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Pacific Century
Premium Developments
盈科大衍地產發展

PACIFIC CENTURY PREMIUM DEVELOPMENTS LIMITED

盈科大衍地產發展有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00432)

**CONTINUING CONNECTED TRANSACTIONS
AGREEMENT FOR LEASE OF PREMISES AND
SIGNAGE RIGHT**

On 21 December 2020, a binding letter of offer was entered into between PT PBI (as landlord), a wholly-owned subsidiary of the Company, and PT FWD (as tenant), a connected person of the Company, in respect of the lease of the Lease Premises and signage right over the Building.

PT FWD is an indirect non-wholly owned subsidiary of FWD which is a majority-controlled company of Mr. Li, an executive director of the Company. Therefore, PT FWD is an associate of Mr. Li and thus a connected person of the Company under Chapter 14A of the Listing Rules. The transactions contemplated under the Lease therefore constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the relevant percentage ratios under the Listing Rules for the Annual Caps exceed 0.1% but are less than 5%, such transactions would be subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Board approval has been obtained for the transactions contemplated under the Lease and Mr. Li has abstained from voting in relation to the Board resolutions approving the Lease and the related transactions contemplated thereunder.

PRINCIPAL TERMS OF THE LEASE

On 21 December 2020, a binding letter of offer was entered into between PT PBI (as landlord), a wholly-owned subsidiary of the Company, and PT FWD (as tenant), a connected person of the Company, in respect of the lease of the Lease Premises and signage right over the Building. The principal terms of the Lease are as follows:

Date:	21 December 2020
Landlord:	PT. Prima Bangun Investama
Tenant:	PT FWD Life Indonesia
Lease Premises:	the whole of 20 th Floor of the Building
Lease Agreement:	A lease of the Lease Premises will be entered into between the Landlord and the Tenant on the terms and conditions set out in the form of lease as reasonably agreed by the parties, provided that the Landlord may make such additions and modifications to the forms and the content of the lease as the Landlord considers it necessary

Term:	From the Lease Commencement Date to 1 July 2022 (both dates inclusive)
Rent and service charges:	Total rent per month – IDR1,214,642,033 (approximately HK\$665,984) Total service charges (including management fee, building maintenance fee, cleaning charges, etc.) for the Lease Premises (exclusive of electricity) – IDR120,000 per square meter per month (approximately HK\$66) during the years of 2020 and 2021, and thereafter are subject to annual review by the Landlord
Security deposit:	The Tenant has paid security deposit of IDR4,518,674,799 (approximately HK\$2,477,575). Such deposit will be refundable to the Tenant without any interest within 30 days after the expiry of the Lease Period
Advance payment:	The Tenant shall pay an advance payment equivalent to the aggregate of three months' rent and service charges of the Lease Premises to the Landlord upon signing of the Lease Agreement
Parking space:	Subject to availability, the Tenant is entitled to a total of 56 car/motorcycle parking spaces at the rates as agreed under the Lease
Signage right:	The Tenant will have the right to install two corporate signages on the roof of the Building and two corporate signages on the Building's podium level subject to the fee payable in the sum of IDR1,083,333,333 per annum (approximately HK\$593,988) (“ Signage Charges ”)

ANNUAL CAPS

The Annual Caps for the transactions contemplated under the Lease for the three financial years ending 31 December 2020, 31 December 2021 and 31 December 2022 for rentals, service charges, parking charges and Signage Charges are set out below:

	Annual Caps		
	31 December 2020	31 December 2021	31 December 2022
<i>(IDR'000,000)</i>	4,560	27,358	13,679
<i>Approx. HK\$</i>	<i>2,500,000</i>	<i>15,000,000</i>	<i>7,500,000</i>

The Annual Caps have been determined by reference to: (i) the latest estimations based on the rental levels (actual and proposed), Signage Charges and service charges according to market rates charged by properties similar to the Building at similar locations; (ii) the potential increase of inflation rates in the forthcoming periods; (iii) projections of the other component amounts for the Lease Period; (iv) a reasonable contingency buffer based on estimations to cover fluctuations in the exchange rate from time to time of Indonesian rupiah to Hong Kong dollars; and (v) other contingency amounts that may arise.

REASONS FOR ENTERING INTO THE LEASE AND VIEWS OF THE DIRECTORS

As the principal business of the PCPD Group is property development and management, the Directors (including the independent non-executive Directors but excluding the Director who abstained from voting) consider that the transactions contemplated under the Lease have been entered into in the usual and ordinary course of business of the PCPD Group. They also consider that the Lease has been negotiated and conducted on an arm's length basis between the parties and is on normal commercial terms.

The Directors (including the independent non-executive Directors but excluding the Director who abstained from voting) are of the view that the Annual Caps and the terms of the Lease and the transactions contemplated thereunder are fair and reasonable and in the interest of the Company and its shareholders as a whole. None of the Directors has any material interest in the Lease, except Mr. Li who has abstained from voting on the Board resolutions approving the Lease and the related transactions contemplated thereunder, as well as the Annual Caps.

REQUIREMENTS UNDER LISTING RULES

PT FWD is an indirect non-wholly owned subsidiary of FWD which is a majority-controlled company of Mr. Li, an executive director of the Company. Therefore, PT FWD is an associate of Mr. Li and thus a connected person of the Company under Chapter 14A of the Listing Rules. The transactions contemplated under the Lease therefore constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the relevant percentage ratios under the Listing Rules for the Annual Caps exceed 0.1% but are less than 5%, such transactions would be subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Board approval has been obtained for the transactions contemplated under the Lease and Mr. Li has abstained from voting in relation to the Board resolutions approving the Lease and the related transactions contemplated thereunder, as well as the Annual Caps.

GENERAL

The PCPD Group is principally engaged in the development and management of premium-grade property and infrastructure projects as well as premium-grade property investments.

FWD Group spans Hong Kong & Macau, Thailand, Indonesia, the Philippines, Singapore, Vietnam, Japan and Malaysia, offering life and medical insurance, general insurance, employee benefits, Shariah and family takaful products across a number of its markets. FWD is focused on creating fresh customer experiences, with easy-to-understand products, supported by digital technology. Through this customer-led approach, FWD aims to become a leading pan-Asian insurer that changes the way people feel about insurance. Established in Asia in 2013, FWD is the insurance business of investment group, Pacific Century Group. For more information please visit WWW.FWD.COM.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Annual Caps”	the annual caps of transactions contemplated under the Lease for the three financial years ending 31 December 2020, 31 December 2021 and 31 December 2022, as disclosed in this announcement
“associate”, “connected person” and “subsidiary”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“Building”	Pacific Century Place situated at Jl. Jenderal Sudirman Kavling. 52-53, SCBD Lot 10, Jakarta 12190, Indonesia
“Company”	Pacific Century Premium Developments Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 00432)

“Director(s)”	director(s) of the Company
“FWD”	FWD Group Limited, a company incorporated in Cayman Islands with limited liability
“FWD Group”	FWD and its subsidiaries and FWD Limited and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“IDR”	Indonesian rupiah, the lawful currency of Indonesia
“Indonesia”	The Republic of Indonesia
“Lease”	the binding letter of offer entered into between PT PBI (as landlord) and PT FWD (as tenant) on 21 December 2020 in connection with the lease of the Lease Premises, together with the right to install corporate signages on the roof and podium level of the Building
“Lease Agreement”	the lease agreement in respect of the Lease to be entered into between PT PBI (as landlord) and PT FWD (as tenant), as set out in the paragraph headed “PRINCIPAL TERMS OF THE LEASE” in this announcement
“Lease Commencement Date”	13 November 2020
“Lease Period”	from the Lease Commencement Date to 1 July 2022 (both dates inclusive)
“Lease Premises”	the whole of 20 th Floor of the Building
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Li”	Mr. Li Tzar Kai, Richard, an executive director of the Company
“PCPD Group”	the Company and its subsidiaries
“percentage ratios”	has the meaning ascribed to it under Chapter 14 of the Listing Rules
“PT FWD” or “Tenant”	PT FWD Life Indonesia, a company incorporated in Indonesia with limited liability and an indirect non-wholly owned subsidiary of FWD
“PT PBI” or “Landlord”	PT. Prima Bangun Investama, a company incorporated in Indonesia with limited liability and a wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board
Pacific Century Premium Developments Limited
Timothy Tsang
General Counsel and Company Secretary

Hong Kong, 21 December 2020

Unless indicated otherwise, in this announcement, translation of amounts in IDR into HK\$ have been made at the rate of HK\$1 = IDR1,823.83 respectively for illustration purpose only. No representation is made that any amount in HK\$ could have been or could be converted at such respective rates or at all.

As at the date of this announcement, the Directors of the Company are as follows:

Executive Directors:

Li Tzar Kai, Richard; Benjamin Lam Yu Yee (Deputy Chairman and Group Managing Director); and Hui Hon Hing, Susanna

Non-Executive Directors:

Lee Chi Hong, Robert (Non-Executive Chairman); and Dr Allan Zeman, GBM, GBS, JP

Independent Non-Executive Directors:

Prof Wong Yue Chim, Richard, SBS, JP; Chiang Yun; and Dr Vince Feng

** For identification only*