mobile product sales. EBITDA increased by 5% to HK\$5,787 million for the six months ended 30 June 2022. Consolidated loss attributable to equity holders of the Company for the period was HK\$88 million.*

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

N.A.

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

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

Viu Original Studio, with international collaborations in the pipeline, is poised for more wide-ranging developments, including localising popular classics for different markets to expand Viu's content asset range and widen audience appeal.

PCCW's Solutions Business through its partnership with Lenovo intends to accelerate the expansion of its business across the Asia Pacific region drawing upon their respective strengths. At the same time it remains dedicated and fully committed to delivering digital and managed services for its existing customers in Hong Kong, particularly those in the public sector.

Alongside HKT, PCCW became The Sandbox's first Hong Kong-based integrated communications, media and technology partner in its foray into the metaverse. Leveraging the PCCW Group's comprehensive digital ecosystem, PCCW is well placed to facilitate its customers' enjoyment of the Web3 immersive internet experience.

With the number of COVID cases in Hong Kong hovering in the thousands, the second half of the year is shaping up to be a balance between prudent defence and growth exploration. Nevertheless, the PCCW Group is positioning itself in the line of opportunities, synergising its businesses and resources for long-term value creation for its shareholders.

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

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

Yes.

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

Name of Dividend	Interim Special Dividend
Dividend Type <sup>(1)</sup>	Distribution in Specie
Dividend Rate	0.05 HKT SSU per ordinary share
Tax Rate	One-tier tax exempt

Note 1 :

The proposed distribution in specie ("Proposed Distribution") of 132,407,510 share stapled units in HKT ("HKT SSUs") is subject to shareholders' approval by way of an ordinary resolution at an Extraordinary General Meeting to be convened and all necessary waivers, consents and approvals from, *inter alia*, the SGX-ST and other third-parties in connection with the Proposed Distribution being obtained.

As the HKT SSUs are listed on The Stock Exchange of Hong Kong Limited ("HKEx"), in order to provide flexibility for Shareholders who do not wish to hold securities listed on the HKEx or whose entitlement to HKT SSUs pursuant to the Proposed Distribution may be uneconomic to trade, the Company will provide Shareholders with the right to elect to receive their entitlement to the Proposed Distribution in the form of cash, being an amount equivalent to the value of their entitlement to the Proposed Distribution ("Cash Election").

Further details of the Proposed Distribution (including the Cash Election) are set out in the announcement relating to the Proposed Distribution dated 12 August 2022.

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

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

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

As above.

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

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

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

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

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

N.A.

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

The Group obtained a general mandate from the shareholders of the Company for interested person transactions on 22 April 2022. During the financial period under review, the following interested person transactions were entered into by the Group:

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

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

The Directors have confirmed that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial results for the six months ended 30 June 2022 to be false or misleading in any material aspect.

- 15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**

The Company hereby confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1).

**BY ORDER OF THE BOARD**

Lim Beng Jin  
Company Secretary  
12/08/2022