



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

(1) REVISION OF ANNUAL CAPS FOR THE 2018 LEASE

(2) AGREEMENT FOR LEASE OF THE PREMISES

REVISION OF ANNUAL CAPS FOR THE 2018 LEASE

Reference is made to the 2018 Announcement in relation to, amongst other things, the 2018 Lease 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 2018 Lease Premises. The 2018 Lease is for a term of 3 years and the term commenced in July 2018. The 2018 Lease constituted a continuing connected transaction of the Company subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval under Chapter 14A of the Listing Rules.

As disclosed in the 2018 Announcement, the 2018 Cap was set for the transactions contemplated under the 2018 Lease (including rentals, services charges and parking charges) for each of the three years ending 1 July 2021. As at the date of this announcement, it is expected that the transaction amount under the 2018 Lease for the year ending 1 July 2019 will be within the 2018 Cap.

As a result of an annual review conducted around December 2018, there was an increase in the service charge with effect from 1 January 2019. The review took into account the corresponding market rates charged by properties similar to the Building at similar locations. Due to such increase in the service charge, and in order to align the 2018 Cap to PCPD Group's financial year (from 1 January to 31 December), the Board resolved to revise the 2018 Cap to the 2018 Revised Caps.

LEASE OF THE PREMISES

On 30 May 2019, a lease agreement 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 Premises.

PT FWD is an indirect non-wholly owned subsidiary of FWD which is a majority-controlled company of Mr. Li Tzar Kai, Richard ("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 New Lease therefore constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 and Rule 14A.82 of the Listing Rules, the 2018 Lease and the New Lease shall be aggregated for the purposes of the compliance requirements under the Listing Rules. As the relevant percentage ratios under the Listing Rules for the Aggregated Caps exceed 0.1% but are less than 5%, such transactions would be subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Board approval has been obtained for the 2018 Revised Caps and the transactions contemplated under the New Lease and Mr. Li has abstained from voting in relation to the Board resolutions approving the 2018 Revised Caps and the principal terms of the New Lease and the related transactions.

REVISION OF ANNUAL CAPS FOR THE 2018 LEASE

Reference is made to the 2018 Announcement in relation to, amongst other things, the 2018 Lease 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 2018 Lease Premises.

As disclosed in the 2018 Announcement, the 2018 Cap was set for the transactions contemplated under the 2018 Lease (including rentals, services charges and parking charges) for each of the three years ending 1 July 2021. The 2018 Cap was determined by reference to the estimated amounts of rentals and other charges (including car/motorcycle parking charges for each year) plus a contingency margin for each of the three years from the commencement date of the 2018 Lease. The rentals and the other charges applicable were set by reference to the rates then available in the market. As at the date of this announcement, it is expected that the transaction amount under the 2018 Lease for the year ending 1 July 2019 will be within the 2018 Cap.

As a result of an annual review conducted around December 2018, there was an increase in the service charge with effect from 1 January 2019. The review took into account the corresponding market rates charged by properties similar to the Building at similar locations. Due to such increase in the service charge, and in order to align the 2018 Cap to PCPD Group's financial year (from 1 January to 31 December), the 2018 Cap is revised from IDR4,700,000,000 (approximately HK\$2,549,000 at the then exchange rate) to the following 2018 Revised Caps:

Financial year ending	31 December 2019	31 December 2020	31 December 2021
2018 Revised Caps	IDR5,300,000,000 (approximately HK\$2,882,000)	IDR5,300,000,000 (approximately HK\$2,882,000)	IDR2,650,000,000 (approximately HK\$1,441,000)

The 2018 Revised Caps have been determined by reference to: (i) the latest estimations based on the actual rental and revised service charges adjusted 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 rest of the lease term; (iv) an estimated contingency buffer based on estimations to cover fluctuations in the exchange rate of Indonesian Rupiah to Hong Kong dollars; and (v) other contingency amounts that may arise.

Save for the revision of the service charge under the 2018 Lease, all other terms and conditions thereunder remain the same.

PRINCIPAL TERMS OF THE NEW LEASE

On 30 May 2019, a lease agreement 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 Premises. The principal terms of the New Lease are as follows:

Date:	30 May 2019
Landlord:	PT. Prima Bangun Investama
Tenant:	PT FWD Life Indonesia
Premises:	the west portion of 39 th Floor of the Building
Lease Commencement Date:	8 April 2019
Term:	from the Lease Commencement Date to 1 July 2021 (both dates inclusive)

Rental and service charges:	Total rent per month – IDR327,996,000 (approximately HK\$178,342)
	Total service charges (including management fee, building maintenance fee, cleaning charges, etc.) for the Premises (exclusive of electricity) – IDR120,000 per square meter per month (approximately HK\$65.25) subject to annual review by the Landlord
Parking space:	Subject to availability, a total of 9 car/motorcycle parking spaces will be provided.

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 New Lease therefore constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 and Rule 14A.82 of the Listing Rules, the 2018 Lease and the New Lease shall be aggregated for the purposes of the compliance requirements under the Listing Rules.

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

Board approval has been obtained for the 2018 Revised Caps and the transactions contemplated under the New Lease and Mr. Li has abstained from voting in relation to the Board resolutions approving the 2018 Revised Caps and the principal terms of the New Lease and the related transactions.

AGGREGATED ANNUAL CAPS

The annual caps for the transactions contemplated under the New Lease and the 2018 Revised Caps for the three financial years ending 31 December 2021 are as follows:

	Annual Caps		
	31 December 2019	31 December 2020	31 December 2021
2018 Lease			
<i>(IDR'000,000)</i>	5,300	5,300	2,650
<i>Approx. HK\$</i>	2,882,000	2,882,000	1,441,000
New Lease			
<i>(IDR'000,000)</i>	3,975	5,300	2,650
<i>Approx. HK\$</i>	2,162,000	2,882,000	1,441,000
Aggregated Caps			
<i>(IDR'000,000)</i>	9,275	10,600	5,300
<i>Approx. HK\$</i>	5,044,000	5,764,000	2,882,000

The annual caps for the Aggregated Caps have been determined by reference to: (i) the latest estimations based on the rental levels (actual and proposed) and revised service charges adjusted 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 term; (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 NEW 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) consider that the transactions contemplated under the New Lease have been entered into in the usual and ordinary course of business of the PCPD Group. They also consider that the New 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) are of the view that the Aggregated Caps and the terms of the New Lease are fair and reasonable and in the interest of the Company and its shareholders as a whole. None of the Directors has a material interest in the New Lease, except Mr. Li who has abstained from voting on the Board resolutions approving the New Lease.

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, and Japan, offering life and medical insurance, general insurance and employee benefits 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:

“2018 Announcement”	the Company’s announcement dated 23 July 2018 with respect to the 2018 Lease
“2018 Cap”	the previously anticipated aggregate annual value of the transactions contemplated under the 2018 Lease for each of the three years ending 1 July 2019, 1 July 2020 and 1 July 2021, as disclosed in the 2018 Announcement
“2018 Lease”	the lease agreement entered into on 23 July 2018 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 terms of the lease of the 2018 Lease Premises as disclosed in the 2018 Announcement
“2018 Lease Premises”	the portion of 39 th Floor of the Building that lies on the East side of the floor
“2018 Revised Caps”	the revised anticipated aggregate annual value of the transactions contemplated under the 2018 Lease for the three financial years ending 31 December 2019, 31 December 2020 and 31 December 2021, as disclosed in this announcement
“Aggregated Caps”	the aggregate value of the 2018 Revised Caps and the transactions contemplated under the New Lease for the three financial years ending 31 December 2019, 31 December 2020 and 31 December 2021, as disclosed in this announcement
“associate”, “connected person”	has the meaning ascribed to it in 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 (“FWD Group Company” means any company within the FWD Group and “FWD Group Companies” shall be construed accordingly)
“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 Commencement Date”	8 April 2019
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Lease”	the lease agreement entered into between PT PBI as landlord and PT FWD as tenant on 30 May 2019 in connection with the leasing of the Premises by PT FWD
“PCPD Group”	the Company and its subsidiaries (“PCPD Group Company” means any company of the PCPD Group)
“percentage ratios”	has the meaning ascribed to it in Chapter 14 of the Listing Rules
“ Premises”	the portion of 39 th Floor of the Building that lies on the West side of the floor
“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
Company Secretary

Hong Kong, 30 May 2019

Unless indicated otherwise, in this announcement, translation of amounts in IDR into HK\$ have been made at the rate of HK\$1 = IDR1,839.14 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.

The Directors of the Company as at the date of this announcement are:

Executive Directors:

Li Tzar Kai, Richard; Lam Yu Yee (Deputy Chairman and Group Managing Director); James Chan; 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*