

# PACIFIC CENTURY REGIONAL DEVELOPMENTS LIMITED

Company Registration No. 196300381N

## Second Quarter Financial Statements And Dividend Announcement for the Period Ended 30/06/2016

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

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

*For the Group's Q2 results for the 3 months ended 30 June 2016, the Group's share of results of PCCW Limited ("PCCW") and the comparative figures for the corresponding 3 months ended 30 June 2015 are not available as Hong Kong Stock Exchange listing rules do not require PCCW to announce quarterly results.*

*PCCW announced its half-year results for the 6 months ended 30 June 2016 on 11 August 2016. The Group's share of the results of PCCW for half-year 2016 and the comparative figures for half-year 2015 are included in the Group's half-year results for the 6 months ended 30 June 2016.*

### UNAUDITED CONSOLIDATED INCOME STATEMENT

	Group 3 months ended			Group 6 months ended		
	30/06/2016 S\$'000	30/06/2015 S\$'000	% Increase/ (decrease)	30/06/2016 S\$'000	30/06/2015 S\$'000	% Increase/ (decrease)
Revenue	-	-	n.m.	6,711	5,363	25.1
Other income (Note 1)	21	14	50.0	37	23	60.9
Expenses						
- Depreciation of property, plant and equipment	(16)	(13)	23.1	(33)	(26)	26.9
- Employee compensation	(482)	(353)	36.5	(885)	(648)	36.6
- Foreign exchange (loss) gain, net	(126)	(128)	(1.6)	162	(100)	n.m.
- Legal and other professional fees	(246)	(241)	2.1	(640)	(478)	33.9
- Rental expense - operating leases	(92)	(92)	0.0	(183)	(183)	0.0
- Travelling expenses	(19)	(2)	850.0	(29)	(9)	222.2
- Subscriptions and donations	(55)	(4)	n.m.	(111)	(8)	n.m.
- Others	(199)	(295)	(32.5)	(328)	(430)	(23.7)
- Finance expenses (Note 2)	(933)	(777)	20.1	(1,991)	(1,299)	53.3
Total expenses	(2,168)	(1,905)	13.8	(4,038)	(3,181)	26.9
Share of profit of associated corporations, net of tax (Note 3)	95	104	(8.7)	34,622	40,539	(14.6)
(Loss) profit before income tax	(2,052)	(1,787)	14.8	37,332	42,744	(12.7)
Income tax credit (expense) (Note 4)	9	4	125.0	(1,132)	(908)	24.7
Total (loss) profit for the period	(2,043)	(1,783)	14.6	36,200	41,836	(13.5)
Attributable to equity holders of the Company	(2,043)	(1,783)	14.6	36,200	41,836	(13.5)

n.m. = not meaningful

# UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group 3 months ended			Group 6 months ended		
	30/06/2016 S\$'000	30/06/2015 S\$'000	% Increase/ (decrease)	30/06/2016 S\$'000	30/06/2015 S\$'000	% Increase/ (decrease)
Total (loss) profit for the period	(2,043)	(1,783)	14.6	36,200	41,836	(13.5)
Other comprehensive income (loss):						
Items that may be reclassified subsequently to profit or loss:						
Available-for-sale financial assets						
- Fair value gains (losses) (Note 5)	6,118	(18,996)	n.m.	18,195	(22,187)	n.m.
Currency translation differences arising from consolidation						
- (Losses) gains, net	(3,105)	(5,283)	(41.2)	(33,971)	11,853	n.m.
Share of comprehensive income (loss) of associated corporations : (Note 6)						
- Currency translation reserves	-	-	n.m.	4,888	(5,972)	n.m.
- Others	-	-	n.m.	12,297	(7,069)	n.m.
Other comprehensive income (loss), net of tax	<u>3,013</u>	<u>(24,279)</u>	n.m.	<u>1,409</u>	<u>(23,375)</u>	n.m.
Total comprehensive income (loss) for the period	<u>970</u>	<u>(26,062)</u>	n.m.	<u>37,609</u>	<u>18,461</u>	103.7
Total comprehensive income (loss) attributable to equity holders of the Company	<u>970</u>	<u>(26,062)</u>	n.m.	<u>37,609</u>	<u>18,461</u>	103.7

n.m. = not meaningful

	Group 3 months ended		Group 6 months ended	
	30/06/2016 S\$'000	30/06/2015 S\$'000	30/06/2016 S\$'000	30/06/2015 S\$'000
(Note 1)				
<b>Other income :</b>				
Interest income	8	-	11	1
Management fee	3	-	6	-
Fair value gain on financial assets designated as fair value through profit or loss	-	4	-	2
Rental income	<u>10</u>	<u>10</u>	<u>20</u>	<u>20</u>
	<u>21</u>	<u>14</u>	<u>37</u>	<u>23</u>
(Note 2)				
<b>Finance expenses :</b>				
Interest expense				
- bank borrowings	(427)	(330)	(967)	(648)
- finance lease liability	(1)	-	(2)	-
Finance facility fees	<u>(505)</u>	<u>(447)</u>	<u>(1,022)</u>	<u>(651)</u>
	<u>(933)</u>	<u>(777)</u>	<u>(1,991)</u>	<u>(1,299)</u>

(Note 3)

## Share of profit of associated corporations, net of tax :

The Group's Unaudited Consolidated Income Statement for the 6 months ended 30 June 2016 and 2015 includes the Group's share of results of PCCW for H1 2016 and H1 2015 respectively.

The Group's Unaudited Consolidated Income Statement for the 3 months ended 30 June 2016 and 2015 excludes the Group's share of results of PCCW for the quarters as the information is not available. Hong Kong Stock Exchange listing rules do not require PCCW to announce quarterly results but only half year and full year results.

The Group's share of profit from its 49.87% associated corporation, KSH Distriparks Private Limited ("KSH"), amounted to \$95K in Q2 2016 compared to \$104K in Q2 2015.

(Note 4)

**Income tax credit (expense) :**

The tax expense for H1 2016 of \$1.1 million and H1 2015 of \$0.9 million comprise mainly deferred tax provided on distributions from HKT Trust and HKT Limited ("HKT").

Profits before tax for H1 2016 and H1 2015 include the Group's share of PCCW H1 2016 and H1 2015 profits, respectively, which are net of taxes.

(Note 5)

**Available-for-sale financial assets - Fair value gains (losses) :**

The Group recorded a fair value gain of \$18.2 million in H1 2016 and \$6.1 million in Q2 2016 mainly due to an increase in the market value of the Group's holding of Share Stapled Units ("SSUs") in HKT of \$29.4 million partially offset by a decrease in the fair value of the Group's holding of other financial assets of \$11.2 million.

The Group recorded a fair value loss of \$22.2 million in H1 2015 and \$19.0 million in Q2 2015 mainly due to a decrease in the market value of the Group's holding of SSUs in HKT.

(Note 6)

**Share of comprehensive income (loss) of associated corporations :**

The Group's Unaudited Consolidated Statement of Comprehensive Income for the 3 months ended 30 June 2016 and 2015 excludes the Group's share of results of PCCW as the information is not available. Hong Kong Stock Exchange listing rules do not require PCCW to announce quarterly results but only half year and full year results.

**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**

		<b>Group</b>		<b>Company</b>	
	Notes	30/06/2016	31/12/2015	30/06/2016	31/12/2015
		S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	1	31,809	69,760	23,836	63,484
Trade and other receivables		202	775	35	22
Other current assets		797	883	504	525
	6	<u>32,808</u>	<u>71,418</u>	<u>24,375</u>	<u>64,031</u>
<b>Non-current assets</b>					
Available-for-sale financial assets	2	287,169	281,248	256,446	237,213
Investments in associated corporations	3	792,691	767,029	1,025,018	1,018,100
Investments in subsidiary corporations		-	-	103,147	109,690
Property, plant and equipment		157	188	-	-
Other non-current assets		841	1,225	500	781
		<u>1,080,858</u>	<u>1,049,690</u>	<u>1,385,111</u>	<u>1,365,784</u>
<b>Total assets</b>		<u>1,113,666</u>	<u>1,121,108</u>	<u>1,409,486</u>	<u>1,429,815</u>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables		4,682	4,777	59,959	55,853
Current income tax liabilities		-	5	-	-
Borrowings	4	116,773	162,028	64,478	116,503
	6	<u>121,455</u>	<u>166,810</u>	<u>124,437</u>	<u>172,356</u>
<b>Non-current liabilities</b>					
Borrowings	4	51	59	-	-
Deferred income tax liabilities	5	6,548	5,688	6,548	5,688
		<u>6,599</u>	<u>5,747</u>	<u>6,548</u>	<u>5,688</u>
<b>Total liabilities</b>		<u>128,054</u>	<u>172,557</u>	<u>130,985</u>	<u>178,044</u>
<b>NET ASSETS</b>		<u>985,612</u>	<u>948,551</u>	<u>1,278,501</u>	<u>1,251,771</u>
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders of the Company</b>					
Share capital		457,283	457,283	457,283	457,283
Other reserves		239,397	238,609	58,361	83,375
Retained profits		288,932	252,659	762,857	711,113
<b>Total equity</b>		<u>985,612</u>	<u>948,551</u>	<u>1,278,501</u>	<u>1,251,771</u>

## The Group

### Note 1

Cash and cash equivalents decreased by \$38.0 million mainly due to repayment of borrowings of \$238.0 million, cost of share repurchases of \$1.1 million and payment of finance expenses of \$1.4 million, partially offset by proceeds from borrowings of \$198.1 million and distributions from HKT of \$6.7 million.

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

### Note 2

Available-for-sale financial assets increased by \$5.9 million mainly due to :

	S\$' million
A net fair value gain on the Company's holding of SSUs in HKT	19.2
Less:	
A decrease in the fair value of the Group's other available-for-sale financial assets	(12.7)
Refund of capital contribution from available-for-sale financial assets	(0.6)
	<u>5.9</u>

### Note 3

Investments in associated corporations increased by \$25.7 million mainly due to the Group's share of PCCW's H1 2016 profit of \$34.3 million. This is partially offset by a decrease in PCCW's other reserves of \$1.9 million and unrealised exchange loss of \$5.9 million on the Company's Hong Kong Dollar ("HKD") investments in PCCW reflecting the weakening of the HKD against the Singapore Dollar ("SGD").

### Note 4

Borrowings decreased by \$45.3 million mainly due to net repayment of borrowings of \$39.9 million by the Company and a subsidiary corporation, and an unrealised exchange gain of \$5.4 million on these HKD borrowings due to the weakening of the HKD against the SGD.

### Note 5

Deferred income tax liabilities relate to deferred tax provided on distributions from HKT.

### Note 6

	Group		Company	
	30/06/2016	31/12/2015	30/06/2016	31/12/2015
	S\$'000	S\$'000	S\$'000	S\$'000
Current assets	32,808	71,418	24,375	64,031
Current liabilities	121,455	166,810	124,437	172,356
Net current liabilities	<u>(88,647)</u>	<u>(95,392)</u>	<u>(100,062)</u>	<u>(108,325)</u>

The financial statements of the Company and the Group are prepared on a going concern basis as at 30 June 2016 and 31 December 2015 notwithstanding these net current liability 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 30 June 2016 and 31 December 2015.

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

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

**Amount repayable in one year or less, or on demand**

As at 30/06/2016 S\$'000		As at 31/12/2015 S\$'000	
Secured	Unsecured	Secured	Unsecured
<u>116,773</u>	<u>-</u>	<u>162,028</u>	<u>-</u>

**Amount repayable after one year**

As at 30/06/2016 S\$'000		As at 31/12/2015 S\$'000	
Secured	Unsecured	Secured	Unsecured
<u>51</u>	<u>-</u>	<u>59</u>	<u>-</u>

**Details of any collateral**

	30/06/2016 S\$' million	31/12/2015 S\$' million
Carrying values of shares and SSUs pledged for bank borrowings comprise :		
- shares in PCCW	172.8	249.5
- SSUs in HKT	<u>-</u>	<u>204.8</u>
	<u>172.8</u>	<u>454.3</u>

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

**Cash flow statement for the period ended 30 June**

	<b>Group</b>		<b>Group</b>	
	<b>3 months ended</b>		<b>6 months ended</b>	
	30/06/2016	30/06/2015	30/06/2016	30/06/2015
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flow from operating activities:</b>				
(Loss) profit after tax	(2,043)	(1,783)	36,200	41,836
Adjustments for :				
- Income tax (credit) expense	(9)	(4)	1,132	908
- Depreciation of property, plant and equipment	16	13	33	26
- Dividend income	-	-	(6,711)	(5,363)
- Interest income	(8)	-	(11)	(1)
- Finance expenses	933	777	1,991	1,299
- Unrealised currency translation (gains) losses	(183)	(16)	(369)	37
- Fair value gain on financial assets designated as fair value through profit or loss	-	(4)	-	(2)
- Share of profit of associated corporations, net of tax	(95)	(104)	(34,622)	(40,539)
	(1,389)	(1,121)	(2,357)	(1,799)
Change in working capital:				
- Trade and other receivables	(16)	223	555	271
- Trade and other payables	(131)	3,619	(79)	3,413
<b>Cash (used in) generated from operations</b>	(1,536)	2,721	(1,881)	1,885
Interest received	8	-	11	1
Income tax paid	(8)	(6)	(13)	(6)
<b>Net cash (used in) generated from operating activities</b>	(1,536)	2,715	(1,883)	1,880
<b>Cash flow from investing activities:</b>				
Purchase of property, plant and equipment	-	(6)	(2)	(25)
Refund of capital contribution from available-for-sale financial assets	434	454	620	1,250
Dividends received	6,711	5,363	6,711	5,363
<b>Net cash generated from investing activities</b>	7,145	5,811	7,329	6,588
<b>Cash flow from financing activities:</b>				
Finance expenses	(642)	(777)	(1,358)	(1,299)
Proceeds from borrowings	120,481	18,391	198,050	62,557
Repayment of borrowings	(116,772)	-	(237,981)	(43,316)
Purchases of the Company's shares	-	(12,614)	(1,130)	(16,428)
<b>Net cash generated from (used in) financing activities</b>	3,067	5,000	(42,419)	1,514
Net increase (decrease) in cash and cash equivalents	8,676	13,526	(36,973)	9,982
Cash and cash equivalents at beginning of period	23,331	11,799	69,760	14,978
Effects of currency translation on cash and cash equivalents	(198)	(184)	(978)	181
<b>Cash and cash equivalents at end of period</b>	31,809	25,141	31,809	25,141
<b>Summary of cash and cash equivalents:</b>				
Cash at bank and on hand	9,236	15,016	9,236	15,016
Short-term bank deposits	22,573	10,125	22,573	10,125
	31,809	25,141	31,809	25,141

**Note 1**

For Q2 2016, the net cash inflows of \$8.7 million was mainly due to net proceed from borrowings of \$3.7 million and dividends from HKT of \$6.7 million, partially offset by net cash used in operating activities of \$1.5 million.

For H1 2016, the net cash outflows of \$37.0 million was mainly due to net repayment of borrowings of \$39.9 million, cost of share repurchases of \$1.1 million, payment of finance expenses of \$1.4 million and net cash used in operating activities of \$1.9 million, partially offset by dividends from HKT of \$6.7 million.

**Note 2**

The Group's Consolidated Cash Flow Statement for the 3 months ended 30 June 2016 and 2015 excludes the Group's share of results of PCCW as the information is not available. Hong Kong Stock Exchange listing rules do not require PCCW to announce quarterly results but only half year and full year results.

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

**Changes in equity for the 3 months ended 30 June**

<b>The Group</b>	Share capital S\$'000	Other reserves S\$'000	Retained profits S\$'000	Total equity S\$'000	
Balance at 1 April 2016	457,283	239,503	255,456	952,242	
Total comprehensive income (loss) for the period	-	3,013	(2,043)	970	
Balance at 30 June 2016	<u>457,283</u>	<u>242,516</u>	<u>253,413</u>	<u>953,212</u>	Note 1
Balance at 1 April 2015	457,283	218,728	205,822	881,833	
Total comprehensive loss for the period	-	(24,279)	(1,783)	(26,062)	
Purchase and cancellation of shares	-	-	(12,614)	(12,614)	
Balance at 30 June 2015	<u>457,283</u>	<u>194,449</u>	<u>191,425</u>	<u>843,157</u>	Note 1

Note 1:

The Group's Consolidated Statement of Changes in Equity for the 3 months ended 30 June 2016 and 2015 excludes the Group's share of results of PCCW as the information is not available. Hong Kong Stock Exchange listing rules do not require PCCW to announce quarterly results but only half year and full year results.

**Changes in equity for the 6 months ended 30 June**

<b>The Group</b>	Share capital S\$'000	Other reserves S\$'000	Retained profits S\$'000	Total equity S\$'000	
Balance at 1 January 2016	457,283	238,609	252,659	948,551	
Total comprehensive income for the period	-	1,409	36,200	37,609	
Purchase and cancellation of shares	-	-	(1,130)	(1,130)	
Share of reserves of associated corporations	-	(621)	1,203	582	
Balance at 30 June 2016	<u>457,283</u>	<u>239,397</u>	<u>288,932</u>	<u>985,612</u>	
Balance at 1 January 2015	457,283	211,536	206,555	875,374	
Total comprehensive (loss) income for the period	-	(23,375)	41,836	18,461	
Purchase and cancellation of shares	-	-	(16,428)	(16,428)	
Share of reserves of associated corporations	-	(1,285)	(832)	(2,117)	
Balance at 30 June 2015	<u>457,283</u>	<u>186,876</u>	<u>231,131</u>	<u>875,290</u>	



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

**Changes in equity for the 3 months ended 30 June**

<b>The Company</b>	Share capital S\$'000	Other reserves S\$'000	Retained profits S\$'000	Total equity S\$'000
Balance at 1 April 2016	457,283	58,760	714,331	1,230,374
Total comprehensive (loss) income for the period	-	(399)	48,526	48,127
Balance at 30 June 2016	<u>457,283</u>	<u>58,361</u>	<u>762,857</u>	<u>1,278,501</u>
Balance at 1 April 2015	457,283	48,725	678,053	1,184,061
Total comprehensive (loss) income for the period	-	(40,237)	34,850	(5,387)
Purchase and cancellation of shares	-	-	(12,614)	(12,614)
Balance at 30 June 2015	<u>457,283</u>	<u>8,488</u>	<u>700,289</u>	<u>1,166,060</u>

**Changes in equity for the 6 months ended 30 June**

<b>The Company</b>	Share capital S\$'000	Other reserves S\$'000	Retained profits S\$'000	Total equity S\$'000
Balance at 1 January 2016	457,283	83,375	711,113	1,251,771
Total comprehensive (loss) income for the period	-	(25,014)	52,874	27,860
Purchase and cancellation of shares	-	-	(1,130)	(1,130)
Balance at 30 June 2016	<u>457,283</u>	<u>58,361</u>	<u>762,857</u>	<u>1,278,501</u>
Balance at 1 January 2015	457,283	10,361	675,606	1,143,250
Total comprehensive (loss) income for the period	-	(1,873)	41,111	39,238
Purchase and cancellation of shares	-	-	(16,428)	(16,428)
Balance at 30 June 2015	<u>457,283</u>	<u>8,488</u>	<u>700,289</u>	<u>1,166,060</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 as at 30 June 2016, 31 December 2015 and 30 June 2015 is summarised as follows: -

	30/06/2016		31/12/2015		30/06/2015	
	No. of shares	\$	No. of shares	\$	No. of shares	\$
Issued and paid up share capital including treasury shares	2,649,740,300	457,282,366	2,652,555,800	457,282,366	2,711,451,200	457,282,366
Issued and paid up share capital excluding treasury shares	2,649,740,300		2,652,555,800		2,711,451,200	

During Q2 2016, the Company did not purchase any shares in the Company.

During Q2 2015, the Company purchased a total of 27,858,700 shares in the Company on the open market for a total consideration of \$12.6 million (including transaction costs), financed by internal funds and borrowings. These shares were cancelled immediately on purchase.

The Company does not have any convertibles or treasury shares as at 30 June 2016 and 30 June 2015.

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

	Number of shares	
	As at 30/06/2016	As at 31/12/2015
Issued ordinary shares	2,649,740,300	2,652,555,800
Less: Treasury shares	-	-
Issued ordinary shares, excluding treasury shares	2,649,740,300	2,652,555,800

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

NIL.

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

The figures have not been audited or reviewed.

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

N.A.

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

Except for the adoption of new or amended Singapore Financial Reporting Standards 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 2015.

**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 2016, the Group adopted certain new or amended Singapore Financial Reporting Standards (FRS) and Interpretations of FRS (INT FRS) 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 FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Group and the Company, and had no material effect on the amounts reported for the current or prior financial years.

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

<b>Group</b>	<b>Q2 2016</b>	<b>Q2 2015</b>
Net loss attributable to equity holders of the Company (S\$'000)	(2,043)	(1,783)
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	2,649,740	2,732,665
(i) Basic loss per share (Cents per share)	(0.077)	(0.065)
(ii) On a fully diluted basis (Cents per share)	(0.077)	(0.065)

The Group's results for Q2 2016 and Q2 2015 exclude the Group's share of results of PCCW as the information is not available. Hong Kong Stock Exchange listing rules do not require PCCW to announce quarterly results but only half year and full year results.

<b>Group</b>	<b>H1 2016</b>	<b>H1 2015</b>
Net profit attributable to equity holders of the Company (S\$'000)	36,200	41,836
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	2,649,879	2,739,793
(i) Basic earnings per share (Cents per share)	1.366	1.527
(ii) On a fully diluted basis (Cents per share)	1.366	1.527

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

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

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

	Group		Company	
	30/06/2016	31/12/2015	30/06/2016	31/12/2015
Net asset value (S\$'000)	985,612	948,551	1,278,501	1,251,771
Number of issued shares excluding treasury shares ('000)	2,649,740	2,652,556	2,649,740	2,652,556
Net asset value per ordinary share based on issued share capital at the end of the period	\$0.372	\$0.358	\$0.483	\$0.472

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

The Group's revenue relates to distributions by HKT. The Group's revenue for both Q2 2016 and Q2 2015 was nil. The Group's revenue for H1 2016 was \$6.7 million compared to \$5.4 million in H1 2015.

Total expenses for Q2 2016 amounted to \$2.2 million compared to a \$1.9 million for Q2 2015 and total expenses for H1 2016 amounted to \$4.0 million compared to \$3.2 million for H1 2015. The increases are mainly due to an increase in interest expense on bank borrowings.

The Group's results for Q2 2016 do not include the Group's share of results of PCCW. The Q2 results of PCCW are not available as Hong Kong Stock Exchange listing rules do not require PCCW to publish quarterly results, only half year and full year results.

The Group's share of profit of associated corporations for H1 2016 was \$34.6 million as compared to \$40.5 million for H1 2015. These included the Group's share of profit from PCCW for H1 2016 of \$34.3 million compared to \$40.4 million for H1 2015.

PCCW has established a strong business foundation which achieved a solid performance during H1 2016, as it invested in developing its growth businesses in Hong Kong and in the region. During the half year, its core business operated under challenging economic conditions in Hong Kong and intensified market competition. Nevertheless, core revenue of PCCW for H1 2016 increased by 2% to \$3,269.5 million (HK\$18,409 million). Core EBITDA decreased by 1% to \$1,017.7 million (HK\$5,730 million) taking into account the new investments in PCCW Media's Over-The-Top ("OTT") and Free TV businesses. Excluding these, core EBITDA increased by 2% to \$1,049.1 million (HK\$5,907 million). Consolidated revenue for H1 2016 increased by 2% to \$3,289.9 million (HK\$18,524 million) and consolidated EBITDA decreased by 1% to \$996.2 million (HK\$5,609 million). Consolidated profit attributable to equity holders of PCCW decreased by 19% to \$154.2 million (HK\$868 million). This decline was primarily the result of an increase in the amortisation of content costs in the OTT and Free TV businesses.

The Group's share of profit of its 49.87% associated corporation, KSH remained at approximately \$0.1 million for both Q2 2016 and Q2 2015. The Group's share of profit from KSH for H1 2016 was \$0.3 million compared to a breakeven position for H1 2015.

Without the Group's share of results for PCCW, the Group recorded a loss attributable to equity holders of \$2.0 million for Q2 2016 as compared to \$1.8 million for Q2 2015.

The Group recorded a profit attributable to equity holders of \$36.2 million for H1 2016 as compared to \$41.8 million for H1 2015.

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.

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.

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 not obtained a general mandate from the shareholders of the Company for interested person transactions. During the financial quarter under review, the following interested person transactions were entered into by the Group:

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

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

The Directors have confirmed that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial results for the quarter and the six months ended 30 June 2016 to be false or misleading in any material aspect.

**15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**

The Company hereby confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1).

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

**(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

**16. 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.**

N.A.

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

N.A.

**18. A breakdown of sales**

N.A.

**19. 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 31/12/2015 S\$'000	Previous Full Year 31/12/2014 S\$'000
Ordinary	-	-
Preference	-	-
Total:	-	-

N.A.

**20. 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.**

N.A.

**BY ORDER OF THE BOARD**

Lim Beng Jin  
Company Secretary  
12/08/2016