

PACIFIC CENTURY REGIONAL DEVELOPMENTS LIMITED

Company Registration No. 196300381N

Third Quarter Financial Statement And Dividend Announcement for the Period Ended 30/09/2019

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

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

For the Group's Q3 results for the 3 months ended 30 September 2019, the Group's share of results of PCCW Limited ("PCCW") for Q3 2019 and the comparative figures for Q3 2018 are not available as Hong Kong Stock Exchange listing rules do not require PCCW to announce quarterly results but only half year and full year results. PCCW's share of the H1 results of PCCW for both 2019 and 2018 are included in the 9 month results.

The Group's interest in PCCW is its most significant asset. The Group's 22.7% share of PCCW's results for the financial year ended 31 December 2018 amounted to S\$35.1 million, which was the most significant contribution to PCCW Group's profit in 2018. These quarterly results, without any contribution from PCCW, should be considered in this context.

UNAUDITED CONSOLIDATED INCOME STATEMENT - GROUP

	3 months ended			9 months ended		
	30/09/2019 S\$'000	30/09/2018 S\$'000	% Increase/ (decrease)	30/09/2019 S\$'000	30/09/2018 S\$'000	% Increase/ (decrease)
Revenue	7,685	7,365	4.3	17,532	15,514	13.0
Other income (Note 1)	8	7	14.3	93	124	(25.0)
Expenses						
- Depreciation and amortisation expenses	(96)	(91)	5.5	(281)	(271)	3.7
- Employee compensation	(506)	(491)	3.1	(1,559)	(1,464)	6.5
- Directors' fees	(68)	(59)	15.3	(230)	(173)	32.9
- Legal and other professional fees	(508)	(405)	25.4	(1,451)	(861)	68.5
- Travelling expenses	(280)	(204)	37.3	(1,085)	(220)	393.2
- Foreign exchange (loss) gain, net	(129)	21	n.m.	783	(239)	n.m.
- Subscriptions and donations	(7)	(53)	(86.8)	(492)	(79)	522.8
- Others	(153)	(89)	71.9	(715)	(352)	103.1
- Finance expenses (Note 2)	(2,484)	(898)	176.6	(6,555)	(2,196)	198.5
Total expenses	(4,231)	(2,269)	86.5	(11,585)	(5,855)	97.9
Share of profit of associated corporations, net of tax (Note 3)	151	524	(71.2)	6,883	8,506	(19.1)
Loss on liquidation of subsidiary corporations	-	-	n.m.	-	(473)	n.m.
Gain on disposal of an associated corporation	-	-	n.m.	3,434	-	n.m.
Profit before income tax	3,613	5,627	(35.8)	16,357	17,816	(8.2)
Income tax (expense) credit (Note 4)	(1,406)	(1,112)	26.4	(993)	6,893	n.m.
Total profit for the period	2,207	4,515	(51.1)	15,364	24,709	(37.8)
Attributable to equity holders of the Company	2,207	4,515	(51.1)	15,364	24,709	(37.8)

n.m. = not meaningful

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - GROUP

	3 months ended			9 months ended		
	30/09/2019 S\$'000	30/09/2018 S\$'000	% Increase/ (decrease)	30/09/2019 S\$'000	30/09/2018 S\$'000	% Increase/ (decrease)
Total profit for the period	2,207	4,515	(51.1)	15,364	24,709	(37.8)
Other comprehensive income (loss):						
Items that may be reclassified subsequently to profit or loss:						
Currency translation differences arising from consolidation						
- Gains (losses), net	2,631	1,049	150.8	(10,679)	12,985	n.m.
- Reclassification of currency translation differences from liquidated subsidiary corporations to income statement	-	-	n.m.	-	473	n.m.
Share of comprehensive gain (loss) of associated corporations	-	-	n.m.	13,002	(6,869)	n.m.
	<u>2,631</u>	<u>1,049</u>	150.8	<u>2,323</u>	<u>6,589</u>	(64.7)
Items that will not be reclassified subsequently to profit or loss:						
Fair value gains on equity investments at fair value through other comprehensive income	3,067	24,508	(87.5)	40,729	25,118	62.2
Other comprehensive income, net of tax	<u>5,698</u>	<u>25,557</u>	(77.7)	<u>43,052</u>	<u>31,707</u>	35.8
Total comprehensive income for the period	<u>7,905</u>	<u>30,072</u>	(73.7)	<u>58,416</u>	<u>56,416</u>	3.5
Total comprehensive income attributable to equity holders of the Company	<u>7,905</u>	<u>30,072</u>	(73.7)	<u>58,416</u>	<u>56,416</u>	3.5

n.m. = not meaningful

DETAILED NOTES - GROUP

	3 months ended		9 months ended	
	30/09/2019 S\$'000	30/09/2018 S\$'000	30/09/2019 S\$'000	30/09/2018 S\$'000
(Note 1)				
Other income :				
Interest income	4	3	77	104
Management fee	3	3	9	14
Other income	1	1	7	6
	<u>8</u>	<u>7</u>	<u>93</u>	<u>124</u>
(Note 2)				
Finance expenses :				
Interest expense				
- bank borrowings	(2,035)	(146)	(5,192)	(309)
- finance lease liability	(5)	(1)	(9)	(6)
Finance facility fees	(444)	(751)	(1,354)	(1,881)
	<u>(2,484)</u>	<u>(898)</u>	<u>(6,555)</u>	<u>(2,196)</u>

(Note 3)

Share of profit of associated corporations, net of tax :

The Group's share of profit of associated corporations, net of tax for 9 months ended 30 September 2019 and 9 months ended 30 September 2018 include the Group's share of PCCW H1 2019 and H1 2018 profits, respectively.

(Note 4)

Income tax (expense) credit :

The tax expense for 9 months ended 30 September 2019 of \$1.0 million was mainly due to :

	S\$' million
Withholding tax paid on the disposal of KSH Infra Private Limited ("KIPL")	(0.7)
Deferred tax expense provided on further distributions from HKT Trust and HKT Limited ("HKT")	<u>(3.0)</u>
	(3.7)
The write back of a deferred tax provision for distributions from HKT which were used to pay a tax exempt dividend to equity holders of the Company	<u>2.9</u>
	<u>(0.8)</u>

The tax credit for 9 months ended 30 September 2018 of \$6.9 million was mainly due to :

	S\$' million
Write back of a deferred tax provision for distributions from HKT which were used to pay a tax exempt dividend to equity holders of the Company	9.5
Deferred tax expense provided on further distributions from HKT	<u>(2.6)</u>
	<u>6.9</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

	Note	Group		Company	
		30/09/2019 S\$'000	31/12/2018 S\$'000	30/09/2019 S\$'000	31/12/2018 S\$'000
ASSETS					
Current assets					
Cash and cash equivalents	1	22,295	13,109	19,291	8,685
Trade and other receivables		87	102	29	18
Other current assets		909	915	530	526
		<u>23,291</u>	<u>14,126</u>	<u>19,850</u>	<u>9,229</u>
Asset classified as held-for-sale	2	-	14,906	-	-
	6	<u>23,291</u>	<u>29,032</u>	<u>19,850</u>	<u>9,229</u>
Non-current assets					
Financial assets, at fair value through other comprehensive income ("FVOCI")	3	505,533	388,785	318,525	287,937
Investments in associated corporations	4	944,041	1,005,156	1,034,356	1,031,182
Investments in subsidiary corporations		-	-	198,069	126,951
Property, plant and equipment		602	170	-	-
Other non-current assets		1,032	1,199	489	880
		<u>1,451,208</u>	<u>1,395,310</u>	<u>1,551,439</u>	<u>1,446,950</u>
Total assets		<u>1,474,499</u>	<u>1,424,342</u>	<u>1,571,289</u>	<u>1,456,179</u>
LIABILITIES					
Current liabilities					
Trade and other payables		2,916	3,011	141,929	4,395
Current income tax liabilities		2	10	-	-
Borrowings	5	240,658	13,100	124,058	12,973
	6	<u>243,576</u>	<u>16,121</u>	<u>265,987</u>	<u>17,368</u>
Non-current liabilities					
Borrowings	5	-	8	-	-
Deferred income tax liabilities		2,980	2,879	2,980	2,879
		<u>2,980</u>	<u>2,887</u>	<u>2,980</u>	<u>2,879</u>
Total liabilities		<u>246,556</u>	<u>19,008</u>	<u>268,967</u>	<u>20,247</u>
NET ASSETS		<u>1,227,943</u>	<u>1,405,334</u>	<u>1,302,322</u>	<u>1,435,932</u>
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital		457,283	457,283	457,283	457,283
Other reserves		285,682	243,812	99,821	68,829
Retained profits		484,978	704,239	745,218	909,820
Total equity		<u>1,227,943</u>	<u>1,405,334</u>	<u>1,302,322</u>	<u>1,435,932</u>

The Group

Note 1

Cash and cash equivalents increased by \$9.2 million mainly due to :

	S\$' million
Refund of capital contribution from financial assets, at FVOCI	6.6
Proceeds from disposal of an associated corporation	19.1
Dividends from HKT and PCCW	85.6
Net cash inflow from borrowings net of payment of leases	<u>217.7</u>
	329.0
Less:	
Purchase of property, plant and equipment	(0.7)
Purchase of financial assets, at FVOCI	(81.7)
Net cash used in operating activities	(7.0)
Dividend paid to equity holders of the Company	(230.5)
Effects of currency translation on cash and cash equivalents	<u>0.1</u>
Net increase in cash	<u>9.2</u>

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

Note 2

The Group's associated company in India, KSH Distriparks Private Limited ("KSH"), is engaged in 3 businesses: Inland Container Depot ("ICD"), Third Party Logistics ("3PL") and Warehousing. Pursuant to a scheme of demerger approved by the High Court of Bombay in 2018, the Warehousing business was transferred to KIPL. The ICD and 3PL businesses remain under KSH. As at 31 December 2018, the Group's investment in KIPL of \$14.9 million was classified as an asset held-for-sale. Subsequent to the year end, the Group sold its shares in KIPL in January 2019 for \$18.4 million.

Note 3

Financial assets, at FVOCI increased by \$116.7 million mainly due to :

	S\$' million
Net fair value gain on the Company's holding of SSUs in HKT	30.6
Purchase of financial assets, at FVOCI	81.7
Increase in fair value, including translation differences, of the Group's other equity investments	<u>11.0</u>
	123.3
Refund of capital contribution from financial assets, at FVOCI	<u>(6.6)</u>
	<u>116.7</u>

Note 4

Investments in associated corporations decreased by \$61.1 million due to :

	S\$' million
Dividends received from PCCW	(68.1)
Unrealised exchange loss on the Company's interest in Hong Kong Dollar ("HKD") denominated net assets in PCCW reflecting the weakening of the HKD against the SGD	<u>(0.2)</u>
	(68.3)
The Group's share of PCCW's H1 2019 profit	6.4
The Group's share of KSH's profit for 9 months ended 30 September 2019	0.5
The Group's share of PCCW's H1 2019 reserves	<u>0.4</u>
	<u>(61.0)</u>

Note 5

Borrowings increased by \$227.6 million due to additional drawdowns totalling \$319.6 million mainly for dividends payments, investments and an unrealised exchange loss of \$3.9 million on USD borrowings (due to the weakening of the HKD against the USD), partly offset by repayment of borrowings of \$95.9 million.

Note 6

	Group		Company	
	30/09/2019	31/12/2018	30/09/2019	31/12/2018
	S\$'000	S\$'000	S\$'000	S\$'000
Current assets	23,291	29,032	19,850	9,229
Current liabilities	<u>243,576</u>	<u>16,121</u>	<u>265,987</u>	<u>17,368</u>
Net current liabilities	<u>(220,285)</u>	<u>12,911</u>	<u>(246,137)</u>	<u>(8,139)</u>

The financial statements of the Company and the Group are prepared on a going concern basis as at 30 September 2019 and 31 December 2018 notwithstanding these net current liability positions for the Group and the Company as at 30 September 2019 and for the Company as at 31 December 2018, on the basis that the Company holds a significant number of quoted shares in PCCW and SSUs in HKT, which are frequently traded and of which the market values are significantly higher than their carrying values on the balance sheets of the Company and the Group as at 30 September 2019 and 31 December 2018.

The Group and Company also have available undrawn bank facilities to meet cashflow requirements should the need arise.

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:-

The Group

Amount repayable in one year or less, or on demand

As at 30/09/2019 S\$'000		As at 31/12/2018 S\$'000	
Secured	Unsecured	Secured	Unsecured
240,658	-	13,100	-
<u>240,658</u>	<u>-</u>	<u>13,100</u>	<u>-</u>

Amount repayable after one year

As at 30/09/2019 S\$'000		As at 31/12/2018 S\$'000	
Secured	Unsecured	Secured	Unsecured
-	-	8	-
<u>-</u>	<u>-</u>	<u>8</u>	<u>-</u>

Details of any collateral

	30/09/2019 S\$' million	31/12/2018 S\$' million
Carrying values of shares and SSUs pledged for bank borrowings comprise:		
- shares in PCCW	316.8	154.3
- SSUs in HKT	271.5	-
	<u>588.3</u>	<u>154.3</u>

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

Cash flow statement for the period ended 30 September - Group

	3 months ended		9 months ended		
	Note	30/09/2019 S\$'000	30/09/2018 S\$'000	30/09/2019 S\$'000	30/09/2018 S\$'000
Cash flow from operating activities:					
Profit after tax		2,207	4,515	15,364	24,709
Adjustments for :					
- Income tax expense (credit)		1,406	1,112	993	(6,893)
- Depreciation and amortisation expenses		96	91	281	271
- Dividend income		(7,685)	(7,365)	(17,532)	(15,514)
- Interest income		(4)	(3)	(77)	(104)
- Finance expenses		2,484	898	6,555	2,196
- Unrealised currency translation losses (gains)		211	(209)	(878)	(1,115)
- Loss on liquidation of subsidiary corporations		-	-	-	473
- Gain on disposal of an associated corporation		-	-	(3,434)	-
- Share of profit of associated corporations, net of tax		(151)	(524)	(6,883)	(8,506)
		(1,436)	(1,485)	(5,611)	(4,483)
Change in working capital:					
- Trade and other receivables		19	2	(12)	(35)
- Trade and other payables		(159)	497	(490)	457
Cash used in operations		(1,576)	(986)	(6,113)	(4,061)
Interest received		4	3	77	104
Income tax paid		(121)	(3)	(911)	(20)
Net cash used in operating activities		(1,693)	(986)	(6,947)	(3,977)
Cash flow from investing activities:					
Purchase of property, plant and equipment		-	(2)	(713)	(11)
Purchase of financial assets, at FVOCI		-	(45,667)	(81,743)	(92,917)
Refund of capital contribution from financial assets, at FVOCI		1,366	3,610	6,618	3,610
Proceeds from disposal of an associated corporation		-	-	19,105	-
Dividends from HKT		7,650	7,365	17,532	15,454
Dividends from PCCW		-	-	68,144	63,823
Net cash provided by (used in) investing activities		9,016	(34,694)	28,943	(10,041)
Cash flow from financing activities:					
Payment of finance expenses		(1,912)	(1,945)	(5,947)	(2,687)
Proceeds from borrowings		-	25,174	319,581	51,513
Repayment of borrowings and lease payments		(85)	(3,609)	(95,955)	(27,682)
Dividend paid to equity holders of the Company		-	-	(230,527)	(58,294)
Net cash (used in) provided by financing activities		(1,997)	19,620	(12,848)	(37,150)
Net increase (decrease) in cash and cash equivalents	1	5,326	(16,060)	9,148	(51,168)
Cash and cash equivalents at beginning of period		16,799	26,391	13,109	60,829
Effects of currency translation on cash and cash equivalents		170	373	38	1,043
Cash and cash equivalents at end of period		22,295	10,704	22,295	10,704
Summary of cash and cash equivalents:					
Cash at bank and on hand		5,716	10,704	5,716	10,704
Short-term bank deposits		16,579	-	16,579	-
		22,295	10,704	22,295	10,704

Note 1

The net increase (decrease) in cashflows for 3 months ended 30 September 2019, 3 months ended 30 September 2018, 9 months ended 30 September 2019 and 9 months ended 30 September 2018 respectively were mainly due to:

	3 months ended		9 months ended	
	30/09/2019 S\$' million	30/09/2018 S\$' million	30/09/2019 S\$' million	30/09/2018 S\$' million
Refund of capital contribution from financial assets, at FVOCI	1.3	3.6	6.6	3.6
Proceeds from disposal of an associated corporation	-	-	19.1	-
Dividends from HKT	7.7	7.4	17.5	15.5
Dividends from PCCW	-	-	68.1	63.8
Proceeds from borrowings	-	25.1	319.6	51.5
	9.0	36.1	430.9	134.4
Less:				
Purchase of property, plant and equipment	-	-	(0.7)	-
Purchase of financial assets, at FVOCI	-	(45.7)	(81.7)	(92.9)
Payment of finance expenses	(1.9)	(1.9)	(5.9)	(2.7)
Repayment of borrowings and lease payments	(0.1)	(3.6)	(96.0)	(27.7)
Net cash used in operating activities	(1.7)	(1.0)	(7.0)	(4.0)
Dividend paid to equity holders of the Company	-	-	(230.5)	(58.3)
Net increase (decrease) in cashflows	5.3	(16.1)	9.1	(51.2)

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

Changes in equity for the 3 months ended 30 September

The Group	Share capital S\$'000	Other reserves S\$'000	Retained profits S\$'000	Total equity S\$'000
Balance at 1 July 2019	457,283	279,984	482,771	1,220,038
Total comprehensive income for the period	-	5,698	2,207	7,905
Balance at 30 September 2019	<u>457,283</u>	<u>285,682</u>	<u>484,978</u>	<u>1,227,943</u>
Balance at 1 July 2018	457,283	217,763	678,076	1,353,122
Total comprehensive income for the period	-	25,557	4,515	30,072
Balance at 30 September 2018	<u>457,283</u>	<u>243,320</u>	<u>682,591</u>	<u>1,383,194</u>

Changes in equity for the 3 months ended 30 September

The Company	Share capital S\$'000	Other reserves S\$'000	Retained profits S\$'000	Total equity S\$'000
Balance at 1 July 2019	457,283	80,740	750,534	1,288,557
Total comprehensive income (loss) for the period	-	19,081	(5,316)	13,765
Balance at 30 September 2019	<u>457,283</u>	<u>99,821</u>	<u>745,218</u>	<u>1,302,322</u>
Balance at 1 July 2018	457,283	25,929	902,795	1,386,007
Total comprehensive income for the period	-	26,679	3,523	30,202
Balance at 30 September 2018	<u>457,283</u>	<u>52,608</u>	<u>906,318</u>	<u>1,416,209</u>

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

There have been no changes in the Company's share capital since the end of the previous period reported on.

The Company does not have any convertibles or treasury shares as at 30 September 2019 and 30 September 2018.

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 30/09/2019	As at 31/12/2018
Issued ordinary shares, excluding treasury shares	<u>2,649,740,300</u>	<u>2,649,740,300</u>

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

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 Section 5, the Group has applied the same accounting policies and methods of computation in these results as in the audited financial statements for the year ended 31 December 2018.

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

On 1 January 2019, 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 amounts reported for the current or prior financial years.

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

Group	3 months ended 30/09/2019	3 months ended 30/09/2018	9 months ended 30/09/2019	9 months ended 30/09/2018
Net profit attributable to equity holders of the Company (S\$'000)	2,207	4,515	15,364	24,709
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	2,649,740	2,649,740	2,649,740	2,649,740
(i) Basic earnings per share (Cents per share)	0.083	0.170	0.580	0.933
(ii) On a fully diluted basis (Cents per share)	0.083	0.170	0.580	0.933

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 period.

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

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

	Group		Company	
	30/09/2019	31/12/2018	30/09/2019	31/12/2018
Net asset value (S\$'000)	1,227,943	1,405,334	1,302,322	1,435,932
Number of issued shares excluding treasury shares ('000)	2,649,740	2,649,740	2,649,740	2,649,740
Net asset value per ordinary share based on issued share capital at the end of the period	\$0.463	\$0.530	\$0.491	\$0.542

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 relates to distributions by HKT. The Group's revenue for 3 months ended 30 September 2019 was \$7.7 million compared to \$7.4 million for the same period in 2018. The Group's revenue for 9 months ended 30 September 2019 was \$17.5 million compared to \$15.5 million for the corresponding period in 2018.

Total expenses for 3 months ended 30 September 2019 amounted to \$4.2 million compared to \$2.3 million for 3 months ended 30 September 2018. The increase was mainly due to the following:

- (i) an increase in legal and other professional fees of \$103K, mainly attributable to legal fees for the renewal of bank facilities;
- (ii) a foreign exchange loss of \$129K for 3 months ended 30 September 2019 compared to a gain of \$21K for 3 months ended 30 September 2018; and
- (iii) an increase in finance expenses of \$1.6 million, mainly due to increased interest expense from higher borrowings.

The Group's results for 3 months ended 30 September 2019 do not include the Group's share of results of PCCW for the quarter. The results of PCCW for 3 months ended 30 September 2019 are not available as Hong Kong Stock Exchange listing rules do not require PCCW to publish quarterly results, only half year and full year results.

The Group's share of profit of associated companies for 9 months ended 30 September 2019 was \$6.9 million as compared to \$8.5 million for 9 months ended 30 September 2018. These include the Group's share of profit from PCCW for H1 2019 of \$6.4 million compared to \$7.1 million for H1 2018.

The Group's share of profit of its 49.87% associated company, KSH, amounted to \$151K for 3 months ended 30 September 2019 compared to \$524K for 3 months ended 30 September 2018.

Without the Group's share of results for PCCW, the Group recorded a profit attributable to equity holders of \$2.2 million for 3 months ended 30 September 2019 as compared to \$4.5 million for 3 months ended 30 September 2018.

The Group recorded a profit attributable to equity holders of \$15.4 million for 9 months ended 30 September 2019 as compared to \$24.7 million for the corresponding period in 2018.

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 investments, PCCW and HKT.

11. **Dividend**

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	Interim Dividend	Special Dividend
Dividend Type	Cash	Cash
Dividend Rate	2.0 cents per ordinary share	3.5 cents per ordinary share
Tax Rate	One-tier tax exempt	One-tier tax exempt

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None

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.

(c) The date the dividend is payable.

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

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

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.

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 2 April 2019. During the financial quarter under review, the following interested person transactions were entered into by the Group:

Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
None, 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 quarter and the nine months ended 30 September 2019 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
11/11/2019