

PACIFIC CENTURY REGIONAL DEVELOPMENTS LIMITED

Company Registration No. 196300381N

Condensed Financial Statements for the Six Months Ended 30 June 2023

PART I - INFORMATION REQUIRED FOR 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 2023 on 3 August 2023. The Group's share of the results of PCCW for half-year 2023 and the comparative figures for half-year 2022 are included in the Group's half-year results for the 6 months ended 30 June 2023.

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Note	6 months		Change %
		1H2023 S\$'000	1H2022 S\$'000	
Revenue	F	1,664	15,824	(89.5)
Other income	G	8	11	(27.3)
Expenses				
- Depreciation expenses		(166)	(156)	6.4
- Employee compensation		(1,133)	(1,140)	(0.6)
- Directors' fees		(141)	(137)	2.9
- Legal and other professional fees		(545)	(512)	6.4
- Travelling expenses		(64)	(31)	106.5
- Foreign exchange (loss) gain, net		(760)	1,777	n.m.
- Subscriptions and donations		(5)	(180)	(97.2)
- Others		(270)	(271)	(0.4)
- Finance expenses	H	(9,343)	(3,542)	163.8
Total expenses		(12,427)	(4,192)	196.4
Share of loss of associated corporations, net of tax		(17,235)	(2,557)	574.0
Loss on deemed dilution		-	(547)	n.m.
(Loss) profit before income tax		(27,990)	8,539	n.m.
Income tax expense	I	(165)	(4)	n.m.
Total (loss) profit for the period		(28,155)	8,535	n.m.
Attributable to equity holders of the Company		(28,155)	8,535	n.m.

n.m. = not meaningful

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	6 months		Change %
	1H2023 S\$'000	1H2022 S\$'000	
Total (loss) profit for the period	(28,155)	8,535	n.m.
Other comprehensive income (loss):			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation			
- Gains, net	62	7,124	(99.1)
Share of comprehensive loss of associated corporations	<u>(1,717)</u>	<u>(9,454)</u>	(81.8)
	(1,655)	(2,330)	(29.0)
Items that will not be reclassified subsequently to profit or loss:			
Fair value losses on equity investments at fair value through other comprehensive income			
	(3,691)	(12,547)	(70.6)
Currency translation differences arising from consolidation			
- Losses, net	(485)	(352)	37.8
Other comprehensive loss, net of tax	<u>(5,831)</u>	<u>(15,229)</u>	(61.7)
Total comprehensive loss for the period	<u>(33,986)</u>	<u>(6,694)</u>	407.7
Total comprehensive loss attributable to equity holders of the Company	<u>(33,986)</u>	<u>(6,694)</u>	407.7

n.m. = not meaningful

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 BALANCE SHEETS

	Note	Group		Company	
		1H2023 S\$'000	2022 S\$'000	1H2023 S\$'000	2022 S\$'000
ASSETS					
Current assets					
Cash and cash equivalents		10,064	4,007	6,190	3,160
Trade and other receivables	E, K	16,249	100	77	85
Other current assets		1,368	1,385	589	583
		<u>27,681</u>	<u>5,492</u>	<u>6,856</u>	<u>3,828</u>
Assets classified as held-for-sale	K	16,094	-	-	-
		<u>43,775</u>	<u>5,492</u>	<u>6,856</u>	<u>3,828</u>
Non-current assets					
Financial assets, at fair value through other comprehensive income ("FVOCI")	K	96,999	132,931	52,460	55,298
Other receivables		129	88	-	-
Investments in associated corporations	L	472,026	539,761	1,015,515	1,017,272
Investments in subsidiary corporations		-	-	199,652	199,998
Property, plant and equipment	M	410	576	-	-
Other non-current assets		1,168	1,755	309	595
		<u>570,732</u>	<u>675,111</u>	<u>1,267,936</u>	<u>1,273,163</u>
Total assets		<u>614,507</u>	<u>680,603</u>	<u>1,274,792</u>	<u>1,276,991</u>
LIABILITIES					
Current liabilities					
Trade and other payables	N	5,666	4,534	376,939	436,934
Current income tax liabilities		8	16	-	-
Borrowings	O	326	292	-	-
		<u>6,000</u>	<u>4,842</u>	<u>376,939</u>	<u>436,934</u>
Non-current liabilities					
Borrowings	O	246,966	294,741	-	-
Deferred income tax liabilities		374	374	-	-
		<u>247,340</u>	<u>295,115</u>	<u>-</u>	<u>-</u>
Total liabilities		<u>253,340</u>	<u>299,957</u>	<u>376,939</u>	<u>436,934</u>
NET ASSETS		<u>361,167</u>	<u>380,646</u>	<u>897,853</u>	<u>840,057</u>
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	P	457,283	457,283	457,283	457,283
Other reserves		45,899	56,599	(151,065)	(147,830)
(Accumulated loss) retained profits		(142,015)	(133,236)	591,635	530,604
Total equity		<u>361,167</u>	<u>380,646</u>	<u>897,853</u>	<u>840,057</u>

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 O in the Notes to the Condensed Financial Statements on page 13.

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 CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months	
	1H2023	1H2022
	S\$'000	S\$'000
Cash flow from operating activities:		
(Loss) profit after tax	(28,155)	8,535
Adjustments for :		
- Income tax expense	165	4
- Depreciation expenses	166	156
- Dividend income	(1,664)	(15,824)
- Interest income	(1)	-
- Finance expenses	9,343	3,542
- Unrealised currency translation losses (gains)	515	(2,339)
- Loss on deemed dilution	-	547
- Share of loss of associated corporations, net of tax	17,235	2,557
	<u>(2,396)</u>	<u>(2,822)</u>
Change in working capital:		
- Trade and other receivables	(166)	55
- Trade and other payables	632	(581)
Cash used in operations	<u>(1,930)</u>	<u>(3,348)</u>
Interest received	1	-
Income tax paid	(175)	(78)
Net cash used in operating activities	<u>(2,104)</u>	<u>(3,426)</u>
Cash flow from investing activities:		
Purchase of financial assets, at FVOCI	(8)	-
Dividends from financial assets, at FVOCI	25	5,141
Dividends received from HKT Trust and HKT Limited (both collectively, "HKT")	1,639	10,683
Dividends received from PCCW	85,836	85,661
Net cash provided by investing activities	<u>87,492</u>	<u>101,485</u>
Cash flow from financing activities:		
Payment of finance expenses	(8,146)	(3,158)
Proceeds from borrowings	53,005	17,681
Repayment of borrowings and lease payments	(100,640)	(17,824)
Dividend paid to equity holders of the Company	(23,833)	(92,156)
Net cash used in financing activities	<u>(79,614)</u>	<u>(95,457)</u>
Net increase in cash and cash equivalents	5,774	2,602
Cash and cash equivalents at beginning of period	4,007	3,851
Effects of currency translation on cash and cash equivalents	283	60
Cash and cash equivalents at end of period	<u>10,064</u>	<u>6,513</u>
Summary of cash and cash equivalents:		
Cash at bank and on hand	<u>10,064</u>	<u>6,513</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 STATEMENTS OF CHANGES IN EQUITY

The Group	Note	Share capital	Other reserves	(Accumulated loss) retained profits	Total equity
		S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2023		457,283	56,599	(133,236)	380,646
Total comprehensive loss for the period		-	(5,831)	(28,155)	(33,986)
Share of reserves of associated corporations		-	(587)	38,927	38,340
Dividend paid		-	-	(23,833)	(23,833)
Transfer upon disposal of investments	K	-	(4,282)	4,282	-
Balance at 30 June 2023		<u>457,283</u>	<u>45,899</u>	<u>(142,015)</u>	<u>361,167</u>
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>
The Company		Share capital	Other reserves	Retained profits	Total equity
		S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2023		457,283	(147,830)	530,604	840,057
Total comprehensive (loss) income for the period		-	(3,235)	84,864	81,629
Dividend paid		-	-	(23,833)	(23,833)
Balance at 30 June 2023		<u>457,283</u>	<u>(151,065)</u>	<u>591,635</u>	<u>897,853</u>
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>

NOTES TO THE CONDENSED 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 associated corporations are set out in Note Q.

B. Basis of preparation

The condensed financial statements for the six months ended 30 June 2023 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed 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 audited financial statements for the financial year ended 31 December 2022.

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 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 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 2023, 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. Basis of preparation (Continued)

B.2. Use of judgements and estimates

In preparing the condensed 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 by management in applying the Group's accounting policies and the key sources of estimation uncertainty were essentially the same as those that applied to the consolidated financial statements as at and for the financial year ended 31 December 2022.

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 financial statements.

C. Seasonal operations

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

D. Segment information

The chief operating decision makers consist of the Chairman and Group Managing Director who are members of the Executive Committee of the Company ("EXCO"). Management has determined the operating segment based on reports reviewed by the EXCO that are used to make strategic decisions, allocate resources and assess performance.

EXCO considers that the Group's operations constitute a single segment which is the business of investment holding in four geographical locations: Singapore, India, Hong Kong and Cayman Islands. The Group manages its investment holding and management and consultancy service businesses as one operating segment. Prior year comparatives conform to this presentation.

Revenue is derived from dividend income. All assets other than cash and cash equivalents, property, plant and equipment, other non-current assets and investment in associated corporations are allocated to the operating segment and all liabilities are allocated to the operating segment other than borrowings, current income tax liabilities and deferred income tax liabilities.

D. Segment information (Continued)

D.1. Reportable segments

	Investment holding S\$'000	<u>Geographical information</u>	
1H2023			Revenue S\$'000
External revenue	1,664		
Operating loss before interest income and depreciation	(1,247)	Hong Kong	1,639
Interest income	1	Cayman Islands	25
Depreciation	(166)		<u>1,664</u>
Loss from operating activities	(1,412)		Non-current assets
Finance expenses	(9,343)		S\$'000
Share of loss of associated corporations, net of tax	(17,235)		
Loss before income tax	(27,990)	Singapore	1,189
Income tax expense	(165)	India	12,879
Total loss	(28,155)	Hong Kong	459,665
			<u>473,733</u>
Segment assets	130,710		
Property, plant and equipment	410		
Other non-current assets	1,297		
Investments in associated corporations	472,026		
	473,733		
Unallocated corporate assets			
- Cash and cash equivalents	10,064		
Total assets	614,507		
Segment liabilities	5,666		
Unallocated corporate liabilities			
- Borrowings	247,292		
- Current income tax liabilities	8		
- Deferred income tax liabilities	374		
Total liabilities	253,340		
Other segment information:			
Additions to property, plant and equipment	-		

D. Segment information (Continued)

D.1. Reportable segments (Continued)

	Investment holding S\$'000	<u>Geographical information</u>	
1H2022			Revenue S\$'000
External revenue	15,824		
Operating profit before interest income and depreciation	15,341	Hong Kong	10,683
Depreciation	(156)	Cayman Islands	5,141
Profit from operating activities	15,185		<u>15,824</u>
Finance expenses	(3,542)		Non-current assets
Share of loss of associated corporations, net of tax	(2,557)		S\$'000
Loss on deemed dilution	(547)	Singapore	1,980
Profit before income tax	8,539	India	13,749
Income tax expense	(4)	Hong Kong	556,286
Total profit	8,535		<u>572,015</u>
Segment assets	383,303		
Property, plant and equipment	549		
Other non-current assets	1,785		
Investments in associated corporations	569,681		
	<u>572,015</u>		
Unallocated corporate assets			
- Cash and cash equivalents	6,513		
Total assets	961,831		
Segment liabilities	2,820		
Unallocated corporate liabilities			
- Borrowings	319,898		
- Current income tax liabilities	7		
- Deferred income tax liabilities	374		
Total liabilities	323,099		
Other segment information:			
Additions to property, plant and equipment	-		

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 2023 and 31 December 2022:

	Note	Group		Company	
		1H2023 S\$'000	2022 S\$'000	1H2023 S\$'000	2022 S\$'000
Financial assets					
Financial assets at FVOCI	K	96,999	132,931	52,460	55,298
Assets classified as held-for-sale	K	16,094	-	-	-
Cash and cash equivalents, trade and other receivables, current deposits and non-current deposits (Amortised cost)		26,530	4,284	6,269	3,248
		<u>139,623</u>	<u>137,215</u>	<u>58,729</u>	<u>58,546</u>
Financial liabilities					
Trade and other payables, and borrowings (Amortised cost)		<u>252,958</u>	<u>299,567</u>	<u>376,939</u>	<u>436,934</u>

The increase in trade and other receivables is attributable to the redemption of 25% of its holdings in Exoduspoint Partners International Fund, Ltd, amounting to S\$16.1 million. Refer to Note K.

F. Revenue

	Group 6 months	
	1H2023 S\$'000	1H2022 S\$'000
Distributions/dividends from financial assets, at FVOCI		
- HKT	1,639	10,683
- Others	25	5,141
	<u>1,664</u>	<u>15,824</u>

G. Other income

	Group 6 months	
	1H2023 S\$'000	1H2022 S\$'000
Government grants	1	5
Interest income	1	-
Management fee	6	6
	<u>8</u>	<u>11</u>

H. Finance expenses

	Group 6 months	
	1H2023 S\$'000	1H2022 S\$'000
Interest expense		
- bank borrowings	(6,768)	(2,227)
- borrowing from Pacific Century Group Holdings (HK) Limited ("PCGH"), a subsidiary corporation of the intermediate holding company (Note O)	(1,423)	-
- finance lease liabilities	(6)	(6)
Finance facility fees	(1,146)	(1,309)
	<u>(9,343)</u>	<u>(3,542)</u>

I. 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 consolidated statement of profit or loss are:

	Group 6 months	
	1H2023 S\$'000	1H2022 S\$'000
Current income tax expense	165	4

J. Dividends

	Group 6 months	
	1H2023 S\$'000	1H2022 S\$'000
Ordinary dividends paid:		
Final dividend paid in respect of the financial year ended 31 December 2022 of 0.90 cents per share	23,833	-
Final and special dividend paid in respect of the financial year ended 31 December 2021 of 0.78 cents and 2.70 cents respectively per share	-	92,156
	23,833	92,156
Dividend per share (net of tax) (Cents per share)	0.90	3.48

K. Financial assets at fair value through other comprehensive income / Asset classified as held-for-sale

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

	Group		Company	
	1H2023 S\$'000	2022 S\$'000	1H2023 S\$'000	2022 S\$'000
Equity investments, at fair value:				
- Unquoted				
Foxdale Asset Holding Ltd	12,068	14,163	-	-
Exoduspoint Partners International Fund, Ltd	32,189	62,978	-	-
Others	282	492	-	-
	44,539	77,633	-	-
- Quoted				
HKT	35,049	36,874	35,049	36,874
Pacific Century Premium Developments Limited	17,411	18,424	17,411	18,424
	52,460	55,298	52,460	55,298
Total	96,999	132,931	52,460	55,298

Assets classified as held-for-sale

During the financial period ended 30 June 2023, the Group has planned redemption of 50% of its holdings in Exoduspoint Partners International Fund, Ltd, amounting to S\$32.2 million.

The Group redeemed certain holdings as of 30 June 2023, with a fair value of S\$16.1 million at the date of disposal. The cumulative gain on disposal, amounting to S\$4.3 million, was reclassified from fair value reserve to retained profits. The consideration of S\$16.1 million is classified under "Trade and other receivables".

Accordingly, the Group classified the balance amount of S\$16.1 million as "Assets classified as held-for-sale".

K. Financial assets at fair value through other comprehensive income (Continued)

K.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>				
Assets				
Financial assets, at FVOCI				
1H2023	52,460	32,335	12,204	96,999
2022	55,298	63,333	14,300	132,931
Assets classified as held-for-sale				
1H2023	-	16,094	-	16,094
2022	-	-	-	-
<u>Company</u>				
Assets				
Financial assets, at FVOCI				
1H2023	52,460	-	-	52,460
2022	55,298	-	-	55,298

L. Investments in associated corporations

Movements during the financial periods are attributable to:

	1H2023 S\$'000	<u>Group</u> 2022 S\$'000
Cash dividend received from PCCW	(85,836)	(115,900)
Group's share of PCCW's (loss) profit	(18,767)	6,300
Group's share of PCCW's reserves	36,110	(9,500)
Loss on deemed dilution in the Group's interest in PCCW	-	(500)
Unrealised exchange (loss) gain on the Company's interest in Hong Kong Dollar ("HKD") denominated net assets in PCCW reflecting the (weakening) strengthening of the HKD against the SGD	(697)	2,000
Group's share of KSH's profit and reserves	1,455	300
Share buyback by KSH	-	(1,900)
	<u>(67,735)</u>	<u>(119,200)</u>

M. Property, plant and equipment

During the six months ended 30 June 2023, the Group did not acquire any assets (1H2022: S\$nil).

N. Trade and other payables

	<u>Group</u>		<u>Company</u>	
	1H2023 S\$'000	2022 S\$'000	1H2023 S\$'000	2022 S\$'000
Other payables to				
- Subsidiary corporations	-	-	374,449	434,130
- Other related parties	1,095	576	-	-
- Other non-related parties	1,216	1,220	1,216	1,220
	2,311	1,796	375,665	435,350
Accruals for operating expenses	3,355	2,738	1,274	1,584
	<u>5,666</u>	<u>4,534</u>	<u>376,939</u>	<u>436,934</u>

O. Borrowings

	<u>Group</u>		<u>Company</u>	
	1H2023 S\$'000	2022 S\$'000	1H2023 S\$'000	2022 S\$'000
<u>Amount repayable within one year or on demand</u>				
Secured	20	20	-	-
Unsecured	306	272	-	-
	<u>306</u>	<u>272</u>	<u>-</u>	<u>-</u>
<u>Amount repayable after one year</u>				
Secured	246,966	227,513	-	-
Unsecured	-	67,228	-	-
	<u>-</u>	<u>67,228</u>	<u>-</u>	<u>-</u>
Total borrowings	<u>247,292</u>	<u>295,033</u>	<u>-</u>	<u>-</u>

The secured revolving loan facilities of the Group are denominated in HKD (2022: HKD). The loans are secured by shares in PCCW and Share Stapled Units in HKT as at 30 June 2023 (2022: shares in PCCW) held by the Company.

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

In 2022, a subsidiary corporation of the Company entered into a borrowing arrangement with PCGH. The borrowing from PCGH was unsecured. Borrowing amounting to S\$67.1 million was repayable in full by 16 November 2024 with an option for early repayment. Interest rate was fixed at HIBOR, plus a margin of 1.00% per annum. The borrowing was fully repaid during the financial period ended 30 June 2023.

During the financial period ended 30 June 2023, the Group's borrowings decreased by S\$47.7 million mainly attributable to repayment of S\$67.1 million to borrowing from PCGH and S\$33.6 million to bank borrowings, partially offset by additional drawdowns totaling S\$53.0 million.

Details of any collateral

	<u>Group</u>	
	1H2023 S\$'000	2022 S\$'000
Carrying values of shares and SSUs pledged to banks for Group's borrowings comprise:		
- shares in PCCW (at cost)	398,948	448,500
- SSUs in HKT	34,670	-
	<u>433,618</u>	<u>448,500</u>

P. Share capital

	<u>The Group and the Company</u>			
	1H2023		2022	
	No. of shares '000	Amount S\$'000	No. of shares '000	Amount S\$'000
Beginning and end of financial 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 2023 and 31 December 2022.

The Company's subsidiary corporations did not hold any shares in the Company as at 30 June 2023 and 31 December 2022.

Q. 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	
		1H2023	2022	1H2023	2022
		S\$'000	S\$'000	%	%
<i>Subsidiary corporations directly held by the Company</i>					
PCRD Services Pte Ltd (Singapore)	Investment holding, business management and consultancy services (Singapore)	21,073	21,109	100	100
Gladioli Investments Pte Ltd (Singapore)	Dormant	294	295	100	100
Riyan Pte Ltd (Singapore)	Dormant	-	-	100	100
Elsmore Pte Ltd (Singapore)	Investment holding (Singapore)	50,840	50,928	100	100
Leapford Pte. Ltd. (Singapore)	Investment holding (Singapore)	102,087	102,264	100	100
Pacific Century Regional Developments (HK) Limited (Hong Kong)	Business management and consultancy services (Hong Kong)	25,358	25,402	100	100
Telegraph Investments Limited (British Virgin Islands)	Dormant	-	-	100	100
Valuable Enterprises Limited (British Virgin Islands)	Dormant	-	-	100	100
PCRD Financial Services (HK) Limited (Hong Kong)	Business administration management and financial consultancy services (Hong Kong)	-*	-*	100	100
		<u>199,652</u>	<u>199,998</u>		

Movements in the current financial period are due to the effects of currency translation.

Q. 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	
				1H2023 %	2022 %
Associated corporation held by the Company					
PCCW Limited (Hong Kong)	Provision of local and international telecommunications and information technology services, technology-related businesses, and investment holding (Hong Kong)	459,147	528,337	22.7	22.7
		459,147	528,337		
Subsidiary corporations indirectly held by the Company					
City Ventures Global Limited (Cayman Islands)	Investment holding (Cayman Islands)			100	100
Prosper Global Investments Limited (Cayman Islands)	Investment holding (Cayman Islands)			100	100
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

* Less than \$1,000

R. 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	
	1H2023 S\$'000	1H2022 S\$'000
Management services rendered to:		
- other related parties*	6	6
Payments made on behalf of and reimbursable by		
- associated corporations	5	1
- other related parties*	8	-
Payments made on behalf by and reimbursable to		
- associated corporations	-	59
		59

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

R. Related party transactions (continued)

(b) Key management personnel compensation is as follows:

	Group 6 months	
	1H2023 S\$'000	1H2022 S\$'000
Wages, salaries and other short-term employee benefits	852	995
Employer's contribution to defined contribution plans including Central Provident Fund	18	17
	<u>870</u>	<u>1,012</u>

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 2023 and 31 December 2022 is summarised as follows: -

	30/06/2023		31/12/2022	
	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 1H2022 and 1H2023, the Company did not purchase any shares in the Company.

The Company does not have any convertibles or treasury shares as at 30 June 2023 and 30 June 2022.

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 30/06/2023	As at 31/12/2022
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 2022.

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 Financial Statements on page 6.

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).

Group	30/06/2023	30/06/2022
Net (loss) profit attributable to equity holders of the Company (S\$'000)	<u>(28,155)</u>	<u>8,535</u>
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	<u>2,648,150</u>	<u>2,648,150</u>
(i) Basic (loss) earnings per share (Cents per share)	<u>(1.063)</u>	<u>0.322</u>
(ii) On a fully diluted basis (Cents per share)	<u>(1.063)</u>	<u>0.322</u>

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

Diluted (loss) earnings per share is the same as basic (loss) earnings per share as there was no dilutive effect on (loss) 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	
	30/06/2023	31/12/2022	30/06/2023	31/12/2022
Net asset value (S\$'000)	361,167	380,646	897,853	840,057
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	\$0.136	\$0.144	\$0.339	\$0.317

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 and distributions from financial assets, at FVOCI. Distributions from HKT declined from \$10.7 million in 1H2022 to \$1.6 million in 1H2023 mainly due to a distribution in specie of 84.7% of HKT SSUs owned by the Company in December 2022. Distributions from financial assets, at FVOCI declined to \$25K in 1H2023 from \$5.1 million in 1H2022 reflecting the distribution of proceeds from disposal of underlying assets in 2022 as the investee fund is wound down and the utilisation of most cash generated in 2023 from disposal proceeds and dividends to repay debts.

Total expenses for 1H2023 amounted to \$12.4 million compared to \$4.2 million for 1H2022. The increase was mainly due to net foreign exchange losses of \$0.8 million in 1H2023 compared to net exchange gains of \$1.8 million in 1H2022 and an increase in finance expenses of \$5.8 million which was mainly due to the net effect of an increase in average interest rates on borrowings from 1.3% in 1H2022 to 5.1% in 1H2023, partly offset by a reduction in quantum of borrowings from an average of \$326 million in 1H2022 to \$307 million in 1H2023.

The Group's share of results of associated companies for 1H2023 was a net loss of \$17.2 million as compared to a net loss of \$2.6 million for 1H2022. These losses include the Group's share of a loss of \$18.8 million recorded by PCCW for 1H2023 compared to a loss of \$3.5 million for 1H2022.

The Group's share of profit of its 49.87% associated company, KSH, was approximately \$1.5 million for 1H2023 compared to \$0.9 million for 1H2022.

Income tax for 1H2023 relates to withholding taxes on interest expense for bank borrowings of \$165K as compared to \$69K for 1H2022 which was offset by a write-back of income tax from a tax refund of \$65K.

The Group recorded a loss attributable to equity holders of \$28.2 million for 1H2023 as compared to \$8.5 million for 1H2022.

To give further perspective on these results, we provide the following extracts from the results announcement from PCCW. The Company holds a 22.66% stake in PCCW.

Extracts from PCCW's Interim Results Announcement for the 6 months ended 30 June 2023

In the first half of 2023, Hong Kong emerged from its COVID restrictions and the economy began to demonstrate positive signs of gradual recovery. With its diversified portfolio of leading media and telecom businesses, PCCW delivered solid operating performance during the period.

Our Media Business maintained momentum across both its over-the-top (“OTT”) and Free TV & Related Business. During the six months ended 30 June 2023, the OTT Business recorded a significant growth of 24% in revenue to HK\$971 million. This was largely driven by Viu, our leading video streaming service, which saw an impressive increase of 30% in revenue underpinned by expansion in monthly active users (“MAU”) and paid subscribers of 8% and 21%, respectively. Viewer engagement remained strong on the back of an offering of high quality Viu Originals that appealed to audiences across its various markets. With this enlarged revenue base, EBITDA for the OTT Business reached HK\$165 million, up more than ninefold year-on-year reflecting the operating leverage of the business.

To accelerate Viu’s growth, we completed a strategic partnership with CANAL+ to pursue expansion in global market reach and collaboration in premium content productions, global intellectual properties and distribution network. With an aggregate investment of US\$300 million, the partnership represents an affirmation of Viu’s leading position in the video streaming markets spanning Asia, the Middle East and South Africa.

Our Free TV & Related Business delivered a steady performance with a 1% increase in revenue to HK\$390 million for the six months ended 30 June 2023. This reflected stable advertising revenue and expanded artiste management and events-related revenues from increased involvement of our artistes in films, music and endorsement opportunities. EBITDA expanded by 5% to reach HK\$83 million on the back of savings in spending on publicity and promotions.

HKT Limited’s (“HKT”) total revenue grew by 2% to HK\$16,400 million despite softer Mobile product sales. HKT revenue excluding Mobile product sales increased by 3% to HK\$15,247 million, reflecting the delivery of digital transformation projects for enterprise and government customers, continued strong demand for our reliable fibre services, gradual recovery in roaming revenue and further momentum in 5G adoption. HKT’s EBITDA increased by 3% to HK\$6,009 million spurred by sustained cost efficiency initiatives across HKT.

On a consolidated basis, the Group’s revenue increased by 1% to HK\$16,850 million and EBITDA increased by 2% to HK\$5,631 million with an improved margin of 33.4%. Loss attributable to equity holders of the Company for the period was HK\$486 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.

Solely for information, the following is an extract from the results announcement from PCCW:

Extracts from PCCW’s Interim Results Announcement for the 6 months ended 30 June 2023

With innovation at our core, PCCW is committed to contributing towards Hong Kong’s smart city transformation, propelling the flow of knowledge and skills to support cross-industry growth. We will continue to apply our expertise and experience to make the most of emerging opportunities to drive business growth as well as society’s advancement for a brighter future.

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

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

None

(b)(i) Current Financial Period Reported On

Nil

(b)(ii) Previous Corresponding Period

Name of Dividend	Interim Special Dividend
Dividend Type	Distribution in Specie
Dividend Rate	0.05 HKT SSU per ordinary share
Tax Rate	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).

Not applicable

(d) The date the dividend is payable.

Not applicable

(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.

Not applicable

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

No dividend has been declared or recommended. Excess funds will be utilised to reduce borrowings.

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 21 April 2023. 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)
Pacific Century Group Holdings (HK) Limited ("PCGH")	A subsidiary corporation of an intermediate holding company of the Company	-	\$1,080,764 [#]
N.A.	N.A.	None, all IPTs below \$100,000	-

[#] This sum represents the interest paid in respect of the borrowing from PCGH by a subsidiary company of the Company.

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 2023 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
04/08/2023