PACIFIC CENTURY REGIONAL DEVELOPMENTS LIMITED

ANNUAL REPORT

23

CONTENTS

CORPORATE PROFILE

Pacific Century Regional Developments Limited (PCRD), a Singapore-based company listed on the Singapore Exchange Securities Trading Limited (SES: P15), has interests in telecommunications, media, IT solutions, logistics and property development and investment, in the Asia-Pacific region. PCRD's most significant investment is its stake in Hong Kong-listed PCCW Limited (PCCW) (SEHK: 0008; American Depositary Receipts on the OTC Markets Group Inc. in the US: PCCWY). PCRD is 89% owned by the Pacific Century Group, which was founded in 1993. The Pacific Century Group acquired control of PCRD in September 1994.

MESSAGE FROM THE EXECUTIVE CHAIRMAN

2023 was impacted by interest rate hikes by central banks in many economies designed to address inflationary pressures. Uncertainties arising from geopolitical factors, the Russia-Ukraine conflict and the hostilities in the Middle East continue to affect global economic conditions in 2024. However, against this backdrop, there are hopeful signs that interest rates will stabilise and ease gradually as rates of inflation reduce.

In 2023, despite challenging economic conditions, the Company's most significant asset, PCCW, succeeded in delivering stable operating performance, underpinned by substantial progress in both its regional over-the-top (OTT) and free TV media businesses, underpinned by HKT's resilient operations.

Viu, PCCW's pan-regional OTT video-streaming service, retained its leadership position in Southeast Asian markets. This achievement was made possible by its robust monetisation model, encompassing subscription and advertising tiers, along with its well-balanced content pipeline and continuous ecosystem expansion. As a result, its subscription revenue increased by 32%, Viu's total revenue grew by 27%, and the EBITDA of its OTT business tripled. Looking ahead, its focus will be on enhancing engagement with its premium user base to optimise value and profitability.

During the year, Viu added to its popular Korean programmes by expanding its portfolio of locally produced content that resonates with its regional audience. Additionally, Viu introduced advertiser-supported projects to tap into new revenue streams.

In the face of a gradual slow-down in TV advertising, ViuTV was able to secure cross-industry premium sponsors that bolstered its revenue, highlighting the appeal of PCCW's audience base. To address the market's shift towards digital, ViuTV drove engagement to sustain online membership growth. Building on several successful concerts in 2023, its event and artiste management business extended its regional presence by hosting shows for global talent outside Hong Kong and distributing its in-house and co-produced content internationally. MakeALive, the streaming platform for online and live events, also expanded to five Asian markets.

HKT's consumer mobile business benefited from the comeback of roaming services, with consumer outbound roaming revenue in the second half of 2023 reaching 95% of pre-pandemic levels. As 5G penetration reached 41% of its post-paid base, HKT pioneered 5G Standalone (SA) and mmWave technology for live broadcast. PCCW also launched 1O1O HOME to extend privileges for its loyal customers across mobile, broadband, pay TV and Smart Living.

In broadband, HKT's 10G network now covers 2.4 million households, ready to address the ever-growing demand for connectivity which is demonstrated by the significant uptake of its 2500M service. With the Hong Kong government's support, HKT has built optic-fibre cables to improve connectivity in remote areas, including Lamma Island.

Now TV added OTT service options, allowing users to access live and on-demand content on multiple devices without extra equipment. As the Home of Sports, it is broadcasting the return of the UEFA European Championship and NBA games, which complements its coverage of the English Premier League, La Liga and Formula 1®. By featuring major "M" Mark Hong Kong sports events, it seeks to contribute towards Hong Kong's sustainable sporting culture.

HKT continued to promote the digital transformation of enterprises, including implementing Hong Kong's first 5G hospital private network and deploying a public hospital management organisation's first clinical management system integration. This creates synergy with DrGo to foster healthcare development within the HKT ecosystem. By offering targeted support for Chinese companies expanding globally and foreign firms entering the mainland market, HKT recorded a remarkable 32% increase in its revenue for mainland China.

Through HKT Digital Ventures, HKT participated in the Hong Kong Monetary Authority's (HKMA) e-HKD Pilot Programme and the FPS x PromptPay Hong Kong-Thailand cross-border retail payment service to support the further development of a digital economy. For the community, PCCW and HKT have been fostering youth development through the government's Strive and Rise Programme while assisting law enforcement and regulatory authorities to combat telephone fraud.

Looking ahead, PCCW will continue to focus on the further integration of cutting-edge technologies, including generative AI, to elevate its operational efficiency and service standards, as well as other innovations that bring sustainable returns to its shareholders.

KSH Distriparks (KSH) had a strong year and recorded record volumes on the back of its dominant positioning in its local market and supportive macro tailwinds in India. KSH's ICD (Inland Container Depot) business has an exciting opportunity pipeline as the Pune market in which it operates remains one of the fastest growing industrial hubs in India. KSH's third-party logistics business is being positioned to provide supply chain solutions across major metros. KSH returned further surplus cash to investors through share buybacks and dividends over the past year.

The Board is delighted to propose and recommend a final dividend of 4.2 cents per share for the 2023 financial year. If approved by shareholders at the forthcoming Annual General Meeting, the dividend represents a dividend yield of approximately 15%.

PCRD will continue to seek new prospects and opportunities to improve its performance. As a responsible investment holding company, PCRD recognises the importance of sustainability when considering new business opportunities. The Company is committed to upholding good standards of governance and integrity in all aspects of its business. It will also continue to maintain effective oversight of its investments by reviewing and managing their ESG-related risks.

I would like to thank my fellow directors for their counsel and commitment during the year. A special word of thanks to Ms. Laura Lacey who is stepping down as Director at the forthcoming AGM for her contributions and service on the Board. I also thank all management and staff for their dedication and contributions to the Company. I would like to extend my heartfelt gratitude to our stakeholders and shareholders for their continued support and confidence in the Company as we navigate through these challenging times.

Richard Li
Chairman

CORPORATE STRUCTURE

PACIFIC CENTURY REGIONAL DEVELOPMENTS LIMITED

COMMUNICATIONS SERVICES

Hong Kong
China
North Asia
South Asia
Southeast Asia
Global

PCCW Limited
(associated corporation & major investment)

Media Business
- OTT Business
- Free TV & Related Business

Solutions Business

HKT Limited
(subsidiary corporation of PCCW Limited)

Telecommunications Services
- Local Data Services
- Pay TV Services
  - Now TV
- Local Telecommunications Services
- International Telecommunications Services

Mobile
- Mobile Services
- Mobile Product Sales

Other Businesses
- HKT Digital Ventures
- Corporate Support Functions

PROPERTY AND LOGISTICS

Hong Kong
North Asia
South Asia
Southeast Asia

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

Property Investment and Development
- Jakarta, Indonesia
- Hokkaido, Japan
- Phang Nga, Thailand
- Hong Kong

Hotel, Recreation and Leisure Operations
- Japan

Property and Facilities Management
- Hong Kong
- Hokkaido, Japan

KSH Distriparks India
(associated corporation)

Logistics and Warehousing
- Inland Container Depot
- Warehousing
- Logistics

BOARD OF DIRECTORS

RICHARD LI TZAR KAI was appointed Chairman of PCRD in 1994 and was last re-elected as a Director in 2021. An Executive Director and Chairman of the Executive Committee of PCRD, Mr. Li is also Chairman and Chief Executive of the Pacific Century Group, a Director of certain FWD group companies, Chairman and Executive Director of PCCW Limited, Executive Chairman and Executive Director of HKT Limited and HKT Management Limited, the trustee-manager of the HKT Trust and an Executive Director of Pacific Century Premium Developments Limited.

Mr. Li is a member of the Center for Strategic and International Studies' International Councillors' Group in Washington, D.C. He was awarded the Lifetime Achievement Award by the Cable & Satellite Broadcasting Association of Asia in November 2011.

FRANCIS YUEN TIN FAN was appointed Deputy Chairman of PCRD in 2005 and was last re-elected as a Director in 2022. Mr. Yuen was the Chairman of PCRD in 1993 and 1994 when it was known as Seapower Asia Investments Limited and Deputy Chairman of PCRD from 1997 to 2002. He was a member of the Executive Committee of PCRD until July 2011. Re-designated as Independent Non-Executive Deputy Chairman on 12 February 2015, Mr. Yuen is Lead Independent Director and Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee of PCRD.

He joined the Pacific Century Group in 1996 after an extensive career in investment banking and financial regulatory affairs across Asia. From 1988 to 1991 he was Chief Executive of The Stock Exchange of Hong Kong Limited. Mr. Yuen was also a founding director of Hong Kong Securities Clearing Company Limited. He served from 1992 to 1994 as a member of the International Markets Advisory Board of NASDAQ in the United States. He is an Independent Non-Executive Director of Shanghai Industrial Holdings Limited and Yixin Group Limited.

Mr. Yuen received a Bachelor of Arts degree in Economics from the University of Chicago and is currently a member of the Board of Trustees of the university. He is also the chairman of the board of trustees of the Hong Kong Centre for Economic Research, non-executive chairman of the Board of Directors of Ortus Capital Management Limited and a member of the board of trustees of Fudan University in Shanghai.

PETER A. ALLEN was appointed as Executive Director in 1997 and as Group Managing Director in 2006. He was last re-elected as a Director in 2021. A member of the Executive Committee of PCRD, Mr. Allen is also Executive Director and Chief Financial Officer of the Pacific Century Group, Non-Executive Director of HKT Limited and HKT Management Limited, the trustee-manager of the HKT Trust and Senior Advisor to PCCW Limited.

Mr. Allen joined KPMG in 1976 before taking up an appointment at Occidental International Oil Incorporated in 1980. In 1983, he joined Schlumberger Limited and worked in various countries holding key management positions. In 1989, Mr. Allen moved to Singapore as Regional Financial Director of the Vestey Group. He later joined Boustead Singapore Limited as Group Operations Controller in 1992 and Morgan Grenfell Investment Management (Asia) Limited as Director and Chief Operating Officer in 1995. Mr. Allen joined the Pacific Century Group in 1997.

Mr. Allen was educated in England and graduated from the University of Sussex with a degree in economics. He is a Fellow of the Institute of Chartered Accountants in England and Wales, a Fellow Member of CPA Australia, a Fellow Member of the Hong Kong Institute of Directors and a Fellow of the Institute of Singapore Chartered Accountants.

LAURA DEAL LACEY was appointed as a Director in February 2015 and re-elected to the position in 2022. An Independent Director, Ms. Lacey is a member of the Nominating Committee and Remuneration Committee of PCRD.

Laura is the executive vice president for international at the Milken Institute, a nonprofit think tank that helps people build meaningful lives through health, education, gainful employment and access to capital. She is responsible for expanding the work of the Milken Institute outside the United States.

Prior to the Institute, Laura was the executive director of the American Chamber of Commerce in Singapore, the largest American chamber and most active international business association in Southeast Asia. Acting as the face of the organisation, managing its operations, and reporting to a Board of Governors, Laura represented the interest of U.S. companies in Singapore and ASEAN.

Before moving to Asia, Laura focused on CEO platforms and executive positioning. She worked at the office of the CEO at Edelman in New York. Laura started her career at the World Economic Forum (WEF) in Geneva, Switzerland.

BOARD OF DIRECTORS

Laura is an independent, non-executive director and chair of FWD Insurance (Singapore). She is also an Advisory Board member at the Sim Kee Boon Institute for Financial Economics at the Singapore Management University. A dual citizen of Brazil and the United States, Laura holds a B.S. from Arizona State University and an M.S. from Columbia University.

CHRISTOPHER JOHN FOSSICK was appointed as a Director in August 2018 and was last re-elected as a Director in 2022. An Independent Director, Mr. Fossick is Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee of PCRD.

Mr. Fossick is a Non-Executive Director of Native Land Limited.

Mr. Fossick was Chief Executive Officer, South East Asia at Jones Lang LaSalle Asia Pacific, a role he held until January 2024. He was also a member of the Asia Pacific Executive Board of JLL.

He began his career in 1985 in London while an undergraduate at Barclays Bank, where he spent a year on a team responsible for the property management of the bank's real estate portfolio. He moved to Singapore in 1989 to continue on the real estate path. Following this, he moved to Tokyo for a role as President and CEO of CBRE Japan.

He was a board member of Sentosa Development Corporation in Singapore from 2009 to 2015 and the Global Vice President of the Royal Institution of Chartered Surveyors (RICS) from 2011 to 2014 and was a member of the Global Remuneration Committee for the RICS between 2014 to 2021.

Mr. Fossick was educated at University of South Wales, UK where he received a Bachelor of Science in Estate Management. He holds a Master of Business Administration from the University of Chicago in 2003. He is a Fellow of the Royal Institution of Chartered Surveyors.

YEO WEE KIONG was appointed as a Director in May 2020 and was last re-elected as a Director in 2023. An Independent Director, Mr. Yeo is Chairman of the Audit Committee and a member of the Remuneration Committee of PCRD.

Mr. Yeo is an Independent director of AF Global Limited and SUTL Enterprise Limited.

Mr. Yeo is a former Director of a leading Singapore law firm. Prior to that, he was the managing partner of a law corporation which he founded. He is a former investment banker with a Singapore-based UK merchant bank and a senior industry officer with a government statutory board.

Mr. Yeo was educated at University of Singapore where he received a Bachelor of Engineering (Mechanical) (First Class Honours) degree. He holds a Master of Business Administration degree from the National University of Singapore. He also graduated with an honours degree in law from the University College of London and qualified as a Barrister-at-Law with the Lincoln's Inn in England and Wales.

CHARLENE DAWES was appointed as a Director in December 2022 and was last re-elected as a Director in 2023. An Independent Director, Ms. Dawes is a Member of the Audit Committee and Nominating Committee of PCRD. Ms. Dawes is also an Independent Non-Executive Director of HKT Limited and HKT Management Limited, the trust-manager of the HKT Trust.

Ms. Dawes is currently the founding owner and Managing Director of Tastings Group Limited. Tasting Group is a food and beverage management company operating Michelin-starred restaurants, World's 50 Best bars and ready-to-drink cocktail brands.

Ms. Dawes completed her Wine and & Spirit Education Trust (WSET) Level 3 Certification in 2011. She is an established beverage judge in Hong Kong for various competitions and events including the renowned yearly Cathay Hong Kong International Wine & Spirit Competition.

Ms. Dawes was educated at Pepperdine University, United States of America where she received a Bachelor of Arts degree. She is an Associate Member of the Singapore Institute of Directors. She is also a Mentor under The Women's Foundation Mentoring Programme for Women Leaders.

CLARA TIONG SIEW EE was appointed as an Independent Director in March 2024.

Ms. Clara Tiong is an Executive Director and Chief Risk Officer of Jaya Tiasa Holdings Berhad. Since 2015, she served in various managerial and senior positions in the Orient Evermore Group of Companies which is principally engaged in the logistics, hospitality and real estate businesses. She was also Personal Assistant to the Executive Chairman of Jaya Tiasa Holdings Berhad for the period from 2017 to 2020, handling a wide range of administrative and executive support related tasks. She also sits on the Board of a group of private limited companies.

Ms. Clara Tiong attended the Royal Melbourne Institute of Technology, Australia where she received a Bachelor of Marketing degree and Masters of Commerce.

BUSINESS REVIEW

PCRD's most significant asset is its 22.7% stake in Hong Kong-listed PCCW Limited (PCCW). PCRD has been the largest shareholder of PCCW since 1999.

Against the backdrop of macroeconomic challenges and heightened interest rates, PCCW maintained its stable performance in 2023. This was achieved through adept strategy execution across its media business and HKT's diverse portfolio.

USHERING IN A NEW PHASE OF GROWTH

PCCW's pan-regional video-streaming platform, Viu, demonstrated commendable performance. With over 62.4 million monthly active users (MAUs), Viu retained its leadership position among global peers in Southeast Asia markets. Notably, it registered a year-on-year growth of 27% overall, with a rise of 32% and 15% in subscription and advertising revenues respectively. This success can be attributed to its strong pipeline of local and regional content including Viu Originals, a distinct paywall strategy and expanding partnership ecosystem encompassing telecommunications service providers, brands and device partners. As a result, the EBITDA of its over-the-top (OTT) business more than tripled.

Viu remains committed to deepening engagement with its vast, high-quality viewer base while delivering greater value for both viewers and advertisers, thereby driving greater profitability.

At South Korea's Busan International Film Festival 2023, Viu received recognition for its "Special Contribution for K-wave" at the Asia Contents Awards & Global OTT Awards. While Korean productions continue to play a vital role in Viu's programming, Viu is augmenting its portfolio with more locally produced content, which has been gaining traction as such content resonates with audiences across Southeast Asia. This includes advertiser-backed projects tailored to specific markets, which have created new avenues for monetisation. Viu will further build on this substantial platform to offer diverse and compelling content to its target audience throughout the region.

ViuTV, PCCW's domestic TV service in Hong Kong, demonstrated resilience and adaptability in a competitive market. Thanks to its high-quality productions and favourable viewer demographics, ViuTV has been able to secure premium title sponsorships from various sectors. This helped support its advertising revenue amidst a sluggish TV advertising market. Furthermore, with the shift to digital in the advertising market, Viu has been focusing on driving engagement, which fuelled a 9% rise in the registered members of its online platform to more than 3 million. In part, this was buoyed by its rich content slate, with popular series such as Legal Affair and Business Proposal attracting online discussion and positive reception.

EXPANDING REGIONAL FOOTPRINT

Building on several successful concerts in 2023, PCCW's event and artiste management business expanded its regional presence with international artistes' shows held outside Hong Kong. In addition to venturing into new markets such as Vietnam with its content business, PCCW distributed its in-house and co-produced content across Asia and North America. PCCW also diversified its artistes' participation in projects such as theatre plays, TV series and films. One of its productions, Mad Fate, was selected as the Best Picture by the Hong Kong Film Critics Society. Its MakeALive service, which expanded into five markets in Asia, reaffirmed its ability to deliver compelling online and live ticketed events for both PCCW's and external artistes.

SIGNIFICANT EVENTS IN 2023

FEBRUARY

- HKT presents "HKT x WESTK POPFEST" with West Kowloon Cultural District
- Club Travel announces partnership with Agoda
- MakerVille's first movie Mad Fate makes world premiere at 73rd Berlin International Film Festival as Berlinale Special

MARCH

- Viu launches Viu Scream Dates at Filmart

BUSINESS REVIEW

UNIFIED SOLUTIONS FOR A SEAMLESS LIFESTYLE

With the resumption of worldwide travel in 2023, HKT witnessed a significant upswing in demand for its consumer mobile business, especially roaming services. Its introduction of day and capacity passes drove outbound consumer roaming revenue to 95% of pre-pandemic levels in the second half of 2023 before surpassing this level in December, while the number of roamers nearly doubled. This resulted in a significant year-on-year rise of 176% in total roaming revenue for 2023.

During the year, HKT remained committed to 5G development as a means to achieve fast and reliable connectivity. Users of its 5G services totalled approximately 1.4 million by the end of 2023, accounting for 41% of its post-paid base, or over half of its csl and 1O1O customer base. HKT also led the world in using 5G Standalone (SA) architecture and mmWave technology for a live broadcast of the Hong Kong National Day fireworks which avoided the interference often caused by heavy traffic. HKT anticipates near-term advantages from the implementation of 5G SA for private network provision to businesses.

In an increasingly connected world, HKT has become more committed than ever to enhancing its residential networks. Its 2500M broadband service offers symmetrical upload and download speeds, which encourage growth in user numbers and delivered an increased average revenue of HK$98 per user (ARPU). By leveraging state-of-the-art XGSPON technology, HKT is now ready to provide speeds of up to 10G to 2.4 million households in over 50,000 buildings across Hong Kong. With smart-living solutions pre-installation in over 220 residential projects in the pipeline, HKT looks forward to further collaborations with developers to promote Internet of Things (IoT) adoption for greater home connectivity and convenience.

In 2023, HKT brought its optic-fibre cable service to Lamma Island with the support of the Hong Kong Government's Subsidy Scheme to Extend Fibre-based Networks to Villages in Remote Areas. This adds to earlier optic-fibre cable extensions to Peng Chau and Cheung Chau. As a result, not only has 5G reception improved but also broadband speed and capacity for both residents and businesses on these outlying islands.

OFFERS TAILORED TO THE TASTES OF HONG KONG AUDIENCES

Now TV, the Home of Sports, is broadcasting the returning UEFA European Championship and NBA games, on top of the English Premier League, La Liga, Formula 1® and Wimbledon. Additionally, Now TV is showcasing "M" Mark major Hong Kong sports events such as the Association of Tennis Professionals (ATP) and Women's Tennis Association (WTA) tournaments to promote sustainable development of Hong Kong sports.

In early 2024, Now TV introduced the attractively priced Now Signature Pack, with diverse entertainment options ranging from local and overseas blockbusters on Now Baogu Movies and MOViE MOViE to popular series on the Now Chinese Drama Channel, exclusive documentaries on Now True, live action on Now Sports Prime and Watch n Learn for children.

At the same time, Now TV expanded its video-streaming service, introducing an OTT option for simultaneous multi-device viewing of both linear channels and video on demand (VOD) without a set-top box. PCCW believes this initiative by Now TV will stimulate acquisition, retention and penetration, and broaden its user base to attract advertisers and enhance intra-PCCW Group collaboration.

APRIL

- Smart Charge launches EV Charger Rental Service
- HKT launches Smart Kiosk pilot scheme

MAY

- Netvigator launches Hong Kong's first 5000M residential FTTH broadband service
- PCCW and HKT host "Strive and Rise Programme" visit
- HKT participates as consortium member in Hong Kong Monetary Authority's inaugural e-HKD Pilot Programme for retail central bank digital currency (CBDC) assessment
- Now TV joins forces with beIN SPORTS to bring Formula 1® in 4K to Hong Kong viewers for next three seasons

JUNE

- HKT connects Lamma Island with optic-fibre network
- PCCW forges strategic partnership with CANAL+ to accelerate growth of Viu

BUSINESS REVIEW

With the launch of 1O1O HOME, its premium lifestyle experience, PCCW has been able to integrate its high-quality mobile, broadband, pay TV and Smart Living solutions and provides more value-added services to its premier patrons. As well as enriching customer experience, 1O1O HOME is set to create synergy that will contribute to sustainable growth.

ADVANCING TECHNOLOGY FOR ECONOMIC GROWTH AND PUBLIC WELFARE

HKT Enterprise Solutions has supported Hong Kong's continuing innovation through the delivery of vertically-oriented transformation services to industries in the public and private sectors. In one of its areas of focus, healthcare, HKT has established 16 contracts with public and private hospitals. These include the implementation of the city's first 5G hospital private network at Kwong Wah Hospital to improve diagnostic productivity with a mobile app that enables real-time collaboration and remote surgery consultation. IT was also responsible for a public hospital management organisation's first clinical management system integration, which has enhanced patient care and data accessibility, leading to better outcomes and more proactive care management.

As one of the pioneers of Microsoft 365 Copilot in Hong Kong, HKT has enabled the adoption of artificial intelligence (AI) so that corporations can rationalise their portfolios and accelerate speed to market. By integrating 5G and Enterprise Managed Services (EMS) with blockchain, machine learning and cloud computing, it is helping organisations improve efficiency and sustainability. HKT also offers software-defined wide-area network (SD-WAN), secure access service edge (SASE) and AI solutions that give enterprises enhanced protection against ever-evolving cybersecurity risks.

As Hong Kong becomes further integrated with the Greater Bay Area, HKT has implemented smart building features at the Batch 1A Development of the Hong Kong-Shenzhen Innovation and Technology Parks (HKSITP) in the Lok Ma Chau Loop, which are contributing to cross-boundary economic and technological development. Harnessing its strategic partnerships and global network coverage, HKT also provided Chinese companies expanding overseas and international businesses entering mainland China with the information and communications technology (ICT) they need. As a result, its revenue for mainland China grew by 32% during the year.

ENRICHING DIGITAL ECOSYSTEM

Together with its consortium members, HKT Payment joined the Hong Kong Monetary Authority's (HKMA) e-HKD Pilot Programme. It invited enterprises from various industries to take part in a "tokenised property-backed secured lending with ring-fenced usage" use case. The objective of this exercise was to test a hypothetical e-HKD loan and provide input to the HKMA.

HKT's Tap & Go mobile wallet was among the first to offer FPS x PromptPay Hong Kong-Thailand cross-border retail payment service for travellers, facilitating their transactions with 8 million Thai merchants while broadening business opportunities for local merchants. With Hongkongers' increased northbound visits, the mobile wallet has also seen a rise in mainland transaction volume.

HKT's loyalty platform, The Club, expanded its lifestyle offerings and exclusive merchandise rewards to increase brand engagement. These included a partnership between its Club Care service and FWD Hong Kong to launch an online insurance

JULY

- Members of MIRROR group debut solo concerts
- HKT Enterprise Solutions hosts Tech Week 2023
- ViuTV introduces sign language interpretation for 6pm news

AUGUST

- Now TV signs deal with LALIGA to extend broadcast rights for next three seasons
- DrGo launches DrGo Me+ personalised nutritional supplement pack

SEPTEMBER

- HKT and FWD Insurance present "HKT x FWD 2023 National Day Fireworks Display" platform, which has extended PCCW Group's operating scope to insurtech while encouraging its customers to seek better protection.

With the growing adoption of telemedicine since the pandemic, HKT's DrGo platform achieved a 50% increase in video consultations in the second half of the year. Continuing its expansion into the wellness market with DrGo Me+ personalised supplements, the platform has grown alongside HKT Enterprise Solutions to foster healthcare growth within the HKT ecosystem.

SUSTAINABLE COMMUNITY CARE

To encourage green mobility, in 2023, HKT's Smart Charge service launched buy-and-own as well as subscription-and-rental home-charging solutions for electric vehicles (EVs). Smart Charge also secured a contract to provide EV charging for taxis in Sai Kung, in addition to the services it already provides on Lantau Island.

HKT hosted the 2023 National Day Fireworks Display in partnership with FWD Insurance as well as the HKT x WestK Popfest to spotlight Hong Kong as an events capital.

PCCW and HKT continued to mentor underprivileged youth through the Strive and Rise Programme. Additionally, HKT's consumer mobile business supported the Hong Kong Police Force and financial regulators in fighting fraud, implementing a 24-hour anti-scam hotline and public education initiatives to raise awareness.

The past year has been one for honing PCCW's strategies, improving its services and enriching its customer offerings. PCCW also laid the groundwork for the deployment of state-of-the-art technologies, such as generative AI, to improve service efficiency.

As markets await the easing of monetary policies, PCCW will continue to seek out opportunities that allow it to harness diversity within its businesses and to drive sustainable growth. In parallel, PCCW intends to continue to negotiate the evolving landscape with prudence, explore new innovations that enhance its service and focus on creating sustainable value for its stakeholders.

PCRD's other business activities include:

KSH LOGISTICS

KSH Distriparks (KSH), in which PCRD has a 49.9% stake, is a logistics company with an inland container depot (ICD) in Pune, India. It provides ICD (including bonding) infrastructure, transportation and national third party logistics services to blue chip international industrial and commercial clients.

KSH had a strong year and recorded record volumes due to its dominant positioning in its local market and supportive macro tailwinds in India. KSH's ICD business has an exciting opportunity pipeline as the Pune market in which it operates remains one of the fastest growing industrial hubs in India. KSH's third-party logistics business is being positioned to provide supply chain solutions across major metros. KSH has returned surplus cash to investors through share buybacks and dividends over the past year and is expected to continue to do so in the near term.

OCTOBER

- Viu recognised for "Special Contribution for K-Wave" at Asia Contents Awards and Global OTT Awards 2023
- Club Care partners with FWD Hong Kong to launch online insurance platform
- HKT participates in e-HKD pilot programme with healthcare, travel, education and e-commerce merchants

NOVEMBER

- Now TV signs agreement to broadcast NBA in Hong Kong for three seasons
- Tap & Go offers Hong Kong-Thailand cross-border retail payment service

DECEMBER

- HKT introduces Hong Kong's first 5G private network for hospitals at Kwong Wah Hospital, receives "Best HealthTech – Gold Award" at CAHK STAR Awards 2023

FINANCIAL HIGHLIGHTS

CONDENSED CONSOLIDATED INCOME STATEMENT INFORMATION

For the year ended 31 December

	Group	
	2023	2022
	$'000	$'000
Revenue	**9,736**	24,012
(Loss)/profit from operating activities after finance costs	**(14,226)**	6,227
Loss on deemed dilution	**–**	(547)
Share of (loss)/profit of associated corporations, net of tax	**(16,145)**	7,583
(Loss)/profit before income tax	**(30,371)**	13,263
Income tax expense	**(1,018)**	(190)
Attributable to equity holders of the Company	**(31,389)**	13,073
Per Share Data		
(Loss)/earnings per share (Singapore cents)	**(1.19)**	0.49
Cash Distribution		
Interim special dividend (Singapore cents)	**–**	8.33#
Final dividend (Singapore cents)	**4.20***	0.90
	4.20	9.23

Distribution in specie of HKT SSUs

* Subject to approval by shareholders at the 60th Annual General Meeting

FINANCIAL HIGHLIGHTS

CONDENSED CONSOLIDATED BALANCE SHEET INFORMATION

As at 31 December

	Group	
	2023	2022
	$'000	$'000
Current assets	**12,934**	5,492
Non-current assets	**502,096**	675,111
Total assets	**515,030**	680,603
Current liabilities	**(3,773)**	(4,842)
Non-current liabilities	**(187,367)**	(295,115)
Total liabilities	**(191,140)**	(299,957)
Net assets	**323,890**	380,646
Represented by:		
Share capital	**457,283**	457,283
Other reserves	**18,850**	56,599
Accumulated losses	**(152,243)**	(133,236)
Net assets	**323,890**	380,646
Attributable to equity holders of the Company		
Net assets	**323,890**	380,646
Per Share Data		
Net assets per share (Singapore cents)	**12.2**	14.4

CORPORATE INFORMATION

BOARD OF DIRECTORS

Richard Li Tzar Kai
Chairman

Francis Yuen Tin Fan
Deputy Chairman
Lead Independent Director

Peter A. Allen
Group Managing Director

Laura Deal Lacey
Independent Director

Christopher Fossick
Independent Director

Yeo Wee Kiong
Independent Director

Charlene Dawes
Independent Director

Clara Tiong Siew Ee
Independent Director

EXECUTIVE COMMITTEE

Richard Li Tzar Kai
Chairman

Peter A. Allen

NOMINATING COMMITTEE

Christopher Fossick
Chairman

Francis Yuen Tin Fan

Laura Deal Lacey

Charlene Dawes

AUDIT COMMITTEE

Yeo Wee Kiong
Chairman

Francis Yuen Tin Fan

Christopher Fossick

Charlene Dawes

REMUNERATION COMMITTEE

Francis Yuen Tin Fan
Chairman

Laura Deal Lacey

Yeo Wee Kiong

Christopher Fossick

COMPANY SECRETARY

Lim Beng Jin

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AUDIT PARTNER

Yong Zen Yun
(appointed in 2022)

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

COMPANY REGISTRATION NO.

196300381N

FINANCIAL STATEMENTS

CONTENTS

DIRECTORS' STATEMENT

For the financial year ended 31 December 2023

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2023 and the balance sheet of the Company as at 31 December 2023.

In the opinion of the directors:

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 22 to 71 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2023 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

The directors of the Company in office at the date of this statement are as follows:

Mr. Richard Li Tzar Kai
Mr. Francis Yuen Tin Fan
Mr. Peter A. Allen
Ms. Laura Deal Lacey
Mr. Christopher Fossick
Mr. Yeo Wee Kiong
Ms. Charlene Dawes
Ms. Clara Tiong Siew Ee (appointed on 4 March 2024)

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of directors' shareholdings, the following directors holding office at the end of the financial year had an interest in the shares or debentures of the Company or its related corporations, or options to subscribe for ordinary shares of the Company:

	Ordinary shares registered in name of director or nominee		Ordinary shares in which directors are deemed to have an interest	
The Company	**At 31.12.2023**	At 1.1.2023	**At 31.12.2023**	At 1.1.2023
Richard Li Tzar Kai [a]	**–**	–	**28,167,000**	28,167,000
Peter A. Allen	**5,010,000**	5,010,000	**–**	–

[a] Richard Li Tzar Kai is deemed to be interested in 28,167,000 shares of the Company held by Hopestar Holdings Limited, a company which is 100% owned by Richard Li Tzar Kai.

Except as stated above, no other director who held office at the end of the financial year had an interest in shares or debentures of the Company or its related corporations. There was no change in any of these interests between the end of the financial year and 21 January 2024. Neither at the end of the financial year, nor at any time during that year, did there exist any arrangements, to which the Company is a party, whereby directors might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2023

SHARE OPTIONS OF THE COMPANY

There were no options granted during the financial year to subscribe for unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the beginning or end of the financial year.

AUDIT COMMITTEE

The audit committee (the "Committee") carried out its functions in accordance with Section 201B(5) of the Companies Act 1967, including the following:

1. Reviewed the independence of external auditors and made recommendations to the Board of Directors on proposals to shareholders on the appointment (including re-appointment) or removal of external auditors and the remuneration and terms of engagement of external auditors.

2. Reviewed with management, upon finalisation and prior to publication, the financial results for each half-year and full year, and any announcements relating to the Company's financial performance.

3. Reviewed interested person transactions and the adequacy of PCRD's internal control procedures in relation to interested person transactions.

4. Reviewed compliance with accounting standards, all relevant laws, the Listing Rules of the Singapore Exchange Securities Trading Limited ("SGX-ST") and the Code of Corporate Governance issued by the SGX-ST.

5. Reviewed any changes in accounting principles or their application during the year.

6. Reviewed significant adjustments proposed and any recommendations on internal accounting controls arising from the statutory audit by the external auditors.

7. Reviewed the audit plans of the external auditors of the Company and ensured the adequacy of the system of accounting controls and the co-operation given by management.

8. Reviewed the adequacy, effectiveness, independence, scope and results of the audits (both external and internal) of the Group and of PCCW Limited and its subsidiaries ("PCCW").

9. Reviewed (at least annually) with PCRD's management the adequacy and effectiveness of the Company's internal controls and risk management systems in respect of management and business practices and reviewed with management and external auditors significant accounting and auditing issues (including significant financial reporting issues and judgements) so as to ensure the integrity of the financial statements.

10. Reviewed assurances from the Group Managing Director on the financial records and financial statements, and oversaw and monitored whistle-blowing.

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

12. Reviewed the balance sheet of the Company and the consolidated financial statements of the Group for the financial year end before their submission to the Board of Directors, as well as the independent auditor's report on the balance sheet of the Company and the consolidated financial statements of the Group.

13. Monitored the Group's risk of becoming subject to, or violating, any sanctions-related law or regulation, ensured timely and accurate disclosure to the SGX-ST and other relevant authorities, and assessed whether independent legal advice or the appointment of a compliance adviser is required in relation to sanctions-related risks applicable to the Group.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2023

AUDIT COMMITTEE (continued)

The Committee reviewed all non-audit services provided by the external auditors so as to ensure the nature and extent of such non-audit services does not affect the independence of the external auditors.

Pursuant to the requirements of the SGX-ST, the Committee reviewed the SGX-ST requirements for the approval and disclosure of interested person transactions. The Committee has also reviewed the procedures set up by the Company to identify and report and where necessary, to seek appropriate approval for interested person transactions.

The Committee convened two meetings during the year with full attendance from all members. The Committee meets with external auditors, without the presence of the Company's management, at least once a year. Further details regarding the Committee are disclosed in the Report on Corporate Governance.

The Committee has recommended to the Board that the independent auditor, PricewaterhouseCoopers LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

INDEPENDENT AUDITOR

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept reappointment.

On behalf of the directors

Francis Yuen Tin Fan
Deputy Chairman

Peter A. Allen
Group Managing Director

25 March 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of Pacific Century Regional Developments Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our Opinion

In our opinion, the accompanying consolidated financial statements of Pacific Century Regional Developments Limited ("the Company") and its subsidiary corporations ("the Group") and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Group and the Company comprise:

- the consolidated income statement of the Group for the financial year ended 31 December 2023;
- the consolidated statement of comprehensive income of the Group for the financial year then ended;
- the balance sheets of the Group and of the Company as at 31 December 2023;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including material accounting policy information.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

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

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

INDEPENDENT AUDITOR'S REPORT

To the Members of Pacific Century Regional Developments Limited

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	*How our audit addressed the Key Audit Matter*
Key Audit Matters in relation to PCCW Limited and its subsidiaries ("PCCW") *Refer to Note 14 in the financial statements for the summarised financial information of PCCW.*	
PCCW is a significant investment of the Group and is accounted for under the equity method of accounting. The Group's share of loss after tax from PCCW for the financial year ended 31 December 2023 was $18.3 million and the carrying value of the Group's share of PCCW net assets was $402.0 million as at 31 December 2023. The key audit matters identified by PCCW's auditor for the financial year ended 31 December 2023 comprised of the following: (1) Revenue recognition; (2) Impairment assessments for cash generating units ("CGUs") containing goodwill; and (3) Income taxes. PCCW's auditor reported that the key audit matters were supported by the available evidence.	In the context of our audit of the Group's investment in PCCW, we received the report from their auditor issued in accordance with our instructions and we discussed the results of their work and reviewed their working papers to enable us to determine whether the audit work performed and evidence obtained were sufficient for our purpose. We also discussed and evaluated their identified key audit matters and audit procedures relating to these key audit matters. We also discussed the impact of the key audit matters in PCCW on the Group's consolidated financial statements with the management of the Group. We found that the Group's share of the loss and net assets of PCCW were supported by the available evidence.

INDEPENDENT AUDITOR'S REPORT

To the Members of Pacific Century Regional Developments Limited

Other Information

Management is responsible for the other information. The other information comprises the following sections that have been included in the Group's 2023 Annual Report for the financial year ended 31 December 2023 (but does not include the financial statements and our auditor's report thereon):

- Corporate Profile
- Message from the Executive Chairman
- Corporate Structure
- Board of Directors
- Business Review
- Financial Highlights
- Corporate Information
- Directors' Statement
- Report on Corporate Governance
- Sustainability Report
- Shareholding Statistics

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

To the Members of Pacific Century Regional Developments Limited

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT

To the Members of Pacific Century Regional Developments Limited

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Yong Zen Yun.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore
25 March 2024

CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 December 2023

	Note	2023 $'000	2022 $'000
Revenue	3	**9,736**	24,012
Other income	4	**83**	380
Expenses			
– Depreciation expenses	16	**(329)**	(315)
– Employee compensation	5	**(2,312)**	(2,305)
– Directors' fees		**(261)**	(283)
– Legal and other professional fees		**(1,155)**	(2,579)
– Travelling expenses		**(151)**	(78)
– Foreign exchange loss, net		**(1,975)**	(382)
– Subscriptions and donations		**(12)**	(200)
– Others		**(487)**	(617)
– Finance expenses	6	**(17,363)**	(11,406)
Total expenses		**(24,045)**	(18,165)
Share of (loss)/profit of associated corporations, net of tax		**(16,145)**	7,583
Loss on deemed dilution		**–**	(547)
(Loss)/profit before income tax		**(30,371)**	13,263
Income tax expense	7(a)	**(1,018)**	(190)
Total (loss)/profit		**(31,389)**	13,073
Attributable to equity holders of the Company		**(31,389)**	13,073
(Loss)/earnings per share attributable to equity holders of the Company			
(Singapore cents per share)	8		
– Basic		**(1.19)**	0.49
– Diluted		**(1.19)**	0.49

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2023

	2023 $'000	2022 $'000
Total (loss)/profit	**(31,389)**	13,073
Other comprehensive income/(loss):		
Items that may be reclassified subsequently to profit or loss:		
Currency translation differences arising from consolidation		
– Gains, net	**15,782**	4,248
Share of other comprehensive loss of associated corporations	**(13,657)**	(5,250)
	2,125	(1,002)
Items that will not be reclassified subsequently to profit or loss:		
Fair value losses on equity investments at fair value through other comprehensive income	**(12,102)**	(51,392)
Currency translation differences arising from consolidation		
– Losses, net	**(18,492)**	(2,502)
Other comprehensive loss, net of tax	**(28,469)**	(54,896)
Total comprehensive loss	**(59,858)**	(41,823)
Total comprehensive loss attributable to equity holders of the Company	**(59,858)**	(41,823)

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

BALANCE SHEETS

As at 31 December 2023

	Note	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
ASSETS					
Current assets					
Cash and cash equivalents	9	**11,299**	4,007	**2,723**	3,160
Trade and other receivables	10	**143**	100	**14**	85
Other current assets	11	**1,492**	1,385	**575**	583
		12,934	5,492	**3,312**	3,828
Non-current assets					
Financial assets, at fair value through other comprehensive income ("FVOCI")	12	**86,614**	132,931	**46,906**	55,298
Other receivables	13	**86**	88	**–**	–
Investments in associated corporations	14	**414,343**	539,761	**995,813**	1,017,272
Investments in subsidiary corporations	15	**–**	–	**73,030**	199,998
Property, plant and equipment	16	**251**	576	**–**	–
Other non-current assets	17	**802**	1,755	**18**	595
		502,096	675,111	**1,115,767**	1,273,163
Total assets		**515,030**	680,603	**1,119,079**	1,276,991
LIABILITIES					
Current liabilities					
Trade and other payables	18	**3,563**	4,534	**242,961**	436,934
Current income tax liabilities	7(b)	**58**	16	**–**	–
Borrowings	19	**152**	292	**–**	–
		3,773	4,842	**242,961**	436,934
Non-current liabilities					
Borrowings	19	**186,295**	294,741	**–**	–
Deferred income tax liabilities	20	**1,072**	374	**206**	–
		187,367	295,115	**206**	–
Total liabilities		**191,140**	299,957	**243,167**	436,934
NET ASSETS		**323,890**	380,646	**875,912**	840,057
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	21	**457,283**	457,283	**457,283**	457,283
Other reserves	22	**18,850**	56,599	**(173,566)**	(147,830)
(Accumulated losses)/retained profits		**(152,243)**	(133,236)	**592,195**	530,604
Total equity		**323,890**	380,646	**875,912**	840,057

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2023

	Note	Share capital $'000	Other reserves $'000	(Accumulated losses)/retained profits $'000	Total equity $'000
2023					
Beginning of financial year		**457,283**	**56,599**	**(133,236)**	**380,646**
Total comprehensive loss for the financial year		**–**	**(28,469)**	**(31,389)**	**(59,858)**
Share of reserves of associated corporations		**–**	**(115)**	**27,353**	**27,238**
Purchase and cancellation of shares		**–**	**–**	**(303)**	**(303)**
Dividend paid	27	**–**	**–**	**(23,833)**	**(23,833)**
Transfer upon disposal of investments	22	**–**	**(9,165)**	**9,165**	**–**
End of financial year		**457,283**	**18,850**	**(152,243)**	**323,890**
		(Note 21)	(Note 22)		
2022					
Beginning of financial year		457,283	198,195	81,824	737,302
Total comprehensive (loss)/income for the financial year		–	(54,896)	13,073	(41,823)
Share of reserves of associated corporations		–	(5)	(2,739)	(2,744)
Dividend paid	27	–	–	(312,698)	(312,698)
Transfer upon distribution in specie	22	–	(86,695)	86,695	–
Capital contribution from Pacific Century Group Holdings (HK) Limited ("PCGH"), a subsidiary corporation of the intermediate holding company	19	–	–	609	609
End of financial year		457,283	56,599	(133,236)	380,646
		(Note 21)	(Note 22)		

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2023

	Note	2023 $'000	2022 $'000
Cash flow from operating activities:			
(Loss)/profit after tax		**(31,389)**	13,073
Adjustments for:			
– Income tax expense		**1,018**	190
– Depreciation expenses		**329**	315
– Dividend income		**(9,736)**	(24,012)
– Interest income		**(45)**	(18)
– Finance expenses		**17,363**	11,406
– Unrealised currency translation losses/(gains)		**379**	(1,104)
– Gain from share buyback by KSH Distriparks Private Limited ("KSH")		**–**	(265)
– Loss on deemed dilution		**–**	547
– Share of loss/(profit) of associated corporations, net of tax		**16,145**	(7,583)
		(5,936)	(7,451)
Change in working capital:			
– Trade and other receivables		**(46)**	143
– Trade and other payables		**(355)**	722
Cash used in operations		**(6,337)**	(6,586)
Interest received		**45**	18
Income tax paid		**(273)**	(186)
Net cash used in operating activities		**(6,565)**	(6,754)
Cash flow from investing activities:			
Purchase of property, plant and equipment		**(4)**	(75)
Purchase of financial assets, at FVOCI		**(18)**	–
Proceeds from disposal of financial assets, at FVOCI		**32,789**	–
Proceeds from share buyback by KSH		**–**	2,285
Dividends from financial assets, at FVOCI		**6,862**	5,192
Distributions received from HKT Trust and HKT Limited ("HKT")		**2,874**	18,820
Dividends received from PCCW		**115,760**	115,861
Dividends received from KSH		**939**	–
Net cash provided by investing activities		**159,202**	142,083
Cash flow from financing activities:			
Payment of finance expenses		**(17,068)**	(10,404)
Proceeds from borrowings		**90,922**	278,625
Repayment of borrowings and lease payments		**(194,998)**	(296,131)
Purchases of the Company's shares		**(303)**	–
Dividend paid to equity holders of the Company		**(23,833)**	(107,283)
Net cash used in financing activities		**(145,280)**	(135,193)
Net increase in cash and cash equivalents		**7,357**	136
Cash and cash equivalents at beginning of year		**4,007**	3,851
Effects of currency translation on cash and cash equivalents		**(65)**	20
Cash and cash equivalents at end of year	9	**11,299**	4,007

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2023

	Beginning of financial year $'000	Proceeds from borrowings $'000	Principal and finance payments $'000	Non-cash changes: (Capital contribution)/ addition during the year $'000	Non-cash changes: Finance expenses $'000	Non-cash changes: Foreign exchange movement $'000	End of financial year $'000
2023							
Bank borrowings	**227,426**	**90,575**	**(142,601)**	**–**	**15,921**	**(5,092)**	**186,229**
Borrowing from PCGH	**67,090**	**347**	**(69,156)**	**–**	**1,432**	**287**	**–**
Lease liabilities	**517**	**–**	**(309)**	**–**	**10**	**–**	**218**
2022							
Bank borrowings	313,782	202,339	(296,783)	–	9,538	(1,450)	227,426
Borrowing from PCGH	–	76,286	(9,476)	(609)	855	34	67,090
Lease liabilities	671	–	(276)	111	11	–	517

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

1. 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 25.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s") under the historical cost convention, except as disclosed in the accounting policies below.

As at 31 December 2023, the Group is in a net current asset position. However, the Company's current liabilities exceed its current assets by $239,649,000 (2022: $433,106,000). The financial statements of the Company are prepared on a going concern basis because the current liabilities comprised $240,614,000 (2022: $434,130,000) (Note 18) of payables to subsidiary corporations which are wholly-owned by the Company. As such, the Company is able to pay its debts as and when they fall due.

The preparation of financial statements in conformity with SFRS(I)s requires management to exercise judgement in applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. There are no critical areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements.

Interpretations and amendments to published standards effective in 2023

On 1 January 2023, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") 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) and INT SFRS(I).

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

2.2 Revenue and other income recognition

(a) Dividend income

Dividend income is recognised when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be reliably measured.

(b) Rendering of management services

Income from the provision of management services to related parties is recognised in the accounting period in which the services are rendered.

Related parties are invoiced once every year and a contract asset is recognised for the cumulative revenue recognised but not yet invoiced.

(c) Interest income

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 Group accounting

(a) *Subsidiary corporations*

(i) *Consolidation*

Subsidiary corporations are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary corporations are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

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

(ii) *Disposals*

When a change in the Group's ownership interest in a subsidiary corporation results in a loss of control over the subsidiary corporation, the assets and liabilities of the subsidiary corporation, including any goodwill, are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiary corporations and associated corporations" for the accounting policy on investments in subsidiary corporations and associated corporations in the separate financial statements of the Company.

(b) *Associated corporations*

Associated corporations are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above. Investments in associated corporations are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) *Acquisitions*

Investments in associated corporations are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated corporations represents the excess of the cost of acquisition of the associated corporation over the Group's share of the fair value of the identifiable net assets of the associated corporation and is included in the carrying amount of the investment.

(ii) *Equity method of accounting*

Under the equity method of accounting, investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of its associated corporations' post-acquisition profits or losses, its share of movements in its investee's other comprehensive income and its share of other movements in the investee's reserves recorded in equity. Dividends received or receivable from associated corporations are recognised as a reduction in the carrying amount of these investments.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 Group accounting (continued)

(b) *Associated corporations* (continued)

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

When the Group's share of losses in an associated corporation equals or exceeds its interest in the associated corporation, the Group does not recognise further losses, unless it has made payments on behalf of the associated corporation or has legal or constructive obligations to make such payments. If the associated corporation subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits exceeds the share of losses not recognised.

Where dividends paid by an associated corporation are in excess of the carrying amount of the Group's investment, the carrying value of the associated corporation is reduced to nil, but does not become negative. If the Group has no legal or constructive obligation to make payments on behalf of the associated corporation, then dividends in excess of the carrying amount of the Group's investment are recognised in profit or loss. In subsequent years, if the associated corporation makes profits, the Group will increase the carrying value of its investment in the associated corporation by its share of subsequent profits and movement in reserves; and will then assess whether the investment is impaired.

Unrealised gains on transactions between the Group and its associated corporations are eliminated to the extent of the Group's interest in the associated corporations. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associated corporations are changed, where necessary, to ensure consistency with the accounting policies adopted by the Group.

(iii) *Disposals*

Investments in associated corporations are derecognised when the Group loses significant influence. If the retained equity interest in a former associated corporation is a financial asset, the retained equity interest is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiary corporations and associated corporations" for the accounting policy on investments in subsidiary corporations and associated corporations in the separate financial statements of the Company.

2.4 Property, plant and equipment

(a) *Measurement*

(i) *Property, plant and equipment*

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) *Components of costs*

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 Property, plant and equipment (continued)

(b) *Depreciation*

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate depreciable amounts over estimated useful lives as follows:

	Useful lives
Renovations, furniture, fittings and office equipment	3 to 5 years
Motor vehicles	5 years
Properties – Right-of-use assets (Note 2.13)	Lease period of between 2 to 3 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) *Subsequent expenditure*

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) *Disposal*

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "other income".

2.5 Intangible assets – Goodwill

Goodwill on acquisition of subsidiary corporations and businesses, represents the excess of (a) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (b) the fair value of the identifiable net assets acquired. Goodwill on subsidiary corporations is recognised separately as an intangible asset and carried at cost less accumulated impairment losses.

Goodwill on acquisition of associated corporations represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable net assets acquired. Goodwill on an associated corporation is included in the carrying amount of the investment.

Gains and losses on the disposal of subsidiary corporations and associated corporations include the carrying amount of goodwill relating to the entity sold.

2.6 Borrowing costs

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

2.7 Investments in subsidiary corporations and associated corporations

Investments in subsidiary corporations and associated corporations are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.8 Impairment of non-financial assets

(a) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired. Goodwill included in the carrying amount of an investment in an associated corporation is tested for impairment as part of the investment, rather than separately.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and may not be reversed in a subsequent period.

(b) Property, plant and equipment
Right-of-use assets
Investments in subsidiary corporations and associated corporations

Property, plant and equipment, right-of-use assets and investments in subsidiary corporations and associated corporations are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.9 Financial assets

(a) Classification and measurement

The Group classifies its financial assets into the following measurement categories:

- Amortised cost; and
- Fair value through other comprehensive income (FVOCI).

The classification depends on the Group's business model for managing financial assets as well as the contractual terms of the cash flows from the financial asset.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset, in the case of a financial asset not at fair value through profit or loss. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement

(i) Debt instruments

Debt instruments comprise mainly cash and cash equivalents and trade and other receivables.

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

(ii) Equity investments

The Group subsequently measures its equity investments at their fair values, and has irrevocably elected to recognise changes in fair value of equity securities which are not held for trading in other comprehensive income ("OCI") on initial recognition of the investments. Movements in fair values are recognised as "fair value gains/losses" in OCI and accumulated in the fair value reserve, except for the recognition of impairment gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to retained profits.

Dividends from equity investments are recognised in profit or loss as "dividend income".

(b) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost.

For trade receivables, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivable.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.9 Financial assets (continued)

(c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of an equity investment, the difference between the carrying amount and sales proceeds is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceeds amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

2.10 Financial guarantees

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiary corporations. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiary corporations fail to make principal or interest payments when due in accordance with the terms of their borrowings. Intra-group transactions are eliminated on consolidation.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

(a) premium received on initial recognition less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and

(b) the amount of expected loss computed using the impairment methodology under SFRS(I) 9.

2.11 Borrowings

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss, over the period of the borrowings, using the effective interest method.

Borrowings are classified as current liabilities unless the Group expects, and has the discretion, to refinance or roll over the obligations for at least 12 months after the balance sheet date under existing borrowing facilities.

2.12 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of a financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.13 Leases – When the Group is the lessee

At the inception of a contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- Right-of-use assets

  The Group recognises a right-of-use asset and lease liability at the date on which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and any lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use asset.

  A right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

  Right-of-use assets are presented within "Property, plant and equipment".

- Lease liabilities

  Initially a lease liability is measured at the present value of future lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate.

  Lease payments include the following:

  – Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
  – Variable lease payments that are based on an index or rate, initially measured using the index or rate as at the commencement date;
  – Amount expected to be payable under any residual value guarantees;
  – The exercise price of a purchase option if the option is reasonably certain to be exercised; and
  – Payment of penalties for terminating the lease, if the lease term reflects that the Group will exercise that option.

  A lease liability is measured at amortised cost using the effective interest method. A lease liability shall be remeasured when:

  – There is a change in future lease payments arising from changes in an index or rate;
  – There is a change in the Group's assessment of whether it will exercise an extension option; or
  – There is a modification to the scope of or consideration for the lease that was not part of the original term.

  A lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.14 Income taxes

Income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from tax authorities, using the tax rates and tax laws that have been enacted or are substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to tax authorities.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when deferred income tax arises from the initial recognition of goodwill or an asset or liability arising from a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiary corporations and associated corporations, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(a) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(b) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.15 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.16 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the qualifying conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted from the carrying value of such assets.

2.17 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The functional currency of the Company is the Hong Kong Dollar. The financial statements are presented in Singapore Dollars because the Company is listed on the Singapore Exchange Securities Trading Limited and is incorporated and domiciled in Singapore.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates on the balance sheet date are recognised in profit or loss.

Monetary items include primarily financial assets (other than equity investments), contract assets and financial liabilities. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "finance expenses". All other foreign exchange gains and losses impacting profit or loss are presented in profit or loss within "foreign exchange loss, net".

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.17 Currency translation (continued)

(c) Translation of Group entities' financial statements

The results and financial position of all Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at closing exchange rates on the reporting date;

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case, income and expenses are translated using the exchange rates on the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

Goodwill and fair value adjustments arising upon the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at closing rates on the reporting date.

2.18 Segment reporting

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

2.19 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

2.20 Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted from the share capital account.

When the Company purchases its ordinary shares ("treasury shares"), the carrying amount, which includes the consideration paid and any directly attributable transaction cost, is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares is deducted from the share capital account if the shares are purchased out of the capital of the Company, or from the retained profits of the Company if the shares are purchased out of the earnings of the Company.

2.21 Dividends to Company's shareholders

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

2.22 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2023

3. REVENUE

	Group	
	2023	2022
	$'000	$'000
Dividend income	**9,736**	24,012

4. OTHER INCOME

	Group	
	2023	2022
	$'000	$'000
Government grants	**1**	5
Interest income – bank deposits	**45**	18
Management fees		
– associated corporation	**3**	3
– other related parties (Note 26(a))	**27**	27
Gain from share buyback by KSH	**–**	265
Gain on disposal of property, plant and equipment	**–**	29
Other income	**7**	33
	83	380

5. EMPLOYEE COMPENSATION

	Group	
	2023	2022
	$'000	$'000
Wages and salaries	**2,180**	2,178
Employer's contributions to defined contribution plans including Central Provident Fund	**132**	127
	2,312	2,305

6. FINANCE EXPENSES

	Group	
	2023	2022
	$'000	$'000
Interest expense		
– bank borrowings	**13,537**	7,209
– borrowing from PCGH (Note 19)	**1,432**	855
– lease liabilities	**10**	11
Finance facility fees	**2,384**	3,331
	17,363	11,406

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

7. INCOME TAXES

(a) Income tax expense

	Group 2023 $'000	Group 2022 $'000
Tax expense attributable to (loss)/profit is made up of:		
(Loss)/profit from current financial year:		
Current income tax		
– Singapore	**223**	255
– Foreign	**94**	–
	317	255
Deferred income tax (Note 20)	**208**	–
	525	255
Under/(over) provision in prior financial years:		
Current income tax	**1**	(65)
Deferred income tax	**492**	–
Tax expense	**1,018**	190

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

	Group 2023 $'000	Group 2022 $'000
(Loss)/profit before income tax	**(30,371)**	13,263
Less: Share of loss/(profit) of associated corporations, net of tax	**16,145**	(7,583)
Loss on deemed dilution of associated corporations	**–**	547
	(14,226)	6,227
Tax calculated at tax rate of 17% (2022: 17%)	**(2,418)**	1,059
Effects of:		
– income not subject to tax	**(1,447)**	(4,128)
– expenses not deductible for tax purposes	**4,230**	3,322
– different tax rates in other countries	**84**	19
– partial tax exemption	**(18)**	(17)
– withholding tax	**94**	–
Tax charge for the financial year	**525**	255

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

7. INCOME TAXES (continued)

(b) Movement in current income tax liabilities

	Group		Company	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**16**	15	**–**	–
Currency translation differences	**(3)**	(3)	**(3)**	(3)
Income tax paid	**(273)**	(186)	**(163)**	(236)
Tax expense	**318**	190	**166**	239
End of financial year	**58**	16	**–**	–

8. EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

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 financial year.

	Group	
	2023	2022
Net (loss)/profit attributable to equity holders of the Company ($'000)	**(31,389)**	13,073
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**2,647,903**	2,648,150
Basic (loss)/earnings per share (Cents per share)	**(1.19)**	0.49

(b) Diluted (loss)/earnings per share

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 financial years ended 31 December 2023 and 2022.

9. CASH AND CASH EQUIVALENTS

	Group		Company	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Cash at bank and on hand	**11,299**	4,007	**2,723**	3,160

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

10. TRADE AND OTHER RECEIVABLES – CURRENT

	Group		Company	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Trade receivables				
– Non-related parties	**23**	26	**14**	22
Other receivables				
– Subsidiary corporation	**–**	–	**–**	63
– Other related parties (Note 10(a))	**32**	7	**–**	–
– Non-related parties	**–**	596	**–**	596
	32	603	**–**	659
Less: Allowance for impairment of receivables				
– Non-related parties	**–**	(596)	**–**	(596)
Other receivables, net	**32**	7	**–**	63
Amount receivable on sale of an associated corporation (Note 10(b))	**59,776**	59,776	**–**	–
Less: Allowance for impairment of receivable	**(59,776)**	(59,776)	**–**	–
Amount receivable on sale of an associated corporation, net	**–**	–	**–**	–
Others	**88**	67	**–**	–
	143	100	**14**	85

(a) Amounts due from a subsidiary corporation and other related parties (Note 26(a)) are non-trade in nature, unsecured, interest-free and repayable on demand.

(b) The allowance of $59,776,000 for the amount receivable on sale of an associated corporation was made in 1999. The background to this debt is as follows:

In 1995, the Company's 51%-owned subsidiary corporation, Gladioli Investments Pte Ltd ("Gladioli"), disposed of its 39% equity interest in an associated corporation, Bugis City Holdings Pte Ltd ("BCH"), to Montien International Limited ("Montien"). Montien was a shareholder of Gladioli.

The sale was completed in July 1996. Interest was charged in accordance with the sale and purchase agreement on a net outstanding balance amounting to $53,000,000 (2022: $53,000,000).

The receivable was secured by a second charge against 69,576,000 shares in BCH and by a guarantee given by Madam Endang Utari Mokodompit. On 31 March 2003, a judgement debt was recognised by The High Court of The Republic of Singapore in the sum of $70,224,000 against Madam Endang Utari Mokodompit as well as Montien. As at 31 December 2023, the amount due, inclusive of interest, was $106,302,000 (2022: $104,401,000). However, the Company has not recognised any amount beyond the amount receivable of $59,776,000 (2022: $59,776,000), which is fully provided for.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

11. OTHER CURRENT ASSETS

	Group		Company	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Deposits	**86**	3	**2**	3
Prepayments	**1,406**	1,382	**573**	580
	1,492	1,385	**575**	583

12. FINANCIAL ASSETS, AT FVOCI

	Group		Company	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**132,931**	388,063	**55,298**	294,772
Currency translation differences	**(1,444)**	1,675	**(1,166)**	1,830
Additions				
– Purchased in cash	**18**	–	**18**	–
Disposals				
– Disposals in cash	**(32,789)**	–	**–**	–
– Distribution in specie of HKT share stapled units ("SSUs")	**–**	(205,415)	**–**	(205,415)
Fair value losses (Note 22(b)(v))	**(12,102)**	(51,392)	**(7,244)**	(35,889)
End of financial year	**86,614**	132,931	**46,906**	55,298
Non-current assets				
Equity investments, at fair value:				
– Unquoted				
Foxdale Asset Holding Ltd	**6,493**	14,163	**–**	–
Exoduspoint Partners International Fund, Ltd	**32,937**	62,978	**–**	–
Others	**278**	492	**–**	–
	39,708	77,633	**–**	–
– Quoted				
HKT SSUs	**35,171**	36,874	**35,171**	36,874
Pacific Century Premium Developments Limited ("PCPD")	**11,735**	18,424	**11,735**	18,424
	46,906	55,298	**46,906**	55,298
Total	**86,614**	132,931	**46,906**	55,298

The Group's quoted equity investments are issued by HKT and PCPD, which are subsidiary and associated corporations of PCCW respectively.

In 2023, the Group redeemed 50% of its holdings in Exoduspoint Partners International Fund, Ltd, with a fair value of $32.8 million at the date of disposal. The cumulative gain on disposal, amounting to $9.2 million, was reclassified from fair value reserve to retained profits. The cash consideration of $32.8 million was received in 2023.

In 2022, the Company distributed 123,325,653 HKT SSUs, amounting to $205,415,000 on declaration date, as distribution in specie to its shareholders who held the Company's shares as at record date ("Entitled Shareholders").

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

13. OTHER RECEIVABLES – NON-CURRENT

	Group		Company	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Other receivables				
– Others	**86**	88	**–**	–

14. INVESTMENTS IN ASSOCIATED CORPORATIONS

	Company	
	2023	2022
	$'000	$'000
Equity investments – Quoted shares of PCCW		
At cost	**995,813**	1,017,272
Market value of quoted shares at balance sheet date	**1,234,985**	1,067,506

Set out below are the associated corporations of the Group as at 31 December 2023. The associated corporations listed below have share capital consisting solely of ordinary shares and are held directly by the Group.

Name of entity	Place of business/country of incorporation	% of ownership interest	
		2023	2022
PCCW Limited	Hong Kong	**22.7**	22.7
KSH Distriparks Private Limited	India	**49.9**	49.9

PCCW's principal activities are the provision of local and international telecommunications and information technology services, technology-related businesses and investment holding in Hong Kong.

KSH's principal activities are the provision of infrastructure and services for an Inland Container Depot, the development of warehousing and industrial parks and third party logistics and transportation solutions in India.

As at 31 December 2023, the fair value of the Group's interest in PCCW, which is listed on the Hong Kong Stock Exchange, was $1,234,985,000 (2022: $1,067,506,000). The Group's share of loss after tax from PCCW for the financial year ended 31 December 2023 was $18.3 million (2022: profit after tax: $6.3 million) and the carrying value of the Group's share of PCCW net assets as at 31 December 2023 was $402,049,000 (2022: $528,337,000).

14. INVESTMENTS IN ASSOCIATED CORPORATIONS (continued)

To provide shareholders with information on the results and financial position of PCCW, financial information from its audited annual report dated 23 February 2024 is set out below. The summarised consolidated statement of comprehensive income is translated at the average rate for each financial year and the summarised consolidated balance sheet at the closing rate as at each balance sheet date.

Summarised consolidated statement of comprehensive income of PCCW

	For the financial year ended 31 December	
	2023 $'000	2022 $'000
Revenue	**6,233,194**	6,348,131
Profit before income tax	**428,557**	457,474
Profit for the year	**358,417**	485,989
Other comprehensive loss for the year	**(105,982)**	(79,385)
Total comprehensive income for the year	**252,435**	406,604

Summarised consolidated balance sheet of PCCW

	2023 $'000	2022 $'000
Current assets	**2,405,912**	2,948,064
Current liabilities	**(3,516,007)**	(4,215,423)
Non-current assets	**13,603,535**	13,493,022
Non-current liabilities	**(10,851,067)**	(10,017,987)
Net assets	**1,642,373**	2,207,676
CAPITAL AND RESERVES		
Share capital	**2,193,103**	2,240,362
Reserves	**(1,773,071)**	(1,279,812)
Equity attributable to equity holders of PCCW	**420,032**	960,550
Perpetual capital securities	**996,496**	1,017,969
Non-controlling interests	**225,845**	229,157
Total equity	**1,642,373**	2,207,676

The information on page 45 reflects the information presented in the audited financial statements of PCCW (and not the Group's share of these figures). There are no differences in accounting policies between the Group and PCCW.

Group's share of PCCW's contingent liabilities is as follows:

	2023 $'000	2022 $'000
Performance guarantees	**53,095**	56,494
Others	**1,573**	1,806

PCCW is subject to certain corporate guarantee obligations which guarantee the performance of its subsidiaries in the normal course of their businesses. The amount of liabilities arising from such obligations, if any, cannot be ascertained but the directors of PCCW are of the opinion that any resulting liability would not materially affect the financial position of PCCW.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

14. INVESTMENTS IN ASSOCIATED CORPORATIONS (continued)

The following table summarises, in aggregate, the Group's share of profit and other comprehensive income of the Group's individually immaterial associated corporation accounted for using the equity method:

	2023 $'000	2022 $'000
Profit after income tax and total comprehensive income	**1,678**	242

Reconciliation of summarised financial information

Reconciliation of the summarised financial information to the carrying amount of the Group's interest in associated corporations:

	PCCW	
	2023 $'000	2022 $'000
Equity attributable to equity holders of PCCW		
At 1 January	**960,550**	1,473,005
(Loss)/profit for the year	**(80,772)**	27,811
Other comprehensive loss	**(76,828)**	(68,119)
Transactions with equity holders	**(364,671)**	(465,921)
Currency translation differences	**(18,247)**	(6,226)
At 31 December	**420,032**	960,550

	Group	
	2023 $'000	2022 $'000
Interest in PCCW (22.7%) (2022: 22.7%)	**95,347**	218,045
Return of special capital in excess of net assets (*)	**232,605**	232,605
Goodwill and foreign exchange differences	**74,097**	77,687
Carrying value of PCCW	**402,049**	528,337
Add:		
Carrying value of KSH	**12,294**	11,424
Carrying value of Group's interest in associated corporations	**414,343**	539,761
Dividends received from PCCW	**115,760**	115,861
Dividends received from KSH	**939**	–

(*) In 2009, the Company received a return of special capital amounting to $377,478,000 from PCCW. The amount was distributed from PCCW's special capital reserve. This was $232,605,000 in excess of the carrying value of the Group's investment in PCCW.

This amount was recognised in the consolidated income statement. Subsequently, the Group continued to increase the carrying value of its investment in PCCW by recognising its share of subsequent profits and reserves of PCCW. Refer to Note 2.3(b(ii)) for the accounting policy of the Group's equity method of accounting.

Further details of associated corporations are provided in Note 25.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

15. INVESTMENTS IN SUBSIDIARY CORPORATIONS

	Company	
	2023	2022
	$'000	$'000
Equity investments, at cost		
Beginning of financial year	**199,998**	200,943
Addition	**–**	–*
Capital reduction	**(97,883)**	–
Allowance for impairment	**(24,866)**	–
Currency translation difference	**(4,219)**	(945)
End of financial year	**73,030**	199,998

* The amount is less than $1,000.

In 2023, a subsidiary corporation in Singapore reduced its issued share capital via a Court-free process. Management is of the view that the capital reduction did not result in a change in the Company's ownership interest in the subsidiary corporation. Accordingly, it is accounted for as an equity transaction.

The impairment loss of $24,866,000 in the financial year ended 31 December 2023 (2022: $nil) reflects the write-down of the carrying amount of the Company's investments in subsidiary corporations to the recoverable amount as there was an indicator of impairment arising from the annual review of a certain subsidiary corporation's net assets value.

In 2022, the Company subscribed for 1,000 ordinary shares of a newly-incorporated wholly-owned subsidiary corporation, PCRD Financial Services (HK) Limited, at an issue price of HKD1 per share.

Details of subsidiary corporations are provided in Note 25.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

16. PROPERTY, PLANT AND EQUIPMENT

(a) Property, plant and equipment

	Renovations, furniture, fittings and office equipment $'000	Motor vehicles $'000	Properties $'000	Total $'000
Group				
2023				
Cost				
Beginning of financial year	**242**	**184**	**849**	**1,275**
Additions	**4**	**–**	**–**	**4**
End of financial year	**246**	**184**	**849**	**1,279**
Accumulated depreciation				
Beginning of financial year	**230**	**9**	**460**	**699**
Depreciation charge	**9**	**37**	**283**	**329**
End of financial year	**239**	**46**	**743**	**1,028**
Net book value				
End of financial year	**7**	**138**	**106**	**251**
2022				
Cost				
Beginning of financial year	314	163	849	1,326
Additions	2	184	–	186
Disposals	(74)	(163)	–	(237)
End of financial year	242	184	849	1,275
Accumulated depreciation				
Beginning of financial year	281	163	177	621
Depreciation charge	23	9	283	315
Disposals	(74)	(163)	–	(237)
End of financial year	230	9	460	699
Net book value				
End of financial year	12	175	389	576

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

16. PROPERTY, PLANT AND EQUIPMENT (continued)

(a) Property, plant and equipment (continued)

	Renovations, furniture, fittings and office equipment $'000
Company	
2023	
Cost	
Beginning and end of financial year	–
Accumulated depreciation	
Beginning and end of financial year	–
Net book value	
End of financial year	–
2022	
Cost	
Beginning of financial year	23
Disposals	(23)
End of financial year	–
Accumulated depreciation	
Beginning of financial year	23
Disposals	(23)
End of financial year	–
Net book value	
End of financial year	–

(b) Leases

(i) *Amounts recognised in the balance sheet*

	Group	
	2023 $'000	2022 $'000
Right-of-use assets*		
Properties	**106**	389
Lease liabilities#		
Current (Note 19)	**152**	292
Non-current (Note 19)	**66**	225
	218	517

* included in the line item 'Property, plant and equipment' in the balance sheet
\# included in the line item 'Borrowings' in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2023

16. PROPERTY, PLANT AND EQUIPMENT (continued)

(b) Leases (continued)

(ii) *Amounts recognised in the income statement*

The income statement shows the following amounts relating to leases:

	Note	Group 2023 $'000	Group 2022 $'000
Depreciation charge of right-of-use assets			
Properties	16(a)	**283**	283
Finance expenses			
Lease liabilities	6	**10**	11

The total cash outflow relating to leases for the financial year ended 31 December 2023 was $309,000 (2022: $276,000).

(iii) *The Group's leasing activities and how these are accounted for*

The Group leases its office properties. Rental contracts are typically made for periods of two to three years. Lease terms are negotiated on an individual basis and contain different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and corresponding liability at the date on which the leased asset is available for use by the Group.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. A right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

17. OTHER NON-CURRENT ASSETS

	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
Deposits	**1**	86	**–**	–
Prepayments	**801**	1,669	**18**	595
	802	1,755	**18**	595

18. TRADE AND OTHER PAYABLES

	Group		Company	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Other payables to				
– Subsidiary corporations	**–**	–	**240,614**	434,130
– PCGH	**–**	576	**–**	–
– Other non-related parties	**1,252**	1,220	**1,252**	1,220
	1,252	1,796	**241,866**	435,350
Accruals for operating expenses	**2,311**	2,738	**1,095**	1,584
	3,563	4,534	**242,961**	436,934

Amounts due to subsidiary corporations (Note 26(a)) are non-trade in nature, unsecured, interest-free and repayable on demand.

Amount due to PCGH relates to the interest payable on borrowing and is repayable on demand. Details of the borrowing are provided in Note 19(b).

19. BORROWINGS

	Group		Company	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Current				
Lease liabilities (Note 16(b)(i))	**152**	292	**–**	–
Non-current				
Revolving loan facilities (Note 19(a))	**186,229**	227,426	**–**	–
Lease liabilities (Note 16(b)(i))	**66**	225	**–**	–
Borrowing from PCGH (Note 19(b))	**–**	67,090	**–**	–
	186,295	294,741	**–**	–
Total borrowings	**186,447**	295,033	**–**	–

(a) Secured revolving loan facilities for the Group and the Company are denominated in Hong Kong Dollars (2022: Hong Kong Dollars). The loans are secured by shares in PCCW (Note 14) and HKT SSUs (Note 12) (2022: shares in PCCW) held by the Company.

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

Revolving loan facilities are priced at HIBOR (2022: HIBOR), plus a margin ranging from 0.93% to 1.45% per annum (2022: 0.93% to 1.45% per annum).

(b) In 2022, a subsidiary corporation of the Company entered into a borrowing arrangement with PCGH amounting to $67.1 million as at 31 December 2022. The borrowing from PCGH was unsecured and repayable in full by 16 November 2024 with an option for early repayment. The interest rate was fixed at HIBOR, plus a margin of 1.00% per annum. The borrowing was fully repaid in 2023.

The difference between fair value of the borrowing discounted using the prevailing market interest rate and the principal amount received from PCGH, is accounted for as an addition to the subsidiary corporation's equity by PCGH.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

20. DEFERRED INCOME TAX LIABILITIES

	Group		Company	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Deferred income tax liabilities				
– to be settled after one year	**1,072**	374	**206**	–

Movements in deferred income tax liabilities are as follows:

	Group		Company	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**374**	374	**–**	–
Currency translation differences	**(2)**	–	**(2)**	–
Tax charge to income statement (Note 7(a))	**208**	–	**208**	–
Under provision in prior financial years (Note 7(a))	**492**	–	**–**	–
End of financial year	**1,072**	374	**206**	–

The Group's and Company's deferred tax liabilities have been measured based on the corporate tax rates and tax laws prevailing at the balance sheet date in relevant jurisdictions.

Deferred income tax liabilities have been recognised in respect of the following:

(a) certain earnings not remitted into Singapore from Group's assets. These earnings will be brought to tax if they are remitted into Singapore unless for the purpose of paying dividends to shareholders; and

(b) taxable temporary differences on its share of undistributed profits of its associated corporation, KSH, as the entity is liable to pay withholding taxes as and when these undistributed profits are distributed to the Group.

As at 31 December 2023, a subsidiary corporation had unutilised tax losses amounting to approximately $45,730,000 (2022: $45,730,000) available for set-off against taxable income in the future for which no deferred tax asset is recognised due to uncertainty as to its recoverability. The use of these tax losses is subject to agreement by the tax authority and in compliance with certain provisions of the tax legislation of the jurisdiction in which the subsidiary corporation operates. These tax losses have no expiry date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

21. SHARE CAPITAL

	No. of ordinary shares		Amount	
	Issued share capital '000	Company shares '000	Share capital $'000	Company shares $'000
Group and Company				
2023				
Beginning of financial year	**2,648,150**	**–**	**457,283**	**–**
Shares purchased	**–**	**(1,075)**	**–**	**(303)**
Shares cancelled	**(1,075)**	**1,075**	**–**	**303**
End of financial year	**2,647,075**	**–**	**457,283**	**–**
2022				
Beginning and end of financial year	2,648,150	–	457,283	–

All issued ordinary shares are fully paid. There is no par value for these ordinary shares. The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

In 2023, the Company acquired 1,075,100 shares in the Company from the open market and cancelled them. The total amount paid to acquire the shares was $303,000. This is included as a component of shareholders' equity.

22. OTHER RESERVES

(a) Composition:

	Group		Company	
	2023 $'000	2022 $'000	**2023 $'000**	2022 $'000
Currency translation reserve	**74,452**	77,354	**(112,202)**	(93,710)
Equity share compensation reserve	**3,534**	3,649	**–**	–
Cash flow hedge reserve	**(2,409)**	4,956	**–**	–
Other reserve	**(3,044)**	(3,044)	**–**	–
Fair value reserve	**(53,683)**	(26,316)	**(61,364)**	(54,120)
	18,850	56,599	**(173,566)**	(147,830)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

22. OTHER RESERVES (continued)

(b) *Movements:*

(i) *Currency translation reserve*

Movements in the currency translation reserve arise mainly from differences in the translation of financial statements of companies in the Group whose functional currencies are different from that of the Group's presentation currency.

	Group		Company	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**77,354**	88,158	**(93,710)**	(91,207)
Net currency translation differences of financial statements of the Company, foreign subsidiary corporations and associated corporations	**(2,710)**	1,746	**(18,492)**	(2,503)
Share of currency translation reserve of associated corporations	**(192)**	(12,550)	**–**	–
End of financial year	**74,452**	77,354	**(112,202)**	(93,710)

(ii) *Equity share compensation reserve*

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

	Group	
	2023	2022
	$'000	$'000
Beginning of financial year	**3,649**	3,654
Share of equity share compensation reserve of an associated corporation	**(115)**	(5)
End of financial year	**3,534**	3,649

(iii) *Cash flow hedge reserve*

	Group	
	2023	2022
	$'000	$'000
Beginning of financial year	**4,956**	6,101
Share of net fair value losses, net of tax of an associated corporation	**(7,365)**	(1,145)
End of financial year	**(2,409)**	4,956

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

22. OTHER RESERVES (continued)

(b) *Movements:* (continued)

(iv) *Other reserve*

The other reserve records the increase in ownership interest in a subsidiary corporation of an associated corporation and dividends paid under the associated corporation's share award scheme.

	Group	
	2023	2022
	$'000	$'000
Beginning of financial year	**(3,044)**	(13,840)
Share of an associated corporation's other reserves relating to disposal of subsidiary corporations and expiry and accretion of put options to the non-controlling shareholder of an indirect non-wholly owned subsidiary corporation	**–**	10,796
End of financial year	**(3,044)**	(3,044)

(v) *Fair value reserve*

The fair value reserve records the cumulative fair value changes in financial assets, at FVOCI until they are derecognised or impaired.

	Group		Company	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**(26,316)**	114,122	**(54,120)**	68,464
Fair value losses on financial assets, at FVOCI:				
– Gross losses on fair value changes during the year (Note 12)	**(12,102)**	(51,392)	**(7,244)**	(35,889)
– Share of an associated corporation's net losses on fair value changes	**(6,100)**	(2,351)	**–**	–
– Transfer upon disposal of investments #	**(9,165)**	–	**–**	–
– Transfer upon distribution in specie ##	**–**	(86,695)	**–**	(86,695)
End of financial year	**(53,683)**	(26,316)	**(61,364)**	(54,120)

In 2023, the Group redeemed 50% of its holdings in Exoduspoint Partners International Fund, Ltd, with a fair value of $32.8 million at the date of disposal. The cumulative gain on disposal, amounting to $9.2 million, was reclassified from fair value reserve to retained profits.

In 2022, the Company completed the distribution of 123,325,653 HKT SSUs to its Entitled Shareholders. The cumulative fair value reserve relating to HKT SSUs of $86,695,000 was reclassified from fair value reserves to retained profits.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

23. 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 in 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.

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.

Geographical information:

	Group Revenue		Group Non-current assets	
	2023 $'000	2022 $'000	**2023 $'000**	2022 $'000
Singapore	**–**	–	**522**	1,688
India	**–**	–	**12,294**	11,424
Hong Kong	**2,874**	18,820	**402,666**	529,068
Cayman Islands	**6,862**	5,192	**–**	–
	9,736	24,012	**415,482**	542,180

23. SEGMENT INFORMATION (continued)

	2023 $'000	2022 $'000
Investment holding		
External revenue	**9,736**	24,012
Operating profit before interest income and depreciation	**3,421**	17,930
Interest income	**45**	18
Depreciation	**(329)**	(315)
Profit from operating activities *	**3,137**	17,633
Finance expenses	**(17,363)**	(11,406)
Share of (loss)/profit of associated corporations, net of tax	**(16,145)**	7,583
Loss on deemed dilution	**–**	(547)
(Loss)/profit before income tax	**(30,371)**	13,263
Income tax expense	**(1,018)**	(190)
Total (loss)/profit	**(31,389)**	13,073
Segment assets	**88,249**	134,416
Property, plant and equipment	**251**	576
Other non-current assets	**888**	1,843
Investments in associated corporations	**414,343**	539,761
	415,482	542,180
Unallocated corporate assets		
– Cash and cash equivalents	**11,299**	4,007
Total assets	**515,030**	680,603
Segment liabilities	**3,563**	4,534
Unallocated corporate liabilities		
– Borrowings	**186,447**	295,033
– Current income tax liabilities	**58**	16
– Deferred income tax liabilities	**1,072**	374
Total liabilities	**191,140**	299,957
Other segment information:		
Additions to property, plant and equipment	**4**	186

* Profit from operating activities is determined based on the Group's revenue and other income less total expenses, excluding finance expenses.

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24. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to market risk (including currency, price, cash flow and fair value interest rate risks), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group's associated corporation, PCCW, uses financial instruments such as currency forwards, interest rate swaps and foreign currency borrowings to hedge certain financial risk exposures.

The Board of Directors is responsible for setting the objectives and underlying principles for financial risk management of the Group.

(a) Market risk

(i) Currency risk

The Group operates in Asia with operations in Singapore, Hong Kong and India. Entities in the Group regularly transact in currencies other than their functional currencies ("foreign currencies") such as the Singapore Dollar ("SGD") and United States Dollar ("USD").

Currency risk arises when transactions involving monetary items are denominated in foreign currencies. Where material, the Group takes steps to manage currency risk.

In addition, the Group is exposed to currency translation risk on net monetary assets in foreign operations. The Group monitors foreign currency exposures on an on-going basis.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

24. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) *Currency risk* (continued)

The Group's currency exposure expressed in SGD, based on information provided to key management, is as follows:

	HKD $'000	SGD $'000	USD $'000	Other $'000	Total $'000
At 31 December 2023					
Financial assets					
Cash and cash equivalents	**5,716**	**1,175**	**4,407**	**1**	**11,299**
Trade and other receivables	**–**	**229**	**–**	**–**	**229**
Other financial assets	**–**	**87**	**–**	**–**	**87**
Intercompany receivables	**173,307**	**52,361**	**26,624**	**–**	**252,292**
	179,023	**53,852**	**31,031**	**1**	**263,907**
Financial liabilities					
Other financial liabilities	**(528)**	**(2,146)**	**(259)**	**(630)**	**(3,563)**
Borrowings	**(186,229)**	**(218)**	**–**	**–**	**(186,447)**
Intercompany payables	**(173,307)**	**(52,361)**	**(26,624)**	**–**	**(252,292)**
	(360,064)	**(54,725)**	**(26,883)**	**(630)**	**(442,302)**
Net financial (liabilities)/assets denominated in foreign currencies	**(181,041)**	**(873)**	**4,148**	**(629)**	**(178,395)**
Less:					
Net financial liabilities/(assets) denominated in respective entities' functional currencies	**181,055**	**(318)**	**(3,542)**	**–**	
Net intercompany receivables denominated in respective entities' functional currencies	**–**	**(52,361)**	**(26,624)**	**–**	
Currency exposure	**14**	**(53,552)**	**(26,018)**	**(629)**	

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

24. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) *Currency risk* (continued)

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

	HKD $'000	SGD $'000	USD $'000	Other $'000	Total $'000
At 31 December 2022					
Financial assets					
Cash and cash equivalents	2,836	890	280	1	4,007
Trade and other receivables	–	188	–	–	188
Other financial assets	–	89	–	–	89
Intercompany receivables	298,851	120,063	23,865	–	442,779
	301,687	121,230	24,145	1	447,063
Financial liabilities					
Other financial liabilities	(1,288)	(2,296)	(297)	(653)	(4,534)
Borrowings	(227,426)	(517)	(67,090)	–	(295,033)
Intercompany payables	(298,851)	(120,063)	(23,865)	–	(442,779)
	(527,565)	(122,876)	(91,252)	(653)	(742,346)
Net financial liabilities denominated in foreign currencies	(225,878)	(1,646)	(67,107)	(652)	(295,283)
Less:					
Net financial liabilities/(assets) denominated in respective entities' functional currencies	225,893	104	(11)	–	
Net intercompany receivables denominated in respective entities' functional currencies	–	(119,937)	(23,865)	–	
Currency exposure	15	(121,479)	(90,983)	(652)	

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

24. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) *Currency risk* (continued)

The Company's currency exposure expressed in SGD, based on information provided to key management, is as follows:

	HKD $'000	SGD $'000	USD $'000	Total $'000
At 31 December 2023				
Financial assets				
Cash and cash equivalents	**2,060**	**649**	**14**	**2,723**
Trade and other receivables	**–**	**14**	**–**	**14**
Other financial assets	**–**	**2**	**–**	**2**
	2,060	**665**	**14**	**2,739**
Financial liabilities				
Other financial liabilities	**(173,702)**	**(52,479)**	**(16,780)**	**(242,961)**
Net financial liabilities	**(171,642)**	**(51,814)**	**(16,766)**	
Currency exposure after deducting net financial liabilities denominated in the Company's functional currency	**–**	**(51,814)**	**(16,766)**	
At 31 December 2022				
Financial assets				
Cash and cash equivalents	2,675	442	43	3,160
Trade and other receivables	–	85	–	85
Other financial assets	–	3	–	3
	2,675	530	43	3,248
Financial liabilities				
Other financial liabilities	(299,473)	(120,310)	(17,151)	(436,934)
Net financial liabilities	(296,798)	(119,780)	(17,108)	
Currency exposure after deducting net financial liabilities denominated in the Company's functional currency	–	(119,780)	(17,108)	

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

24. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) *Currency risk* (continued)

If the value of the USD and SGD change against the HKD by 5% (2022: 7%) with all other variables including tax rates being held constant, the effects arising from the net financial liability/asset position would be as follows:

	(Increase)/decrease 2023		Increase/(decrease) 2022	
	Loss after tax $'000	**Other comprehensive loss $'000**	Profit after tax $'000	Other comprehensive income $'000
Group				
USD against HKD				
– strengthened	**25**	**(1,105)**	(3,900)	(1,387)
– weakened	**(25)**	**1,105**	3,900	1,387
SGD against HKD				
– strengthened	**(49)**	**(2,173)**	(90)	(6,968)
– weakened	**49**	**2,173**	90	6,968
Company				
USD against HKD				
– strengthened	**(696)**	**–**	(994)	–
– weakened	**696**	**–**	994	–
SGD against HKD				
– strengthened	**(2,150)**	**–**	(6,959)	–
– weakened	**2,150**	**–**	6,959	–

(ii) *Price risk*

The Group is exposed to equity securities price risk arising from investments held by the Group which are classified as financial assets at FVOCI.

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

The Group is not exposed to commodity price risk. To manage price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of its portfolio is carried out in accordance with limits set by the Group.

24. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(ii) Price risk (continued)

If prices for listed equity securities in Hong Kong and unlisted equity securities in Cayman Islands and Japan change by 14% (2022: 16%) with all other variables including tax rates being held constant, total profit and other comprehensive income would be as follows:

	Increase/(decrease)			
	2023		2022	
	Loss after tax $'000	**Other comprehensive loss $'000**	Profit after tax $'000	Other comprehensive income $'000
Group				
Listed in Hong Kong				
– increased by	**–**	**5,450**	–	7,344
– decreased by	**–**	**(5,450)**	–	(7,344)
Unlisted in Cayman Islands				
– increased by	**–**	**4,598**	–	10,292
– decreased by	**–**	**(4,598)**	–	(10,292)
Unlisted in Japan				
– increased by	**–**	**16**	–	18
– decreased by	**–**	**(16)**	–	(18)
Company				
Listed in Hong Kong				
– increased by	**–**	**5,450**	–	7,344
– decreased by	**–**	**(5,450)**	–	(7,344)

(iii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that future cash flows from a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to cash flow interest rate risk arises mainly from non-current variable-rate borrowings.

At 31 December 2023, if interest rates had been higher/lower by 1% (2022: 3%) with all other variables including tax rates being held constant, the loss after tax (2022: profit after tax) would be higher/lower (2022: lower/higher) by $1,547,510 (2022: $7,346,322) as a result of a higher/lower interest expense on these borrowings.

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Group and the Company have insignificant exposures to fair value interest rate risk.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

24. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. For trade receivables, the Group adopts a policy of dealing only with external customers with appropriate credit standing and history and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group adopts a policy of dealing only with high credit quality counterparties. As these policies have been applied consistently, the Group does not expect to incur material credit losses on these financial assets.

As the Group and Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instrument is the carrying amount of that class of financial instrument presented in the balance sheet.

The Group's and Company's major classes of financial assets are bank deposits, trade and other receivables and financial assets, at FVOCI. These assets are subject to immaterial credit loss.

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

	Group		Company	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
By geographical areas				
Singapore	**205**	185	**14**	85
Hong Kong	**24**	3	**–**	–
	229	188	**14**	85
By types of customers				
Non-related parties	**22**	182	**14**	22
Subsidiary corporations	**175**	–	**–**	63
Other related parties	**32**	6	**–**	–
	229	188	**14**	85

(i) *Financial assets that are neither past due nor impaired*

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade and other receivables that are neither past due nor impaired are substantially from companies with a good collection track record with the Group and the Company, and are expected to be collected within 12 months from the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

24. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

(ii) Financial assets that are past due and/or impaired

The Group and the Company do not have any receivables that are past due but not impaired.

The carrying amount of trade and other receivables individually determined to be impaired and the movement in the related allowance for impairment are as follows:

	Group		Company	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Gross amount	**59,776**	60,372	**–**	596
Less: Allowance for impairment	**(59,776)**	(60,372)	**–**	(596)
	–	–	**–**	–
Beginning and end of financial year	**60,372**	60,372	**596**	596
Written off	**(596)**	–	**(596)**	–
End of financial year	**59,776**	60,372	**–**	596

The Group and the Company do not have further dealings with the counterparties to these impaired receivables.

(c) Liquidity risk

The table below analyses the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Less than 1 year $'000	Between 1 and 5 years $'000
Group		
At 31 December 2023		
Trade and other payables	**3,563**	**–**
Borrowings	**11,844**	**196,973**
	15,407	**196,973**
At 31 December 2022		
Trade and other payables	4,534	–
Borrowings	16,945	319,918
	21,479	319,918
Company		
At 31 December 2023		
Trade and other payables	**242,961**	**–**
At 31 December 2022		
Trade and other payables	436,934	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

24. FINANCIAL RISK MANAGEMENT (continued)

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust dividend payments, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors its capital based on total capital. Total capital is calculated as capital and reserves attributable to equity holders of the Company plus net debt. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents.

	Group		Company	
	2023 $'000	2022 $'000	**2023 $'000**	2022 $'000
Net debt	**178,711**	295,560	**240,238**	433,774
Capital and reserves attributable to equity holders of the Company	**323,890**	380,646	**875,912**	840,057
Total capital	**502,601**	676,206	**1,116,150**	1,273,831

The Group and the Company are in compliance with all externally imposed capital requirements for financial years ended 31 December 2023 and 2022.

(e) Fair value measurements

The table below presents assets and liabilities measured and carried at fair value and classified by level of the following fair value measurement hierarchy:

(i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(ii) inputs other than quoted prices included within Level 1 that are observable for the 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).

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
Assets				
Financial assets, at FVOCI				
2023	**46,906**	**33,079**	**6,629**	**86,614**
2022	55,298	63,333	14,300	132,931
Company				
Assets				
Financial assets, at FVOCI				
2023	**46,906**	**–**	**–**	**46,906**
2022	55,298	–	–	55,298

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

24. FINANCIAL RISK MANAGEMENT (continued)

(e) Fair value measurements (continued)

The funds classified in Level 2 are fair valued using the net asset value of the funds, as reported by the respective fund managers. The funds can be redeemed at the net asset value per share at the balance sheet date as advised by the fund managers.

The following table presents the changes in Level 3 instruments:

	Group	
	2023	2022
	$'000	$'000
Financial assets at FVOCI		
Beginning of financial year	**14,300**	33,090
Currency translation differences	**(278)**	(156)
Fair value losses recognised in other comprehensive income	**(7,393)**	(18,634)
End of financial year	**6,629**	14,300

The following table presents the valuation techniques and key inputs that were used to determine the fair value of financial instruments categorised under Level 3 of the fair value hierarchy.

Description	Fair value as at		Valuation techniques	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
	2023	2022				
	$'000	$'000				
Unquoted equity securities	**6,629**	14,300	Net asset value #	Net asset value	Not applicable	The higher the net asset value, the higher the fair value.

Unquoted equity securities are valued based on the net asset value per share as reported by the investee. The net assets of the investee are principally made up of quoted equity instruments that are carried at fair value and borrowings.

The Group's finance team assesses the fair value of financial assets at FVOCI on a quarterly basis.

The carrying values less impairment provision of trade and other receivables and trade and other payables are assumed to approximate their fair values. The fair values of current borrowings approximate their carrying amounts.

(f) Financial instruments by category

The carrying amount of each different category of financial instrument is as disclosed on the face of the balance sheet and in Note 12 to the financial statements, except for the following:

	Group		Company	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Financial assets, at amortised cost	**11,615**	4,284	**2,739**	3,248
Financial liabilities, at amortised cost	**190,010**	299,567	**242,961**	436,934

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

25. 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	
		2023	2022	**2023**	2022
		$'000	$'000	**%**	%
Subsidiary corporations directly held by the Company					
[a] PCRD Services Pte Ltd (Singapore)	Investment holding, business management and consultancy services (Singapore)	**20,665**	21,109	**100**	100
[a] Gladioli Investments Pte Ltd (Singapore)	Dormant	**288**	295	**100**	100
[a] Riyan Pte Ltd (Singapore)	Dormant	**–**	–	**100**	100
[a] Elsmore Pte Ltd (Singapore)	Investment holding (Singapore)	**49,853**	50,928	**100**	100
[a] Leapford Pte. Ltd. (Singapore)	Investment holding (Singapore)	**2,224**	102,264	**100**	100
[b] Pacific Century Regional Developments (HK) Limited (Hong Kong)	Business management and consultancy services (Hong Kong)	**–**	25,402	**100**	100
[c] Telegraph Investments Limited (British Virgin Islands)	Dormant	**–**	–	**100**	100
[c] Valuable Enterprises Limited (British Virgin Islands)	Dormant	**–**	–	**100**	100
[b] PCRD Financial Services (HK) Limited (Hong Kong)	Business administration management and financial consultancy services (Hong Kong)	**–***	–*	**100**	100
		73,030	199,998		

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

25. 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	
		2023	2022	**2023**	2022
		$'000	$'000	**%**	%
Associated corporation held by the Company					
[b] PCCW Limited (Hong Kong)	Provision of local and international telecommunications and information technology services, technology-related businesses, and investment holding (Hong Kong)	**402,049**	528,337	**22.7**	22.7
		402,049	528,337		
Subsidiary corporations indirectly held by the Company					
[c] City Ventures Global Limited (Cayman Islands)	Investment holding (Cayman Islands)			**100**	100
[c] Prosper Global Investments Limited (Cayman Islands)	Investment holding (Cayman Islands)			**100**	100
Associated corporation indirectly held by the Company					
[d] 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
[a] Audited by PricewaterhouseCoopers LLP, Singapore
[b] Audited by PricewaterhouseCoopers, Hong Kong
[c] A corporation not requiring audit under the laws in its country of incorporation
[d] Audited by Price Waterhouse Chartered Accountants LLP, India

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

26. 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	
	2023	2022
	$'000	$'000
Management services rendered to:		
– associated corporations	**3**	3
– other related parties *	**27**	27
Payments made on behalf of and reimbursable by		
– associated corporations	**18**	5
– other related parties *	**48**	30
Payments made on behalf by and reimbursable to		
– associated corporations	**–**	79

* 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	
	2023	2022
	$'000	$'000
Wages, salaries and other short-term employee benefits	**1,481**	1,527
Employer's contribution to defined contribution plans including Central Provident Fund	**34**	35
	1,515	1,562

27. DIVIDENDS

	Company	
	2023	2022
	$'000	$'000
Ordinary dividends		
Interim special dividend paid in respect of the financial year ended 31 December 2022 of 0.05 HKT SSU per share #	**–**	220,542
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	312,698

In 2022, the Company completed the distribution of 123,325,653 HKT SSUs, amounting to $205,415,000 and $15,127,000 (being the cash equivalent of 9,081,806 HKT SSUs) to Entitled Shareholders.

At the Annual General Meeting on 16 April 2024, a final dividend of 4.2 cents per share amounting to a total of $111,172,333 will be recommended.

These financial statements do not reflect this dividend, which, subject to shareholders' approval will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2024.

28. EVENTS OCCURING AFTER BALANCE SHEET DATE

Subsequent to financial year end, the Board of Directors have approved and commenced the redemption of its holdings in Exoduspoint Partners International Fund, Ltd, amounting to $32.9 million as at 31 December 2023 (Note 12). The holdings will be redeemed across four consecutive quarters, beginning 30 June 2024 and will be classified as "Assets classified as held-for-sale" subsequent to financial year end.

29. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below is the mandatory amendment and interpretation of an existing standard that has been published and is relevant for the Group's accounting periods beginning on or after 1 January 2024 and which the Group has not early adopted.

Amendments to SFRS(I) 1-1 Presentation of Financial Statements:
Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2024)
Non-current Liabilities with Covenants (effective for annual periods beginning on or after 1 January 2024)

The narrow-scope amendments to SFRS(I) 1-1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).

Covenants to loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants with which the entity must comply within 12 months of the reporting date. The disclosures include:

- the carrying amount of the liability;
- information about the covenants; and
- facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, in the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as liabilites must be considered when determining the current/non-current classification of a convertible note.

The Group does not expect any significant impact arising from applying these amendments.

30. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Pacific Century Regional Developments Limited on 25 March 2024.

REPORT ON CORPORATE GOVERNANCE

Pacific Century Regional Developments Limited ("PCRD" or the "Company") is committed to upholding high standards of corporate governance in conformity with the Code of Corporate Governance 2018 ("Code") issued by the Monetary Authority of Singapore.

PCRD supports the principles underpinning best practice in corporate governance. The challenge, as PCRD sees it, is not simply to put the various elements of good corporate governance in place but also to ensure that these elements are effectively integrated, well understood, and appropriately applied. Importantly, also, an appropriate balance must be maintained between the conformance and performance roles of the Board and its Committees.

PCRD has always recognised that improving corporate governance is a continuous process and if implemented effectively, good corporate governance practices provide the integrated strategic framework necessary to achieve required performance outputs and outcomes, as well as discharging the Company's accountability obligations.

This report describes the Company's corporate governance practices during the financial year ended 31 December 2023 ("FY2023") with specific reference to the Code. The Company has complied with the principles of the Code and, substantially, with the provisions as set out in the Code. Deviations from the Code, if any, are explained under the respective sections.

BOARD OF DIRECTORS

Principle 1: Board's Conduct of Affairs

The Board:

1. Acts as the ultimate decision-making body of the Company, except with respect to those matters reserved to shareholders. Directors are fiduciaries who take decisions objectively in the interests of the Company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.

2. Represents shareholders' interest in developing the Company's businesses to successfully optimise long-term financial returns.

3. Reviews and evaluates management performance and ensures that Management is capably executing its responsibilities.

4. Acts as an advisor and counselor to senior management.

5. Identifies key stakeholder groups, sets the Company's values and standards and recognises and ensures its legal, social and moral obligations towards shareholders and stakeholders are understood and met.

Specifically, the Board is responsible for:

1. Providing entrepreneurial leadership, formulation of policies and strategies (including consideration of sustainability issues), ensuring that the necessary financial and human resources are in place for the Company to meet its objectives and overseeing the management of the Company as a whole.

2. Approving major funding, investment and divestment proposals.

3. Overseeing the processes for evaluating the adequacy and effectiveness of internal controls and risk management, including safeguarding of the Company's assets and shareholders' interests.

4. Approving the nominations of board directors.

5. Assuming responsibility for compliance with the Companies Act 1967 ("Companies Act") and the rules and requirements of regulatory bodies.

REPORT ON CORPORATE GOVERNANCE

BOARD OF DIRECTORS (continued)

Matters that are specifically reserved to the full Board for decision are those involving material acquisitions and disposals of assets, corporate or financial restructuring, share issuances, share buy-backs and dividends. Written internal guidelines adopted by the Company, which have been communicated to Management, require specific Board approval for any investment or expenditure exceeding US$50 million (or its equivalent in any other currency) in total. To facilitate effective management, certain functions have been delegated by the Board to Board Committees namely, the Executive Committee, the Audit Committee, the Nominating Committee and the Remuneration Committee. Each of these Board Committees has clear written terms of reference which are reviewed regularly and set out their composition, authority and duties, including requirements to report back to the Board.

The Board meets at least twice a year and as warranted by circumstances. The Company's Constitution allows Board meetings to be conducted by way of videoconference, teleconference or other forms of electronic communication. Attendances of directors at meetings of the Board and Board Committees, and at the Company's Annual General Meeting ("AGM"), held in 2023 were as follows:

	Board		Audit Committee		Nominating Committee		Remuneration Committee		AGM
Name	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Attended
Richard Li Tzar Kai	2	2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	–
Francis Yuen Tin Fan	2	2	2	2	1	1	1	1	–
Peter A. Allen	2	2	2	2*	1	1*	1	1*	1
Frances Wong Waikwun [1]	2	2	2	1	1	1	n.a.	n.a.	–
Laura Deal Lacey	2	2	n.a	n.a.	1	1	1	1	–
W. Michael Verge [1]	2	2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1
Christopher John Fossick	2	2	2	2	1	1	n.a.	n.a.	1
Yeo Wee Kiong	2	2	2	2	n.a.	n.a.	1	1	1
Charlene Dawes	2	2	2	2	1	1	n.a.	n.a.	–

* By invitation
n.a. Not applicable
1 Retired by rotation at the AGM held on 21 April 2023

Directors understand the Group's businesses as well as their directorship duties. New directors are briefed on the Group's businesses and corporate governance policies. Upon appointment of each new director, PCRD provides a formal letter to the director setting out the director's duties and obligations. Familiarisation visits are organised and funded, as necessary, to facilitate a better understanding of the Group's operations. Whilst there are no formal continuing training programmes for existing directors, briefing sessions and training (including by external professional legal and financial advisors), particularly on relevant new laws, regulations and changing commercial risks, are conducted or provided at the Company's expense when necessary.

Under Rule 210(5)(a) of the Listing Manual ("Listing Manual") of the Singapore Exchange Securities Trading Limited ("SGX-ST"), a newly-appointed director who has no prior experience as a director of an issuer listed on the SGX-ST must undergo mandatory training in the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST, unless the Nominating Committee is of the view that training is not required because he or she has other relevant experience. In this regard, Ms. Clara Tiong Siew Ee, who was appointed as a director on 4 March 2024 with no prior experience as a director of an issuer listed on the SGX-ST, intends to attend such mandatory training on the roles and responsibilities of a director of a listed issuer in 2024 although she has other relevant experience serving as executive director and chief risk officer of a company listed on Bursa Malaysia.

REPORT ON CORPORATE GOVERNANCE

BOARD OF DIRECTORS (continued)

In order to ensure that the Board is able to fulfill its responsibilities, Board members receive full co-operation from Management who provide them with key information in a complete, adequate and timely manner and access to company records and information on an on-going basis. In furtherance of the same, each of the directors is provided with the contact numbers and e-mail addresses of all other directors, senior management and the Company Secretary.

Board papers, including sufficient background information on matters to be brought before the Board such as business strategies and summaries of disclosure documents, are circulated to Board members prior to meetings by the Company Secretary. Minutes of all Board and Board Committee meetings are also circulated to Board members periodically. The Board is updated on the status of the performance of subsidiary companies ("subsidiary corporations" and each, a "subsidiary corporation") and associated companies ("associated corporations" and each, an "associated corporation") and the Company also provides independent directors with relevant background and explanatory information to enable them to understand its business and financial environment as well as those particular risks faced by the Company.

The Board has separate and independent access to the Company Secretary and senior management of the Company as and when the need arises.

The Company Secretary's role includes advising the Board on all governance matters. Should directors, whether individually or as a group, need independent professional advice in relation to the conduct of his or their duties, the directors, or the Company Secretary upon direction by the Board, may appoint a professional advisor selected by the individual or individuals concerned and approved by the executive directors to render advice. The cost of such professional advice is borne by the Company.

The Company Secretary or his assistant attends all Board meetings and is responsible for ensuring that Board procedures are followed. It is the Company Secretary's responsibility to ensure that the Company complies with the requirements of the Companies Act and all other rules and regulations which are applicable to the Company and that Board members are fully briefed on these and have regard to them when taking decisions. The Company Secretary's responsibilities also include ensuring good information flows within the Board and its Board Committees and between senior management and non-executive directors, as well as facilitating orientation and assisting with professional development as required.

The appointment and removal of the Company Secretary is a matter for the Board as a whole.

Principle 2: Board Composition and Guidance

As at 31 December 2023, the Board comprised seven directors of whom two were executive directors and five were independent non-executive directors. Independent non-executive directors made up a majority of the Board as at 31 December 2023.

The two executive directors were the Chairman of the Board, Mr. Richard Li Tzar Kai, and the Group Managing Director, Mr. Peter A. Allen. The five independent non-executive directors were the Deputy Chairman and Lead Independent Director, Mr. Francis Yuen Tin Fan, Ms. Laura Deal Lacey, Mr. Christopher John Fossick, Mr. Yeo Wee Kiong and Ms. Charlene Dawes. Ms. Clara Tiong Siew Ee, an independent non-executive director, was appointed to the Board on 4 March 2024.

The profiles of directors are set out on pages 4 to 5 of this Annual Report.

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

REPORT ON CORPORATE GOVERNANCE

BOARD OF DIRECTORS (continued)

In its annual review of the independence of directors, the Nominating Committee takes into consideration a questionnaire on independence that each director is required to complete, having regard to the Code's definition of what constitutes an independent director as well as the Listing Manual's guidance as to the types of relationships which would deem a director to not be independent. The Board recognises the contributions of its independent directors who over time have developed deep insights into the Company's businesses and who are therefore able to provide valuable insights to the Company. In view of their respective contributions and the appropriate fit of the present Board members to the current businesses of the Company, the Board has not set a fixed term of office for each of its independent directors.

Under the Code, an "independent" director is defined as one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company. Under the Listing Manual, a director will not be independent:

- If he or she is employed or has been employed by the company or any of its related corporations in the current or any of the past three financial years.
- If he or she has any immediate family member who is employed or has been employed by the company or any of its related corporations in the current or any of the past three financial years, and whose remuneration is or was determined by the remuneration committee of the company.
- If he or she has been a director of the company for an aggregate period of more than nine years (whether before or after listing). Such director may continue to be considered independent until the conclusion of the next annual general meeting of the company.

On 11 January 2023, Singapore Exchange Regulation removed Rule 210(5)(d)(iii) of the Listing Manual with immediate effect and introduced a nine-year limit on the tenure of independent directors under new Rule 210(5)(d)(iv) of the Listing Manual (effective from the issuer's AGM held for the financial year ending on or after 31 December 2023 (the "2024 AGM")). Under the new rules, an independent director serving beyond his or her nine-year tenure limit must be re-designated as non-independent, even if his or her independence had been previously approved by the two-tier vote under Rule 210(5)(d)(iii) of the Listing Manual. Based on the transitional arrangements in Transitional Practice Note 4 of the Listing Manual titled "Transitional Arrangements Regarding the Tenure Limit for Independent Directors", as a transition during the period between 11 January 2023 and the date of the 2024 AGM ("Transitional Period"), independent directors whose tenure exceeds the nine-year limit can continue to be deemed independent so long as they continue to fulfil the independence requirements under Rule 210(5)(d)(i) and Rule 210(5)(d)(ii) of the Listing Manual. Rule 210(5)(d)(iii) of the Listing Manual does not apply during the Transitional Period, including for independent directors whose tenure exceeds the nine-year limit who are re-elected during the Transitional Period.

During FY2023, Mr. Francis Yuen Tin Fan and Ms. Laura Deal Lacey were both regarded as independent directors of the Company. Mr. Francis Yuen Tin Fan first joined the Board as an independent director on 15 March 2005 and reached nine years of service on 15 March 2014. Mr. Francis Yuen Tin Fan is regarded as an independent director despite having served for more than nine years on the Board, as his continued appointment as an independent director was approved by shareholders at the AGM held on 23 April 2021 through the two-tier voting process under the then applicable Rule 210(5)(d)(iii) of the Listing Manual (effective from 1 January 2022 to 10 January 2023). However, following the recent amendment to the Listing Manual implemented by the SGX-ST to cap the tenure of independent directors of issuers to nine years, the requisite approvals obtained under Rule 210(5)(d)(iii) of the Listing Manual in relation to the independence status of Mr. Francis Yuen Tin Fan ceased to be in force on 11 January 2023. Ms. Laura Deal Lacey first joined the Board as an independent director on 12 February 2015 and reached nine years of service on 12 February 2024.

REPORT ON CORPORATE GOVERNANCE

BOARD OF DIRECTORS (continued)

Based on the transitional arrangements as described above, the Board (after taking into account the Nominating Committee's views and having considered that both Mr. Francis Yuen Tin Fan and Ms. Laura Deal Lacey continue to fulfil the independence requirements under Rule 210(5)(d)(i) and Rule 210(5)(d)(ii) of the Listing Manual) has approved the continued appointment of Mr. Francis Yuen Tin Fan and Ms. Laura Deal Lacey as independent directors until no later than the conclusion of the Company's 2024 AGM, which is to be held on 16 April 2024. Mr. Francis Yuen Tin Fan will be redesignated as non-independent at the conclusion of the 2024 AGM.

Mr. Francis Yuen Tin Fan is currently an independent non-executive Deputy Chairman of the Company. He will remain on the Board as a non-independent non-executive director from the conclusion of the 2024 AGM. Ms. Laura Deal Lacey has confirmed that she will retire from the Board, and her resignation will take effect from the conclusion of the 2024 AGM.

Members of the Board of Directors are drawn from a range of professional disciplines and have prior relevant practical experience. The Board communicates regularly through the Company Secretary to ensure that alternative views are obtained before embarking on transactions, as well as to ensure that there is an adequate flow of information.

The Board considers the current Board structure, size and composition is suitable for the Group's present scope and nature of operations. The Board has an appropriate mix of skills, knowledge, experience, and other aspects of diversity such as age and gender to provide the Company with the necessary management, financial, legal, business and industry knowledge, and to avoid groupthink and foster constructive debate. Non-executive directors constructively challenge and help develop proposals on strategy and review the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance. Non-executive directors may meet without the presence of Management on a need-be basis when warranted by circumstances from time to time and are able to communicate via telephonic conferences or otherwise to discuss issues relating to board processes, corporate governance initiatives and other matters to be discussed during Board meetings.

The Company is mindful of the importance of diversity for an effective Board, and believes that Board diversity enables the Company to draw on a diverse mix and combination of skills, experience, and knowledge. The Company's Board diversity policy seeks to ensure that the Board possesses an appropriate balance and combination of skills, experience and professional competencies, gender, age, and other relevant qualities. These considerations are incorporated in the selection and nomination process for the appointment of new directors.

The Company's diversity targets, plans and timelines for achieving the targets and progress towards achieving the targets are set out as follows.

Diversity Targets, Plans and Timelines (for the period to 2028)	Progress Towards Achieving Targets
Skills, experience and professional competencies To have directors who as a group possess identified core competencies in finance, accounting and audit, business management and law, and professional experience in relevant industries, such as property development and management, telecommunications and financial services. The Company's target is to maintain this level of diversity in skills, experience and professional competency. The Company believes that directors' wide-ranging backgrounds and professional experience in various industries will support the work of the Board and Board Committees and help provide effective guidance and oversight of the Company's operations.	**Achieved** – As at the end of FY2023, directors as a group have expertise in all identified core competencies and experience spanning relevant industries.

REPORT ON CORPORATE GOVERNANCE

BOARD OF DIRECTORS (continued)

Diversity Targets, Plans and Timelines (for the period to 2028)	Progress Towards Achieving Targets
Gender To have at least 20% of female directors on the Board. The Company's target is to maintain this level of gender diversity. The Company believes that gender diversity provides added perspectives and approaches to help shape the Company's strategic objectives, thus benefitting the Company and its shareholders.	**Achieved** – As at the end of FY2023, the proportion of female directors on the Board is 28.6%. The appointment of Ms. Clara Tiong Siew Ee ensures that the proportion of female directors is maintained at 28.6% after Ms. Laura Deal Lacey's resignation from the Board, which will take effect from the conclusion of the 2024 AGM.
Age group To ensure that the Board comprises directors falling within at least two out of the following three age groups: (i) 55 and below; (ii) between 56 to 65; and (iii) 66 and above. The Company's target is to maintain this level of age diversity. The Company believes that age diversity ensures that the Company has a group of directors whose ages span across different age groups to provide a broad spectrum of perspectives and views in Board and Board Committee deliberations.	**Achieved** – As at the end of FY2023, the Board comprises directors falling within all three age groups.

There were no new Board appointments during FY2023. On 4 March 2024, the Board appointed a new director, Ms. Clara Tiong Siew Ee. Her appointment has enhanced Board diversity, taking into consideration her skillsets and core competencies which are required to meet the needs of the Company and its business, including managerial experience in logistics, hospitality and real estate businesses, and considering her age and gender. The Company remains committed to implementing its Board diversity policy and progress will be reported by the Nominating Committee to the Board on an annual basis and disclosed in annual reports, as appropriate. The Board, taking into account the views of the Nominating Committee, considers that the current Board has an appropriate level of diversity of skills and experience, gender, age and independence, as contemplated by the Board diversity policy, to enable it to make decisions in the best interests of the Company.

REPORT ON CORPORATE GOVERNANCE

BOARD OF DIRECTORS (continued)

Additional information on those directors who are proposed for re-election at the 2024 AGM is as follows:

Name of director	Richard Li Tzar Kai	Peter A. Allen	Christopher John Fossick	Clara Tiong Siew Ee
Age	57	68	63	33
Date of appointment	8 September 1994	1 November 1997	13 August 2018	4 March 2024
Date of last re-appointment (if applicable)	23 April 2021	23 April 2021	22 April 2022	NA
Country of principal residence	Hong Kong	Singapore	Singapore	Malaysia
Whether appointment is executive, and if so, the area of responsibility	Yes, Executive Chairman	Yes, Group Managing Director	No	No
Job title (e.g. Lead ID, AC Chairman, AC member etc.)	1. Executive Chairman 2. Chairman of the Executive Committee	1. Group Managing Director 2. Member of the Executive Committee	1. Independent Non-Executive Director 2. Chairman of the Nominating Committee 3. Member of the Audit Committee 4. Member of the Remuneration Committee	1. Independent Non-Executive Director
Professional qualifications	–	1. Bachelor of Arts in Economics from University of Sussex 2. Fellow of the Institute of Chartered Accountants in England and Wales 3. Fellow of the Institute of Singapore Chartered Accountants 4. Fellow Member of CPA Australia 5. Fellow Member of the Hong Kong Institute of Directors	1. Master of Business Administration from the University of Chicago 2. Bachelor of Science in Estate Management from the University of South Wales, UK 3. Fellow of the Royal Institute of Chartered Surveyors	1. Bachelor of Marketing from the Royal Melbourne Institute of Technology 2. Master of Commerce from the Royal Melbourne Institute of Technology
Working experience and occupation(s) during the past 10 years	Director	Director	2006 to 2024 – Chief Executive Officer, Southeast Asia of Jones Lang LaSalle	1. 2021 to Present – Executive Director of Jaya Tiasa Holdings Berhad 2. 2017 to 2020 – Manager (Assistant to Executive Chairman) of Jaya Tiasa Holdings Berhad 3. 2015 to 2017 – Manager of Oriental Evermore Sdn Bhd

REPORT ON CORPORATE GOVERNANCE

BOARD OF DIRECTORS (continued)

Name of director	Richard Li Tzar Kai	Peter A. Allen	Christopher John Fossick	Clara Tiong Siew Ee
Shareholding interest in the listed issuer and its subsidiaries	28,167,000 shares in the Company held by Hopestar Holdings Limited, a company 100% owned by Mr. Richard Li Tzar Kai	5,010,000 shares in the Company held in own name and nominee's name	No	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Please refer to Note 1 on page 111 of this Annual Report	No	No	No
Other principal commitments including directorships				
Past (for the last 5 years)	None	None	Chief Executive Officer, Southeast Asia of Jones Lang LaSelle	None
Present	Chairman and Chief Executive of the Pacific Century Group Director of listed entities: 1. PCCW Limited 2. HKT Limited 3. Pacific Century Premium Developments Limited	Executive Director and Chief Financial Officer of the Pacific Century Group Director of listed entities: 1. HKT Limited	Non-Executive Director, Native Land Limited	Executive Director and Chief Risk Officer of Jaya Tiasa Holdings Berhad Director of non-listed entities: 1. Oriental Evermore Sdn Bhd 2. Hitsuma Sdn Bhd 3. Trans-Allied Sdn Bhd

The directors seeking re-election at the 2024 AGM namely, Mr. Richard Li Tzar Kai, Mr. Peter A. Allen, Mr. Christopher John Fossick and Ms. Clara Tiong Siew Ee, have each:

- Provided an undertaking (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual.
- Confirmed that he/she has no conflict of interest (including any competing business).
- Confirmed that his/her responses under items (a) to (k) of Appendix 7.4.1 of the Listing Manual are all "No".

The above directors are proposed for re-appointment to ensure that the Board continues to have the right mix of skills, knowledge, experience and diversity such as gender, qualifications, professional experience and age to provide the Company with the necessary management, financial, business and industry knowledge.

REPORT ON CORPORATE GOVERNANCE

BOARD OF DIRECTORS (continued)

Principle 3: Chairman and Group Managing Director

The Chairman, Mr. Richard Li Tzar Kai, is an executive director and his role is separate from that of Mr. Peter A. Allen, the Group Managing Director. The clear separation of the role and responsibilities of the Chairman and the Group Managing Director, which are set out in writing, is to ensure an appropriate balance of authority, increased accountability and greater capacity of the Board for independent decision making. The Chairman is assisted by an Executive Committee comprising himself and Mr. Peter A. Allen. The Group Managing Director is responsible for the workings of the Board as well as ensuring conformity by Management with corporate governance policies laid down by the Board. The Chairman ensures that Board meetings are held when necessary and sets the Board meeting agenda in consultation with the Group Managing Director. The Chairman also:

1. Leads the Board to ensure its effectiveness in all aspects of its role;
2. Sets the agenda and ensures that adequate time is available for discussion of all agenda items, including strategic issues;
3. Promotes a culture of openness and debate at the Board;
4. Ensures that directors receive complete, accurate, timely and clear information;
5. Ensures effective communication with shareholders;
6. Encourages constructive relations within the Board and between the Board and Management;
7. Facilitates the effective contribution of non-executive directors;
8. Encourages constructive relations between executive directors and non-executive directors; and
9. Promotes high standards of corporate governance.

As the Chairman is not an independent director and is part of the management team, the Company has appointed a Lead Independent Director ("LID") in line with the recommendations of the Code. The Company's LID is Mr. Francis Yuen Tin Fan. The LID is available to shareholders in cases where they have concerns which contact through the normal channels of the Chairman or Management has failed to resolve or is inappropriate. The LID and other independent directors meet periodically without the presence of the other directors, and the LID provides feedback to the Chairman after such meetings.

BOARD COMMITTEES

The Board and Board Committees do not have direct oversight over the affairs of PCCW Limited ("PCCW") as this company is listed on The Stock Exchange of Hong Kong Limited whose high regulatory standards allow the Board and Board Committees of the Company to rely on the board and board committees of PCCW to oversee their own operations.

NOMINATING COMMITTEE

Principle 4: Board Membership

The Nominating Committee currently comprises four independent non-executive directors namely, Mr. Christopher John Fossick (Chairman), Ms. Laura Deal Lacey, Ms. Charlene Dawes and Mr. Francis Yuen Tin Fan, the LID.

The duties and responsibilities of the Nominating Committee (as set out in its terms of reference) are as follows:

1. To review the succession plans for directors (in particular, the Chairman, Group Managing Director and key management personnel) and assess the skills represented on the Board by directors to determine whether those skills meet the required standard to competently discharge the Board's duties, having regard to the strategic direction of the Company and its succession plans, and to make recommendations to the Board on individuals it considers appropriate for appointment or re-appointment.

2. To implement a process for identification of suitable candidates for appointment to the Board and assess relationships, based on disclosures by directors with respect to the Company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence, the independence of new appointees and existing directors in accordance with the guidelines contained in the Code and make recommendations to the Board in relation thereto.

3. To evaluate and assess the effectiveness of the Board as a whole, its Board Committees and directors, by establishing a process for conducting reviews of all Board members by such means as it considers appropriate, and to make recommendations to the Board in relation thereto.

4. To make recommendations to the Board in relation to the appointment of new directors and re-election of incumbent directors who are retiring by rotation.

5. To make recommendations to the Board in relation to training and professional development programmes for directors, and ensure that new directors are aware of their duties and obligations. Whilst there are no formal continuing training programmes for existing directors, briefing sessions and training (including by external professional legal and financial advisors), particularly on relevant new laws, regulations and changing commercial risks, are conducted or provided at the Company's expense when necessary.

New directors and retiring directors seeking re-election are recommended to the Board, after the Nominating Committee has agreed to their nomination. Articles 99 and 100 of the Company's Constitution provides that one-third of the Board of Directors is to retire from office by rotation and is eligible for re-election at the Company's AGM, and every director is to submit himself/herself for re-election at least once every 3 years. In addition, Article 105 of the Company's Constitution provides that a newly appointed director appointed by the Board must retire and submit himself/herself for re-election at the next AGM following his initial appointment.

In this regard, each of Mr. Richard Li Tzar Kai, Mr. Peter A. Allen and Mr. Christopher John Fossick will be retiring by rotation pursuant to Article 99 of the Company's Constitution and will seek re-election as directors at the 2024 AGM. Ms. Clara Tiong Siew Ee, an independent non-executive director who was appointed by the Board on 4 March 2024, will be retiring pursuant to Article 105 of the Company's Constitution and will seek re-election as a director at the 2024 AGM.

REPORT ON CORPORATE GOVERNANCE

NOMINATING COMMITTEE (continued)

The appointment, date of appointment and date of last re-appointment of each director, together with their directorships or chairmanships both present and those held in the preceding three years in other listed companies are set out below:

Name of Director	Appointment	Date of initial appointment	Date of last re-election / re-appointment	Directorships or chairmanships both present and those held over the preceding three years in other listed companies
Richard Li Tzar Kai	Executive	08.09.94	23.04.21	Present – PCCW Limited – HKT Limited – Pacific Century Premium Developments Limited
Francis Yuen Tin Fan	Non-Executive/ Independent	15.03.05	22.04.22	Present – Shanghai Industrial Holdings Limited – Yixin Group Limited Past 3 years – Agricultural Bank of China Limited
Peter A. Allen	Executive	01.11.97	23.04.21	Present – HKT Limited
Laura Deal Lacey	Non-Executive/ Independent	12.02.15	22.04.22	None
Christopher John Fossick	Non-Executive/ Independent	13.08.18	22.04.22	None
Yeo Wee Kiong	Non-Executive/ Independent	29.05.20	21.04.23	Present – AF Global Limited – SUTL Enterprise Limited Past 3 years – Roxy-Pacific Holdings Limited – Bonvests Holdings Limited – Asian Healthcare Specialists Limited
Charlene Dawes	Non-Executive/ Independent	05.12.22	21.04.23	None
Clara Tiong Siew Ee	Non-Executive/ Independent	04.03.24	NA	Present – Jaya Tiasa Holdings Berhad

Key information regarding directors, including academic and professional qualifications, listed company directorships and principal commitments, is set out on pages 4 to 5 of this Annual Report.

REPORT ON CORPORATE GOVERNANCE

NOMINATING COMMITTEE (continued)

The process for selection and appointment of new directors to the Board is carried out when necessary by the Nominating Committee. The Nominating Committee initiates and executes a process to search for and identify suitable candidates for nomination to the Board for appointment, taking into consideration the core competencies required to meet the needs of the Company and the competencies of the existing directors. In selecting potential new directors, the Nominating Committee seeks to identify a range of expertise and competencies, such as, broad commercial experience in fund management, property and financial services industries, as well as appropriate financial and legal qualifications and other skills required to enable the Board to fulfill its responsibilities. The need to maximise the effectiveness of the Board is taken into consideration. In doing so, the Nominating Committee has regard to the results of an annual appraisal of the Board's performance. The Nominating Committee also takes into consideration whether a candidate had previously served on the board of companies with adverse track records or a history of irregularities, and assesses whether a candidate's resignation from the board of any such company would cast any doubt on his ability to act as a director of the Company. The Nominating Committee may engage recruitment consultants to undertake research on, or assess, candidates for new positions on the Board, or to engage such other independent experts as the Committee considers necessary to assist it in carrying out its duties and responsibilities. The Nominating Committee, having considered the composition of the Board in relation to the needs of the Company and its businesses, prepares a shortlist of candidates with the appropriate profile for nomination.

As part of the Board renewal process, the Nominating Committee identified and nominated Ms. Clara Tiong Siew Ee as a potential candidate for appointment as director, taking into consideration her skillsets and core competencies which are required to meet the needs of the Company and its business, including managerial experience in logistics, hospitality and real estate business. Her appointment also meets the Company's criteria for new appointees in respect of Board diversity considerations, considering her age and gender. The Board (upon recommendation by the Nominating Committee) appointed Ms. Clara Tiong Siew Ee as an independent non-executive director on 4 March 2024.

The Board does not appoint alternate directors. Alternate directors would only be appointed in exceptional cases such as when a director has a medical emergency.

Principle 5: Board Performance

The Nominating Committee evaluates the Board's performance as a whole and assesses the effectiveness of Board Committees annually based on performance criteria (as recommended by the Nominating Committee and approved by the Board) which include an evaluation of the size and composition of the Board, the Board's access to information, Board performance in relation to discharging its principal functions, fiduciary duties and communication with senior management. These performance criteria also include certain financial indicators as a guide to directors such as the company's share price performance over a five-year period compared to the Singapore Straits Times Index and its industry peers, return on assets, return on equity and return on investment as well as other measures of the Board's performance such as the accretion in value of its major investments. PCCW, which comprises the bulk of the inherent value of PCRD, is managed on a day-to-day basis by a separate board and professional management team. The performance criteria do not change from year to year, unless the Nominating Committee is of the view that it is necessary to change the performance criteria, for example, in order to align with any changes in the Code. The evaluation of the Board and Board Committees includes the completion of a Board and Board Committee Evaluation Form by each director. The Nominating Committee collates these responses into a report which is discussed by the Nominating Committee.

In its assessment of the contribution of each individual director (including the Chairman) to the effectiveness of the Board and Board Committees (including discussion of re-nomination of directors for re-appointment), the Nominating Committee takes into consideration their respective preparedness, commitment, participation, attendance at Board and Board Committee meetings and whether they have the essential skills to competently discharge the Board's duties. As part of the review process (which takes into account the assessment of each individual director facilitated by the completion of a Director Evaluation Form by each director, attendance at Board and/or Board Committee meetings and the level of commitment required by a director's other board representations or principal commitments), directors must demonstrate that they are able to give sufficient time and attention to the affairs of PCRD, particularly when a director holds multiple board appointments or other principal commitments. After considering the competing time commitments faced by directors who serve on multiple boards and the level of activities of the Company, the Board has determined that the maximum number of listed company board representations which any director may hold is five. This number will be reviewed in future years to take into account any changes in the nature and activities of the Company.

REPORT ON CORPORATE GOVERNANCE

NOMINATING COMMITTEE (continued)

Each director is required to individually complete a Director Evaluation Form to facilitate the deliberations of the Nominating Committee in its assessment of the Board (including contributions by the Chairman) and Board Committees. The form is designed to assess each director's performance and commitment to the Company's affairs, his/her understanding of the Company's strategies and operations, business developments, corporate goals and objectives of the Company, his/her contributions to the development of the Company's strategies and policies and to identify areas for improvement. No external facilitator is involved in the process of assessment of the effectiveness of the Board, Board Committees and individual directors.

The Nominating Committee collates and reviews the feedback from these evaluations and recommends any actions required for improvement to the Board. The Chairman takes careful note of the results of the performance evaluations by the Nominating Committee and, where appropriate, may propose new members to be appointed to the Board and Board Committees or seek the resignation of directors, in consultation with the Nominating Committee.

Based on the Board's assessment and review, the Board has met its performance objectives. The Board and its Board Committees have operated effectively and each director has contributed to the effectiveness of the Board.

The Board is satisfied that its directors are able to adequately carry out their respective duties and responsibilities as directors of the Company.

AUDIT COMMITTEE

Principle 10: Audit Committee

The Audit Committee currently comprises four independent non-executive directors namely, Mr. Yeo Wee Kiong (Chairman), Mr. Francis Yuen Tin Fan, Mr. Christopher John Fossick and Ms. Charlene Dawes.

The Board considers that Mr. Yeo Wee Kiong, who was a corporate lawyer with many years of experience in corporate finance including as chairman of an audit committee of a listed entity, is well qualified to chair the Audit Committee. Mr. Francis Yuen Tin Fan has strong accounting and financial management expertise and experience. Mr. Christopher John Fossick has many years of experience and a strong track record in the commercial real estate business in Singapore, Asia and the United Kingdom and has spearheaded the development, analysis and marketing of numerous major commercial developments. Ms. Charlene Dawes is a managing director and business owner with years of entrepreneurial experience in hospitality management. More details on these directors' qualifications and experience can be found in the profiles of directors set out on pages 4 to 5 of this Annual Report. The Board is satisfied that the Audit Committee members' collective wealth of experience and expertise in accounting and financial management enables them to discharge their responsibilities competently. None of the members of the Audit Committee are previous partners or directors of the Company's auditor, PricewaterhouseCoopers LLP ("PricewaterhouseCoopers") and none of the members of the Audit Committee hold any interest in PricewaterhouseCoopers.

The Audit Committee performs the following main functions:

1. Reviews the independence of external auditors and makes recommendations to the Board of Directors on proposals to shareholders on the appointment (including re-appointment) or removal the external auditors and the remuneration and terms of engagement of the external auditors.

2. Reviews with Management, upon finalisation and prior to publication, the financial results for each half-year and full year, and any announcements relating to the company's financial performance.

3. Reviews interested person transactions and the adequacy of PCRD's internal control procedures in relation to interested person transactions.

4. Reviews compliance with accounting standards, all relevant laws, the listing rules of the SGX-ST and the Code.

AUDIT COMMITTEE (continued)

5. Reviews any changes in accounting principles or their application during the year.

6. Reviews significant adjustments proposed and any recommendations on internal accounting controls arising from the statutory audit by external auditors.

7. Reviews the audit plans of the external auditors of the Company and ensures the adequacy of the system of accounting controls and co-operation given by management.

8. Reviews the adequacy, effectiveness, independence, scope and results of the external audit and PCCW's Group Internal Audit.

9. Reviews (at least annually) with Management the adequacy and effectiveness of the Company's internal controls and risk management systems in respect of management and business practices and reviews with Management and external auditors significant accounting and auditing issues (including significant financial reporting issues and judgements) so as to ensure the integrity of financial statements.

10. Reviews assurances from the Group Managing Director/Chief Financial Officer on the financial records and financial statements.

11. Reports to the Board or relevant authorities any suspected fraud or irregularity, or failure of internal controls or suspected infringement of any relevant Singapore laws or other regulations, which has or is likely to have a material impact on PCRD's operating results and oversees and monitors whistle-blowing.

12. Reviews the balance sheet of the Company and consolidated financial statements of the Group for the financial year end before their submission to the Board of Directors, as well as the independent auditor's report on the balance sheet of the Company and the consolidated financial statements of the Group.

13. Monitors the Group's risk of becoming subject to, or violating, any sanctions-related law or regulation, and its ability to ensure timely and accurate disclosure to the SGX-ST and other relevant authorities, and assess whether independent legal advice or the appointment of a compliance adviser is required in relation to sanctions-related risks applicable to the Group.

In the performance of its functions, the Audit Committee is empowered to investigate any activity of PCRD, and all employees must cooperate as requested by members of the Audit Committee.

The Audit Committee reviews policy and arrangements by which staff of the Company may, in confidence, raise concerns about possible improprieties in financial reporting or other matters and ensures arrangements are made for an independent investigation of such matters and appropriate follow up action.

The Audit Committee meets at least twice a year. The Audit Committee may invite any management executive or corporate advisor to attend its meetings, as they consider appropriate. The Audit Committee meets with external auditors, without the presence of Management, at least once a year. PricewaterhouseCoopers reviews, in the course of its statutory audit, the effectiveness of the Company's material internal controls, focusing primarily on financial controls, with the aim of designing audit procedures that are appropriate to the Company's circumstances. Any material non-compliance noted during this review is reported to the Audit Committee together with the auditor's recommendations and Management's comments.

For the financial statements under review, the Audit Committee considers the adequacy, effectiveness, scope and results of internal and external audits, and the independence and objectivity of the external auditor and confirms that PricewaterhouseCoopers are independent chartered accountants with respect to the Company within the meaning of Section 10 of the Companies Act. The Audit Committee has also reviewed all non-audit services provided by the auditors and confirms that they would not affect the independence of the auditors.

REPORT ON CORPORATE GOVERNANCE

AUDIT COMMITTEE (continued)

Fees paid for audit and non-audit services:

	2023 $'000	2022 $'000
Fees for audit services paid/payable to:		
– Auditor of the Company	**350**	321
– Other auditors*	**–**	–
Fees for non-audit services paid/payable to:		
– Auditor of the Company	**12**	10
– Other auditors*	**–**	–
Total	**362**	331

* Includes the network of member firms of PricewaterhouseCoopers International Limited

The Audit Committee is satisfied that Rules 712 and 715 or 716 of the Listing Manual have been complied with and has recommended to the Board that PricewaterhouseCoopers be nominated for re-appointment as auditor at the next AGM.

Key Audit Matters

PricewaterhouseCoopers has highlighted 3 key audit matters in its Audit Report.

These key audit matters all relate to PCCW and were also highlighted by PricewaterhouseCoopers in Hong Kong in their audit report to the shareholders of PCCW.

The key audit matters identified by PCCW's auditors for FY2023 are:

1. Revenue recognition;

2. Impairment assessments for cash generating units containing goodwill; and

3. Income taxes.

The Audit Committee is aware of and has considered the above key audit matters highlighted by PricewaterhouseCoopers in relation to PCCW. The Audit Committee has considered the approach and work carried out by PricewaterhouseCoopers in their review of the audit work performed and the evidence obtained by the auditors of PCCW.

The Audit Committee is satisfied that the Company's share of the profits and net assets of PCCW are properly supported by audit evidence.

In carrying out its duties, the Audit Committee is guided by its Committee terms of reference and the Guidebook for Audit Committees in Singapore. The Audit Committee takes measures to keep abreast of changes to accounting standards and issues which have a direct impact on financial statements such as attending briefing updates on recent developments in accounting and governance standards, where necessary. In addition, periodic updates on changes in accounting standards and treatment are prepared by external auditors and circulated to members of the Audit Committee to keep them abreast of such changes and the corresponding impact on the financial statements, if any.

AUDIT COMMITTEE (continued)

The Audit Committee has the mandate to authorise special reviews or investigations, where appropriate, in discharging its responsibilities. Periodic visits by finance staff are made to review the operations and internal controls of subsidiary corporations and to report back to the Audit Committee. In addition, an external firm of internal auditors are engaged to conduct internal audits on the Group's associated corporation in India. The Group's listed associated corporation, PCCW, which comprises the bulk of the inherent value of PCRD, has its own Group Internal Audit function which conducts selective reviews on the effectiveness of its system of internal controls over financial, operational, compliance controls and risk management functions with emphasis on information technology, data privacy, systems contingency planning and procurement. Additionally, PCCW's heads of major business and corporate functions are required to undertake a control self-assessment of their key controls and the results are assessed by PCCW's Group Internal Audit.

The Company also periodically engages PCCW's Group Internal Audit to carry out internal audits on the Company. Internal audit work is carried out in compliance with the requirements of the Standards for the Professional Practice of Internal Auditing pronounced by The Institute of Internal Auditors. The teams that carry out these internal audit activities have unfettered access to all company documents, records, properties and personnel, including the Audit Committee.

Internal audit activities are carried out by PCCW's Group Internal Audit and an external firm of internal auditors for the Company's associated corporation in India. The Audit Committee is not the primary reporting line for these teams, and the Audit Committee also does not decide on the appointment, termination and remuneration of the heads of these internal audit teams. However, the results of internal audit activities are communicated to the Audit Committee and key members of executive and senior management. Audit issues are tracked and followed up on to ensure proper implementation of agreed remedial actions, and progress is reported to senior management and the Audit Committee periodically. The Audit Committee is satisfied that PCCW's Group Internal Audit and the internal auditors of the Company's associated corporation in India are independent, effective and adequate with respect to the adequacy of resources, staff qualifications and experience, training programs and budget. The Audit Committee is similarly satisfied with the resourcing of the accounting and financial reporting functions of these two entities. The Board is of the view that the Audit Committee discharges its duty to review the adequacy, independence, scope and results of internal audit activities.

The Company is an investment holding company and is not classified within an industry sector requiring climate reporting. The Company's sustainability report is reviewed independently and by the Audit Committee. Internal review of the sustainability reporting process is conducted periodically as part of the Company's internal audit plan. To provide additional information for stakeholders, PCRD has included in its report certain highlights on the sustainability efforts of PCCW and its subsidiary HKT Limited ("HKT") drawn from their ESG reports. The environmental and social data in the 2023 ESG reports of both PCCW and HKT have been independently reviewed and verified by the Hong Kong Quality Assurance Agency.

Whistle-blowing

The Company has in place a whistle-blowing policy and arrangements by which staff and agents working for the Company may raise concerns in good faith and in confidence about possible corporate improprieties in financial control and reporting, unlawful conduct or other such matters relating to the Company and its officers.

The policy aims to encourage employees to be confident in raising serious concerns and to question and act upon their concerns. It provides avenues within the Company, including a direct channel to the Chairman of the Audit Committee, to raise concerns and assures protection and safeguards to employees from reprisals, victimisation or detrimental and unfair treatment. The policy also ensures that the identity of the whistle-blower is kept confidential and employees receive a response to their concerns and feedback on any action taken.

To ensure such matters are independently investigated and appropriately followed up, any whistle-blowing report must be recorded and investigated. The Group Managing Director (unless he is the potential transgressor, in which case, the Chairman of the Audit Committee) of the Company is designated to investigate all whistle-blowing reports made in good faith. An annual status report on any whistle-blowing reports must be sent to the Audit Committee, which is responsible for oversight and monitoring of whistle-blowing. In addition, whistle-blowing records must be made available for inspection by the Audit Committee.

Details of the whistle-blowing policy and arrangements are given to all staff for their easy reference.

REPORT ON CORPORATE GOVERNANCE

AUDIT COMMITTEE (continued)

Principle 9: Risk Management and Internal Controls

The Board recognises that it is responsible for the governance of risk management, for determining the Group's levels of risk tolerance in achieving its strategic objectives and value creation and for determining the Group's risk policies to safeguard shareholders' interests and the Group's assets for the oversight of management in implementing the risk management and internal control systems of the Group. Risk awareness and ownership of risk management are continuously fostered across the Group. The Audit Committee provides oversight and reports annually to the Board on the Group's risk assessment systems. Having considered the Group's business operations as well as its existing internal control and risk management systems, the Board is of the opinion that a separate risk committee is not presently required.

Based on the management controls in place throughout the Group, the internal control policies and procedures established and maintained by the Group, regular audits, monitoring and reviews performed by external auditors, the Board, with the concurrence of the Audit Committee, is satisfied that there are adequate and effective internal controls, including material financial, operational, compliance and information technology controls, and risk management systems in the Group.

The Group's activities expose it to market risk (including currency, interest rate and price risks), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise the adverse effects of unpredictability in financial markets on the Group's financial performance. The Group's financial risk management strategy is discussed in detail in Note 24 to the financial statements. The Group is geographically diverse with earnings from the Asia-Pacific region including India. The Group's operations are subject to extensive government regulation which may impact or limit its flexibility to respond to market conditions and competition. Governments may alter their policies relating to certain industries as well as the regulatory environment in which the Group operates, including taxation. The Group's overseas investments are also subject to risk of imposition of laws restricting the level and manner of ownership and investment.

The Group has access to appropriate advisors with regulatory expertise and resources who advise on risk mitigation measures. The Group also works closely with management and partners in countries in which the Group operates and leverages on local expertise, knowledge and ability to ensure compliance. The directors of PCCW, PCRD's major investment, review the effectiveness of its internal controls, including material financial, operational, information technology and compliance controls, the risk management functions of the PCCW group and, in particular, the adequacy of resources, staff qualifications and experience, training programs and the budget of PCCW's accounting and financial reporting functions. At PCCW, appropriate policies and control procedures have been designed and established to ensure that: assets are safeguarded against improper use or disposal, relevant rules and regulations are adhered to and complied with, reliable financial and accounting records are maintained in accordance with relevant accounting standards and regulatory reporting requirements, and key risks that may impact on the performance of the group are appropriately identified and managed.

COVID-19 has accelerated digital transformation driven by innovation in digital technology and requirements for on-demand banking and payment solutions. This can give rise to additional avenues for potential fraud and cybercrime. To combat increased vulnerability to electronic and digital fraud, the Company has enhanced scrutiny of its financial management by strengthening its internal controls including undertaking a review of the effectiveness of its internal controls and placing close scrutiny on high-risk areas such as cash balances and payment transfers as well as educating employees on the identification, prevention or reduction of fraud.

During FY2023, the Board also paid particular attention to monitoring the Group's risk of becoming subject to, or violating, any sanctions-related law or regulation and, where appropriate, to ensuring timely and accurate disclosure to the SGX-ST and other relevant authorities.

The Company has considered and monitors risks and exposure to sanctions-related risks it potentially faces on an ongoing basis. Given the present nature and scope of its activities, the Board considers that with the concurrence of the Audit Committee, the Company does not have any exposure to sanctions-related risks which are relevant and material to its operations.

REPORT ON CORPORATE GOVERNANCE

AUDIT COMMITTEE (continued)

For FY2023, the Group Managing Director and Chief Financial Officer provided written confirmation to the Board that (i) the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and (ii) the Company's risk management, compliance and internal control systems are adequate and effective in addressing material financial, operational, information technology and compliance risks. This certification covers the Company and subsidiary corporations which are under the Company's management control. In line with the listing rules of the SGX-ST, the Board has provided a negative assurance statement to shareholders in respect of each reported set of financial statements for FY2023, which is supported by a negative assurance statement from the Group Managing Director and Chief Financial Officer, and which is in turn supported by a negative assurance confirmation from the various key business and operating/functional heads within the Group that nothing has come to their attention that would render reported financial results to be false or misleading.

The Board, with the concurrence of the Audit Committee, is of the opinion, based on the work of external auditors, the findings of internal auditors and reviews performed by Management, that the Group's internal controls addressing financial, operational, information technology and compliance risks, which the Group considers relevant and material to its operations, are adequate and effective in meeting the requirements of the Group as at 31 December 2023. For FY2023, no material weaknesses in the systems of risk management and internal controls were identified by the Board or the Audit Committee. Internal control systems established and maintained by the Group provide reasonable, but not absolute, assurance against material financial misstatements or loss. In this regard, the Board also notes that no system can provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, fraud or other irregularities.

REMUNERATION COMMITTEE

Principle 6: Procedures for Developing Remuneration Policies

Principle 7: Level and Mix of Remuneration

Principle 8: Disclosure on Remuneration

The Remuneration Committee currently comprises four independent non-executive directors namely, Mr. Francis Yuen Tin Fan (Chairman), Ms. Laura Deal Lacey, Mr. Christopher John Fossick and Mr. Yeo Wee Kiong.

The Remuneration Committee has access to expert advice, both from inside and outside the Company, when required. In the event of such advice being sought, the Remuneration Committee ensures that existing relationships, if any, between the Company and its appointed experts or consultants will not affect their independence and objectivity. The Company did not appoint any remuneration experts or consultants in FY2023 as the Remuneration Committee was satisfied that remuneration packages are benchmarked against industry peers and against comparable companies.

The Remuneration Committee's principal responsibilities (as set out in its terms of reference) are as follows:

1. Recommends to the Board a framework of remuneration for the Board which covers all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options and benefits in kind. The Remuneration Committee also reviews the remuneration of senior management (including key management personnel).

2. Reviews the on-going appropriateness and relevance of the directors' remuneration policy.

3. Reviews and approves the design of all equity-based plans.

4. Oversees the implementation of remuneration policies within PCRD and ensures that no director participates in decisions on his own remuneration.

Each member of the Remuneration Committee abstains from voting on any resolutions in respect of his/her remuneration package.

REPORT ON CORPORATE GOVERNANCE

REMUNERATION COMMITTEE (continued)

Directors' Remuneration

For confidentiality and competitive reasons, the Company presently discloses the directors' remuneration in bands of $250,000 as set out below.

For financial years ended 31 December 2023 and 31 December 2022, the number of directors in each remuneration band is as follows:

	2023	2022
$1,000,000 to $1,249,999	**1**	1
$750,000 to $999,999	**–**	–
$500,000 to $749,999	**–**	–
$250,000 to $499,999	**–**	–
Below $250,000	**8**	8
Total	**9**	9

The above table includes all directors who held office in 2023 and 2022, respectively.

Independent directors and non-executive directors are paid a basic fee and additional fees for attendance at meetings. The Board recommends the payment of such fees for approval by shareholders at the AGM of the Company. The Board ensures that non-executive directors' fees are appropriate to their level of contribution, taking into account factors such as effort and time spent, and the responsibilities of non-executive directors, such that the independence of the independent non-executive directors is not compromised by their compensation. Executive directors do not receive directors' fees.

For financial years ended 31 December 2023 and 31 December 2022, the number of non-executive directors in remuneration bands of $10,000 is as follows:

	2023	2022
$40,000 to $49,999	**5**	6
$30,000 to $39,999	**–**	–
$10,000 to $19,999	**2**	–
Below $10,000	**–**	1
Total	**7**	7

The above table includes all non-executive directors who held office in 2023 and 2022, respectively.

REPORT ON CORPORATE GOVERNANCE

REMUNERATION COMMITTEE (continued)

Executive Directors' and Key Management Personnel's Remuneration

PCRD is an investment holding company and its main asset is its equity position in its Hong Kong-listed associated company, PCCW. The primary executive functions in PCRD itself are performed by executive directors who undertake responsibility for the day-to-day operations of both the Company and the Group. The details of directors' remuneration are disclosed above. Remuneration for executive directors and key management personnel is established in accordance with a remuneration framework comprising basic salary and variable bonuses and benefits-in-kind, and structured to attract, retain and motivate executive directors and key management personnel to provide good stewardship and run the Company successfully for the long-term. Remuneration packages are comparable within the industry and with comparable companies and include a significant and appropriate performance-related element coupled with appropriate measures for appraising each individual's performance. Base salaries of executive directors and key management personnel are determined based on the scope, criticality and complexity of each role, equity against peers with similar responsibilities, experience and competencies, individual performance and market competitiveness. Variable bonuses are intended to recognise the performance and contribution of the individual, and are linked to achievement of financial and non-financial key performance indicators. These indicators such as core values, competencies, key result areas, performance ratings, and potential of the employees (including key management) link remuneration to corporate and individual performance. For FY2023, all executive directors and key management personnel met their respective performance criteria.

The Board is of the view that, given the confidential and commercial sensitivities associated with remuneration matters and the highly competitive human resource environment in which the Company and the Group operate, as well as in the interest of maintaining good morale and a strong spirit of teamwork within the Company and the Group, it is in the best interests of the Company and the Group not to disclose a detailed breakdown of the various remuneration components on a named basis (in percentage and dollar terms) or an aggregation of the remuneration of each of the directors (including the Group Managing Director) and key management personnel. Where such precise information is disclosed publicly, this could be detrimental to the Company's interests as it will allow competitors to gain an unfair advantage when seeking to entice existing directors and/or management personnel (including key management personnel) within the Company or, as the case may be, where both the Company and its competitors are desirous of employing senior executives within the same industry. The Company has a limited number of staff, and takes the view that there is only one key management personnel who is not also a director who has the authority and responsibility for planning, directing and controlling the activities of the Company. This is the Vice President Finance/Company Secretary of the Company. Disclosure of the remuneration of the other executives is considered not relevant. The Board is of the view that the Company provides a high level of transparency on remuneration matters, as information on its remuneration policies, procedure for setting remuneration and the relationships between remuneration, performance and value creation has been disclosed in detail in the preceding paragraphs.

For financial years ended 31 December 2023 and 31 December 2022, the number of key management personnel and his remuneration band is as follows:

	2023	2022
$250,000 to $499,999	**1**	1
Total	**1**	1

There was no employee in the Group who is an immediate family member of a director (including the Group Managing Director) or substantial shareholder during the year under review.

REPORT ON CORPORATE GOVERNANCE

REMUNERATION COMMITTEE (continued)

Forms of Remuneration

Whilst the Company currently does not have a share option scheme in place for its directors and employees, it will consider the establishment of other forms of longer term incentive schemes, as and when appropriate. The Company does not presently use contractual provisions to clawback incentive components of remuneration from executive directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. Having reviewed and considered the remuneration of executive directors and key management personnel and their long track record of full compliance, the Remuneration Committee is of the view that there is no requirement to institute contractual provisions in their terms of employment to reclaim incentive components of remuneration paid in prior years.

The Company's obligations in the event of termination of service of executive directors and key management personnel are contained in their respective employment letters. The Remuneration Committee is satisfied that termination clauses therein are fair and reasonable to the respective employment class and are not overly generous. No termination, retirement or post-employment benefits were granted to directors (including the Group Managing Director) or the key management personnel of the Company during FY2023.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11: Shareholder Rights and Conduct of General Meetings

Principle 12: Engagement with Shareholders

The Board is accountable to shareholders and ensures that all material information is fully disclosed in a timely manner to shareholders in compliance with statutory and regulatory requirements. In particular, the Company does not practise selective disclosure. Price sensitive announcements, including financial results and relevant announcements from PCCW, which is listed on The Stock Exchange of Hong Kong Limited, are released in a timely manner through SGXNET and posted on the Company's website.

In its communications on the Company's performance, the Board aims to provide shareholders with a balanced and understandable assessment of the Company's performance, position and prospects using timely information provided by Management and reviewed by the Board. The Company provides shareholders with its half year and full year financial results as required by the SGX listing rules. Financial results for the first half of the financial year are released to shareholders within 45 days after the half year-end, whilst financial results for the full financial year are released within 60 days after the financial year-end.

In relation to communications with shareholders at general meetings of the Company, shareholders are informed of shareholders' meetings through published notices and announcements or circulars sent to all shareholders. Notices of meetings and related explanatory information are drafted to provide all information that is relevant to shareholders on matters to be voted upon at shareholders' general meetings. It is the objective of the Company to ensure that such information is presented clearly and concisely so that it is unambiguous and easy to understand.

At general meetings, shareholders are encouraged to participate and are given a reasonable opportunity to ask the Board of Directors questions regarding the Company and its subsidiaries and to participate in the meeting itself. Under the multiple proxies regime introduced pursuant to the Companies (Amendment) Act 2014, "relevant intermediaries" such as banks, capital markets services licence holders which provide custodial services for securities and the Central Provident Fund Board, are allowed to appoint more than two proxies to attend, speak and vote at general meetings. This enables indirect investors, including CPF investors, to be appointed as proxies to participate at shareholders' meetings. If any shareholder (who is not a "relevant intermediary") is unable to attend, he or she is allowed to appoint up to two proxies to vote on his or her behalf at the meeting through proxy forms circulated in advance.

The Constitution of the Company does not permit shareholders to vote at general meetings in absentia (such as via mail, email or fax). The Company is of the opinion that shareholders nevertheless should have the opportunity to communicate their views on matters affecting the Company even when they are not in attendance at general meetings. To facilitate this, shareholders may appoint proxies to attend, speak and vote, on their behalf, at general meetings.

REPORT ON CORPORATE GOVERNANCE

SHAREHOLDER RIGHTS AND ENGAGEMENT (continued)

The Chairpersons of the Audit, Nominating and Remuneration Committees are normally present to address questions at general meetings, except where business commitments preclude attendance. In addition, the external auditor of the Company is present at the AGM of the Company to answer shareholders' questions about the conduct of the audit and the preparation and content of the auditor's report.

A separate resolution is proposed for each substantially separate issue at general meetings, unless the issues are interdependent and linked so as to form one significant proposal. Where resolutions are bundled, the Company explains the reasons and material implications in the notice of general meeting. All resolutions are put to the vote by poll and the voting procedures and rules governing general meetings are explained to shareholders during the meeting. The Company has adopted and implemented electronic poll voting at its general meetings of shareholders. The detailed results of voting at general meetings showing the number of votes cast for and against each resolution and the respective percentages are announced to shareholders shortly after the voting and counting process and are thereafter published on the SGXNET.

The Company Secretary prepares the minutes of general meetings, which include substantial and relevant comments or queries from shareholders and the responses from the Board, Management and/or external advisors. The Company treats all shareholders fairly and equitably, including shareholders who are unable to attend general meetings, as the minutes of shareholders' meetings are published on the Company's website and on SGXNET.

The AGM held in April 2023 ("2023 AGM") was held pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "COVID-19 Order"). Shareholders participated at the 2023 AGM by:

- attending the AGM in person;
- submitting questions to the chairman of the meeting in advance of, or at, the AGM; and
- voting at the AGM (i) themselves; or (ii) through duly appointed proxy(ies).

The COVID-19 Order ceased on 1 July 2023. Pursuant to recent legislative amendments (with effect from 1 July 2023) to the Companies Act, as read with Rule 730A of the Listing Manual and recent practice note amendment by the SGX-ST on the conduct of general meetings by issuers on and after 1 July 2023, companies with a primary listing on the SGX-ST may hold their general meetings either at a physical place in Singapore, or at a physical place in Singapore and using virtual meeting technology.

The forthcoming AGM to be held on 16 April 2024 will be conducted in a wholly physical format. There will be no option for shareholders to participate virtually. In addition to asking questions at the 2024 AGM itself, shareholders will also be given the opportunity to submit written questions in advance of the 2024 AGM, and all substantial and relevant questions received from shareholders by the submission deadline will be responded to at least 48 hours prior to the closing date and time for the lodgement/receipt of instruments appointing a proxy(ies), through publication on the Company's website and on SGXNET. Any substantial and relevant questions or follow-up questions submitted after the submission deadline will be responded to either within a reasonable timeframe before the 2024 AGM, or at the 2024 AGM itself.

The Board also takes steps to solicit and understand the views of shareholders (aside from regular communications with shareholders at general meetings of the Company). As and when appropriate, the Company conducts investor briefings to solicit and understand the views of shareholders. The Company also meets with institutional and retail investors on request periodically. The Company is mindful of not practising selective disclosure and discussions are based on publicly available materials and information. In addition, the Company also attends to general enquiries from shareholders, analysts and the press. Such enquiries, as well as investor briefings and meetings with investors, are handled by appropriate management staff and/or the Group Managing Director (in lieu of a dedicated investor relations team). While the Company has not adopted a formal investor relations policy, the Company is of the view that it communicates regularly and responds to shareholders' questions on various matters affecting the Company, at the AGM as well as through other means (as set out above) that the Company uses to actively engage and promote regular, effective and fair communication with shareholders.

REPORT ON CORPORATE GOVERNANCE

SHAREHOLDER RIGHTS AND ENGAGEMENT (continued)

For FY2023, a final dividend will be proposed for shareholders' approval at the 2024 AGM. The Company does not have a fixed dividend policy. The form, frequency and amount of dividends depends on factors such as the Company's earnings and results, cash flow and capital requirements, general business conditions, investment activities and development plans. The Board continues to evaluate investment opportunities and new business opportunities for the Company. The Company is focused on preserving shareholder value and is careful and conservative when looking at new opportunities, announcing any developments as they occur. The Company is of the view that all shareholders should be treated fairly and equitably to enable them to exercise their shareholders' rights. Notwithstanding the absence of a fixed dividend policy, shareholders have the opportunity to express their views to the Company on matters affecting the Company (including matters relating to dividends) whether at the AGM or otherwise, and due consideration is given to such feedback.

MANAGING STAKEHOLDERS RELATIONSHIPS

Principle 13: Engagement with Stakeholders

The Company adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall strategy to ensure that the best interests of the Company are served. The Company has arrangements in place to identify and engage with material stakeholder groups and to manage its relationships with such groups. These stakeholder groups are identified based on their influence and dependency on the Group's business, and comprise the Company's employees, business partners, investors and regulators. The Company maintains a corporate website to facilitate communication and engagement with stakeholders. For more information on the methods that the Company uses to engage with its stakeholders, the key topics relevant to each stakeholder group, and the Company's responses to these matters, please see page 99 of the Annual Report.

INTERESTED PERSON TRANSACTIONS ("IPTs")

The Company has adopted an internal policy in respect of any transactions with interested persons and has established procedures for review and approval of the Company's IPTs. The Audit Committee reviews all such transactions to confirm that the guidelines and procedures established to monitor IPTs have been complied with.

The Group obtained a general mandate from shareholders of the Company for IPTs at the AGM held on 21 April 2023. This general mandate remains in force until the forthcoming AGM and is proposed for renewal at the forthcoming AGM. In 2023, the following IPTs 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 2023 in respect of the borrowing from PCGH by a subsidiary corporation of the Company that was entered into in 2022 (the "PCGH Loan"). The borrower repaid the PCGH Loan in full in 2023 and an aggregate interest of $1,670,586 was cumulatively paid for the period from 17 October 2022 to 30 June 2023.

REPORT ON CORPORATE GOVERNANCE

DEALINGS IN SECURITIES

The Group has in place an internal code which provides guidance to directors and certain employees in relation to dealings in the Company's shares. Directors and certain employees of the Group who have access to price-sensitive or trade-sensitive and confidential information are not permitted to deal in the Company's shares when they are in possession of unpublished price-sensitive or trade-sensitive information on the Group or during periods commencing one month before the date of announcement of the Group's interim and full year financial results and ending on the date of announcement of such results. In the event that the date of announcement of the financial results of PCCW should fall more than seven days before the date of announcement of the Group's financial results for that financial period, all directors and certain employees of the Group are not permitted to deal in the Company's shares during the period commencing seven days before the announcement of PCCW's financial results and ending on the date of announcement of the Group's results. The code also requires officers of the Company not to deal in securities of the Company on short-term considerations.

MATERIAL CONTRACTS

In the financial year under review, no material contracts of the Company or its subsidiaries were entered into or subsisted at the end of the financial year which involved the interests of any director or controlling shareholder.

SUSTAINABILITY REPORT

BOARD STATEMENT

We are pleased to publish this, the seventh Sustainability Report for Pacific Century Regional Developments Limited ("PCRD"), in compliance with the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Rules 711A and 711B.

The Board of Directors recognises the importance of creating sustainable value for all our stakeholders and views sustainability as a key consideration in strategy formulation for the Group. The Board has been actively involved in selecting and overseeing the management of material environmental, social and governance ("ESG") factors for the Group.

PCRD believes that good ESG performance brings the company and its stakeholders a host of advantages in the long-run through operational performance enhancement, careful risk management and protection of its assets and the interests of its shareholders. The Group continues to take into consideration ESG factors when seeking new business opportunities. In this regard, where applicable, ESG issues are incorporated into the investment analysis and decision-making process. Appropriate disclosure of ESG issues by investee entities is sought, critically reviewed and reported.

The Board, supported by Management, continues to make improvements in the Group's sustainability efforts and works with its stakeholders towards promoting sustainability in its businesses. All Directors of PCRD have attended ESG training courses prescribed by the SGX.

The Group continues to face challenges from global issues such as climate change. Environmental protection remains one of the focus areas in the sustainability journey of the Group's major investments. Climate change can significantly affect the business operations of the Group's investments if climate-related risks are not properly assessed. The impact of climate change is considered to be an emerging risk to the Group.

ABOUT THE REPORT

PCRD is a limited liability company incorporated in the Republic of Singapore where it is headquartered. The Company is listed on the SGX-ST and is part of the Pacific Century Group of companies. In this report, unless otherwise stated, references to "PCRD", the "Company" and the "Group" refer to Pacific Century Regional Developments Limited and its controlled subsidiaries.

Reporting Scope and Period

This report covers the sustainability performance of our operations for the financial year ended 31 December 2023 ("FY2023") and includes data and information relating to our operations in Singapore. To provide additional information for stakeholders, PCRD has included in this report certain highlights on the sustainability efforts of Hong Kong-listed PCCW Limited ("PCCW") and its subsidiary, Hong Kong-listed HKT Limited ("HKT") drawn from their ESG reports.

Reporting standard and assurance

This report has been prepared with reference to the Global Reporting Initiative ("GRI") Standards and in line with the SGX Sustainability Reporting Guide. GRI is the most commonly adopted set of sustainability reporting standards in Singapore, and additionally helps organisations to understand and disclose their impacts in a way that meets the needs of multiple stakeholders. The report covers the Group's policies, practices, initiatives, performance and goals in relation to material ESG factors and is updated on an annual basis.

PCRD is classified as an Investment Holding Company by SGX. To address our climate risk and opportunity profile, in accordance with the Taskforce on Climate Related Financial Disclosures (TCFD), PCRD is undertaking a climate risk assessment, as well as an evaluation of climate-related risks and opportunities in our operations and strategy. Further climate-related disclosures will be made according to TCFD recommendations in further reporting cycles. PCCW, PCRD's most significant investment, has undertaken a climate analysis in accordance with the TCFD recommendations. Full details of PCCW's progress to its environmental targets in response to the global climate crisis including sustainable finance can be found in PCCW's ESG report.

ABOUT THE REPORT (continued)

Reporting standard and assurance (continued)

External assurance has not been undertaken for this reporting period but will be considered for future reports if circumstances merit such assurance. Internal review has been undertaken and the report has been approved by the Board for this reporting cycle. The reports of PCCW and HKT have been prepared in accordance with the provisions of the Environmental, Social and Governance Reporting Guide to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("HKEX"). They have also prepared their reports in accordance with GRI Standards 2021. Additionally, the environmental and social data in the 2023 ESG reports of both PCCW and HKT have been independently reviewed and verified by the Hong Kong Quality Assurance Agency ("HKQAA"). The Verification Statement issued by HKQAA for verification scope and conclusions can be found in their respective ESG reports.

Feedback

Stakeholder input is important in defining our sustainability approach and we value and welcome any feedback with regard to this report or any aspect of our sustainability performance. Please feel to reach out to us at info1@pcrd.com.

ABOUT PCRD

PCRD is a Singapore-based investment holding company first listed in 1963 which is 89% owned by the Pacific Century Group, which was founded in 1993. The Pacific Century Group acquired control of PCRD in September 1994.

PCRD's principal activity is investment holding, with interests in telecommunications, media, IT solutions, logistics and property development and investment in the Asia-Pacific region.

PCRD's most significant investment is its 22.66% stake in PCCW. Given this level of investment, PCCW will be highlighted specifically in this report.

PCCW is a global company headquartered in Hong Kong which holds interests in telecommunications, media, IT solutions, property development and investment, and other businesses.

PCCW's investments are described in the table below:

PCCW's Major Investments

Company	Description
Hong Kong Telecommunications (HKT)	PCCW holds a majority stake in the HKT Trust and HKT Limited ("HKT"), Hong Kong's premier telecommunications service provider and leading operator of fixed-line, broadband, mobile communication and media entertainment services. HKT delivers end-to-end integrated solutions employing emerging technologies to assist enterprises in transforming their businesses. HKT has also built a digital ecosystem integrating its loyalty program, e-commerce, travel, insurance, big data analysis, fintech and healthtech services to deepen its relationship with customers.
PCCW Media	PCCW owns a fully integrated multimedia and entertainment group in Hong Kong engaged in the provision of over-the-top ("OTT") video service to Hong Kong and other countries in the region, as well as content production, artiste management, and an event business.
HK Television Entertainment Company	PCCW also operates a domestic free TV service in Hong Kong.
Pacific Century Premium Developments Limited ("PCPD")	PCCW holds a stake in PCPD which is engaged in the development and management of premium property and infrastructure projects, as well as investment in premium-grade buildings in the Asia-Pacific region.

Separately, PCRD holds a direct interest of 0.29% in HKT and a 13.94% direct interest in PCPD. Neither are subsidiaries nor associated companies of PCRD. However, since HKT[1] is a significant subsidiary of PCCW, reference to their sustainability efforts has been included and their reports have been linked.

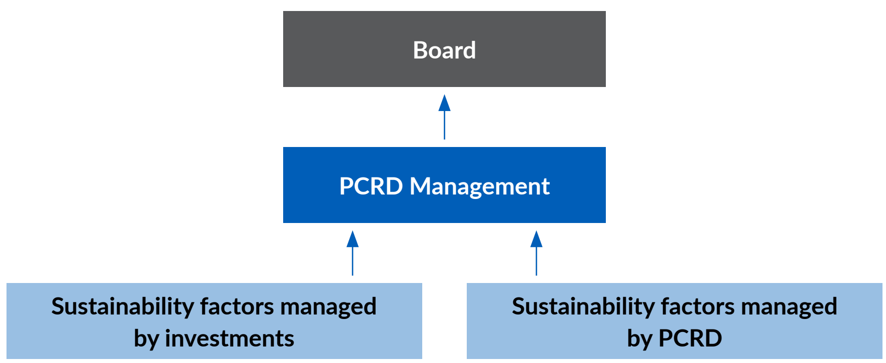
[1] HKT is a subsidiary of PCCW. All disclosures related to PCCW subsequently apply to HKT throughout this report.

SUSTAINABILITY AT PCRD

Sustainability is embedded in our DNA. We strongly believe that as an investment holding company, we can influence the sustainability agenda across our businesses and the companies in which we invest.

GOVERNING SUSTAINABILITY AT PCRD

PCRD has a structure to manage and govern sustainability risks and opportunities. The structure illustrated below represents how we manage sustainability throughout the Company. The sustainability factors managed by our investments and those managed directly by PCRD are overseen by PCRD management who report progress and performance to the Board, the highest governance and final decision-making body, to facilitate their insight and control in steering the overall direction of sustainability in PCRD. Responsibilities for managing, executing and reviewing sustainability-related matters are delegated to the Executive Committee and Audit Committee.



As part of enabling the sound and fair governance of PCRD, the Company is mindful of the importance of diversity for an effective Board, and believes that Board diversity enables the Company to draw on a diverse mix and combination of skills, experience, and knowledge. The Company's Board diversity policy seeks to ensure that the Board possesses an appropriate balance and combination of skills and experience, professional competencies, gender, age, and other relevant attributes. These considerations are incorporated in the selection and nomination process for the appointment of new directors.

The Company's diversity targets, plans and timelines for achieving the targets and progress towards achieving the targets are as follows.

In terms of skills, experience and professional competencies, the Board targets to engage directors who as a group possess identified core competencies, being finance, accounting and audit, business management and law. The Company has met this target for FY2023 as its directors as a group have expertise in all of the identified core competencies. In terms of gender, the Board has committed to a target of at least 20% female directors. The Company has met this target for FY2023 as the proportion of female directors on the Board is 33%. In terms of age groups, the Board targets to have directors falling within at least two out of three age groups from (i) 55 and below, (ii) between 56 to 65, and (iii) 66 and above. The Company has met this target for FY2023 as the Board comprises directors falling within all three age groups.

The Board, taking into account the views of the Nominating Committee, considers that the current Board has an appropriate level of diversity of skills and experience, gender, age and independence, as contemplated by the Board diversity policy, to enable it to make decisions in the best interests of the Company. In this regard, in relation to skills and professional competencies, directors have wide ranging backgrounds and professional experience in industries such as telecommunications, property development and management, business management, law and financial services, which support the work of the Board and Board Committees and help provide effective guidance and oversight of the Company's operations. In relation to gender, the level of gender diversity increased from 25% to 33% during the financial year under review, which brings a better perspective and approach to help shape the Company's strategic objectives. In relation to age, the ongoing Board renewal and refreshment process is phased to ensure that the Company directors span different age groups to provide a broad spectrum of perspectives and views in Board and Board Committee deliberations.

SUSTAINABILITY AT PCRD (continued)

STAKEHOLDER ENGAGEMENT

Stakeholder engagement is one of the key drivers in the continuous improvement of the Group's sustainability efforts. The Group's main stakeholders are employees, business partners, investors and regulators. These touchpoints of engagement have been selected based on their influence and dependency on the Group's business.

Stakeholders	Frequency of engagement	Method	Topics of Concern	Our Response
Employees	Ad hoc	• Open feedback channel	• Training and career development • Pay and benefits • Channel for reporting of breaches of ethics	• Training opportunities • Competitive benefits • Whistleblowing policy • Anti-bribery and corruption policy
Invested companies	Ad hoc	• Meetings • Board participation	• Business performance • Investment initiatives and opportunities	• Perform due diligence • Assess risks and opportunities
Investors	Semi-Annually Annually Ad hoc	• Semi-Annually/ad hoc announcements • Annual Report • Annual General Meeting	• Business performance • Dividends • Shareholder value	• Corporate Governance Report • Follow-up on feedback • Reduce costs
Regulators	Semi-Annually Annually Ad hoc	• Direct engagement • Semi-Annually/ad hoc announcements • Returns	• Compliance with laws and regulations	• Trainings and updates • External professional support

MATERIALITY ASSESSMENT

Since 2017, PCRD has conducted a formal materiality assessment in alignment with the "GRI Standards' Principles for defining report content". A peer and industry review exercise was conducted to short-list potential material factors where our business creates significant impacts. These factors were refined through stakeholder engagement and validated by PCRD senior management and the Board to arrive at a final list of material factors. With the current update in GRI materiality and a focus on the impact PCRD has on these factors, we have determined that the existing factors remain relevant. Impact was a key consideration in our initial materiality exercise, and this remains pertinent to PCRD today. Additionally, there have not been any significant changes to our business, industry landscape or stakeholder expectations.

Pillars	Material Factors
Governance	1. Responsible Investments 2. Corporate Governance – Compliance – Business Integrity and Anti-Corruption – Risk Management
Social	3. Corporate Social Responsibility 4. Training and Development

SUSTAINABILITY AT PCRD (continued)

MATERIALITY ASSESSMENT (continued)

While the Group recognises the importance of all aspects covered by GRI for reporting, the focus for PCRD's sustainability reporting continues to remain on the areas of Governance and Social. PCRD's approach has been formulated to strike a balance between business integrity by ensuring good corporate governance and compliance with the law, rules and regulations and social engagement by ensuring development of employees and engaging with communities.

Similarly, as an investment holding company, PCRD does not have direct operational control over its investments. For the purposes of the report for this financial year, environmental KPIs of our investments are therefore not an area of focus.

However, the Company recognises the importance of responsible investing and is committed to invest in businesses that adopt good environmental practices. Investments for consideration are subject to assessment of ESG risks, including those covering environmental risks. We also recognise that, as an investor, PCRD can play an important role in advocating sound environmental management to portfolio companies and in recognizing emerging expectations of stakeholders. The Company will continue to review the relevance and importance of these issues in future years.

PCCW and HKT, the Company's major investments, have conducted comprehensive materiality assessments to identify those factors that represent significant economic, environmental and social impacts on their businesses and the issues that matter most to their stakeholders. Material areas identified are reported in their respective ESG reports.

GOVERNANCE

RESPONSIBLE INVESTMENT

Why this is material?

We believe that we can create a positive impact on sustainability through the investments we make and the way in which we monitor these investments. Any ESG related issues faced by our investments can potentially give rise to reputational and financial risks for us. PCRD recognises this and is committed to invest in companies that adopt good environmental and social practices.

How we manage this material factor

We have put in place mechanisms to assess new investments from a social and economic perspective. These include risk assessments identifying potential ESG issues and opportunities, where appropriate, and the incorporation of the findings of such risk and opportunity assessments into overall investment analysis and decision making. We also regularly monitor the sustainability performance of our key investment companies.

Sustainability performance summary for PCCW and HKT

As PCRD has limited environmental impact, our focus is on the environmental performance of our key investments, namely PCCW and HKT.

PCCW has championed ESG as a guiding principle for its corporate strategy, influencing both decisions and actions to ultimately create shared value. ESG is integrated into every aspect of its business. With HKT being a significant subsidiary of PCCW, the guiding principles, decisions and actions taken by PCCW apply accordingly. In an era marked by transformation, PCCW believes that unleashing the power of the right digital solutions can foster collective progress and create a sustainable future for all. For many years, PCCW has been a pioneer in technology, media, and telecommunications. It understands the significance of its business influence on both society and the environment. It has conducted a full range review and revamp of its group policies to enhance disclosure and transparency in ESG aspects, putting an effective framework of corporate governance in place. Its board has endorsed these policies to ensure that it is at the forefront of responsible corporate practices.

GOVERNANCE (continued)

RESPONSIBLE INVESTMENT (continued)

With growing environmental concerns, addressing climate challenges and alleviating adverse environmental impacts have become key areas of focus. To minimise its environmental footprint and promote energy reduction among its customers, PCCW continues to invest in green solutions such as an electric vehicle charging service and an Integrated Smart Energy Solution, with the adoption of renewable energy and advanced technology solutions in its operations. These initiatives contribute to its collective efforts in combating climate change and innovating for a greener future.

Information on PCCW's and HKT's ESG management approach, strategy, priorities and objectives are disclosed in their ESG reports. These reports cover their ESG accomplishments and challenges in 2023, as well as their ongoing initiatives to enhance their ESG performance. Its governance framework has established a solid foundation to ensure its practices are responsible and conducted in a sustainable manner for its business activities and the community at large.

Creating shared value is at the core of PCCW's purpose and sustainability strategy. Leveraging its expertise and strengths to address societal needs, it has created long-term value for its businesses and supported the sustainable development of the communities it serves.

PCCW places high importance on delivering services and products to meet its customer expectations and enhancing customer experience. In order to achieve its objectives, it values each customer's feedback and protects the best interests of its customers through its innovative offerings.

PCCW is committed to creating a positive social impact through its community initiatives, with a particular focus on leveraging its expertise in telecommunications and technology. PCCW supports the local community and participates in charitable events via sponsorships and in-kind contributions, as well as corporate volunteering.

Talent diversification and retention is crucial to cultivating an innovative, competitive and technology-driven business like PCCW's. PCCW endeavours to cultivate an inclusive and merit-based culture and to improve its human capital management strategies for the development of outstanding talents across all levels.

In response to the global climate crisis, PCCW has leveraged technology to facilitate reducing GHG emissions, enhancing operations and energy efficiency, and promoting sustainable resource consumption. PCCW will continue improving its environmental performance and collaboration with various stakeholders, including industry leaders, customers, the Hong Kong Government and other organisations to deliver its sustainability agenda. It will evaluate its contributions and impacts in relation to energy, waste and water consumption.

PCCW's transformation and sustainability goals depend largely on long-term and constructive relationships with its suppliers. Effective supply chain management including the integration of ESG elements into supplier assessment processes and sourcing sustainable materials enable it to foster a responsible supply chain for every product and service that it provides.

The full ESG reports of PCCW and HKT are available at www.pccw.com and www.hkt.com.

Future outlook

On an annual basis, we will continue to monitor the sustainability performance of our invested companies. We will also assess all new investments from a social and environmental perspective. This target is incorporated into our investment strategy and will remain evergreen, fostering continuous attention on this in the short-, medium- and long-term.

GOVERNANCE (continued)

CORPORATE GOVERNANCE

PCRD has zero-tolerance for risks concerning governance issues. PCRD's Board and Management are committed to continually enhancing stakeholder value by maintaining high standards of compliance, professionalism, integrity and commitment at all levels, underpinned by strong internal controls and risk management systems.

Further information on the Company's corporate governance practices can be found in the 2023 Annual Report – Report on Corporate Governance.

COMPLIANCE

Why this is material?

As a listed entity, we are subject to a number of social and economic laws and regulations. Any breach of such rules can result in financial loss and pose a risk to our ability to operate.

How we manage this material factor

The Company places great importance on regulatory compliance. PCRD has put in place internal controls and procedures to ensure it is conducting its business in compliance with prevailing laws and regulations. The Company actively ensures compliance with internal systems of control that have been established to achieve compliance with externally imposed regulations as well as compliance with external regulations imposed on the company as a whole.

Performance

In 2023, we did not face any fines or sanctions under laws and/or regulations governing social or economic matters.

Future outlook

We will continue to maintain full compliance with all applicable laws and regulations and to incur zero fines, sanctions or other penalties for social or economic infringements. This target is an evergreen target that remains relevant across the short-, medium- and long-term.

BUSINESS INTEGRITY

Why this is material

We recognise that business integrity can be a significant risk in our industry and any breach of policies pertaining to corruption and ethics can result in significant fines, reputational damage and loss of stakeholder confidence.

How we manage this material factor

The Group is committed to upholding the principles of ethical behaviour, transparency, responsibility and integrity in all aspects of its business.

Objectives	Measures
• Zero bribery	• Anti-bribery and corruption policy
• Comprehensive anti-corruption measures	• Whistleblowing policy
• Effective anti-money laundering procedures	• Staff education and training

To ensure that the Group's interests are safeguarded and to prevent any illegal or improper behaviour, all directors, officers and employees of the Group are required to observe and uphold the Group's zero-tolerance for corruption, bribery and fraud in any form or at any level in association with any aspect of the Group's activities.

All employees are required to confirm annually that they have read and understood our anti-bribery and corruption policies. These policies provide guidelines for staff to avoid bribery and potential conflicts of interest with related parties. Clear procedures have been developed for expense reimbursement approval. All employees are required to report any gifts received to Human Resources and to follow the rules and limits regarding the use of gifts received.

GOVERNANCE (continued)

CORPORATE GOVERNANCE (continued)

BUSINESS INTEGRITY (continued)

How we manage this material factor (continued)

The Group also has a whistleblowing policy for staff and agents working for the Company to report on possible corporate improprieties in financial controls or unlawful conduct. Complaint channels through which employees and other parties can confidentially and anonymously report unethical and illegal behaviour have been established. Whistleblowing reports must be investigated to the fullest extent possible and reported to the Audit Committee. Further details on the Company's whistleblowing policy can be found in the Report on Corporate Governance.

The Company is also committed to comply with all relevant anti-money laundering rules and regulations. Employees are briefed on and made aware of laws for the prevention of money laundering and financing of terrorism and proliferation. Specifically, finance and corporate secretarial staff are required to confirm that they understand anti-money laundering and counter financing of terrorism guidelines issued by ACRA.

Performance

– The Company did not have any reported incidents of corruption or bribery in the 2023 financial year.

– The Company also did not receive any whistleblowing reports of any impropriety in the 2023 financial year.

Further details on the commitments by PCCW and HKT regarding anti-corruption can be found in their separate ESG reports.

Future Outlook

We will maintain zero tolerance for any incidents of bribery, corruption and money laundering on an ongoing basis across the short-, medium- and long-term. Additionally, we will conduct annual refresher training courses for our employees in this area if necessary.

RISK ASSESSMENT AND MANAGEMENT

Why this is material?

The Group's activities expose it to market risk (including currency, interest rate and price risks), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise the adverse effects of unpredictability in financial markets on the Group's financial performance. Additionally, this strategy enhances our ability to identify any opportunities in the market, positioning PCRD favourably to act on opportunities as they arise. As PCRD undertakes its climate risk and opportunity assessment, we seek to include the relevant climate risks in our risk assessment and management as appropriate.

The Group is geographically diverse with earnings from the Asia-Pacific region including India. The Group's operations are subject to extensive government regulation which may impact or limit its flexibility to respond to market conditions and competition. Governments may alter their policies relating to certain industries as well as the regulatory environment in which the Group operates, including taxation. The Group's overseas investments are also subject to the risk of imposition of laws restricting the level and manner of ownership and investment.

How we manage this material factor and our performance

The Group has access to appropriate advisors with regulatory expertise and resources who advise on risk mitigation measures. The Group also works closely with management and partners in countries in which the Group operates and leverages upon local expertise, knowledge and ability to ensure compliance.

PCCW, PCRD's most significant investment, has integrated ESG risk into its risk framework with a particular emphasis on climate risk. HKT is a subsidiary of PCCW, is subject to the same climate risks. These risks, as well as corresponding responses have been highlighted in their report, and are also summarised below.

GOVERNANCE (continued)

CORPORATE GOVERNANCE (continued)

RISK ASSESSMENT AND MANAGEMENT (continued)

PCCW Climate Risk Summary

Responding to Climate Change		
Nature of Risk	**Impact**	**Our Response**
Acute Physical Risk: Risk that is driven by extreme weather events, such as typhoons, heavy rainfall, and floods.	Increased frequency and severity of extreme weather events may lead to disruption of network operations and telecommunication service.	We have installed IoT sensors in flooding alarm system which helps monitoring the water level in various locations and allows timely response for remedial actions. Besides, emergency plans are in place to provide guidance on severe weather conditions.
Chronic Physical Risk: Risk associated with longer-term shifts in climate patterns, such as sustained high temperature, change in precipitation patterns.	Long-term shifts in climate patterns have potential impact on our infrastructure and facilities, which may lead to disruption of our services provision and business continuity.	Our technical team has closely monitored the network equipment functionality and ensured that the cooling equipment is in good working condition especially during rising temperature.
Policy and Legal Risk: Policy actions that attempt to constrain actions that contribute to the adverse effects of climate change.	More stringent policy requirements towards decarbonisation and other environmental-related targets, which require additional transition efforts for compliance.	The Group supports Hong Kong's Climate Action Plan 2050 with various climate initiatives and measures implemented. We continue to keep abreast of the latest regulatory developments to ensure compliance with applicable laws and regulations in jurisdictions in which we operate.
Technology Risk: Risk associated with technologies used in the transition to a lower-carbon economy.	The use of low-carbon technologies may increase the Group's operating cost.	We have adopted digital solutions and smart technologies to enhance energy consumption enabling efficiency and resource conservation in our buildings and corresponding efforts required in facility management. The Group has also taken proactive steps to adopt renewable energy and promote the use of electric vehicles (EVs).
Reputation Risk: Risk of changing customer and/or public perceptions of our contributions to a lower-carbon economy.	The Group's reputation would be adversely affected if it did not meet the expectations of our customers and/or the general public.	As a conglomerate with a global footprint, our success depends on the trust of our customers, stakeholders, and the general public at large. The Group has been actively engaging our stakeholders to understand their expectations and strive to enhance our ESG performance and disclosures.

Risk awareness and ownership of risk management are continuously fostered across the organisation. The Company's Audit Committee reviews management's reports and updates the Board half-annually on the Group's risk assessment systems. Based on management controls in place throughout the Group, the Board is satisfied that there are adequate and effective internal controls, including material financial, operational, compliance and information technology controls and risk management systems in the Group.

Future outlook

The Company will continue to ensure that risks are identified and assessed half-annually and addressed in a timely manner, including climate risk and opportunities, where applicable.

SOCIAL

CORPORATE SOCIAL RESPONSIBILITY

Why this is material?

Corporate social responsibility is an integral part of the Company's business strategy. The Company is committed to operate in a manner that is economically, socially and environmentally sustainable while minimising any negative impacts, balancing the interests of its various stakeholders and providing a valuable service to society. Meeting this commitment is an important management objective and the individual and collective responsibility of all employees.

How we manage this material factor

The Company is committed to fostering positive relationships with the communities in which it operates. It contributes to communities through charitable donations, as well as sponsorship of community activities and establishments in Singapore.

Our invested companies, PCCW and HKT are engaged in philanthropic and volunteer work including employee engagement in community service.

PCCW's commitment to sustainability is demonstrated through a range of impactful social projects. Among them, the Strive and Rise Programme holds a prominent place as an effectively connected education and employment through mentoring programme. The programme has been empowering youngsters by broadening their horizons, instilling self-confidence and fostering upward mobility. Collaborating with other liked-minded market leaders, PCCW has demonstrated its commitment to community engagement and social inclusion through the Transitional Housing Project by providing complimentary services. Through innovative technology-driven solutions, PCCW's goal is to help families in overcoming challenges and promoting a more harmonised society.

- Promote social inclusion and support upward mobility
  - Fostered growth and development of the next generation

- Drive community development and address its needs
  - In-kind and monetary support for the needy
  - Combated climate change and protected biodiversity through business partnership

Performance

PCCW has engaged its staff volunteers in a variety of voluntary services. To ensure the success of its community activities, it has a dedicated department that is responsible for monitoring, coordinating and promoting these activities across the PCCW group. This department reviews feedback from staff volunteers, tracks volunteer hours, and calculates total monetary and in-kind contributions. Debriefing reviews are disseminated to ensure that its community outreach efforts are effective and meaningful for both its staff and the communities it serves. The 2023 total monetary and in-kind contributions amounted to over HK$17 million (S$3 million) and volunteer hours to over 4,400 hours. Details of community investments by PCCW and HKT can be found in their respective ESG reports.

Future outlook

Regular reviews and dialogues with our stakeholders will enable us to develop a more strategic approach towards our corporate social responsibility agenda, focusing on key community needs and impacts.

Our invested companies, PCCW and HKT, are committed to continually creating positive social impact through community initiatives, with a particular focus on leveraging their expertise in telecommunications and technology.

SUSTAINABILITY REPORT

SOCIAL (continued)

EMPLOYEES, TRAINING AND DEVELOPMENT

Why this is material?

It is important that staff are kept abreast of the latest developments in their respective fields. This helps promote their career development, job satisfaction and assists in achieving lower staff turnover rates. In FY2023, we employed 10 full-time staff.

How we manage this material factor

The Company believes in the continued training and development of its directors and employees. To this effect, the Company is committed to invest in its employees and provides support to employees and board members for their professional memberships, continuing professional education and related studies. Employees are encouraged to attend training sessions and seminars relevant to their work, whenever necessary.

As well as providing an engaging and supportive working environment, the Company helps employees to pursue a healthy lifestyle. The Company promotes a learning culture and staff are encouraged to attend training and post-education courses. The Company is committed to promote a work environment which values and respects all its employees. It also encourages and supports diversity in its workforce and Board.

Performance

Our staff turnover continues to be low with a large percentage of employees having between 5 and 25 years of service with the Group. Diversity in terms the ratio of female to male staff is 1.5:1 with 33% of management roles held by female staff.

For FY2023, 100% of employees received an annual performance review and salary adjustments were made in line with performance, industry standards and inflation. All employees with professional memberships attended relevant continuing professional education courses. Directors and staff attended courses through e-learning online, such as refresher courses on ethics and governance, updates on tax practices, ESG training, new accounting standards and personal data protection practices. Training and job-related studies were provided to staff on an ad hoc basis as required.

Future outlook

We will conduct regular reviews of needs-based training for our employees.

- Target of average of 16 training hours per employee per year for all staff by 2028.
- Commit to mandatory function specific training to be provided regularly for all staff.

GRI CONTENT INDEX

Statement of use	Pacific Century Regional Developments Limited ("PCRD") has reported the information cited in this GRI content index for the for the financial year ended 31 December 2023 ("FY2023") with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure		Reference and/or Page number
General Disclosures			
GRI 2: General disclosures	**The organisation and its reporting practices**		
	2-1	Organisational details	About the Report 96-97, About PCRD 97
	2-2	Entities included in the organisation's sustainability reporting	About the Report 96-97
	2-3	Reporting period, frequency, and contact point	About the Report 96-97
	2-4	Restatements of Information	No restatements
	2-5	External Assurance	About the Report 96-97
	Activities and Workers		
	2-6	Activities, value chain and other business relationships	About PCRD 97
	2-7	Employees	Employees, Training & Development 106
	2-8	Workers who are not employees	Not applicable
	Governance		
	2-9	Governance structure and composition	Governing Sustainability at PCRD 98
	2-10	Nomination and selection of the highest governance body	Governing Sustainability at PCRD 98
	2-11	Chair of the highest governance body	Governing Sustainability at PCRD 98
	2-12	Role of the highest governance body in overseeing the management of impacts	Governing Sustainability at PCRD 98
	2-13	Delegation of responsibility for managing impacts	Governing Sustainability at PCRD 98
	2-14	Role of the highest governance body in sustainability reporting	Governing Sustainability at PCRD 98
	2-15	Conflicts of Interest	None
	2-16	Communication of critical concerns	Governing Sustainability at PCRD 98
	2-17	Collective knowledge of the highest governance body	Governing Sustainability at PCRD 98
	2-18	Evaluation of the performance of the highest governance body	Annual Report – Corporate Governance Report
	2-19	Remuneration policies	Annual Report – Corporate Governance Report
	2-20	Process to determine remuneration	Annual Report – Corporate Governance Report
	2-21	Annual total compensation ratio	Annual Report – Corporate Governance Report

SUSTAINABILITY REPORT

GRI CONTENT INDEX (continued)

GRI Standard	Disclosure		Reference and/or Page number
General Disclosures (continued)			
GRI 2: General disclosures (continued)	**Strategy, policies, and practices**		
	2-22	Statement on sustainable development strategy	Responsible Investment 100-101
	2-23	Policy commitments	Responsible Investment 100-101
	2-24	Embedding policy commitments	Responsible Investment 100-101
	2-25	Processes to remediate negative impacts	Stakeholder Engagement 99
	2-26	Mechanisms for seeking advice and raising concerns	Stakeholder Engagement 99
	2-27	Compliance with laws and regulations	Compliance 102
	2-28	Membership associations	• Singapore Business Federation • Singapore International Chamber of Commerce • American Chamber of Commerce, Singapore • British Chamber of Commerce, Singapore • Australian Chamber of Commerce, Singapore • Hong Kong Singapore Business Association • International Institute of Strategic Studies
	Stakeholder engagement		
	2-29	Approach to stakeholder engagement	Stakeholder Engagement 99
	2-30	Collective bargaining agreements	None

GRI CONTENT INDEX (continued)

GRI Standard	Disclosure		Reference and/or Page number
Disclosures on Material Topics			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Materiality Assessment 99-100
	3-2	List of material topics	Materiality Assessment 99-100
	3-3	Management of material topics	Materiality Assessment 99-100
Material Topics			
GRI Standard: Training and education			
GRI 3: Material Topics 2021	3-3	Management of material topics	Employees, Training & Development 106
GRI 404: Training and Education 2016	404-3	Percentage of employees receiving regular performance and career development reviews	Employees, Training & Development 106
GRI Standard: Local communities			
GRI 413: Local Communities 2016	3-3	Management of material topics	Corporate Social Responsibility 105
	413-1	Operations with local community engagement, impact assessments, and development programs	Corporate Social Responsibility 105
GRI Standard: Anti-corruption			
GRI 3: Material Topics 2021	3-3	Management of material topics	Business Integrity 102-103
GRI 205: Anti-corruption 2016	205-3	Confirmed incidents of corruption and actions taken	Business Integrity 102-103 – None

SHAREHOLDING STATISTICS

As at 4 March 2024

ISSUED AND FULLY PAID-UP

S$457,282,365.61 divided into 2,646,960,300 ordinary shares.

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

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	36	0.85	885	0.00
100 – 1,000	234	5.54	189,807	0.01
1,001 – 10,000	2,109	49.92	13,861,844	0.52
10,001 – 1,000,000	1,813	42.91	126,742,975	4.79
1,000,001 and above	33	0.78	2,506,164,789	94.68
Total	**4,225**	**100.00**	**2,646,960,300**	**100.00**

Approximately 10.06% of the issued ordinary shares are held by the public. Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited has accordingly been complied with.

SHAREHOLDING STATISTICS

As at 4 March 2024

SUBSTANTIAL SHAREHOLDERS

(including deemed interest as recorded in the Register of Substantial Shareholders as at 4 March 2024.)

Substantial Shareholder	Direct Interest No. of issued shares	Deemed Interest No. of issued shares
Jenny W.L. Fung [(1)]	–	2,347,042,230
Lester Huang [(1)]	–	2,347,042,230
OS Holdings Limited [(1)]	–	2,347,042,230
Ocean Star Management Limited [(1)]	–	2,347,042,230
The Ocean Trust [(1)]	–	2,347,042,230
The Ocean Unit Trust [(1)]	–	2,347,042,230
The Starlite Trust [(1)]	–	2,347,042,230
The Starlite Unit Trust [(1)]	–	2,347,042,230
Pacific Century Group Holdings Limited [(2)]	200,000	2,346,842,230
Pacific Century International Limited [(3)]	–	2,330,058,230
Pacific Century Group (Cayman Islands) Limited [(4)]	1,160,991,050	1,169,067,180
Anglang Investments Limited	1,169,067,180	–

Notes:

(1) In April 2004, Mr. Richard Li Tzar Kai transferred his entire beneficial interest in Pacific Century Group Holdings Limited to Ocean Star Management Limited as trustee holding for and on behalf of The Ocean Unit Trust and The Starlite Unit Trust. All the issued units of each of The Ocean Unit Trust and The Starlite Unit Trust are held by Star Ocean Ultimate Limited as trustee for and on behalf of The Ocean Trust and The Starlite Trust respectively. Ocean Star Management Limited is the wholly-owned subsidiary of OS Holdings Limited. Ms. Jenny W.L. Fung and Mr. Lester Huang each holds more than 20% of the shares of OS Holdings Limited. Each of The Ocean Trust, The Starlite Trust, The Ocean Unit Trust, The Starlite Unit Trust, Ms. Jenny W.L. Fung, Mr. Lester Huang, OS Holdings Limited and Ocean Star Management Limited is deemed to have an interest in 2,347,042,230 shares in the Company through Pacific Century Group Holdings Limited (see Note 2).

(2) Pacific Century Group Holdings Limited has a direct interest in 200,000 shares in the Company. Pacific Century Group Holdings Limited is also deemed to be interested in (i) the 16,784,000 shares held by its wholly-owned subsidiary, Borsington Limited (ii) the 1,169,067,180 shares held by Anglang Investments Limited and (iii) the 1,160,991,050 shares held by Pacific Century Group (Cayman Islands) Limited.

(3) Pacific Century International Limited is deemed to be interested in (i) the 1,169,067,180 shares held by Anglang Investments Limited and (ii) the 1,160,991,050 shares held by Pacific Century Group (Cayman Islands) Limited.

(4) Pacific Century Group (Cayman Islands) Limited is deemed to be interested in the 1,169,067,180 shares held by Anglang Investments Limited.

SHAREHOLDING STATISTICS

As at 4 March 2024

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1.	Raffles Nominees (Pte.) Limited	2,364,328,506	89.32
2.	HSBC (Singapore) Nominees Pte Ltd	25,975,530	0.98
3.	DBS Nominees (Private) Limited	22,730,208	0.86
4.	Citibank Nominees Singapore Pte Ltd	13,507,347	0.51
5.	Morph Investments Ltd	6,012,000	0.23
6.	Yu Poh Suan (Yu Baoxuan)	5,768,600	0.22
7.	DBS Vickers Securities (Singapore) Pte Ltd	5,761,000	0.22
8.	Leong Chee Tong	5,200,000	0.20
9.	Peter A. Allen	5,000,000	0.19
10.	United Overseas Bank Nominees (Private) Limited	4,667,800	0.18
11.	OCBC Securities Private Limited	3,768,198	0.14
12.	Tan Ling San	3,400,000	0.13
13.	Tham Peng Cheong Justin	3,200,000	0.12
14.	OCBC Nominees Singapore Private Limited	3,193,900	0.12
15.	UOB Kay Hian Private Limited	3,078,500	0.12
16.	Estate of Chong Yean Fong, Deceased	3,045,000	0.12
17.	Phillip Securities Pte Ltd	2,852,450	0.11
18.	Koh Sew Lean	2,350,000	0.09
19.	Ng Soo Chaio	2,300,000	0.09
20.	Lee Kai Heng	2,000,000	0.08
	Total	**2,488,139,039**	**94.03**

PACIFIC CENTURY REGIONAL DEVELOPMENTS LIMITED

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