

Financial Statements and Related Announcement::Full Yearly Results

Issuer & Securities

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

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Additional Details

For Financial Period Ended	31/12/2017
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PACIFIC CENTURY REGIONAL DEVELOPMENTS LIMITED

Company Registration No. 196300381N

Full Year Financial Statements Announcement for the Year Ended 31/12/2017

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 22.7% associated corporation which is listed on the Stock Exchange of Hong Kong Limited, for the year ended 31 December 2017 were announced by PCCW and the Company on 8 February 2018. These results of the Group reflect the Company's share of PCCW's full-year results on an equity accounting basis.

UNAUDITED CONSOLIDATED INCOME STATEMENT - GROUP

	Year ended		
	31/12/2017	31/12/2016	% Increase/
	S\$'000	S\$'000	(decrease)
Revenue	14,658	12,954	13.2
Other income (Note 1)	371	739	(49.8)
Expenses			
- Depreciation of property, plant and equipment	(48)	(60)	(20.0)
- Employee compensation	(1,870)	(1,708)	9.5
- Directors' fees	(233)	(189)	23.3
- Foreign exchange (loss) gain, net	(485)	479	n.m.
- Legal and other professional fees	(1,205)	(1,151)	4.7
- Rental expense - operating leases	(354)	(365)	(3.0)
- Travelling expenses	(66)	(53)	24.5
- Subscriptions and donations	(88)	(120)	(26.7)
- Others	(386)	(380)	1.6
- Finance expenses (Note 2)	(3,017)	(3,729)	(19.1)
Total expenses	(7,752)	(7,276)	6.5
Share of profit of associated corporations, net of tax	90,842	82,728	9.8
Loss on liquidation of a subsidiary corporation	(10)	-	n.m.
Profit before income tax	98,109	89,145	10.1
Income tax expense (Note 3)	(2,513)	(2,163)	16.2
Total profit for the year	95,596	86,982	9.9
Attributable to equity holders of the Company	95,596	86,982	9.9

n.m. = not meaningful

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - GROUP

	Year ended		% Increase/ (decrease)
	31/12/2017 S\$'000	31/12/2016 S\$'000	
Total profit for the year	95,596	86,982	9.9
Other comprehensive income (loss):			
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale financial assets			
- Fair value gains (losses)	19,261	(9,901)	n.m.
- Reclassification of fair value gain on disposal of available-for-sale financial assets to income statement	(212)	-	n.m.
Currency translation differences arising from consolidation			
- (Losses) gains, net	(74,800)	22,961	n.m.
- Reclassification of currency translation differences of a liquidated subsidiary corporation to income statement	10	-	n.m.
Share of comprehensive income of associated corporations	3,903	18,511	(78.9)
Other comprehensive (loss) income, net of tax	<u>(51,838)</u>	<u>31,571</u>	n.m.
Total comprehensive income for the year	<u>43,758</u>	<u>118,553</u>	(63.1)
Total comprehensive income attributable to equity holders of the Company	<u>43,758</u>	<u>118,553</u>	(63.1)

n.m. = not meaningful

DETAILED NOTES - GROUP

	Year ended	
	31/12/2017 S\$'000	31/12/2016 S\$'000
(Note 1)		
Other income :		
Interest income	120	38
Management fee	30	71
Rental income	-	30
Gain on disposal of available-for-sale financial assets	212	-
Reversal of a provision by a subsidiary company	-	600
Other income	9	-
	<u>371</u>	<u>739</u>

(Note 2)

Finance expenses :

Interest expense		
- bank borrowings	(806)	(1,701)
- finance lease liability	(2)	(3)
Finance facility fees	<u>(2,209)</u>	<u>(2,025)</u>
	<u>(3,017)</u>	<u>(3,729)</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	31/12/2017	31/12/2016	31/12/2017	31/12/2016
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Current assets					
Cash and cash equivalents	1	60,829	42,367	44,208	31,316
Trade and other receivables		101	27	5	6
Other current assets		752	706	448	473
		<u>61,682</u>	<u>43,100</u>	<u>44,661</u>	<u>31,795</u>
Non-current assets					
Available-for-sale financial assets	2	261,130	274,273	225,243	233,696
Investments in associated corporations	3	1,113,752	860,784	1,010,578	1,098,119
Investments in subsidiary corporations		-	-	98,667	108,661
Property, plant and equipment		87	132	-	-
Other non-current assets		294	596	82	333
		<u>1,375,263</u>	<u>1,135,785</u>	<u>1,334,570</u>	<u>1,440,809</u>
Total assets		<u>1,436,945</u>	<u>1,178,885</u>	<u>1,379,231</u>	<u>1,472,604</u>
LIABILITIES					
Current liabilities					
Trade and other payables		2,034	2,729	10,163	7,916
Current income tax liabilities		8	4	-	-
Borrowings	4	10,326	100,830	10,309	100,814
		<u>12,368</u>	<u>103,563</u>	<u>20,472</u>	<u>108,730</u>
Non-current liabilities					
Borrowings	4	26	43	-	-
Deferred income tax liabilities	5	9,765	8,061	9,764	8,061
		<u>9,791</u>	<u>8,104</u>	<u>9,764</u>	<u>8,061</u>
Total liabilities		<u>22,159</u>	<u>111,667</u>	<u>30,236</u>	<u>116,791</u>
NET ASSETS		<u>1,414,786</u>	<u>1,067,218</u>	<u>1,348,995</u>	<u>1,355,813</u>
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital		457,283	457,283	457,283	457,283
Other reserves		219,169	270,890	9,017	109,732
Retained profits		738,334	339,045	882,695	788,798
Total equity		<u>1,414,786</u>	<u>1,067,218</u>	<u>1,348,995</u>	<u>1,355,813</u>

The Group

Note 1

Cash and cash equivalents increased by \$18.5 million mainly due to :

	S\$' million
Refund of capital contribution from available-for-sale financial assets	7.4
Proceeds from disposal of available-for-sale financial assets	3.9
Dividends from HKT and PCCW	104.5
	<u>115.8</u>
Less:	
Net repayment of borrowings	(85.5)
Payment of finance expenses	(2.9)
Net cash used in operating activities	(5.6)
Effects of currency translation on cash and cash equivalents	(3.3)
	<u>18.5</u>

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

Note 2

Available-for-sale financial assets decreased by \$13.1 million mainly due to :

	S\$' million
Refund of capital contribution from available-for-sale financial assets	(7.4)
Disposal of available-for-sale financial assets	(3.9)
Net fair value loss on the Company's holding of SSUs in HKT	(8.5)
	<u>(19.8)</u>
Less: Increase in the fair value, including translation differences, of the Group's available-for-sale financial assets	6.7
	<u>(13.1)</u>

Note 3

Investments in associated corporations increased by \$253.0 million mainly due to :

	S\$' million
The Group's share of PCCW's 2017 profit	90.4
The Group's share of KSH Distriparks Private Limited's ("KSH") 2017 profit	0.4
Increase in PCCW's revenue reserve from the gain on disposal of PCCW's equity interests in HKT which was recognised in reserves as equity attributable to the equity holders of PCCW	301.3
Increase in PCCW's other reserves	6.4
	<u>398.5</u>
Less:	
Dividends received from PCCW	(89.8)
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")	(55.5)
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 Singapore Dollar ("SGD")	(0.2)
	<u>253.0</u>

Note 4

Borrowings decreased by \$90.5 million mainly due to repayment of borrowings of \$155.6 million and an unrealised exchange gain of \$5.0 million on HKD borrowings due to the weakening of the HKD against the SGD partially offset by proceeds from borrowings of \$70.1 million.

Note 5

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

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 31/12/2017 S\$'000		As at 31/12/2016 S\$'000	
Secured	Unsecured	Secured	Unsecured
<u>10,326</u>	<u>-</u>	<u>100,830</u>	<u>-</u>

Amount repayable after one year

As at 31/12/2017 S\$'000		As at 31/12/2016 S\$'000	
Secured	Unsecured	Secured	Unsecured
<u>26</u>	<u>-</u>	<u>43</u>	<u>-</u>

Details of any collateral

	31/12/2017 S\$'000	31/12/2016 S\$'000
Carrying values of shares in PCCW pledged for secured bank borrowings	<u>93,580</u>	<u>214,408</u>

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

Cash flow statement for the year ended 31 December - Group

	Year ended	
Note	31/12/2017	31/12/2016
	S\$'000	S\$'000
Cash flow from operating activities:		
Profit after tax	95,596	86,982
Adjustments for :		
- Income tax expense	2,513	2,163
- Depreciation of property, plant and equipment	48	60
- Dividend income	(14,658)	(12,954)
- Interest income	(120)	(38)
- Gain on disposal of available-for-sale financial assets	(212)	-
- Finance expenses	3,017	3,729
- Unrealised currency translation (gains) losses	(469)	18
- Loss on liquidation of a subsidiary corporation	10	-
- Share of profit of associated corporations, net of tax	(90,842)	(82,728)
	(5,117)	(2,768)
Change in working capital:		
- Trade and other receivables	(74)	756
- Trade and other payables	(446)	(443)
Cash used in operations	(5,637)	(2,455)
Interest received	120	38
Income tax paid	(91)	(43)
Net cash used in operating activities	(5,608)	(2,460)
Cash flow from investing activities:		
Purchase of property, plant and equipment	(3)	(4)
Refund of capital contribution from available-for-sale financial assets	7,466	4,125
Dividends from HKT	14,658	12,954
Dividends from PCCW	89,801	25,525
Proceeds from disposal of available-for-sale financial assets	3,897	-
Net cash provided by investing activities	115,819	42,600
Cash flow from financing activities:		
Payment of finance expenses	(2,901)	(4,228)
Proceeds from borrowings	70,089	253,906
Repayment of borrowings	(155,641)	(316,690)
Purchases of the Company's shares	-	(1,130)
Refund of unclaimed dividends	-	12
Net cash used in financing activities	(88,453)	(68,130)
Net increase (decrease) in cash and cash equivalents	1 21,758	(27,990)
Cash and cash equivalents at beginning of year	42,367	69,760
Effects of currency translation on cash and cash equivalents	(3,296)	597
Cash and cash equivalents at end of year	60,829	42,367
Summary of cash and cash equivalents:		
Cash at bank and on hand	18,241	11,498
Short-term bank deposits	42,588	30,869
	60,829	42,367

Note 1

The net increase and (decrease) in cashflows for 2017 and 2016 respectively were mainly due to:

	2017	2016
	S\$' million	S\$' million
Proceeds from borrowings	70.1	253.9
Refund of capital contribution from available-for-sale financial assets	7.4	4.1
Proceeds from disposal of available-for-sale financial assets	3.9	-
Dividends from HKT	14.7	13.0
Dividends from PCCW	89.8	25.5
	185.9	296.5
Less:		
Repayment of borrowings	(155.6)	(316.7)
Purchases of the Company's shares	-	(1.1)
Payment of finance expenses	(2.9)	(4.2)
Net cash used in operating activities	(5.6)	(2.5)
Net increase and (decrease) in cashflows	21.8	(28.0)

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	Other reserves S\$'000	Retained profits S\$'000	Total equity S\$'000
Balance at 1 January 2017	457,283	270,890	339,045	1,067,218
Total comprehensive (loss) income for the year	-	(51,838)	95,596	43,758
Share of reserves of associated corporations	-	117	303,693	303,810
Balance at 31 December 2017	<u>457,283</u>	<u>219,169</u>	<u>738,334</u>	<u>1,414,786</u>
Balance at 1 January 2016	457,283	238,609	252,659	948,551
Total comprehensive income for the year	-	31,571	86,982	118,553
Purchase and cancellation of shares	-	-	(1,130)	(1,130)
Refund of unclaimed dividends	-	-	364	364
Share of reserves of associated corporations	-	710	170	880
Balance at 31 December 2016	<u>457,283</u>	<u>270,890</u>	<u>339,045</u>	<u>1,067,218</u>

Changes in equity for the year ended 31 December

The Company	Share capital S\$'000	Other reserves S\$'000	Retained profits S\$'000	Total equity S\$'000
Balance at 1 January 2017	457,283	109,732	788,798	1,355,813
Total comprehensive (loss) income for the year	-	(100,715)	93,897	(6,818)
Balance at 31 December 2017	<u>457,283</u>	<u>9,017</u>	<u>882,695</u>	<u>1,348,995</u>
Balance at 1 January 2016	457,283	83,375	711,113	1,251,771
Total comprehensive income for the year	-	26,357	78,451	104,808
Purchase and cancellation of shares	-	-	(1,130)	(1,130)
Refund of unclaimed dividends	-	-	364	364
Balance at 31 December 2016	<u>457,283</u>	<u>109,732</u>	<u>788,798</u>	<u>1,355,813</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 2017, 30 September 2017 and 31 December 2016 is summarised as follows: -

	31/12/2017		30/09/2017		31/12/2016	
	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	2,649,740,300	457,282,366	2,649,740,300	457,282,366
Issued and paid up share capital excluding treasury shares	<u>2,649,740,300</u>		<u>2,649,740,300</u>		<u>2,649,740,300</u>	

During Q4 2017 and Q4 2016, the Company did not purchase any shares in the Company.

The Company did not purchase any shares in the Company in the financial year 2017.

For the financial year 2016, the Company purchased a total of 2,815,500 shares in the Company on the open market for a total consideration of \$1.1 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 31 December 2017 and 31 December 2016.

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 31/12/2017	As at 31/12/2016
Issued ordinary shares, excluding treasury shares	<u>2,649,740,300</u>	<u>2,649,740,300</u>

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 2016.

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 2017, 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		31/12/2017	31/12/2016
Net profit attributable to equity holders of the Company (S\$'000)		95,596	86,982
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)		2,649,740	2,649,809
(i) Basic earnings per share (Cents per share)		3.608	3.283
(ii) On a fully diluted basis (Cents per share)		3.608	3.283

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	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Net asset value (S\$'000)	1,414,786	1,067,218	1,348,995	1,355,813
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 year	\$0.534	\$0.403	\$0.509	\$0.512

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 2017 was \$14.7 million compared to \$13.0 million in 2016. The Group's revenue relates to dividends received from the Company's investment in HKT.

Total expenses in 2017 amounted to \$7.8 million compared to \$7.3 million in 2016. The difference is mainly due to the following reasons:-

- The Group recorded foreign exchange losses of \$0.5 million compared to gains of \$0.5 million in 2016. The exchange losses of \$0.5 million in 2017 were mainly the result of exchange losses of \$0.2 million on the translation of Singapore denominated assets reflecting the strengthening of the Singapore Dollar against the Hong Kong Dollar and exchange losses of S\$0.2 million on the disposal of available-for-sale financial assets.
- The above increases were mainly offset by a decrease in finance costs. Finance costs in 2017 were \$3.0 million compared to \$3.7 million in 2016. The decrease in finance costs was mainly due to decreased interest expense during the financial year under review as a result of a reduction in bank borrowings.

The Group's share of profit of associated companies was \$90.8 million in 2017 compared to \$82.7 million in 2016. This included the Group's share of profit from PCCW of \$90.4 million in 2017 compared to \$82.1 million in 2016.

PCCW delivered a satisfactory set of financial results for the year ended 31 December 2017 underpinned by business resilience and operational efficiency improvements at HKT as well as steady progress in the Media and Solutions businesses.

HKT recorded sustained growth in the Telecommunications Services ("TSS") segment and a steady performance in the Mobile segment while Mobile handset sales declined. The Solutions, over-the-top ("OTT") media and Free TV businesses demonstrated continued growth momentum although this was partially offset by softer average revenue per user ("ARPU") on the back of retention efforts at Now TV. As such, core revenue decreased by 3% to HK\$36,886 million (\$6,533 million).

The solid growth in EBITDA for both HKT and the Solutions businesses contributed to the overall 3% growth in core EBITDA to HK\$12,886 million (\$2,282 million) for the year ended 31 December 2017, despite PCCW's continued investments in the OTT and Free TV segments of the Media business.

Projects at PCPD are progressing as planned and are expected to contribute to the PCCW Group in the coming years. Consolidated revenue for the year ended 31 December 2017 decreased by 3% to HK\$37,050 million (\$6,562 million) and consolidated EBITDA increased by 3% to HK\$12,611 million (\$2,233 million).

During the year, PCCW disposed of its non-core wireless broadband business in the United Kingdom ("UKBB") and recognised a gain on disposal. After accounting for the reduction in PCCW's attributable interest in HKT following the placement of an approximate 11% interest, consolidated profit attributable to equity holders of PCCW increased by 10% to HK\$2,246 million (\$398 million).

HKT delivered a solid set of financial results for the year ended 31 December 2017, reflecting the resilience of all of its lines of business as well as continued operating efficiency improvements despite intense industry competition throughout the year.

HKT's total revenue for the year ended 31 December 2017 decreased by 2% to HK\$33,258 million (\$5,890 million) due to the lower revenue contribution from Mobile handset sales. Excluding Mobile handset sales, underlying revenue for the year increased by 2% to HK\$30,898 million (\$5,472 million), as compared to HK\$30,422 million (\$5,408 million) a year earlier.

HKT's total EBITDA for the year was HK\$12,997 million (\$2,302 million), an increase of 2% over the previous year, which was underpinned by operating efficiency improvements in both the Mobile and TSS businesses. Adjusted funds flow for the year ended 31 December 2017 reached HK\$4,912 million (\$870 million), an increase of 5% over the previous year.

The Group's share of profit of associated companies for 2017 included the Group's share of a profit of \$0.4 million (2016: \$0.6 million) from its 49.87% Indian logistics associated company, KSH.

The Group's profit attributable to equity holders for 2017 was \$95.6 million compared to \$87.0 million for 2016.

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

N.A.

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

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

PCCW has been able to progress its businesses in accordance with its plans in the past year. PCCW successfully completed a number of strategic activities, including a partial sell down of its stake in HKT, the introduction of strategic and financial investors to the OTT Media business and the divestment of UKBB which all contributed to strengthening of PCCW's overall capital structure and unlocking value within the PCCW Group.

Now TV will seek to further enhance viewing experience with richer content and more on-demand programming to capture the online and on-the-go viewing segments. Its exclusivity in broadcasting the 2018 FIFA World Cup Russia on both pay TV and free TV is a testimony to its capability of leveraging multiple platforms in delivering the best content to its customers.

Consolidating its early success in the regional markets, PCCW's OTT business aims to further enlarge market penetration and drive subscriptions through cooperation with local telecom companies and distribution partners. PCCW will use analytics to bring viewers the best combination of content tailored to local tastes and Viu Original productions.

PCCW Solutions will continue to look for opportunities in Southeast Asian markets in which it has made inroads in the past year. This will complement its success in Hong Kong and mainland China.

In telecommunications, PCCW is confident that HKT, having withstood very challenging market conditions in 2017, will continue to use its strengths in infrastructure and innovation to grow its businesses.

In 2018, PCCW will focus on maintaining its leadership in its respective markets while nurturing new business opportunities.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes
Name of Dividend Final proposed
Dividend Type Cash
Dividend Rate 2.2 cents per ordinary share
Tax Rate One-tier, tax exempt

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None

(c) The date the dividend is payable.

The payment date of the proposed final dividend will be announced at a later date.

(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.

The notice of the closure of the Register of Members and Transfer Books of the Company for the purposes of determining the entitlement to the dividend will be announced at a later date.

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

NA

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 year 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).

N.A.

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).

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

SEGMENTAL REPORTING FOR THE YEAR ENDED 31 DECEMBER 2017

	Investment holding S\$'000	Business management and consultancy services S\$'000	Consolidated S\$'000	<u>Geographical information</u>	
External revenue	14,658	-	14,658		Revenue \$'000
Operating profit before interest income and depreciation	10,016	206	10,222	Hong Kong	14,658
Interest income	120	-	120		<u>14,658</u>
Depreciation	(48)	-	(48)		Non-current assets
Profit from operating activities	10,088	206	10,294		\$'000
Finance expenses	(3,017)	-	(3,017)		
Share of profits of associated corporations, net of tax	90,842	-	90,842	Singapore	265
Loss on liquidation of a subsidiary corporation	(10)	-	(10)	India	25,654
Profit before income tax	97,903	206	98,109	Hong Kong	<u>1,088,214</u>
Income tax expense	(2,503)	(10)	(2,513)		<u>1,114,133</u>
Total profit	95,400	196	95,596		
Segment assets	261,882	101	261,983		
Property, plant and equipment	-	87	87		
Other non-current assets	198	96	294		
Investments in associated corporations	1,113,752	-	1,113,752		
	1,113,950	183	1,114,133		
Unallocated corporate assets					
- Cash and cash equivalents			60,829		
Total assets			1,436,945		
Segment liabilities	1,832	202	2,034		
Unallocated corporate liabilities					
- Borrowings			10,352		
- Current income tax liabilities			8		
- Deferred income tax liabilities			9,765		
Total liabilities			22,159		
Other segment information:					
Additions to property, plant and equipment	-	3	3		

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

SEGMENTAL REPORTING FOR THE YEAR ENDED 31 DECEMBER 2016

	Investment holding S\$'000	Business management and consultancy services S\$'000	Consolidated S\$'000	<u>Geographical information</u>	
External revenue	12,954	-	12,954	Hong Kong	Revenue \$'000 12,954 <u>12,954</u>
Operating profit before interest income and depreciation	10,124	44	10,168		
Interest income	38	-	38		
Depreciation	(58)	(2)	(60)		
Profit from operating activities	10,104	42	10,146	Singapore India Hong Kong	Non-current assets \$'000 557 25,451 835,504 <u>861,512</u>
Finance expenses	(3,729)	-	(3,729)		
Share of profits of associated corporations, net of tax	82,728	-	82,728		
Profit before income tax	89,103	42	89,145		
Income tax expense	(2,160)	(3)	(2,163)		
Total profit	86,943	39	86,982		
Segment assets	274,938	68	275,006		
Property, plant and equipment	-	132	132		
Other non-current assets	504	92	596		
Investments in associated corporations	860,784	-	860,784		
	861,288	224	861,512		
Unallocated corporate assets					
- Cash and cash equivalents			42,367		
Total assets			1,178,885		
Segment liabilities	2,455	274	2,729		
Unallocated corporate liabilities					
- Borrowings			100,873		
- Current income tax liabilities			4		
- Deferred income tax liabilities			8,061		
Total liabilities			111,667		
Other segment information:					
Additions to property, plant and equipment	-	4	4		

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.

1. External revenue under the investment holding segment for 2017 was \$14.7 million compared to \$13.0 million for 2016. External revenue under this segment relate to distributions received from the Company's investment in HKT.
2. Operating profit before interest and depreciation under the investment holding segment for 2017 has remained at \$10.0 million (2016: \$10.1 million).

18. A breakdown of sales

		31/12/2017 S\$'000	31/12/2016 S\$'000	Increase/ (Decrease) %
(a)	Revenue reported for first half year	8,347	6,711	24.4
(b)	Operating profit after tax before deducting non-controlling interests reported for first half year	56,394	36,200	55.8
(c)	Revenue reported for second half year	6,311	6,243	1.1
(d)	Operating profit after tax before deducting non-controlling interests reported for second half year	39,202	50,782	(22.8)

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 31/12/2017 S\$'000	Previous Full Year 31/12/2016 S\$'000
Ordinary – Final proposed	58,294	-
Preference	-	-
Total:	58,294	-

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.

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
09/02/2018