Securities Investors Association (Singapore)
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Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

Issuer: Pacific Century Regional Developments Limited

Stock code: P15

Meeting details:
Date: 22 April 2022
Time: 10.00 a.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

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Q1. As noted in the message from the executive chairman, the company's most significant asset, Hong Kong-listed PCCW Limited (PCCW), recorded favorable operational results across its core businesses in 2021 as it experienced a gradual recovery. PCCW registered robust performance across its core businesses of telecommunications, media, and IT services.

The executive directors are the chairman of the board, Mr. Richard Li Tzar Kai, and the Group managing director, Mr. Peter A. Allen. Mr. Allen is also executive director and chief financial officer of the Pacific Century Group, non-executive director of HKT Limited and HKT Management Limited, the trustee-manager of the HKT Trust, director of FWD Limited and FWD Group Limited and senior advisor to PCCW Limited.

The company has no operating subsidiary and has the following major investments:

- PCCW Limited (22.7%; associated corporations)
- KSH Distriparks Private Limited ("KSH") (49.9%; associated corporations)
- FWDGRP ZERO Perpetual Corp (USD) (assets held-for-sale; disposed during the year)
- HKT (Financial assets, at FVOCI)

(i) **Can management clarify on the roles and responsibilities of the senior executives, Mr. Richard Li Tzar Kai and Mr. Peter A. Allen, given that the company does not have day-to-day control over its investments?**

(ii) **How much of their time is dedicated to matters of the company?**

(iii) **How much influence does the company have on PCCW given its 22.7% stake?**

(iv) **Can management elaborate further on the disposal of the FWDGRP ZERO Perpetual Corp (USD) even as FWD Group Holdings Limited is gearing up for its initial public offering?**

(v) **Can management (re)state its strategic growth plan?**

Q2. As shown in Note 9 (page 43 – Cash and cash equivalents), cash at bank and on hand for the group and the company was $3.85 million and $1.32 million respectively as at 31 December 2021. The company's current liabilities exceed its current assets by $254 million.

On page 52 (Note 20 – Borrowings), it shows that the company and the group have total borrowings of $193.9 million and $314.5 million respectively.

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The secured revolving loan facilities for the group and the company are denominated in Hong Kong Dollars and United States Dollars. The loans are secured by shares in PCCW and Share Stapled Units in HKT held by the company.

The amounts advanced under the revolving loan facilities were classified as non-current liabilities as the group and the company expect to rollover the facilities for at least 12 months after the balance sheet date, and have the discretion to do so.

The revolving loan facilities are priced at LIBOR or HIBOR, plus a margin ranging from 0.93% to 1.15% per annum (2020: 0.93% to 1.15% per annum).

(i) **Can the board elaborate further on its capital management framework?**

(ii) **Is there a duration mismatch between the group's liabilities and its assets?**

(iii) **What is the board/management's view on interest rates? How would higher interest rates affect the group?**

(iv) **How much more borrowings can the group take on?**

(v) The board has recommended a final dividend of 0.78 cents per share together with a special dividend of 2.7 cents per share for shareholders' approval at the forthcoming Annual General Meeting. If approved, the total dividend for the 2021 financial year would be 7.01 cents per share, including the interim dividend of 2.88 cents per share and a special dividend of 0.65 per share paid in August 2021. **How sustainable are the dividends?**

Q3. The profiles of directors are set out on pages 4 to 5 of this Annual Report. Additional information on directors who are proposed for re-election at the 2022 AGM can be found on pages 78 & 79.

Mr Francis Yuen Tin Fan was first appointed to the board on 15 March 2005. Mr Francis Yuen Tin Fan is the deputy chairman, the lead independent director, the chairman of the remuneration committee, a member of the audit committee and a member of the nominating committee.

Mr Francis Yuen Tin Fan joined the Pacific Century Group in 1996. Mr. Yuen was the chairman of PCRD in 1993 and 1994 when it was known as Seapower Asia Investments Limited and deputy chairman of PCRD from 1997 to 2002. He was a member of the executive committee of PCRD until July 2011. Mr. Yuen was re-designated as independent non-executive deputy chairman on 12 February 2015.

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(i) **Did the nominating committee review and deliberate on the independence and the perceived independence of Mr. Francis Yuen Tin Fan?**

In addition, as the deputy chairman and the lead independent director of the board, Mr Francis Yuen Tin Fan has been on the board for over 17 years since his first appointment in March 2005.

(ii) **Would Mr. Francis Yuen Tin Fan be holding himself to higher governance standards and lead by example, especially in setting the tone with regard to the tenure of independent directors?**

In addition, as disclosed in the Notice of meeting for the AGM (dated 1 April 2021), the authority conferred by the passing of resolutions 10 and 11 on the continued appointment of Mr. Francis Yuen Tin Fan as independent director of the company for the purposes of Rule 210(5)(d)(iii) (A) and (B) of the Listing Manual of the SGX-ST will continue in force until the retirement or resignation of Mr. Francis Yuen Tin Fan as a director.

Mr. Francis Yuen Tin Fan will be retiring by rotation pursuant to article 99 of the constitution of the company at the AGM on 22 April 2022.

(iii) **Given that no new two-tier vote is sought for Mr. Francis Yuen Tin at the AGM to be held on 18 April 2022, if re-elected, would the director be deemed non-independent?**

On 30 November 2021, Mr Tan Boon Gin, chief executive of Singapore Exchange Regulation, gave guidance that companies are expected to use the two-tier rule sparingly to promote renewal and succession planning[1].

(iv) **Can the NC provide shareholders with greater clarity on the near-term plans to facilitate the progressive renewal of the board in view of the guidance from SGX RegCo?**

[The following question was posted to the company following the review of the 2016 and 2018 annual reports. As the company did not respond nor clarified its position on the matter, the question is updated and re-sent to the company.]

Q4. The attendance of the directors at board, board committee and shareholder meetings is shown in the table below.

It does not appear that the executive chairman has attended the company's AGM.

[1] https://www.businesstimes.com.sg/companies-markets/answer-my-question-before-i-vote-sgx-regco-sets-new-timelines-for-companies-to

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(i) **What are the extenuating circumstances that led the chairman and the deputy chairman to be absent from the AGM?**

(ii) **What is the attendance rate of the executive chairman at the company's AGMs in the past 10 years?**

In the corporate governance report, the company has stated that the chairpersons of the audit, nominating and remuneration committees are normally present to address questions at general meetings, except where business commitments do not permit.

(iii) **Would the executive chairman be committing himself to attend the AGMs?**

Name	Board		Audit		Nominating		Remuneration		AGM
	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Attended
Richard Li Tzar Kai	2	2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	–
Francis Yuen Tin Fan	2	2	3	3	1	-	1	1	–
Peter A. Allen	2	2	3	3*	1	1*	1	1*	1
Frances Wong Waikwun	2	2	3	3	1	1	n.a.	n.a.	1
Laura Deal Lacey	2	2	n.a	n.a.	1	1	1	1	1
W. Michael Verge	2	2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1
Christopher John Fossick	2	2	3	3	1	1	n.a.	n.a.	1
Yeo Wee Kiong	2	2	3	3	n.a.	n.a.	1	1	1

* By invitation
n.a. Not applicable

^On 1 October 2020, the Accounting and Corporate Regulatory Authority ("ACRA"), the Monetary Authority of Singapore ("MAS") and Singapore Exchange Regulation ("SGX RegCo") published an updated checklist to guide listed entities on the conduct of general meetings arising from the latest updates from the Multi-Ministry Taskforce.

Issuers may continue to conduct their general meetings held on or before 30 June 2021 via electronic means, and are encouraged to do so. On 9 April 2021, it was announced that the alternate arrangements for meetings ("Meetings Order") would be extend beyond 30 June 2021 until it is revoked or amended by the Ministry of Law. Accordingly, until such time, issuers may continue to utilise the Checklist issued by ACRA, MAS and SGX RegCo to guide entities on the conduct of their general meetings.

^ Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation (https://www.sgx.com/media-centre/20201001-guidance-conduct-general-meetings-amid-evolving-covid-19-situation)

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Issuers who, after due consideration of public health and other risks, wish to provide for physical attendance at their general meetings must ensure that they implement all relevant measures to comply with the safe management measures imposed by the Singapore Government.

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on SIAS website

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