

PACIFIC CENTURY REGIONAL DEVELOPMENTS LIMITED

Company Registration No. 196300381N

Full Year Financial Statements Announcement for the Year Ended 31/12/2015

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 22.3% associated corporation which is listed on the Stock Exchange of Hong Kong Limited, for the year ended 31 December 2015 were announced by PCCW and the Company on 26 February 2016. 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		% Increase/ (decrease)
	Year ended 31/12/2015 S\$'000	31/12/2014 S\$'000	
Revenue	11,612	9,064	28.1
Other income (Note 1)	74	42	76.2
Expenses			
- Depreciation of property, plant and equipment	(64)	(45)	42.2
- Employee compensation	(1,467)	(1,278)	14.8
- Foreign exchange loss, net	(859)	(262)	227.9
- Legal and other professional fees	(1,687)	(1,161)	45.3
- Rental expense - operating leases	(365)	(340)	7.4
- Travelling expenses	(345)	(203)	70.0
- Subscriptions and donations	(231)	(520)	(55.6)
- Others	(587)	(779)	(24.6)
- Finance expenses (Note 2)	(3,001)	(2,247)	33.6
Total expenses	(8,606)	(6,835)	25.9
Changes in carrying value of associated corporations:			
- Share of profit of associated corporations, net of tax	89,780	117,009	(23.3)
Loss on liquidation of subsidiary corporations	-	(886)	n.m.
Profit before income tax	92,860	118,394	(21.6)
Income tax expense (Note 3)	(1,887)	(1,496)	26.1
Total profit for the year	90,973	116,898	(22.2)
Attributable to equity holders of the Company	90,973	116,898	(22.2)

n.m. = not meaningful

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group		% Increase/ (decrease)
	Year ended		
	31/12/2015 S\$'000	31/12/2014 S\$'000	
Total profit for the year	90,973	116,898	(22.2)
Other comprehensive income (loss):			
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale financial assets			
- Fair value gains (Note 4)	5,034	59,299	(91.5)
Currency translation differences arising from consolidation			
- Gains, net	44,451	26,492	67.8
- Reclassification of currency translation differences of liquidated subsidiary corporations to income statement	-	886	n.m.
Share of comprehensive loss of associated corporations			
- Currency translation reserves	(13,095)	(54,972)	(76.2)
- Others	(9,555)	(3,676)	159.9
Other comprehensive income, net of tax	<u>26,835</u>	<u>28,029</u>	(4.3)
Total comprehensive income for the year	<u>117,808</u>	<u>144,927</u>	(18.7)
Total comprehensive income attributable to equity holders of the Company	<u>117,808</u>	<u>144,927</u>	(18.7)

n.m. = not meaningful

	Group	
	Year ended	
	31/12/2015 S\$'000	31/12/2014 S\$'000
(Note 1)		
Other income :		
Interest income	3	29
Fair value gain (loss) on financial assets designated as fair value through profit or loss at initial recognition	2	(9)
Rental income	40	21
Gain on disposal of property, plant and equipment	29	-
Sundry income	-	1
	<u>74</u>	<u>42</u>
(Note 2)		
Finance expenses :		
Interest expense - bank borrowings	(1,743)	(150)
Finance facility fees	(1,258)	(2,097)
	<u>(3,001)</u>	<u>(2,247)</u>

(Note 3)

Income tax expense :

The tax expense for 2015 of \$1.9 million and 2014 of \$1.5 million comprise mainly deferred tax provided on distributions from HKT Trust and HKT Limited ("HKT").

(Note 4)

Available-for-sale financial assets - Fair value gains :

The Group recorded a fair value gain of \$5.0 million in 2015 mainly due to an increase in the fair value of the Group's holding of other financial assets of \$9.6 million partially offset by a decrease in the market value of the Group's holding of Share Stapled Units ("SSUs") in HKT of \$4.8 million.

The Group recorded a fair value gain of \$59.3 million in 2014 mainly due to an increase in the market value of the Group's holding of 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	31/12/2015	31/12/2014	31/12/2015	31/12/2014
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Current assets					
Cash and cash equivalents	1	69,760	14,978	63,484	8,523
Financial assets, at fair value through profit or loss		-	8	-	8
Trade and other receivables	2	775	174	22	5
Other current assets		883	453	525	103
	8	<u>71,418</u>	<u>15,613</u>	<u>64,031</u>	<u>8,639</u>
Non-current assets					
Available-for-sale financial assets	3	281,248	260,593	237,213	226,753
Investments in associated corporations	4	767,029	669,087	1,018,100	894,785
Investments in subsidiary corporations		-	-	109,690	159,841
Property, plant and equipment		188	62	-	-
Other non-current assets	5	1,225	248	781	-
		<u>1,049,690</u>	<u>929,990</u>	<u>1,365,784</u>	<u>1,281,379</u>
Total assets		<u>1,121,108</u>	<u>945,603</u>	<u>1,429,815</u>	<u>1,290,018</u>
LIABILITIES					
Current liabilities					
Trade and other payables		4,777	4,392	55,853	116,754
Current income tax liabilities		5	6	-	1
Borrowings	6	162,028	62,288	116,503	26,470
	8	<u>166,810</u>	<u>66,686</u>	<u>172,356</u>	<u>143,225</u>
Non-current liabilities					
Borrowings		59	-	-	-
Deferred income tax liabilities	7	5,688	3,543	5,688	3,543
		<u>5,747</u>	<u>3,543</u>	<u>5,688</u>	<u>3,543</u>
Total liabilities		<u>172,557</u>	<u>70,229</u>	<u>178,044</u>	<u>146,768</u>
NET ASSETS		<u>948,551</u>	<u>875,374</u>	<u>1,251,771</u>	<u>1,143,250</u>
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital		457,283	457,283	457,283	457,283
Other reserves		238,609	211,536	83,375	10,361
Retained profits		252,659	206,555	711,113	675,606
Total equity		<u>948,551</u>	<u>875,374</u>	<u>1,251,771</u>	<u>1,143,250</u>

The Group

Note 1

Cash and cash equivalents increased by \$54.8 million mainly due to proceeds from borrowings of \$295.8 million and distributions from HKT of \$11.5 million, partially offset by repayment of borrowings of \$201.6 million and cost of share repurchases of \$42.9 million.

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

Note 2

Trade and other receivables increased by \$0.6 million mainly due to an increase in the amounts receivable from related parties of \$0.6 million.

Note 3

Available-for-sale financial assets increased by \$20.7 million mainly due to :

	S\$' million
A net increase in the carrying value of the Company's holding of SSUs in HKT	10.5
An increase in the fair value of the Group's available-for-sale financial assets	11.6
	<u>22.1</u>
Less:	
Refund of capital contribution from available-for-sale financial assets	(1.4)
	<u>20.7</u>

Note 4

Investments in associated corporations increased by \$97.9 million mainly due to the Group's share of PCCW's and KSH's 2015 profit of \$89.6 million and \$0.2 million respectively, an increase in the Group's share of PCCW's other reserves of \$3.1 million and unrealised exchange gain of \$4.7 million on the Company's Hong Kong Dollar ("HKD") investments in PCCW reflecting the strengthening of the HKD against the Singapore Dollar ("SGD").

Note 5

Other non-current assets increased by \$1.0 million mainly due to increase in prepayments of front-end fees for bank facilities. The prepayments will be amortised over 2 to 3 years.

Note 6

Borrowings increased by \$99.7 million mainly due to increased borrowings of the Company and a subsidiary corporation of \$94.2 million and an unrealised exchange loss of \$5.5 million on these HKD borrowings due to the strengthening of the HKD against the SGD.

Note 7

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

Note 8

	Group		Company	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	S\$'000	S\$'000	S\$'000	S\$'000
Current assets	71,418	15,613	64,031	8,639
Current liabilities	166,810	66,686	172,356	143,225
Net current liabilities	<u>(95,392)</u>	<u>(51,073)</u>	<u>(108,325)</u>	<u>(134,586)</u>

The financial statements of the Company and the Group are prepared on a going concern basis as at 31 December 2015 and 31 December 2014 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 31 December 2015 and as at 31 December 2014.

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 31/12/2015		As at 31/12/2014	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
162,028	-	62,288	-

Amount repayable after one year

As at 31/12/2015		As at 31/12/2014	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
59	-	-	-

Details of any collateral

	S\$' million
Carrying values of shares and SSUs pledged for bank borrowings comprise:	
- shares in PCCW	249.5
- SSUs in HKT	204.8
	<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 year ended 31 December

	Group	
	Year ended	
Notes	31/12/2015	31/12/2014
	S\$'000	S\$'000
Cash flow from operating activities:		
Profit after tax	90,973	116,898
Adjustments for :		
- Income tax expense	1,887	1,496
- Depreciation of property, plant and equipment	64	45
- Loss on liquidation of subsidiary corporations	-	886
- Dividend income	(11,451)	(8,928)
- Interest income	(3)	(29)
- Gain on disposal of property, plant and equipment	(29)	-
- Finance expenses	3,001	2,247
- Unrealised currency translation losses (gains)	283	(315)
- Fair value (gain) loss on financial assets designated as fair value through profit or loss	(2)	9
Change in carrying values of associated corporations:		
- Share of profit of associated corporations, net of tax	(89,780)	(117,009)
	<u>(5,057)</u>	<u>(4,700)</u>
Change in working capital:		
- Trade and other receivables	(578)	867
- Trade and other payables	(175)	(29)
Cash used in operations	<u>(5,810)</u>	<u>(3,862)</u>
Interest received	3	29
Income tax paid	(31)	(13)
Net cash used in operating activities	<u>(5,838)</u>	<u>(3,846)</u>
Cash flow from investing activities:		
Purchase of property, plant and equipment	(190)	(23)
Disposal of property, plant and equipment	29	-
Purchase of available-for-sale financial assets	-	(48,252)
Refund of capital contribution from available-for-sale financial assets	1,392	-
Dividend received	11,451	8,928
Disposal of financial assets, at fair value through profit or loss	7	-
Net cash generated from (used in) investing activities	<u>12,689</u>	<u>(39,347)</u>
Cash flow from financing activities:		
Finance expenses	(4,068)	(2,247)
Proceeds from borrowings	1 295,790	88,067
Repayment of borrowings	1 (201,553)	(27,121)
Purchases of treasury shares	-	(35,448)
Purchases of the Company's shares	(42,924)	(41,472)
Net cash generated from (used in) financing activities	<u>47,245</u>	<u>(18,221)</u>
Net increase (decrease) in cash and cash equivalents	54,096	(61,414)
Cash and cash equivalents at beginning of year	14,978	73,332
Effects of currency translation on cash and cash equivalents	686	3,060
Cash and cash equivalents at end of year	<u>69,760</u>	<u>14,978</u>
Summary of cash and cash equivalents:		
Cash at bank and on hand	52,964	10,263
Short-term bank deposits	16,796	4,715
	<u>69,760</u>	<u>14,978</u>

Note 1

Net proceeds from borrowings of \$94.2 million were the result of borrowings of \$295.8 million and repayment of borrowings of \$201.6 million by the Company and a subsidiary company. The amount borrowed by the subsidiary company was on-lent to the Company mainly 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	Total equity S\$'000
Balance at 1 January 2015	457,283	-	211,536	206,555	875,374
Total comprehensive income for the year	-	-	26,835	90,973	117,808
Purchase and cancellation of shares	-	-	-	(42,924)	(42,924)
Share of reserves of associated corporations	-	-	238	(1,945)	(1,707)
Balance at 31 December 2015	<u>457,283</u>	<u>-</u>	<u>238,609</u>	<u>252,659</u>	<u>948,551</u>

The Group

	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)	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 corporations	-	-	2,180	37	2,217
Balance at 31 December 2014	<u>457,283</u>	<u>-</u>	<u>211,536</u>	<u>206,555</u>	<u>875,374</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 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 2015	457,283	-	10,361	675,606	1,143,250
Total comprehensive income for the year	-	-	73,014	78,431	151,445
Purchase and cancellation of shares	-	-	-	(42,924)	(42,924)
Balance at 31 December 2015	<u>457,283</u>	<u>-</u>	<u>83,375</u>	<u>711,113</u>	<u>1,251,771</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 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>

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 31 December 2015, 30 September 2015 and 31 December 2014 is summarised as follows: -

	31/12/2015		30/09/2015		31/12/2014	
	No. of shares	\$	No. of shares	\$	No. of shares	\$
Issued and paid up share capital including treasury shares	2,652,555,800	457,282,366	2,668,670,500	457,282,366	2,751,667,100	457,282,366
Issued and paid up share capital excluding treasury shares	2,652,555,800		2,668,670,500		2,751,667,100	

During Q4 2015, the Company purchased a total of 16,114,700 shares in the Company on the open market for a total consideration of \$7.0 million (including transaction costs), financed by internal funds and borrowings. These shares were cancelled immediately on purchase.

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 shares were subsequently cancelled. The remaining 159,097,000 shares purchased in Q4 2014 were cancelled immediately on purchase.

For the financial year ended 31 December 2015, the Company purchased a total of 99,111,300 shares in the Company on the open market for a total consideration of \$42.9 million (including transaction costs), financed by internal funds and borrowings. These shares were cancelled immediately on purchase.

For the financial year ended 31 December 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.

The Company does not have any convertibles as at 31 December 2015 and 31 December 2014.

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 31/12/2015	As at 31/12/2014
Issued ordinary shares, excluding treasury shares	2,652,555,800	2,751,667,100

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.

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 2014.

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 2015, 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:-

Group	31/12/2015	31/12/2014
Net profit attributable to equity holders of the Company (S\$'000)	<u>90,973</u>	<u>116,898</u>
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	<u>2,705,796</u>	<u>2,998,450</u>
(i) Basic earnings per share (Cents per share)	<u>3.362</u>	<u>3.899</u>
(ii) On a fully diluted basis (Cents per share)	<u>3.362</u>	<u>3.899</u>

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	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Net asset value (S\$'000)	948,551	875,374	1,251,771	1,143,250
Number of issued shares excluding treasury shares ('000)	2,652,556	2,751,667	2,652,556	2,751,667
Net asset value per ordinary share based on issued share capital at the end of the year	\$0.358	\$0.318	\$0.472	\$0.416

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 2015 was \$11.6 million compared to \$9.1 million in 2014. The Group's revenue mainly relates to dividends received from HKT.

Total expenses in 2015 amounted to \$8.6 million compared to \$6.8 million in 2014. The difference is mainly due to the following:-

- Finance costs were \$3.0 million in 2015 compared to \$2.2 million in 2014. The net increase in finance costs was mainly due to an increase in interest expense of \$1.6 million offset by decreases in renewal and commitment fees for bank facilities of \$0.8 million.
- Legal and professional fees increased from \$1.2 million in 2014 to \$1.7 million in 2015 mainly due to professional fees in connection to an unsuccessful bid for the acquisition of the CPF Building in Singapore.
- Foreign exchange losses increased from \$0.3 million in 2014 to \$0.9 million in 2015. The exchange losses were mainly the result of exchange losses on the translation of Singapore denominated assets reflecting the strengthening of the HKD against the SGD.

The Group's share of profit of associated corporations was \$89.8 million in 2015 compared to \$117.0 million in 2014. These included the Group's share of profit from PCCW of \$89.6 million in 2015 compared to \$116.9 million in 2014.

PCCW registered a solid result for 2015, demonstrating resilient operational and financial performance while continuing to reinvest and drive future growth. PCCW's core revenue increased by 19% to HK\$39,149 million (\$6,937.7 million). Core EBITDA increased by 16% to HK\$12,139 million (\$2,151.2 million). These results in particular reflect the successful integration of CSL Holdings Limited ("CSL") and the accompanying financial benefits. PCCW's consolidated revenue increased by 18% to HK\$39,314 million (\$6,967.0 million) and consolidated EBITDA increased by 15% to HK\$11,878 million (\$2,104.9 million). Core profit attributable to equity holders of PCCW increased by 23% to HK\$2,370 million (\$420.0 million) in 2015 from HK\$1,931 million (\$342.2 million) in 2014. Excluding the one-time gain on disposal of the entire interest in Pacific Century Place, Beijing by its subsidiary, Pacific Century Premium Developments Limited in 2014, PCCW's consolidated profit attributable to equity holders from continuing operations increased by 36% to HK\$2,177 million (\$385.8 million). PCCW's consolidated profit attributable to equity holders was HK\$2,295 million (\$406.7 million).

HKT, the 63% subsidiary of PCCW, reported another set of fruitful financial results for 2015, reflecting the underlying strength and resilience of each of its lines of business and the successful integration of CSL. HKT's total revenue increased by 20% to HK\$34,729 million (\$6,154.5 million) and total EBITDA for 2015 was HK\$12,100 million (\$2,144.3 million), an increase of 18% over 2014. HKT's adjusted funds flow for the year ended 31 December 2015 reached HK\$4,093 million (\$725.3 million), an increase of 22% over the previous year.

The Group's share of profit of associated corporations for 2015 included the Group's share of a profit of \$0.2 million (2014: \$0.1 million) from its 49.87% Indian logistics associated corporation, KSH Distriparks Private Limited ("KSH").

The Group's profit attributable to equity holders for 2015 was \$91.0 million compared to \$116.9 million for 2014.

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.

In the coming year, PCCW will continue to embrace the changes brought by the increasing digital lifestyle of consumers and digital transformation of enterprises. There will be increasing demand for content, connectivity, IT and cloud capabilities to drive business efficiencies and enhance customer experience, such as real time big data analytics which is made possible with the advance of Internet of Things ("IoT"). PCCW will continue to build its offerings and innovations to meet the future needs of its customers in the medium and longer term, thereby also benefiting from this trend. In this regard, its media, IT solutions and telecommunications businesses can collectively play a significant role and contribute to the overall growth of PCCW.

While maintaining its leadership in the Hong Kong pay-TV market, PCCW Media will be actively rolling out the Viu over-the-top ("OTT") video service internationally. Following the launch in Hong Kong, Singapore and Malaysia, Viu will have expanded presence in Indonesia and India in the first quarter. The service will capture the growing digital advertising and online subscription market. It is PCCW's goal to become the preeminent multi-screen video entertainment hub for Asian content in the region, and ultimately globally.

On domestic free television, HK Television Entertainment Company Limited has assembled a creative team of professionals in preparation for the commencement of broadcasting in April 2016. It has embarked on the production and acquisition of quality content to bring over 4,000 hours of fresh programming each year to offer Hong Kong viewers more choices in TV entertainment.

PCCW Solutions has identified a number of growth drivers and will capitalise on the increasing market demand for digital, IoT and cloud solutions and facilities in Hong Kong and mainland China. A recently launched cloud solutions suite, "Infinitum", offers customers comprehensive enterprise business applications and digital and analytics solutions.

As Hong Kong's largest provider of fixed line, broadband and mobile communications, HKT together with the Media business will continue to leverage its unique quadruple-play capabilities and make a solid and steady contribution to PCCW.

While both the local and global economic outlook in 2016 appears fragile, given PCCW's strong fundamentals, its efforts taken to transform itself in this digital era as outlined earlier, and a talented pool of staff, PCCW is well-positioned for sustainable growth as it continues its journey to become a major player in the region.

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 obtained a general mandate from the shareholders of the Company for interested person transactions in the Annual General Meeting held on 24 April 2015. 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 2015

	Investment holding S\$'000	Business management and consultancy services S\$'000	Eliminations S\$'000	Consolidated S\$'000	Geographical information
External revenue	11,451	161	-	11,612	Revenue \$'000
Inter-segment revenue	-	1,536	(1,536)	-	161
Total revenue	11,451	1,697	(1,536)	11,612	Singapore Hong Kong
Operating profit before interest income and depreciation	6,092	50		6,142	
Interest income	3	-		3	
Depreciation	(58)	(6)		(64)	
Profit from operating activities	6,037	44		6,081	Non-current assets
Finance expenses	(3,001)	-		(3,001)	\$'000
Change in carrying values of associated corporations:					
- Share of profits of associated corporations, net of tax	89,780	-		89,780	Singapore
Profit before income tax	92,816	44		92,860	India
Income tax expense	(1,882)	(5)		(1,887)	Hong Kong
Total profit	90,934	39		90,973	
Segment assets	283,234	1,085		284,319	
Investments in associated corporations	767,029	-		767,029	
Unallocated corporate assets					
- Cash and cash equivalents				69,760	
Total assets				1,121,108	
Segment liabilities	4,442	335		4,777	
Unallocated corporate liabilities					
- Borrowings				162,087	
- Current income tax liabilities				5	
- Deferred income tax liabilities				5,688	
Total liabilities				172,557	
Other segment information:					
Additions to property, plant and equipment	-	190		190	

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

	Investment holding S\$'000	Business management and consultancy services S\$'000	Eliminations S\$'000	Consolidated S\$'000	Geographical information
External revenue	8,928	136	-	9,064	Revenue
Inter-segment revenue	-	1,567	(1,567)	-	\$'000
Total revenue	8,928	1,703	(1,567)	9,064	Singapore
					Hong Kong
Operating profit before interest income and depreciation	4,521	13		4,534	
Interest income	29	-		29	
Depreciation	(41)	(4)		(45)	
Profit from operating activities	4,509	9		4,518	Non-current assets
Finance expenses	(2,247)	-		(2,247)	\$'000
Change in carrying values of associated corporations:					191
- Share of profits of associated corporations, net of tax	117,009	-		117,009	Singapore
Loss on liquidation of subsidiary corporations	(886)	-		(886)	India
Profit before income tax	118,385	9		118,394	Hong Kong
Income tax expense	(1,491)	(5)		(1,496)	
Total profit	116,894	4		116,898	
Segment assets	261,116	422		261,538	
Investments in associated corporations	669,087	-		669,087	
Unallocated corporate assets					
- Cash and cash equivalents				14,978	
Total assets				945,603	
Segment liabilities	4,073	319		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	

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 under the investment holding segment for 2015 was \$11.5 million compared to \$8.9 million for 2014. External revenue under this segment relate to distributions received from the Company's investment in HKT.
2. Operating profit before interest income and depreciation under the investment holding segment for 2015 was \$6.1 million compared to \$4.5 million. The increase was mainly the result of the increase in external revenue from the Company's investment in HKT.

17. A breakdown of revenue

		31/12/2015 S\$'000	31/12/2014 S\$'000	Increase/ (Decrease) %
(a)	Revenue reported for first half year	5,363	4,416	21.4
(b)	Operating profit after tax reported for first half year	41,836	36,313	15.2
(c)	Revenue reported for second half year	6,249	4,648	34.4
(d)	Operating profit after tax reported for second half year	49,137	80,585	(39.0)

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 31/12/2015 S\$'000	Previous Full Year 31/12/2014 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
29/02/2016