

# PACIFIC CENTURY REGIONAL DEVELOPMENTS LIMITED

Company Registration No. 196300381N

## Second Quarter Financial Statement And Dividend Announcement for the Period Ended 30/06/2006

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

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

*In these results the Group's share of results of PCCW Limited ("PCCW"), our Hong Kong-listed associated company, for the first half of 2006 are not available because PCCW is not required to announce quarterly results in Hong Kong and is only required under the Hong Kong listing rules to report its first half results within three months of the end of the financial period. For the purposes of these results, the comparatives do not include the Group's share of results of PCCW for the first half of 2005.*

*The Group will announce revised half year results for 2006 after equity accounting for its share of PCCW's results once PCCW has announced its first half results in September 2006.*

*The unaudited results of the Company and its subsidiaries for the second quarter ended 30 June 2006 will be reported on in accordance with the Singapore Code on Take-overs and Mergers.*

	Group 3 months ended			Group 6 months ended		
	30/6/2006 S\$'000	30/6/2005 S\$'000	% Increase/ (decrease)	30/6/2006 S\$'000	30/6/2005 S\$'000	% Increase/ (decrease)
<b>Continuing operations</b>						
Turnover	101,629	97,960	3.7	198,896	203,902	(2.5)
Cost of sales	(32,125)	(28,289)	13.6	(60,423)	(68,011)	(11.2)
Gross profit	69,504	69,671	(0.2)	138,473	135,891	1.9
Net investment and other income	29,279	28,789	1.7	84,968	44,607	90.5
Operating and administrative expenses	(79,098)	(81,960)	(3.5)	(179,981)	(166,118)	8.3
Profit from operating activities	19,685	16,500	19.3	43,460	14,380	202.2
Net finance costs	(12,750)	(7,447)	71.2	(26,832)	(49,089)	(45.3)
Share of (losses) profits of associated companies	(357)	50	n.m.	(567)	41	n.m.
Profit (loss) from continuing operations before taxation	6,578	9,103	(27.7)	16,061	(34,668)	n.m.
Taxation	(1,105)	(1,105)	0.0	(2,408)	(2,031)	18.6
	5,473	7,998	(31.6)	13,653	(36,699)	n.m.
<b>Discontinued operations</b>						
Profit from discontinued operations, net of taxes	94	42	123.8	138	66	109.1
Profit (loss) for the period	5,567	8,040	(30.8)	13,791	(36,633)	n.m.
Attributable to:						
Equity holders of the Company	(3,818)	8,891		(7,044)	(34,791)	
Minority interests	9,385	(851)		20,835	(1,842)	
	5,567	8,040		13,791	(36,633)	

n.m. = not meaningful

\*Restated = restatement of comparatives due to certain reclassifications of assets and liabilities of a disposal group in Pacific Century Insurance Holdings Limited ("PCIH") to assets held-for-sale and liabilities associated with assets held-for-sale and to reflect the correction of accounting errors in investment portfolios in PCIH.

These results are prepared without PCCW's results for the first half.

Operating profit is arrived at after crediting (charging) the following:

	Group		Group	
	30/06/2006	Restated 30/06/2005	30/06/2006	Restated 30/06/2005
	3 months ended		6 months ended	
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Net investment and other income :</b>				
Gross dividend income from quoted investments	2,001	32,512	2,567	34,249
Gain (loss) on revaluation of unquoted Investments	6,540	(32)	5,592	(618)
Fair value revaluation gain (loss) on investments (through profit or loss)	(7,127)	493	466	711
(Loss) gain on sale of quoted investments (transfer from equity)	(1,406)	(2,678)	26,730	272
Gain on sale of unquoted investments (transfer from equity)	17,143	403	19,992	1,236
Interest income from listed investments	8,094	8,731	16,047	17,354
Interest income from exchangeable note	-	-	2,901	-
Interest income from policy loans and staff loans	1,383	1,214	2,741	2,373
Miscellaneous income	1,811	2,881	3,848	8,070
Foreign exchange loss	(2,057)	(15,722)	(1,308)	(21,119)
Interest income on fixed deposits and managed assets	2,897	987	5,392	2,079
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	29,279	28,789	84,968	44,607
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<b>Net finance costs :</b>				
- bank loan and overdraft interest	(6,803)	(1,663)	(12,783)	(2,405)
- finance facility fees	(3,890)	(2,286)	(9,887)	(4,999)
- exchangeable bond interest	(2,057)	(3,415)	(4,162)	(8,273)
- premium on redemption of exchangeable bond	-	-	-	(33,148)
- others	-	(83)	-	(264)
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	(12,750)	(7,447)	(26,832)	(49,089)
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<b>Depreciation and amortisation :</b>				
Depreciation of property, plant and equipment	(947)	(867)	(1,918)	(1,762)
Amortisation of deferred acquisition costs	(16,936)	(14,403)	(32,422)	(30,543)
<b>Write-back of (provision for) other debtors</b>	166	20	(46)	(261)
<b>Adjustment for (under) over-provision of tax in respect of prior years</b>	(20)	-	(20)	89
<b>Fixed assets written off</b>	-	-	(45)	-
<b>Gain on disposal of fixed assets</b>	49	19	49	130

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

	<b>Group</b>		<b>Company</b>	
	30/06/2006	31/12/2005	30/06/2006	31/12/2005
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	44,828	48,762	-	-
Investments in subsidiary companies	-	-	199,798	209,718
Investments in associated companies	12,849	51,068	994,296	1,040,477
Intangibles	218,925	223,035	-	-
Investment properties	3,435	3,578	-	-
Long-term financial assets [Note 1]	50,961	162,518	1,119	1,119
Pledged time deposits	3,318	3,385	-	-
Other non-current assets	78,212	78,992	28,894	30,269
	412,528	571,338	1,224,107	1,281,583
<b>Current assets</b>				
Intangibles	59,403	61,508	-	-
Short-term investments	1,284,593	1,262,959	-	-
Short-term financial assets	1,806	2,185	-	-
Inventories	19	24	-	-
Trade and other receivables	62,712	78,342	11,838	12,877
Fixed deposits [Note 2]	284,604	50,896	42,388	1,127
Cash and bank balances	122,237	256,515	671	359
	1,815,374	1,712,429	54,897	14,363
Assets classified as held-for-sale	11,572	12,847	-	-
	1,826,946	1,725,276	54,897	14,363
<b>Current liabilities</b>				
Trade payables and accruals	69,562	86,265	36,391	11,245
Deposits received	16,544	17,263	-	-
Bank borrowings [Note 3]	536,779	299,998	496,911	299,998
Provision for taxation	7,894	5,990	670	701
Exchangeable bonds	273,907	281,893	273,907	281,893
	904,686	691,409	807,879	593,837
Liabilities directly associated with assets held-for-sale	3,601	4,645	-	-
	908,287	696,054	807,879	593,837
<b>Net current assets (liabilities)</b>	918,659	1,029,222	(752,982)	(579,474)
<b>Non-current liabilities</b>				
Financial liabilities	1,856	712	-	-
Policyholders' dividend and bonus	169,528	165,851	-	-
Future insurance liabilities-investments contracts	119,823	117,524	-	-
Future insurance liabilities-insurance contracts	1,105,821	1,085,581	-	-
Long-term liabilities [Note 3]	158,134	402,404	-	237,309
Deferred tax liabilities	6,183	6,471	6,183	6,471
Other liabilities	92	101	133,261	133,350
	1,561,437	1,778,644	139,444	377,130
<b>Net (liabilities) assets</b>	(230,250)	(178,084)	331,681	324,979
<b>Equity attributable to equity holders of the Company</b>				
Share capital	457,283	309,627	457,283	309,627
Share premium	-	146,286	-	146,286
Deficit	(949,764)	(934,486)	(125,602)	(130,934)
	(492,481)	(478,573)	331,681	324,979
Minority interests	262,231	300,489	-	-
<b>Total equity</b>	(230,250)	(178,084)	331,681	324,979

[Note 1]

The reduction in long-term financial assets was due to the sale by Pacific Century Insurance Holdings Limited ("PCIH") of certain of its available-for-sale investments. Certain of these assets were repurchased and classified as short-term investments.

[Note 2]

The increase in fixed deposits was mainly due to the net proceeds from disposal of available-for-sale investments by PCIH.

[Note 3]

The increase in bank-borrowings was due to reclassification of certain facilities and loans from long-term to current bank borrowings following the refinancing of certain of the Group's borrowings to replace certain of its loans and facilities.

#### 1(b)(ii) Aggregate amount of group's borrowings and debt securities

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

As at 30/06/2006		As at 31/12/2005	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
810,686	-	281,893	299,998

##### Amount repayable after one year

As at 30/06/2006		As at 31/12/2005	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
-	158,134	-	402,404

##### Details of any collateral

The Company's obligations in respect of secured redeemable exchangeable bonds with an aggregate value of \$239 million (2005: \$250 million) are secured by way of fixed legal mortgages in favour of the bondholders over certain shares of an associated company owned by the Company with a book cost of approximately \$249 million (2005: \$253 million).

Certain bank facilities of the Group amounting to \$530 million in aggregate are secured by way of pledges over certain shares of an associated company owned by the Company with an aggregate book cost of approximately \$617 million (2005: Nil).

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

<b>Cash flow statement for the quarter ended 30 June</b>	<b>Group</b>	
	<b>3 months ended</b>	
	30/06/2006	30/06/2005
	S\$'000	Restated S\$'000
<b>Cash flow from operating activities:</b>		
Profit from operating activities	19,685	16,500
Profit from discontinued operations	94	42
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	19,779	16,542
Adjustments for:		
Amortisation of goodwill and intangibles	16,936	14,403
Depreciation of property, plant and equipment	947	867
Gain on disposal of property, plant and equipment	(49)	(19)
Gain on sale and revaluation of investments	(14,450)	(4,759)
Equity-settled share option expenses	175	445
Provision for impairment in value of investment properties/ properties held for sale	-	400
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<b>Operating profit before reinvestment in working capital</b>	23,338	27,879
(Decrease) increase in payables and accruals	(7,049)	292
Decrease (increase) in receivables and premiums receivable	5,609	(12,458)
Increase in inventories	-	(7)
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<b>Cash generated from operations</b>	21,898	15,706
Interest received	29,220	-
Interest and other finance costs paid	(13,562)	(7,316)
Income taxes paid	(101)	(2,541)
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<b>Net cash generated from operating activities</b>	37,455	5,849
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<b>Cash flow from investing activities:</b>		
Proceeds from disposal of properties, plant and equipment	49	2,540
Increase in intangibles	(21,621)	(14,123)
(Increase) decrease in investment properties, long-term available-for-sale investments, properties held for sale and other investments	(141,016)	7,110
Purchase of property, plant and equipment	(111)	(1,259)
Increase in insurance business loans	(499)	(2,515)
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<b>Net cash used in investing activities</b>	(163,198)	(8,247)
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<b>Cash flow from financing activities:</b>		
Drawdown (repayment) of bank loans, net	1,417	(4,896)
Proceeds from (payment for) allotment/ repurchase of shares, net	1,159	(310)
Dividend paid to minority shareholders	(3,680)	-
Decrease in insurance fund	43,020	34,948
(Advances to) proceeds from associated companies	(266)	141
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<b>Net cash generated from financing activities</b>	41,650	29,883
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<b>Exchange translation adjustment</b>	27,030	21,178
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Net (decrease) increase in cash and cash equivalents	(57,063)	48,663
Cash and cash equivalents at beginning of period	463,904	335,429
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<b>Cash and cash equivalents at end of period</b>	<b>406,841</b>	<b>384,092</b>
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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 quarter ended 30 June**

<b>The Group</b>	Share capital	Share premium	Revenue reserves	Other reserves	Minority interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 April 2006	457,283	-	(963,360)	41,610	293,263	(171,204)
Foreign currency translation adjustment	-	-	-	6,286	(4,815)	1,471
Fair value change on available-for-sale investments, net of tax	-	-	-	(29,979)	(32,890)	(62,869)
Fair value change in cash flow hedge	-	-	-	(342)	(379)	(721)
Net expenses recognised directly in equity	-	-	-	(24,035)	(38,084)	(62,119)
(Loss) profit for the period	-	-	(3,818)	-	9,385	5,567
Total expense recognised for the period	-	-	(3,818)	(24,035)	(28,699)	(56,552)
Equity share compensation reserve	-	-	-	(23)	(25)	(48)
Change in interest in a subsidiary	-	-	(138)	-	1,411	1,273
Dividends paid by a subsidiary	-	-	-	-	(3,719)	(3,719)
Balance at 30 June 2006	457,283	-	(967,316)	17,552	262,231	(230,250)

<b>The Group (restated)</b>	Share capital	Share premium	Revenue reserves	Other reserves	Minority interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 April 2005 as previously reported	309,627	146,286	(1,020,078)	(9,867)	266,602	(307,430)
Foreign currency translation adjustment	-	-	-	6,315	5,656	11,971
Fair value gain on available-for-sale investments	-	-	-	6,734	7,593	14,327
Fair value change in cash flow hedge	-	-	-	82	89	171
Net income recognised directly in equity	-	-	-	13,131	13,338	26,469
Profit (loss) for the period	-	-	8,891	-	(851)	8,040
Net income recognised for the period	-	-	8,891	13,131	12,487	34,509
Equity share compensation reserve	-	-	-	208	237	445
Balance at 30 June 2005	309,627	146,286	(1,011,187)	3,472	279,326	(272,476)

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 quarter ended 30 June**

<b>The Company</b>	Share capital	Share premium	Revenue reserves	Other reserves	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 April 2006	457,283	-	(136,753)	(14,099)	306,431
Foreign currency translation adjustment	-	-	-	(6,027)	(6,027)
Profit for the period	-	-	31,277	-	31,277
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Balance at 30 June 2006	457,283	-	(105,476)	(20,126)	331,681
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<b>The Company (restated)</b>	Share capital	Share premium	Revenue reserves	Other reserves	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 April 2005	309,627	146,286	(157,410)	1,370	299,873
Profit for the period	-	-	17,000	-	17,000
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Balance at 30 June 2005	309,627	146,286	(140,410)	1,370	316,873
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- 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 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**

During the quarter under review, there were no share options granted or cancelled under the Company's Employees' Share Option Scheme ("ESOS Scheme"). As at 30 June 2006, there were options to subscribe for 18,900,000 shares outstanding under the ESOS Scheme (as at 30 June 2005, there were options to subscribe for 19,500,000 shares outstanding). With the abolition of the concept of Authorised Share Capital when the Companies (Amendment) Act 2005 became effective on 30 January 2006, the Company's shares have no par value and the share premium and capital redemption reserve of the Company were transferred to issued and paid-up share capital of the Company.

The Company's issued share capital as at 30 June 2006 is summarised as follows: -

<u>Ordinary Shares</u>	<u>No. of shares</u>	<u>S\$</u>
Issued and paid-up share capital	3,096,269,100	457,282,366

- 2 Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)**

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**

The Group has applied the same accounting policies and methods of computation as in the audited financial statements for the year ended 31 December 2005.

***In these results the Group's share of results of PCCW Limited ("PCCW"), our Hong Kong-listed associated company, for the first half of 2006 and the comparative figures are not available because PCCW is not required to announce quarterly results in Hong Kong and is only required under the Hong Kong listing rules to report its first half results within three months of the end of the financial period. For the purposes of these results, the comparatives do not include the Group's share of results of PCCW for the first half of 2005.***

***The Group will announce revised half year results for 2006 after equity accounting for its share of PCCW's results once PCCW has announced its first half results in September 2006.***



The Group continues to treat Pacific Century Insurance Holdings Limited ("PCIH"), in which the Company has a 47.7% interest, as its subsidiary because it continues to exercise control over PCIH. The results of PCIH have been consolidated as a subsidiary in the Group's financial statements.

- 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**

N.A.

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

	Q2 2006	Group Restated Q2 2005
(Loss) earnings per ordinary share:		
(i) Based on weighted average number of ordinary shares in issue	(0.12) Cents	0.29 Cents
(ii) On a fully diluted basis	(0.12) Cents	0.29 Cents

(Loss) earnings per share is calculated by dividing the Group's (loss) earnings attributable to equity holders of \$3,818,000 (Q2 2005 profit: \$8,891,000) by the weighted average of 3,096,269,100 (Q2 2005: 3,096,269,100) ordinary shares in issue during the quarter. Fully diluted (loss) earnings per share is calculated after adjusting for those share options not yet exercised under the Company's ESOS Scheme.

- 7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year**

	Group		Company	
	30/06/2006	31/12/2005	30/06/2006	31/12/2005
Net (liabilities) asset value per ordinary share based on issued share capital at the end of the quarter	\$(0.16)	\$(0.15)	\$0.11	\$0.10

- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

## **Turnover**

The Group's turnover for Q2 2006 of \$101.6 million showed an increase of \$3.6 million (3.7%) compared to \$98.0 million for Q2 2005. However, the Group's turnover for H1 2006 decreased by 2.5% to \$198.9 million from \$203.9 million for H1 2005. The decrease in the Group's turnover was mainly due to the absence of turnover from property sales in 2006 as all remaining units in the Holt Road development in Singapore were fully sold in the first quarter of 2005. Turnover from these property sales in Q1 2005 amounted to \$18.1 million.

Turnover of the Group's insurance operations under Pacific Century Insurance Holdings Limited ("PCIH") for Q2 2006 was \$101.0 million compared to \$94.3 million for Q2 2005. The turnover for H1 2006 was \$197.4 million compared to \$182.4 million for H1 2005. Annualised first year premiums from the life insurance business increased 28.7% to \$33.4 million, while business in new investment contracts increased 141.7% to \$29.5 million. PCIH's single and first year premium increased 29.9% to \$33.4 million, with renewal premiums increasing 6.2% to \$161.3 million. Total premiums increased 9.6% to \$194.5 million.

## **Profit from operating activities**

Group profit from operating activities in Q2 2006 was \$19.7 million, reflecting a 19.3% increase from \$16.5 million for Q2 2005. The increase in profit from operating activities for the quarter was mainly due to lower operating and administrative expenses of \$79.1 million for Q2 2006 compared to \$82.0 million for Q2 2005.

The significant increase in net investment and other income in H1 2006 from \$44.6 million in H1 2005 to \$85.0 million in H1 2006 was primarily due an increase in investment gains and interest income from the Group's insurance business, which increased 170.4% to \$83.7 million and a decrease in foreign exchange losses.

Foreign exchange losses in H1 2006 were \$1.3 million compared to \$21.1 million in H1 2005. The significant reduction in foreign exchange losses is the result of the change in functional currency from Singapore dollars to Hong Kong dollars made at the beginning of Q4 2005.

## **Profit (loss) before taxation**

The Group recorded a profit from continuing operations before taxation of \$6.6 million in Q2 2006 compared to \$9.1 million for Q2 2005.

Profit from continuing operations before taxation for H1 2006 was \$16.1 million as compared to a loss of \$34.7 million. This was mainly due to the reasons explained above as well as a decrease in net finance costs for H1 2006. Net finance costs for H1 2005 were much higher due to the one-time premium paid on the redemption of certain bonds in Q1 2005 amounting to approximately \$33.1 million.

## **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 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**

For the Group's insurance business, the demand for insurance products in Hong Kong is expected to continue to grow as the aging population in Hong Kong creates to further demand for retirement and pension products.

On 27 January 2006, the Company announced that it had entered into an implementation agreement (the "Implementation Agreement") with TPG Century Ltd ("TPG Century") and Newbridge Century Ltd ("Newbridge Century") to effect the acquisition by TPG Century and Newbridge Century through a scheme of arrangement (the "Scheme") under Section 210 of the Companies Act, Chapter 50 of Singapore of all the issued shares held by the shareholders of the Company ("Shareholders"), other than those held by Pacific Century International Limited ("PCIL"), Borsington Limited ("Borsington"), Pacific Century Group (Cayman Islands) Limited ("PCG (Cayman Islands)") and Anglang Investments Limited ("Anglang").

The Company announced on 15 June 2006 that the board of directors of the Company had on a confidential basis been given a preliminary indication of certain matters relating to the Group which may be relevant to Shareholders for their consideration of the Scheme, the Board considered that it was not appropriate for Shareholders (other than PCIL, Borsington, PCG Cayman Islands and Anglang) (the "Scheme Shareholders") to vote on the Scheme until such matters had been clarified, and the Company obtained an order from the High Court of the Republic of Singapore (the "Court") to postpone the meeting convened by the order of Court dated 25 June 2006 to consider the Scheme (the "Court Meeting") to such later date as may be announced by the Company.

On 20 June 2006 and 22 June 2006, the Company announced that PCCW had received separate non-binding expressions of interests from two independent third parties, Macquarie Bank Limited and TPG Newbridge, in relation to a possible acquisition of substantially all the telecommunications and media related assets of PCCW. On 10 July 2006, the Company announced the proposed sale (the "Sale") of its 22.7% interest in PCCW to Mr Francis Leung and Fiorlatte Limited (the "Purchaser"). On 25 July 2006, the board of directors of PCCW announced that it had determined not to pursue either non-binding expression of interest from Macquarie Bank and TPG Newbridge any further.

The Company is currently taking steps to re-convene the Court Meeting, which will entail the preparation and despatch of a supplement to the Scheme Document dated 30 May 2006 (the "Supplemental Scheme Document"). The Supplemental Scheme Document will include the updated advice from CIMB-GK Securities Pte. Ltd., the independent financial adviser (the "IFA") to the independent Directors of the Company for the purposes of the Scheme (the "Independent Directors") and the updated recommendation of the Independent Directors in connection with the Scheme. The Company will despatch the Supplemental Scheme Document and give notice of the Court Meeting to Shareholders, once Singapore Exchange Securities Trading Limited's clearance for the Supplemental Scheme Document is received.

The Sale is subject to and conditional upon, among other things, the Scheme lapsing or being withdrawn, and/or the Implementation Agreement being terminated in accordance with its terms, and the approval of Shareholders at an extraordinary general meeting ("EGM") of the Company. The EGM to consider the Sale will only be held after the Court Meeting. In the event that the Scheme is not approved by the Scheme Shareholders at the Court Meeting to be held, Shareholders approve the Sale at the EGM to be held, and all other conditions to the Sale are satisfied, the Sale would result in the recording of a significant gain in the Group's results.

**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**

**Par value of shares**

**Tax Rate**

**(c) Date payable**

N.A.

**(d) Books closure date**

N.A.

**12 If no dividend has been declared/recommended, a statement to that effect**

N.A.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**  
**(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

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

N.A.

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

N.A.

- 15 A breakdown of sales**

N.A.

- 16 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year**

N.A.

BY ORDER OF THE BOARD

Lim Beng Jin  
Company Secretary  
14/08/2006