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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)

PROFIT WARNING

This announcement is made by Pacific Century Premium Developments Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders and potential investors of the Company that, based on the preliminary assessment of the recent unaudited consolidated management accounts of the Group and the information currently available to the Board, the Group’s annual results for the year ended 31 December 2020 is expected to record a significant increase of over 150% in the consolidated loss attributable to equity holders of the Company as compared to the corresponding period in 2019 (2019: HK\$ 295 million).

The expected increase in the consolidated loss attributable to equity holders of the Company is primarily due to (i) the adverse impact of COVID-19 on the Group’s hotel operations in Niseko, Hokkaido, Japan; and (ii) the related impairment loss of the Group’s hotel property in Niseko, Hokkaido, Japan.

The Group’s hotel operations in Japan mainly consist of the Group’s Park Hyatt Niseko, Hanazono which was completed at the end of 2019 and commenced its operations in January 2020.

As disclosed in the Company’s Interim Report 2020, the Group’s hotel operations in Japan have been substantially impacted by the threat of COVID-19 and the resulting travel restrictions. It was further disclosed in the Company’s Interim Report 2020 that the occupancy rate of the Park Hyatt Niseko, Hanazono remained low since late February, and in April, the management team decided to close part of the food and beverage and recreational services to prevent the spread of the virus and save costs.

The COVID-19 pandemic continued to affect the world in the second half of 2020 with various travel restrictions and social distancing measures. Whilst the Park Hyatt Niseko, Hanazono has sought to focus on domestic Japanese market and travellers, the COVID-19 situation in Japan remains unstable with various surges of reported cases. Occupancy remained low during the second half of 2020. As such, it has substantially affected the Group’s hotel operations in Japan.

In this respect and given the uncertainty in the operating environment as a consequence of COVID-19 and the dampened global economic outlook of the hospitality industry which takes time to fully recover, it is expected that the appraised value of the Group’s hotel property in Niseko, Hokkaido, Japan will decrease and a substantial impairment loss, which is non-cash in nature, will be recognised by the Group for the year ended 31 December 2020.

The Board wishes to emphasize that the information contained in this announcement is only a preliminary assessment made by the Group and with reference to the information available to the Board as at the date of this announcement, and has not been reviewed or audited by the auditors of the Company. The actual results of the Group for the year ended 31 December 2020 may differ from the information contained in this announcement. The detailed financial information of the Group will be disclosed in the audited annual results announcement of the Company for the year ended 31 December 2020, which is expected to be published in early February 2021. Shareholders and potential investors are advised to read the audited annual results announcement of the Company when it is published.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 22 January 2021

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*