

**Issuer:** Pacific Century Regional Developments Limited

**Security:** Pacific Century Regional Developments Limited

**Meeting details:**

Date: 31 March 2017

Time: 10:00H

Venue: Raffles Town Club, Dunearn 3, Level 1, 1 Plymouth Avenue, Singapore 297753

**Company Description**

Pacific Century Regional Developments Limited, an investment holding company, provides business management and consultancy services primarily in Singapore and Hong Kong. It holds interest in telecommunications, media, IT solutions, logistics, and property development and investment businesses in the Asia-Pacific region. The company was formerly known as Seapower Asia Investments Limited and changed its name to Pacific Century Regional Developments Limited in November 1994. The company was incorporated in 1963 and is based in Singapore. Pacific Century Regional Developments Limited is a subsidiary of Pacific Century Group (Cayman Islands) Limited.

(Source: [http://www.sgx.com/wps/portal/sgxweb/home/company\\_disclosure/stockfacts?code=P15](http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=P15))

**Q1.** In Note 25 (Financial Risk Management – (d) Capital Risk) – page 66 of the annual report), it was disclosed that the group “may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.”

- (i) Could the board elaborate further on their approach to managing the group’s capital?**
- (ii) What is the targeted optimal capital structure?**
- (iii) In view of the group’s healthy level of net debt to total capital ratio (5.4%), and the high level of dividends received from the group’s investments in Hong Kong-listed PCCW Limited (PCCW) and in HKT Trust and HKT Limited (“HKT”) of \$38.5 million in 2016, would the board consider a dividend policy as well?**

**Q2.** In the Notice of the 53<sup>rd</sup> Annual General Meeting, Resolution 7, the proposed renewal of the share purchase mandate, seeks shareholders’ approval to authorise the directors of the companies to purchase up to 10% of the total number of issued shares.

As noted in the “Letter to Shareholders” dated 9 March 2017, *“in order to preserve the listing status of the Shares on the SGX-ST by maintaining a public float of not less than 10% in the issued Shares (excluding treasury shares), the Company would not purchase or acquire more than 3,974,610 Shares (or 0.15% of the issued Shares (excluding treasury shares) as at that date) pursuant to the Share Purchase Mandate as at the Latest Practicable Date.”*

Over the years, the issued and fully paid-up shares have decreased from 3,096,269,100 ordinary shares in March 2013, to just 2,649,740,300 ordinary shares as at 10 February 2017. The percentage of shares held by public has also decreased from 23.1% to 10.15% over the same period.

- (i) Given that the percentage of shares held by public is just above the 10% limit, shareholders would like to request the company provide further elaboration on the rationale for the share purchase mandate.**
- (ii) Notwithstanding that the company would like the “flexibility to prospectively cater to any future increase in the number of issued Shares held in public hands”, can the board consider seeking shareholders’ approval for the share purchase mandate only after the percentage of shares held by public is greater than 20%?**
- (iii) If not, can resolution 7 be worded such that the maximum limit is *not more than 0.15%* of the of the total number of issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares as at that date)?**

**Q3.** Guideline 16.3 of the Code of Corporate Governance 2012 states that:

*All directors should attend general meetings of shareholders. In particular, the Chairman of the Board and the respective Chairman of the AC, NC and RC should be present and available to address shareholders’ queries at these meetings. The external auditors should also be present to address shareholders’ queries about the conduct of audit and the preparation and content of the auditors’ report.*

In the company's "Report on Corporate Governance" (pages 74 to 87 of the annual report), under the section "Communications with Shareholders" (page 86), the company disclosed that the "Chairpersons of the Audit, Nomination and Remuneration Committees are normally present to address questions at general meetings".

**(i) Can shareholder get the company's and the Chairman's affirmation that the Chairman of the Board would "normally (be) present" to address questions at general meetings?**

As disclosed in the profile of the Executive Chairman, Mr. Li is the Chairman and Executive Director of PCCW Limited, Executive Chairman and Executive Director of HKT Limited and HKT Management Limited, the trustee-manager of the HKT Trust and Chairman and an Executive Director of Pacific Century Premium Developments Limited. Mr. Li, as Chairman of PCRD, would be the best person to address shareholders' questions at the AGM.