PACIFIC CENTURY REGIONAL DEVELOPMENTS LIMITED

(Company Registration No.: 196300381N)
(Incorporated in Singapore)

CLARIFICATION ANNOUNCEMENT

RESPONSE TO QUERIES RAISED BY SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ON THE SECOND QUARTER RESULTS ANNOUNCEMENT THE FINANCIAL PERIOD ENDED 30 JUNE 2017 ISSUED ON 11 AUGUST 2017

The Board of Directors of Pacific Century Regional Developments Limited (the "Company") wishes to announce the following in response to queries raised by Singapore Exchange Securities Trading Limited on the Company's announcement on its Second Quarter results for the 6 months ended 30 June 2017 released on 11 August 2017:

Query 1:

Please provide a breakdown of "Others" classified under "Expenses" of Consolidated Income Statement.

Company's Response:

Expenses classified as "Others" on the Consolidated Income Statement amounting to $136,000 and $325,000 for the 3 months and 6 months ended 30 June 2017 respectively were approximately 6% and 8% of Total Expenses of $2,127,000 and $4,293,000 for the respective periods.

Expenses classified as "Others" amounting to $325,000 and $328,000 for the 6 months ended 30 June 2017 and 30 June 2016 respectively were approximately 0.6% and 0.9% of Total Profit of $56.4 million and $36.2 million for the respective periods.

No breakdown was given in the results announcement as these expenses are not considered material to the results of the Company and the Group during the respective periods included in the announcement or helpful to shareholders in their understanding of the results of the Company or Group.

Expenses classified under "Others" include items relating to printing, stationery, staff welfare, telecommunications, motor vehicles upkeep, directors' fee accruals, bank charges and general sundries. The largest of these are directors' fee accruals which amount to $48,000 for the 3 months to 30 June 2017 (2016: $56,000) and $98,000 for the 6 months to 30 June 2017 (2016: $113,000).

Query 2:

Please explain the increase in "Trade and other payables" from S$7.9 million to S$43.0 million at the Company level.

Company's Response:

The increase of S$35.1 million in "Trade and other payables" from S$7.9 million to S$43.0 million at the Company level is mainly due to advances from subsidiaries of S$36.6 million partially offset by a repayment of advances to a subsidiary of S$1.2 million.

Advances from subsidiaries mainly relate to loans to the Company from the drawdown of bank facilities by a subsidiary. These loans are eliminated on consolidation at the Group level.

Query 3:

Please elaborate further on the significant trends and competitive conditions of the industry which the Group operates in, as well as the factors or events that may affect the Group's major investments (PCCW and HKT).

Company's Response:

The Company's share of the results of its associated company, PCCW, and dividends from HKT, a subsidiary of PCCW, contribute significantly to the Group's results. The Company depends entirely upon PCCW and HKT for information on their performance and the conditions of the industry they operate in.

Information on the factors or events that may affect PCCW and HKT (the Group's major investments) has been announced separately by the Company in the results of HKT and PCCW on 9 August and 10 August 2017 respectively.

For ease of reference, the 2017 Interim Reports of PCCW and HKT are attached.

These fully describe all the information the Company has on these investments.

BY ORDER OF THE BOARD
Lim Beng Jin
Company Secretary
22 September 2017