

Financial Statements and Related Announcement::Full Yearly Results**Issuer & Securities**

Issuer/ Manager	PACIFIC CENTURY REGIONAL DEVELOPMENTS LIMITED
Securities	PACIFIC CENTURY REGIONAL DEVTS - SG1J17886040 - P15
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Announcement Details

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For Financial Period Ended	31/12/2014
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PACIFIC CENTURY REGIONAL DEVELOPMENTS LIMITED

Company Registration No. 196300381N

Full Year Financial Statements Announcement for the Year Ended 31/12/2014

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

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

The results of PCCW Limited ("PCCW"), the Company's 21.8% associated company which is listed on the Stock Exchange of Hong Kong Limited, for the year ended 31 December 2014 were announced by PCCW and the Company on 11 February 2015. These results of the Group reflect the Company's share of PCCW's full-year results on an equity accounting basis.

UNAUDITED CONSOLIDATED INCOME STATEMENT

	Group Year ended		
	31/12/2014 S\$'000	31/12/2013 S\$'000	% Increase/ (decrease)
Revenue	9,064	7,679	18.0
Other income (Note 1)	21	969	(97.8)
Expenses			
- Depreciation of property, plant and equipment	(45)	(36)	25.0
- Employee compensation	(1,278)	(1,440)	(11.3)
- Finance expenses (Note 2)	(2,247)	(1,906)	17.9
- Foreign exchange loss, net	(262)	(1,140)	(77.0)
- Legal and other professional fees	(1,161)	(941)	23.4
- Rental expense - operating leases	(319)	(316)	0.9
- Travelling expenses	(139)	(684)	(79.7)
- Subscriptions and donations	(520)	(670)	(22.4)
- Others	(843)	(851)	(0.9)
Total expenses	(6,814)	(7,984)	(14.7)
Changes in carrying value of associated companies:			
- Share of profit of associated companies, net of tax	117,009	65,085	79.8
Loss on liquidation/dissolution of subsidiary companies	(886)	(2,130)	(58.4)
Profit before income tax	118,394	63,619	86.1
Income tax (expense) credit (Note 3)	(1,496)	5,920	n.m.
Total profit for the year	116,898	69,539	68.1
Attributable to:			
Equity holders of the Company	116,898	69,358	68.5
Non-controlling interests	-	181	n.m.
	116,898	69,539	68.1

n.m. = not meaningful

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group Year ended		% Increase/ (decrease)
	31/12/2014 S\$'000	31/12/2013 S\$'000	
Total profit for the year	116,898	69,539	68.1
Other comprehensive income (loss):			
Items that may be reclassified subsequently to profit or loss:			
Financial assets, available-for-sale			
- Fair value gains (Note 4)	59,299	2,930	1,923.9
Currency translation differences arising from consolidation			
- Gains, net	26,492	17,643	50.2
- Reclassification of currency translation differences of liquidated/dissolved subsidiary companies to income statement	886	1,505	(41.1)
Share of comprehensive (loss) income of associated companies:			
- Currency translation reserves	(54,972)	(9,296)	491.4
- Others	(3,676)	6,093	n.m.
Other comprehensive income, net of tax	28,029	18,875	48.5
Total comprehensive income for the year	144,927	88,414	63.9
Total comprehensive income (loss) attributable to:			
Equity holders of the Company	144,927	88,570	63.6
Non-controlling interests	-	(156)	n.m.
	144,927	88,414	63.9

n.m. = not meaningful

	Group Year ended	
	31/12/2014 S\$'000	31/12/2013 S\$'000
(Note 1)		
Other income :		
Interest income	29	913
Fair value loss on financial assets designated as fair value through profit or loss	(9)	(5)
Sundry income	1	61
	21	969
(Note 2)		
Finance expenses :		
Interest expense - bank borrowings	(150)	(260)
Finance facility fees	(2,097)	(1,646)
	(2,247)	(1,906)

(Note 3)

Income tax (expense) credit :

The profit before tax includes the Group's share of PCCW 2014 profit of \$116.9 million which is net of taxes. The tax expenses of \$1.5 million include deferred tax of \$1.6 million provided on distributions from HKT Trust and HKT Limited ("HKT").

In 2013, the Group recorded a tax credit of \$5.9 million resulting from the write-back of \$6.7 million deferred tax provided in prior years and a refund of \$0.2 million taxes received following finalisation of tax assessments for prior years. The profit before tax includes the Group's share of PCCW 2013 profit of \$64.7 million which is net of taxes. Deferred tax of \$1.1 million was provided on distributions received from HKT.

(Note 4)

Financial assets, available-for-sale - Fair value gains :

The Group recorded a fair value gain of \$59.3 million in 2014 and \$2.9 million in 2013 mainly due to increases in the market value of the financial assets of the Group's holdings of Share Stapled Units ("SSUs") in HKT.

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

		Group		Company	
	Notes	31/12/2014	31/12/2013	31/12/2014	31/12/2013
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Current assets					
Cash and cash equivalents	1	14,978	73,332	8,523	70,676
Financial assets, at fair value through profit or loss		8	17	8	17
Trade and other receivables		174	175	5	31
Other current assets	2	453	1,017	103	614
	7	<u>15,613</u>	<u>74,541</u>	<u>8,639</u>	<u>71,338</u>
Non-current assets					
Financial assets, available-for-sale	3	260,593	147,029	226,753	139,727
Other receivables		36	70	-	-
Investments in associated companies	4	669,087	589,180	894,785	804,515
Investments in subsidiary companies		-	-	159,841	121,548
Property, plant and equipment		62	84	-	-
Other non-current assets		212	485	-	95
		<u>929,990</u>	<u>736,848</u>	<u>1,281,379</u>	<u>1,065,885</u>
Total assets		<u>945,603</u>	<u>811,389</u>	<u>1,290,018</u>	<u>1,137,223</u>
LIABILITIES					
Current liabilities					
Trade and other payables		4,392	4,321	116,754	77,095
Current income tax liabilities		6	13	1	2
Borrowings	5	62,288	-	26,470	-
	7	<u>66,686</u>	<u>4,334</u>	<u>143,225</u>	<u>77,097</u>
Non-current liabilities					
Deferred income tax liabilities	6	3,543	1,905	3,543	1,905
		<u>3,543</u>	<u>1,905</u>	<u>3,543</u>	<u>1,905</u>
Total liabilities		<u>70,229</u>	<u>6,239</u>	<u>146,768</u>	<u>79,002</u>
NET ASSETS		<u>875,374</u>	<u>805,150</u>	<u>1,143,250</u>	<u>1,058,221</u>
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital		457,283	457,283	457,283	457,283
Treasury shares		-	(9,276)	-	(9,276)
Other reserves		211,536	181,327	10,361	(93,588)
Retained profits		206,555	175,816	675,606	703,802
		<u>875,374</u>	<u>805,150</u>	<u>1,143,250</u>	<u>1,058,221</u>
Non-controlling interests		-	-	-	-
Total equity		<u>875,374</u>	<u>805,150</u>	<u>1,143,250</u>	<u>1,058,221</u>

Note 1

Cash and cash equivalents decreased by \$58.4 million mainly due to :

	S\$' million
Purchase of financial assets, available-for-sale	24.8
Subscription for rights SSUs in HKT	23.4
	<u>48.2</u>
Cost of share repurchases	76.9
Repayment of borrowings	27.3
Payments of previously accrued expenses	1.5
Payments of operating expenses	3.0
	<u>156.9</u>
Less:	
Proceeds from borrowings	(89.6)
Distributions from HKT	(8.9)
	<u>58.4</u>

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

Note 2

Other current assets decreased by \$0.6 million mainly due to a reduction in prepayments for front-end fees of \$0.5 million.

Note 3

Financial assets, available-for-sale increased by \$113.6 million, mainly due to a net cost of purchase of financial assets, available-for-sale of \$24.8 million, the subscription for rights SSUs in HKT of \$23.4 million and a net increase of \$63.6 million in the market value of the Company's holdings of SSUs in HKT.

Note 4

Investments in associated companies increased by \$79.9 million mainly due to the Company's share of PCCW's full year profit of \$116.9 million and a decrease in PCCW's other reserves of \$38.0 million.

Note 5

Borrowings increased by \$62.3 million due to short-term loans undertaken by the Company and a subsidiary company. The amount borrowed by the subsidiary company was on-lent to the Company for the repurchase of the Company's shares.

Note 6

Deferred income tax liabilities increased by \$1.6 million mainly due to the provision of deferred tax on the distributions received from HKT.

Note 7

	Group		Company	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	S\$'000	S\$'000	S\$'000	S\$'000
Current assets	15,613	74,541	8,639	71,338
Current liabilities	66,686	4,334	143,225	77,097
Net current (liabilities) assets	<u>(51,073)</u>	<u>70,207</u>	<u>(134,586)</u>	<u>(5,759)</u>

The financial statements of the Company and the Group are prepared on a going concern basis for the financial year ended 31 December 2014 notwithstanding these net current liabilities positions, on the basis that the Company holds a significant number of quoted shares in PCCW and SSUs in HKT, which are frequently traded and whose market values are higher than their carrying values on the balance sheets of the Company and the Group as at 31 December 2014.

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

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

Amount repayable in one year or less, or on demand

As at 31/12/2014		As at 31/12/2013	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
62,288	-	-	-

Amount repayable after one year

As at 31/12/2014		As at 31/12/2013	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral

	S\$' million
Cost of shares pledged for the bank borrowings comprises:	
- shares in PCCW	91.3
- SSUs in HKT	0.8
	<u>92.1</u>

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

Cash flow statement for the year ended 31 December

	Group	
	Year ended	
Note	31/12/2014	31/12/2013
	S\$'000	S\$'000
Cash flow from operating activities:		
Profit after tax	116,898	69,539
Adjustments for :		
- Income tax expense (credit)	1,496	(5,920)
- Depreciation of property, plant and equipment	45	36
- Loss on liquidation/dissolution of subsidiary companies	886	2,130
- Interest income	(29)	(913)
- Finance expenses	2,247	1,906
- Unrealised currency translation (gains) losses	(1,657)	1,780
- Fair value loss on financial assets designated as fair value through profit or loss	9	5
Change in carrying values of associated companies:		
- Share of profit of associated companies, net of tax	(117,009)	(65,085)
	<u>2,886</u>	<u>3,478</u>
Change in working capital:		
- Trade and other receivables	867	(139)
- Trade and other payables	(29)	(2,565)
Cash generated from operations	<u>3,724</u>	<u>774</u>
Interest received	29	913
Income tax (paid) refunded	(13)	240
Net cash generated from operating activities	<u>3,740</u>	<u>1,927</u>
Cash flow from investing activities:		
Net cash outflow on dissolution of a subsidiary company	-	(24,410)
Purchase of property, plant and equipment	(23)	(389)
Proceeds received on disposal of investment	-	1,783
Dividends received from an associated company	1	50,382
Purchase of financial assets, available-for-sale	(48,252)	-
Movements in restricted cash and fixed deposits	-	8,041
Net cash (used in) generated from investing activities	<u>(48,275)</u>	<u>35,407</u>
Cash flow from financing activities:		
Finance expenses paid	(2,247)	(1,906)
Proceeds from borrowings	2	89,578
Repayment of borrowings	2	(27,290)
Purchases of treasury shares	(35,448)	(10,799)
Purchases of the Company's shares	(41,472)	-
Net cash used in financing activities	<u>(16,879)</u>	<u>(12,705)</u>
Net (decrease) increase in cash and cash equivalents	(61,414)	24,629
Cash and cash equivalents at beginning of year	73,332	49,522
Effects of currency translation on cash and cash equivalents	3,060	(819)
Cash and cash equivalents at end of year	<u>14,978</u>	<u>73,332</u>
Summary of cash and cash equivalents:		
Cash at bank and on hand	10,263	41,621
Short-term bank deposits	4,715	31,711
	<u>14,978</u>	<u>73,332</u>

Note 1

The Company has elected to receive dividends from PCCW in the form of new shares in 2014 under PCCW's Scrip Dividend Scheme. The Company received an aggregate of 74,114,618 PCCW shares in 2014. The Company received cash dividends from PCCW in 2013.

Note 2

Net proceeds from borrowings of \$62.3 million were due to short-term loans undertaken by the Company and a subsidiary company. The amount borrowed by the subsidiary company was on-lent to the Company for the repurchase of the Company's shares.

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

Changes in equity for the year ended 31 December

The Group

	Share capital S\$'000	Treasury shares S\$'000	Other reserves S\$'000	Retained profits S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
Balance at 1 January 2014	457,283	(9,276)	181,327	175,816	-	805,150
Total comprehensive income for the year	-	-	28,029	116,898	-	144,927
Purchase of treasury shares	-	(35,448)	-	-	-	(35,448)
Cancellation of treasury shares	-	44,724	-	(44,724)	-	-
Purchase and cancellation of shares	-	-	-	(41,472)	-	(41,472)
Share of reserves of associated companies:						
- Equity share compensation reserve	-	-	2,180	-	-	2,180
- Remeasurements of defined benefit obligations	-	-	-	(557)	-	(557)
- Share of other comprehensive loss of an associate's associate	-	-	-	(37)	-	(37)
- Purchase of Share Stapled Units under share award schemes	-	-	-	(223)	-	(223)
- Vesting of PCCW Shares and Share Stapled Units under share award schemes	-	-	-	186	-	186
- Change in ownership interests in an associate's subsidiary company without change of control	-	-	-	891	-	891
- Exercise of employee share options of an associate's subsidiary company	-	-	-	(223)	-	(223)
Balance at 31 December 2014	457,283	-	211,536	206,555	-	875,374

The Group

	Share capital S\$'000	Treasury shares S\$'000	Other reserves S\$'000	Retained profits S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
Balance at 1 January 2013	457,283	-	164,552	110,348	6,605	738,788
- As previously reported	-	-	-	(6,232)	-	(6,232)
- Effect of adoption of FRS 19 (revised 2011) Employee Benefits by PCCW	457,283	-	164,552	104,116	6,605	732,556
- As restated						
Total comprehensive income (loss) for the year	-	-	19,212	69,358	(156)	88,414
Purchase of treasury shares	-	(10,799)	-	-	-	(10,799)
Cancellation of treasury shares	-	1,523	-	(1,523)	-	-
Dissolution of a subsidiary company	-	-	-	-	(6,449)	(6,449)
Share of reserves of associated companies:						
- Equity share compensation reserve	-	-	(2,437)	-	-	(2,437)
- Remeasurements of defined benefit obligations	-	-	-	2,959	-	2,959
- Share of other comprehensive loss of an associate's associate	-	-	-	(34)	-	(34)
- Purchase of Share Stapled Units under share award schemes	-	-	-	(1,219)	-	(1,219)
- Reclassification due to expiry of share options	-	-	-	2,193	-	2,193
- Dividend paid to vested PCCW Shares under the share award schemes	-	-	-	(34)	-	(34)
Balance at 31 December 2013	457,283	(9,276)	181,327	175,816	-	805,150

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

Changes in equity for the year ended 31 December

The Company	Share capital S\$'000	Treasury shares S\$'000	Other reserves S\$'000	Retained profits S\$'000	Total equity S\$'000
Balance at 1 January 2014	457,283	(9,276)	(93,588)	703,802	1,058,221
Total comprehensive income for the year	-	-	103,949	58,000	161,949
Purchase of treasury shares	-	(35,448)	-	-	(35,448)
Cancellation of treasury shares	-	44,724	-	(44,724)	-
Purchase and cancellation of shares	-	-	-	(41,472)	(41,472)
Balance at 31 December 2014	<u>457,283</u>	<u>-</u>	<u>10,361</u>	<u>675,606</u>	<u>1,143,250</u>

The Company	Share capital S\$'000	Treasury shares S\$'000	Other reserves S\$'000	Retained profits S\$'000	Total equity S\$'000
Balance at 1 January 2013	457,283	-	(127,315)	456,896	786,864
Total comprehensive income for the year	-	-	33,727	248,429	282,156
Purchase of treasury shares	-	(10,799)	-	-	(10,799)
Cancellation of treasury shares	-	1,523	-	(1,523)	-
Balance at 31 December 2013	<u>457,283</u>	<u>(9,276)</u>	<u>(93,588)</u>	<u>703,802</u>	<u>1,058,221</u>

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

The Company's issued share capital is summarised as follows: -

	31/12/2014		31/12/2013	
	No. of shares	\$	No. of shares	\$
Issued and paid up share capital including treasury shares	2,751,667,100	457,282,366	3,088,867,100	457,282,366
Issued and paid up share capital excluding treasury shares	2,751,667,100		3,047,103,100	

During Q4 2014, the Company purchased a total of 201,496,000 shares in the Company on the open market for a total consideration of \$52.5 million (including transaction costs), financed by internal funds and borrowings. Of these, 42,399,000 shares were held as treasury shares. These treasury shares were all subsequently cancelled. The remaining 159,097,000 shares purchased during Q4 2014 were cancelled immediately on purchase.

For the financial year 2014, the Company purchased a total of 295,436,000 shares in the Company on the open market for a total consideration of \$76.9 million (including transaction costs), financed by internal funds and borrowings. Of these, 136,339,000 shares were held as treasury shares. These treasury shares, together with treasury shares as at 1 January 2014 of 41,764,000, were cancelled in 2014. The remaining 159,097,000 shares purchased during the financial year 2014 were cancelled immediately on purchase. A total of 337,200,000 shares was cancelled in 2014.

<u>Issued and paid up share capital including treasury shares</u>	Number of shares	
	2014	2013
As at 1 January	3,088,867,100	3,096,269,100
Less: Shares cancelled	(337,200,000)	(7,402,000)
As at 31 December	2,751,667,100	3,088,867,100

The Company does not have any convertibles as at 31 December 2014 and 31 December 2013.

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

	Number of shares	
	As at 31/12/2014	As at 31/12/2013
Issued ordinary shares	2,751,667,100	3,088,867,100
Less: Treasury shares	-	(41,764,000)
Issued ordinary shares, excluding treasury shares	2,751,667,100	3,047,103,100

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

Treasury shares:	Number of shares			
	Quarter ended		Year ended	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Balance at beginning of period	90,029,000	38,477,000	41,764,000	-
Purchased during the period	42,399,000	3,287,000	136,339,000	49,166,000
Less: Treasury shares cancelled	(132,428,000)	-	(178,103,000)	(7,402,000)
Balance at end of period	-	41,764,000	-	41,764,000

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

The figures have not been audited or reviewed.

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

N.A.

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

Except for the adoption of new or revised Singapore Financial Reporting Standards as described in Section 5, the Group has applied the same accounting policies and methods of computation in these results as in the audited financial statements for the year ended 31 December 2013.

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

On 1 January 2014, the Group adopted certain new or revised Singapore Financial Reporting Standards (FRS) and Interpretations (INT FRS) that are effective in the financial year ended 31 December 2014.

The following are the new or amended FRSs that are relevant to the Group:

- (i) FRS 110 – Consolidated Financial Statements
- (ii) FRS 111 – Joint Arrangements
- (iii) FRS 112 – Disclosure of Interests in Other Entities

The adoption of the above FRSs did not result in any substantial change to the Group's accounting policies nor any significant impact on the financial statements.

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

Group		31/12/2014	31/12/2013
Net profit attributable to equity holders of the Company (S\$'000)		116,898	69,358
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)		2,998,450	3,071,319
(i)	Basic earnings per share (Cents per share)	3.899	2.258
(ii)	On a fully diluted basis (Cents per share)	3.899	2.258

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

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

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

	Group		Company	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Net asset value (S\$'000)	875,374	805,150	1,143,250	1,058,221
Number of issued shares excluding treasury shares ('000)	2,751,667	3,047,103	2,751,667	3,047,103
Net asset value per ordinary share based on issued share capital at the end of the year	\$0.318	\$0.264	\$0.416	\$0.347

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

The Group's revenue for 2014 was \$9.1 million compared to \$7.7 million in 2013. The Group's revenue mainly relates to distributions received from the Company's investment in HKT.

Other income, comprising mainly bank interest income, was \$21,000 compared to \$1.0 million in 2013.

Total expenses in 2014 amounted to \$6.8 million compared to \$8.0 million in 2013. The difference is mainly due to the following reasons:-

- Foreign exchange losses decreased from \$1.1 million in 2013 to \$0.3 million in 2014. The exchange losses in 2013 were mainly the result of unrealised exchange losses on Hong Kong Dollar balances payable by subsidiary companies reflecting the strengthening of the Hong Kong Dollar against the Singapore Dollar. These foreign exchange losses were significantly reduced by the reduction of such balances in 2014.

The above decrease was partly offset by the following increases:

- Finance costs were \$2.2 million in 2014 compared to \$1.9 million in 2013. The increase in finance costs was mainly due to increases in renewal and commitment fees for bank facilities.
- Legal and professional fees increased from \$0.9 million in 2013 to \$1.2 million in 2014. In 2013, there was a one-time write-back of \$0.8 million of accruals no longer required.

The Group's share of profit of associated companies was \$117.0 million in 2014 compared to \$65.1 million in 2013. This includes the Group's share of profit from PCCW of \$116.9 million in 2014 compared to \$64.7 million in 2013.

PCCW achieved a solid financial result for 2014 which is attributable to the satisfactory operational and financial performance of its core businesses. PCCW's core revenue increased by 24% to HK\$32,962 million (\$5,385.2 million). Core EBITDA increased by 29% to HK\$10,506 million (\$1,716.4 million) given the strong contribution from HKT, its telecommunications business and continued growth of the Solutions business. PCCW's consolidated revenue increased by 22% to HK\$33,277 million (\$5,436.6 million) and consolidated EBITDA increased by 29% to HK\$10,340 million (\$1,689.3 million). After taking into account a one-time gain after tax and non-controlling interests of HK\$1,306 million (\$213.4 million) arising on the disposal of the entire interest in Pacific Century Place, Beijing by its subsidiary, Pacific Century Premium Developments Limited, PCCW's consolidated profit attributable to equity holders increased by 76% to HK\$3,310 million (\$540.8 million).

HKT, the 63% subsidiary of PCCW, achieved a set of strong financial results for 2014. These results were underpinned by solid performance of its various lines of business and also significantly the consolidation of the results of CSL New World Mobility Limited (now known as CSL Holdings Limited, "CSL") since the completion of its acquisition in May 2014. HKT's total revenue increased by 26% to HK\$28,823 million (\$4,708.9 million) and EBITDA for 2014 was HK\$10,242 million (\$1,673.3 million), an increase of 30% over 2013. This growth was driven mainly by the CSL acquisition and reflected the subsequent scale benefits of the mobile business, as well as steady growth in the telecommunications services business. HKT's adjusted funds flow for the year ended 31 December 2014 reached HK\$3,354 million (\$548.0 million), an increase of 16% over the previous year.

The Group's share of profit of associated companies for 2014 also included the Group's share of a profit of \$0.1 million from its 49.87% Indian logistics associated company, KSH Distriparks Private Limited ("KSH"), compared to \$0.4 million in 2013. The Group's 2013 share of KSH's profit included its share of a gain of \$0.5 million resulting from the completion of restructuring of the Group's interest in Pasha Ventures Private Limited ("Pasha Ventures"), an Indian subsidiary of the Company, by way of a merger of Pasha Ventures with KSH.

A loss on liquidation of subsidiary companies amounting to \$0.9 million was recorded in 2014 following the liquidation of 2 dormant subsidiary companies. The loss was the result of the reclassification of translation losses from currency translation reserve to the income statement on completion of liquidation of these subsidiary companies. The Group recognised a loss of \$2.1 million in 2013 following completion of the merger of Pasha Ventures and KSH. The loss mainly reflects the depreciation of the Indian Rupee against the Singapore Dollar in 2013 and arose upon the reclassification of currency translation reserves relating to Pasha Ventures to the income statement due to the dissolution of Pasha Ventures on completion of the restructuring.

The Group's profit attributable to equity holders for 2014 was \$116.9 million compared to \$69.4 million for 2013.

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

N.A.

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

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

PCCW's Media group has been making good progress in its transformation into a leading digital media and entertainment company through development of its regional and international content distribution and over-the-top ("OTT") service in Hong Kong. PCCW aims to ensure that market leading NOW TV continues to offer customers the best viewing experience with quality production.

PCCW Solutions looks forward to further expansion both in terms of competencies and geographical reach in the U.S. and European markets in the coming year. PCCW Solutions will augment its global capabilities in the digital ecosystem in order to become the digital partner of choice.

HKT's acquisition of CSL in May 2014 has firmly established HKT as the leading telecom service provider in Hong Kong in not only fixed line and broadband, but also mobile communications. HKT expects that more significant synergies can be realised in the coming periods and HKT's existing business propositions will be further strengthened by its offerings of integrated and value-added services such as fixed-mobile integration solutions.

11. **Dividend**

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None

Name of Dividend

Dividend Type

Dividend Rate

Tax Rate

(c) The date the dividend is payable.

N.A.

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

N.A.

12. If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared or recommended for the financial year ended 31 December 2014.

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

The Group has obtained a general mandate from the shareholders of the Company for interested person transactions in the Annual General Meeting held on 28 April 2014. During the financial period under review, the following interested person transactions were entered into by the Group:

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

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

N.A.

15 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

SEGMENTAL REPORTING FOR THE YEAR ENDED 31 DECEMBER 2014

	Hong Kong		Singapore		India	Eliminations S\$'000	Consolidated S\$'000	
	Investment holding S\$'000	Business management and consultancy services S\$'000	Investment holding S\$'000	Business management and consultancy services S\$'000	Investment holding S\$'000			
External revenue	-	-	8,928	136	-	-	9,064	Geographical information
Inter-segment revenue	-	-	-	1,567	-	(1,567)	-	
Total revenue	-	-	8,928	1,703	-	(1,567)	9,064	
Operating (loss) profit before interest income and depreciation	-	(241)	6,748	(1,973)	-	-	4,534	Singapore
Interest income	-	-	29	-	-	-	29	
Depreciation	-	-	-	(45)	-	-	(45)	Non-current assets
(Loss) profit from operating activities	-	(241)	6,777	(2,018)	-	-	4,518	
Interest expenses							(150)	Singapore
Finance facility fees							(2,097)	
Change in carrying values of associated companies:								Hong Kong
- Share of profits of associated companies, net of tax							117,009	
Net loss on liquidation/dissolution of subsidiary companies							(886)	
Profit before income tax							118,394	
Income tax expense							(1,496)	
Total profit							116,898	
Segment assets	26,659	407	234,050	422	-	-	261,538	
Investments in associated companies	-	-	644,845	24,242	-	-	669,087	
Unallocated corporate assets								
- Cash and cash equivalents							14,978	
Total assets							945,603	
Segment liabilities	-	515	2,694	1,183	-	-	4,392	
Unallocated corporate liabilities								
- Borrowings							62,288	
- Current income tax liabilities							6	
- Deferred income tax liabilities							3,543	
Total liabilities							70,229	
Other segment information:								
Additions to property, plant and equipment	-	-	-	23	-	-	23	

15 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

SEGMENTAL REPORTING FOR THE YEAR ENDED 31 DECEMBER 2013

	Hong Kong		Singapore		India	Eliminations S\$'000	Consolidated S\$'000	
	Investment holding S\$'000	Business management and consultancy services S\$'000	Investment holding S\$'000	Business management and consultancy services S\$'000	Investment holding S\$'000			
External revenue	-	-	7,661	18	-	-	7,679	Geographical information
Inter-segment revenue	-	-	-	2,756	-	(2,756)	-	
Total revenue	-	-	7,661	2,774	-	(2,756)	7,679	
Operating (loss) profit before interest income and depreciation	-	(276)	5,296	(3,149)	(178)	-	1,693	Singapore
Interest income	-	-	36	-	877	-	913	
Depreciation	-	(1)	(1)	(33)	(1)	-	(36)	Non-current assets
(Loss) profit from operating activities	-	(277)	5,331	(3,182)	698	-	2,570	
Interest expenses							(260)	Singapore
Finance facility fees							(1,646)	
Change in carrying values of associated companies:							65,085	Hong Kong
- Share of profits of associated companies, net of tax							(2,130)	
Net loss on liquidation/dissolution of subsidiary companies							63,619	
Profit before income tax							5,920	
Income tax credit							69,539	
Total profit								
Segment assets	-	723	147,786	368	-	-	148,877	
Investments in associated companies	-	-	565,252	23,928	-	-	589,180	
Unallocated corporate assets							73,332	
- Cash and cash equivalents							811,389	
Total assets								
Segment liabilities	-	274	3,336	711	-	-	4,321	
Unallocated corporate liabilities							13	
- Current income tax liabilities							1,905	
- Deferred income tax liabilities							6,239	
Total liabilities								
Other segment information:								
Additions to property, plant and equipment	-	-	-	53	-	-	53	

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

1. External revenue for 2014 was \$9.1 million compared to \$7.7 million for 2013. External revenue relate to distributions received from the Company's investment in HKT.
2. Operating profit before interest income and depreciation under the segment Singapore Investment holding for 2014 was \$6.7 million compared to \$5.3 million for 2013. The increase was mainly the result of the increase in external revenue of distributions received from the Company's investment in HKT.
3. Operating loss before interest income and depreciation under the segment Singapore business management and consultancy services decreased from \$3.1 million in 2013 to \$2.0 million in 2014. The improvement was mainly due to a decrease in foreign exchange losses (please refer to Section 8).

17. A breakdown of sales

		31/12/2014 S\$'000	31/12/2013 S\$'000	Increase/ (Decrease) %
(a)	Revenue reported for first half year	4,416	3,858	14.5
(b)	Operating profit after tax before deducting non-controlling interests reported for first half year	36,313	30,614	18.6
(c)	Revenue reported for second half year	4,648	3,821	21.6
(d)	Operating profit after tax before deducting non-controlling interests reported for second half year	80,585	38,925	107.0%

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

Total Annual Dividend:

	Latest Full Year 31/12/2014 S\$'000	Previous Full Year 31/12/2013 S\$'000
Ordinary	-	-
Preference	-	-
Total:	-	-

N.A.

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the prescribed format. If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704 of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company confirms that there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Lim Beng Jin
Company Secretary
12/02/2015