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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)

DISCLOSEABLE TRANSACTION

**CONSTRUCTION OF NEW SKI CENTRE
IN NISEKO, HOKKAIDO, JAPAN**

The Board is pleased to announce that on 5 November 2018, NHR (an indirect wholly-owned subsidiary of the Company) and the Contractor entered into the New Ski Centre Contract, under which NHR has engaged the Contractor for the New Ski Centre Construction at the Site in Niseko, Hokkaido, Japan owned by the Group for the New Ski Centre Contract Sum of JPY1,572,600,000 (equivalent to approximately HK\$108,919,849).

As one of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the New Ski Centre Construction is more than 5% but less than 25%, the New Ski Centre Construction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules which is subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

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A summary of the principal terms of the New Ski Centre Contract is as follows.

The New Ski Centre Contract

Date : 5 November 2018

Parties : NHR; and

Fujita Corporation, Sapporo Branch (as the Contractor)

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Contractor and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

Subject Matter : Under the New Ski Centre Contract, NHR has engaged the Contractor to construct the New Ski Centre which will comprise a building (with 1 basement and 2 storeys above ground), to accommodate restaurants, lounge, cafeteria and carparks.

Contract Sum : JPY1,572,600,000 (equivalent to approximately HK\$108,919,849) (excluding consumption tax)

The New Ski Centre Contract Sum will be funded by the Group's internal resources.

The New Ski Centre Contract Sum was determined by way of tender by invitation.

Expected Date of Completion : 31 October 2019

Payment Terms : NHR will pay the New Ski Centre Contract Sum to the Contractor in the following manner:

- (i) 20% upon the execution of the New Ski Centre Contract, subject to the submission of a bank guarantee with equivalent amount by the Contractor;
- (ii) 25% upon completion of steel frame works;
- (iii) 50% upon completion of the New Ski Centre Construction; and
- (iv) the remaining 5% of the New Ski Centre Contract Sum, as retention monies, shall be released to the Contractor upon expiry of the Defect Liability Period. However, upon completion of the New Ski Centre Construction, if the Contractor submits a bank guarantee with the amount equivalent to the total amount of the retention monies, the retention monies shall be released to the Contractor.

Periods of delay & damages per calendar day :

- 1st to 30th calendar day: damages calculated at the annual rate of 10% of the New Ski Centre Contract Sum
- 31st to 45th calendar day: JPY1,000,000 (equivalent to approximately HK\$69,261)

- 46th to 56th calendar day: JPY2,200,000 (equivalent to approximately HK\$152,374)
- 57th calendar day until completion: JPY3,000,000 (equivalent to approximately HK\$207,783)

Defect Liability Period : 2 years after completion of construction works

REASONS FOR AND BENEFITS OF THE NEW SKI CENTRE CONSTRUCTION

Strategy and Benefits for the construction of the New Ski Centre

In order to cope with the overall development in Niseko Hanazono, the Company is contemplating to re-plan the existing facilities in Niseko Hanazono. The existing Hanazono 308 building will be repurposed to become a new snow-sports school, which will be an expanded and improved version of the existing operation and will contain ski-rental, retail and child-minding facilities, the existing restaurant function and facilities will be relocated. As such, it is required to have a new operation building to house the restaurant facilities in order to cater for skiers' demand for food and beverages and to provide leisure and resting areas. Moreover, the new building can provide storage spaces (in the basement) and staff facilities to cater for the expanded operational needs in Niseko Hanazono.

The New Ski Centre has been carefully planned, in particular its location and required facilities. Major provisions include restaurant, skier cafeteria, a pub-style space, and an area for operations at the basement level to incorporate staff facilities like lockers, changing area and resting area.

The key benefits of having the New Ski Centre are as follows. First, the New Ski Centre is located adjacent to the Mountain Plaza of Niseko Hanazono and it provides a vantage point for mountain skiers to go and enjoy the excellent views across the lake nearby. Second, it is located close to ski-lifts and ski-trails, which will generate a vast amount of day-skier traffic – with the New Ski Centre in place, skiers will not need to travel to farther places to find restaurants. Third, it preserves the Park Hyatt Niseko, Hanazono precinct by segregating mountain skiers from those tourists who make special visits to Park Hyatt Niseko, Hanazono. Fourth, in summer, the New Ski Centre serves as a central gathering area for visitors who come to enjoy the summer activities in Niseko Hanazono, and for all seasons, it provides areas and facilities for relaxation and enjoyment of casual food and beverages.

The Directors consider that the terms of the New Ski Centre Contract are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the New Ski Centre Construction is more than 5% but less than 25%, the New Ski Centre Construction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules which is subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

GENERAL INFORMATION

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

NHR is principally engaged in ski and golf resort operation in Japan, property management and all-season holiday solution for guests, including ski-lifting, snow-sports and guiding schools, and golf and white water rafting activities.

The Contractor is principally engaged in contracting, planning, design, supervision, and consulting services for construction projects.

DEFINITIONS

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

“Board”	the board of Directors (as constituted from time to time)
“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)
“Contractor”	Fujita Corporation, Sapporo Branch
“Defect Liability Period”	2 years after the completion of the New Ski Centre Construction
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries from time to time
“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
“JPY”	Japanese yen, the lawful currency of Japan
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“New Ski Centre”	a building (with 1 basement and 2 storeys above ground), which includes restaurants, lounge, cafeteria and carparks
“New Ski Centre Construction”	the transaction for construction of the New Ski Centre at the Site by the Contractor for NHR pursuant to the New Ski Centre Contract
“New Ski Centre Contract”	a contract dated 5 November 2018 and entered into between NHR and the Contractor relating to the New Ski Centre Construction
“New Ski Centre Contract Sum”	JPY1,572,600,000 (equivalent to approximately HK\$108,919,849), excluding consumption tax, being the contract sum payable by NHR to the Contractor in respect of the New Ski Centre Construction pursuant to the New Ski Centre Contract
“NHR”	Nihon Harmony Resorts KK, a company incorporated in Japan with limited liability, and an indirect wholly-owned subsidiary of the Company
“Share(s)”	the ordinary share(s) of HK\$0.50 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Shares from time to time
“Site”	328-36 Aza Iwaobetsu, Kutchan-Cho, Abutagun, Hokkaido Niseko
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board of
Pacific Century Premium Developments Limited
Timothy Tsang
Company Secretary

Hong Kong, 5 November 2018

Unless indicated otherwise, in this announcement, translation of amounts in JPY into HK\$ have been made at the rate of HK\$0.069261 = JPY1 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 (Chairman); Lee Chi Hong, Robert (Deputy Chairman and Chief Executive Officer); James Chan; and Hui Hon Hing, Susanna

Non-Executive Director:

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*