

Financial Statements and Related Announcement::First Quarter Results**Issuer & Securities**

Issuer/ Manager	PACIFIC CENTURY REGIONAL DEVELOPMENTS LIMITED
Securities	PACIFIC CENTURY REGIONAL DEVTS - SG1J17886040 - P15
Stapled Security	No

Announcement Details

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For Financial Period Ended	31/03/2018
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PACIFIC CENTURY REGIONAL DEVELOPMENTS LIMITED

Company Registration No. 196300381N

First Quarter Financial Statements And Dividend Announcement for the Period Ended 31/03/2018

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 Q1 results for the 3 months ended 31 March 2018, the Group's share of results of PCCW Limited ("PCCW") for Q1 2018 and the comparative figures for Q1 2017 are not available as 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 interest in PCCW is its most significant asset. The Group's 22.7% share of PCCW's results for the financial year ended 31 December 2017 amounted to S\$90.4 million, which was the most significant contribution to PCRD Group's profit in 2017. These quarterly results, without any contribution from PCCW, should be considered in this context.

UNAUDITED CONSOLIDATED INCOME STATEMENT - GROUP

	3 months ended		
	31/03/2018 S\$'000	31/03/2017 S\$'000	% Increase/ (decrease)
Revenue	8,149	8,347	(2.4)
Other income (Note 1)	94	210	(55.2)
Expenses			
- Depreciation of property, plant and equipment	(10)	(12)	(16.7)
- Employee compensation	(482)	(454)	6.2
- Directors' fees	(57)	(50)	14.0
- Foreign exchange loss, net	(265)	(182)	45.6
- Legal and other professional fees	(241)	(343)	(29.7)
- Rental expense - operating leases	(82)	(91)	(9.9)
- Travelling expenses	(6)	(8)	(25.0)
- Subscriptions and donations	(23)	(21)	9.5
- Others	(75)	(139)	(46.0)
- Finance expenses (Note 2)	(619)	(866)	(28.5)
Total expenses	(1,860)	(2,166)	(14.1)
Share of profit of associated corporations, net of tax	19	235	(91.9)
Loss on liquidation of a subsidiary corporation	(473)	-	n.m.
Profit before income tax	5,929	6,626	(10.5)
Income tax expense (Note 3)	(1,393)	(1,459)	(4.5)
Total profit for the period	4,536	5,167	(12.2)
Attributable to equity holders of the Company	4,536	5,167	(12.2)

n.m. = not meaningful

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - GROUP

	3 months ended		
	31/03/2018 S\$'000	31/03/2017 S\$'000	% Increase/ (decrease)
Total profit for the period	4,536	5,167	(12.2)
Other comprehensive income (loss):			
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale financial assets			
- Fair value (losses) gains	-	10,141	n.m.
- Reclassification of fair value gain on disposal of available-for-sale financial assets to income statement	-	(191)	n.m.
Currency translation differences arising from consolidation			
- Losses, net	(13,104)	(14,612)	(10.3)
- Reclassification of currency translation differences of a liquidated subsidiary corporation to income statement	473	-	n.m.
	<u>(12,631)</u>	<u>(4,662)</u>	
Items that will not be reclassified subsequently to profit or loss:			
Fair value losses of equity investments at fair value through other comprehensive income	(2,793)	-	n.m.
Other comprehensive loss, net of tax	<u>(15,424)</u>	<u>(4,662)</u>	230.8
Total comprehensive (loss) income for the year	<u>(10,888)</u>	<u>505</u>	n.m.
Total comprehensive (loss) income attributable to equity holders of the Company	<u>(10,888)</u>	<u>505</u>	n.m.

n.m. = not meaningful

DETAILED NOTES - GROUP

	3 months ended	
	31/03/2018 S\$'000	31/03/2017 S\$'000
(Note 1)		
Other income :		
Interest income	82	13
Management fee	8	3
Gain on disposal of available-for-sale financial assets	-	191
Other income	<u>4</u>	<u>3</u>
	<u>94</u>	<u>210</u>
(Note 2)		
Finance expenses :		
Interest expense		
- bank borrowings	(56)	(414)
- finance lease liability	-	(1)
Finance facility fees	<u>(563)</u>	<u>(451)</u>
	<u>(619)</u>	<u>(866)</u>

(Note 3)

Income tax expense :

The tax expense comprises mainly deferred tax provided on distributions from HKT Trust and HKT Limited ("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	31/03/2018	31/12/2017	31/03/2018	31/12/2017
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Current assets					
Cash and cash equivalents		60,685	60,829	44,338	44,208
Trade and other receivables	1	8,217	101	8,108	5
Other current assets		644	752	354	448
		<u>69,546</u>	<u>61,682</u>	<u>52,800</u>	<u>44,661</u>
Non-current assets					
Financial assets at fair value through other comprehensive income	2	251,530	-	217,258	-
Available-for-sale financial assets	2	-	261,130	-	225,243
Investments in associated corporations	3	1,108,292	1,113,752	983,639	1,010,578
Investments in subsidiary corporations		-	-	92,330	98,667
Property, plant and equipment		82	87	-	-
Other non-current assets		222	294	47	82
		<u>1,360,126</u>	<u>1,375,263</u>	<u>1,293,274</u>	<u>1,334,570</u>
Total assets		<u>1,429,672</u>	<u>1,436,945</u>	<u>1,346,074</u>	<u>1,379,231</u>
LIABILITIES					
Current liabilities					
Trade and other payables		2,306	2,034	16,731	10,163
Current income tax liabilities		8	8	-	-
Borrowings	4	12,559	10,326	-	10,309
		<u>14,873</u>	<u>12,368</u>	<u>16,731</u>	<u>20,472</u>
Non-current liabilities					
Borrowings	4	22	26	-	-
Deferred income tax liabilities	5	10,879	9,765	10,879	9,764
		<u>10,901</u>	<u>9,791</u>	<u>10,879</u>	<u>9,764</u>
Total liabilities		<u>25,774</u>	<u>22,159</u>	<u>27,610</u>	<u>30,236</u>
NET ASSETS		<u>1,403,898</u>	<u>1,414,786</u>	<u>1,318,464</u>	<u>1,348,995</u>
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital		457,283	457,283	457,283	457,283
Other reserves		203,745	219,169	(28,978)	9,017
Retained profits		742,870	738,334	890,159	882,695
Total equity		<u>1,403,898</u>	<u>1,414,786</u>	<u>1,318,464</u>	<u>1,348,995</u>

The Group

Note 1

Trade and other receivables increased by \$8.1 million mainly due to accrual of distributions from HKT.

Note 2

As at 31 December 2017, the Group classified its equity investments not held for trading as available-for-sale financial assets in accordance with Singapore Financial Reporting Standards 39 Financial Instruments. On 1 January 2018, the Group has elected to classify these investments as financial assets at fair value through other comprehensive income on adoption of Singapore Financial Reporting Standards (International) 9 Financial Instruments, and have reclassified the balances accordingly.

Movements in balances from \$261.1 million in 2017 to \$251.5 million in 2018 are due to:

	S\$' million
Net fair value loss on the Company's holding of SSUs in HKT	(8.0)
Decrease in the fair value, including translation differences, of the Group's other equity investments	<u>(1.6)</u>
	<u>(9.6)</u>

Note 3

Investments in associated corporations decreased by \$5.5 million due to :

	S\$' million
Unrealised exchange loss on the Company's interest in Hong Kong Dollar ("HKD") denominated net assets in PCCW reflecting the weakening of the HKD against the Singapore Dollar ("SGD")	(4.8)
Unrealised exchange loss on the Company's interest in Indian Rupee ("INR") denominated net assets in KSH reflecting the weakening of the INR against the SGD	<u>(0.7)</u>
	<u>(5.5)</u>

Note 4

Borrowings increased by \$2.2 million due to proceeds from borrowings of \$12.7 million partially offset by repayment of borrowings of \$10.2 million and an unrealised exchange gain of \$0.3 million on 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.

The increase in deferred tax liabilities of \$1.1 million was due to deferred tax provided on distributions from HKT in Q1 2018.

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:-

The Group

Amount repayable in one year or less, or on demand

As at 31/03/2018 S\$'000		As at 31/12/2017 S\$'000	
Secured	Unsecured	Secured	Unsecured
<u>12,559</u>	<u>-</u>	<u>10,326</u>	<u>-</u>

Amount repayable after one year

As at 31/03/2018 S\$'000		As at 31/12/2017 S\$'000	
Secured	Unsecured	Secured	Unsecured
<u>22</u>	<u>-</u>	<u>26</u>	<u>-</u>

Details of any collateral

	31/03/2018 S\$'000	31/12/2017 S\$'000
Carrying values of shares in PCCW pledged for secured bank borrowings	<u>74,708</u>	<u>93,580</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 31 March - Group

	3 months ended	
Note	31/03/2018	31/03/2017
	S\$'000	S\$'000
Cash flow from operating activities:		
Profit after tax	4,536	5,167
Adjustments for :		
- Income tax expense	1,393	1,459
- Depreciation of property, plant and equipment	10	12
- Dividend income	(8,149)	(8,347)
- Interest income	(82)	(13)
- Gain on disposal of available-for-sale financial assets	-	(191)
- Finance expenses	619	866
- Unrealised currency translation losses	241	33
- Loss on liquidation of a subsidiary corporation	473	-
- Share of profit of associated corporations, net of tax	(19)	(235)
	(978)	(1,249)
Change in working capital:		
- Trade and other receivables	(49)	(32)
- Trade and other payables	192	(353)
Cash used in operations	(835)	(1,634)
Interest received	82	13
Income tax paid	(8)	(40)
Net cash used in operating activities	(761)	(1,661)
Cash flow from investing activities:		
Purchase of property, plant and equipment	(5)	-
Refund of capital contribution from available-for-sale financial assets	-	7,466
Proceeds from disposal of available-for-sale financial assets	-	3,155
Net cash (used in) provided by investing activities	(5)	10,621
Cash flow from financing activities:		
Payment of finance expenses	(331)	(896)
Proceeds from borrowings	12,716	-
Repayment of borrowings	(10,173)	(4)
Net cash provided by (used in) financing activities	2,212	(900)
Net increase in cash and cash equivalents	1,446	8,060
Cash and cash equivalents at beginning of period	60,829	42,367
Effects of currency translation on cash and cash equivalents	(1,590)	(1,549)
Cash and cash equivalents at end of period	60,685	48,878
Summary of cash and cash equivalents:		
Cash at bank and on hand	19,232	19,154
Short-term bank deposits	41,453	29,724
	60,685	48,878

Note 1

The net increase in cashflows for 2018Q1 and 2017Q1 respectively were mainly due to:

	2018Q1	2017Q1
	S\$' million	S\$' million
Proceeds from borrowings	12.7	-
Refund of capital contribution from available-for-sale financial assets	-	7.5
Proceeds from disposal of available-for-sale financial assets	-	3.2
	12.7	10.7
Less:		
Repayment of borrowings	(10.2)	-
Payment of finance expenses	(0.3)	(0.9)
Net cash used in operating activities	(0.8)	(1.7)
Net increase in cashflows	1.4	8.1

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 period ended 31 March

The Group	Share capital S\$'000	Other reserves S\$'000	Retained profits S\$'000	Total equity S\$'000
Balance at 1 January 2018	457,283	219,169	738,334	1,414,786
Total comprehensive (loss) income for the period	-	(15,424)	4,536	(10,888)
Balance at 31 March 2018	457,283	203,745	742,870	1,403,898
Balance at 1 January 2017	457,283	270,890	339,045	1,067,218
Total comprehensive (loss) income for the period	-	(4,662)	5,167	505
Balance at 31 March 2017	457,283	266,228	344,212	1,067,723

Changes in equity for the period ended 31 March

The Company	Share capital S\$'000	Other reserves S\$'000	Retained profits S\$'000	Total equity S\$'000
Balance at 1 January 2018	457,283	9,017	882,695	1,348,995
Total comprehensive (loss) income for the period	-	(37,995)	7,464	(30,531)
Balance at 31 March 2018	457,283	(28,978)	890,159	1,318,464
Balance at 1 January 2017	457,283	109,732	788,798	1,355,813
Total comprehensive (loss) income for the period	-	(38,832)	4,855	(33,977)
Balance at 31 March 2017	457,283	70,900	793,653	1,321,836

- 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**

There have been no changes in the Company's share capital since the end of the previous period reported on.

The Company does not have any convertibles or treasury shares as at 31 March 2018 and 31 March 2017.

- 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 31/03/2018	As at 31/12/2017
Issued ordinary shares, excluding treasury shares	2,649,740,300	2,649,740,300

- 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 2017.

For the current results under review, the Group's share of results of PCCW for Q1 2018 and the comparative figures for Q1 2017 are not available as PCCW is not required to announce quarterly results in Hong Kong and it is only required under Hong Kong listing rules to report its H1 2018 results within three months of the end of the financial period.

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.

Singapore-incorporated companies listed on the Singapore Exchange are required to apply a new financial reporting framework identical to the International Financial Reporting Standards ("IFRS"), Singapore Financial Reporting Standards (International) (SFRS(I)s), for annual periods beginning on or after 1 January 2018.

The Group has adopted SFRS(I)s on 1 January 2018 and has prepared its first set of financial information under SFRS(I) for the quarter ended 31 March 2018.

In adopting SFRS(I), the Group is required to apply all of the specific transition requirements in SFRS(I) 1 First-time Adoption of IFRS. In addition, the Group has also adopted the following SFRS(I)s, and amendments and interpretations of SFRS(I)s that are relevant to its operations and effective for annual periods beginning on or after 1 January 2018 as follows:

- SFRS(I) 15 Revenue from Contracts with Customers
- SFRS(I) 9 Financial Instruments
- SFRS(I) INT 22 Foreign Currency Transactions and Advance Consideration

The adoption of these amendments did not have any significant impact on the financial performance or position of the Group.

a) Adoption of SFRS(I) 9 Financial Instruments

The Group has elected to apply the short-term exemption under SFRS(I) 1 to adopt SFRS(I) 9 on 1 January 2018. Accordingly, requirements of SFRS 39 Financial Instruments: Recognition and Measurement will continue to apply to financial instruments up to the financial year ended 31 December 2017.

Classification and measurement

The Group has assessed the business models that are applicable on 1 January 2018 to financial assets so as to classify them into the appropriate categories under SFRS(I) 9. The Group has elected to recognise changes in the fair value of the equity investments not held for trading and previously classified as available-for-sale in other comprehensive income.

b) Adoption of SFRS(I) 15 Revenue from Contracts with Customers

In accordance with the requirements of SFRS(I) 1, the Group's associated companies will adopt SFRS(I) 15 retrospectively.

The Group's results for Q1 2018 do not include the Group's share of PCCW's adoption of HKFRS 15 Revenue from Contracts with Customers (Hong Kong's equivalent of SFRS(I) 15). The Q1 2018 results of PCCW are not available as PCCW does not publish quarterly results in Hong Kong and is only required under Hong Kong listing rules to report its H1 2018 results within 3 months from the end of the financial period.

The Group will equity account for PCCW's adoption of HKFRS 15 when PCCW releases its half yearly results for the 6 months ending 30 June 2018.

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	31/03/2018	31/03/2017
Net profit attributable to equity holders of the Company (S\$'000)	4,536	5,167
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	2,649,740	2,649,740
(i) Basic earnings per share (Cents per share)	0.171	0.195
(ii) On a fully diluted basis (Cents per share)	0.171	0.195

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 period.

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 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	
	31/03/2018	31/12/2017	31/03/2018	31/12/2017
Net asset value (S\$'000)	1,403,898	1,414,786	1,318,464	1,348,995
Number of issued shares excluding treasury shares ('000)	2,649,740	2,649,740	2,649,740	2,649,740
Net asset value per ordinary share based on issued share capital at the end of the period	\$0.530	\$0.534	\$0.498	\$0.509

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 declared distributions from HKT. The Group's revenue in Q1 2018 was \$8.15 million (HKD 48.4 million) compared to \$8.35 million (HKD 45.8 million) in Q1 2017. While the dividend increased in HKD terms, a lower revenue was recorded by the Group in Q1 2018 due to the weakening of the HKD against the SGD.

Total expenses for Q1 2018 amounted to \$1.86 million compared to a \$2.17 million for Q1 2017. The decrease was mainly due to decreases in legal and other professional fees of \$102K (Q1 2017 included legal fees relating to bank facilities renewal) and finance expenses of \$247K which was mainly due to lower interest costs resulting from a reduction in borrowings.

The Group's share of profit of its 49.87% associated corporations, KSH Distriparks Private Limited and KSH Infra Private Limited, amounted to \$19K in Q1 2018 compared to \$235K in Q1 2017.

The Group recorded a loss in Q1 2018 amounting to \$473K following the liquidation of a dormant subsidiary. The loss was the result of the reclassification of translation losses from currency translation reserve to the income statement on completion of the liquidation.

The Group's results for Q1 2018 do not include the Group's share of results of PCCW. The Q1 2018 results of PCCW are not available as PCCW does not publish quarterly results in Hong Kong and is only required under Hong Kong listing rules to report its H1 2018 results within 3 months from the end of the financial period.

Without the Group's share of results for PCCW, the Group recorded a profit attributable to equity holders of \$4.54 million for Q1 2018 as compared to \$5.17 million for Q1 2017.

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 had not obtained a general mandate from the shareholders of the Company for interested person transactions. 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, all IPTs below \$100,000	N.A.

A general mandate from the shareholders of the Company has since been obtained at the Company's Annual General Meeting on 23 April 2018.

- 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 ended 31 March 2018 to be false or misleading in any material aspect.

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

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

BY ORDER OF THE BOARD

Lim Beng Jin
Company Secretary
14/05/2018