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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 TRANSACTIONS

**CONSTRUCTION OF SKILIFT AND
NIGHT LIGHTING SYSTEM
IN NISEKO, HOKKAIDO, JAPAN**

The Board is pleased to announce that on 14 August 2018, NHR (an indirect wholly-owned subsidiary of the Company) and the Contractor entered into (i) the Skilift Contract, under which NHR has engaged the Contractor for the Skilift Construction at the Site in Niseko, Hokkaido, Japan owned by the Group for the Skilift Contract Sum of JPY2,900,968,422 (equivalent to approximately HK\$206,218,241); and (ii) the Night Lighting Contract, under which NHR has engaged the Contractor for the Night Lighting Construction at the Site for the Night Lighting Contract Sum of JPY60,000,000 (equivalent to approximately HK\$4,265,160).

As the Skilift Contract and the Night Lighting Contract are entered into by the Group with the same party within a 12-month period and in respect of design and construction of ski facilities at the Site, the transactions contemplated under the Skilift Contract and the Night Lighting Contract are aggregated and treated as if they were one transaction pursuant to Rule 14.22 of the Listing Rules.

As one of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Skilift Construction and Night Lighting Construction as aggregated is more than 5% but less than 25%, the Skilift Construction and Night Lighting Construction constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules which are subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

The Board is pleased to announce that on 14 August 2018, NHR (an indirect wholly-owned subsidiary of the Company) and the Contractor entered into (i) the Skilift Contract, under which NHR has engaged the Contractor for the Skilift Construction at the Site in Niseko, Hokkaido, Japan owned by the Group; and (ii) the Night Lighting Contract, under which NHR has engaged the Contractor for the Night Lighting Construction at the Site.

A summary of the principal terms of the Skilift Contract and the Night Lighting Contract are as follows:

The Skilift Contract

Date : 14 August 2018

Parties : NHR; and

JFE Plant Engineering Co., Ltd. (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 Skilift Contract, NHR has engaged the Contractor to design, construct, install, supervise and maintain a 10-seat cabin gondola lift, and to demolish an old skilift and replace it with a newly constructed 6-pax skilift, both with specified Poma lift products. Existing electrical facilities will be augmented to facilitate the operation of the new skilifts.

Contract Sum : JPY2,900,968,422 (equivalent to approximately HK\$206,218,241) (excluding consumption tax)

The Skilift Contract Sum will be funded by the Group's internal resources.

The Skilift Contract Sum was determined initially by way of tender conducted by NHR and subsequently by arm's length negotiations between NHR and the Contractor with reference to market price of skilifts of similar scale and specifications.

Expected Date of Completion of the Works : The Skilift Construction is expected to be completed in or around November 2019.

Payment Terms : NHR will pay the Skilift Contract Sum to the Contractor in the following manner:

- (i) 30% of the Skilift Contract Sum to be paid within 30 days after execution of the Skilift Contract;
- (ii) 40% of the Skilift Contract Sum to be paid upon delivery of machinery and equipment and completion of foundation works; and

- (iii) The remaining 30% of the Skilift Contract Sum to be paid upon completion of the Skilift Construction. The final payment shall be subject to 5% retention to be withheld by NHR. Such retention money shall be released to the Contractor upon expiry of the Defect Liability Period. Subject to the submission of a bank guarantee with the amount equivalent to the retention monies by the Contractor, the retention monies shall be released to the Contractor after the completion of Skilift Construction.

Liquidated Damages on Delay : JPY6,000,000 (equivalent to approximately HK\$426,516) per calendar day from 1 to 20 December 2019; and JPY9,000,000 (equivalent to approximately HK\$639,774) per calendar day from 21 December 2019 until completion of the Skilift Construction. The maximum amount of liquidated damages shall be 10% of the Skilift Contract Sum.

The Night Lighting Contract

Date : 14 August 2018

Parties : NHR; and
JFE Plant Engineering Co., Ltd. (as the Contractor)

Subject Matter : Under the Night Lighting Contract, NHR has engaged the Contractor to design, construct, install, supervise and maintain a night lighting system on the beginner slope of the gondola lift to enable night skiing at the Site.

Contract Sum : JPY60,000,000 (equivalent to approximately HK\$4,265,160) (excluding consumption tax)

The Night Lighting Contract Sum will be funded by the Group's internal resources.

The Night Lighting Contract Sum was determined initially by way of tender conducted by NHR and subsequently by arm's length negotiations between NHR and the Contractor with reference to market price of night lighting systems of similar scale and specifications.

Expected Date of Completion of the Works : The Night Lighting Construction is expected to be completed in or around November 2019.

Payment Terms : NHR will pay the Night Lighting Contract Sum to the Contractor in the following manner:

- (i) 30% of the Night Lighting Contract Sum to be paid within 30 days after execution of the Night Lighting Contract;
- (ii) 40% of the Night Lighting Contract Sum to be paid upon completion of all foundation works for the Night Lighting Construction; and
- (iii) The remaining 30% of the Night Lighting Contract Sum to be paid upon completion of the Night Lighting Construction. The final payment shall be subject to 5% retention to be withheld by NHR. Such retention money shall be released to the Contractor upon expiry of the Defect Liability Period. Subject to the submission of a bank guarantee with the amount equivalent to the retention monies by the Contractor, the retention monies shall be released to the Contractor after the completion of Night Lighting Construction.

Liquidated Damages on Delay : JPY6,000,000 (equivalent to approximately HK\$426,516) per calendar day from 1 to 20 December 2019; and JPY9,000,000 (equivalent to approximately HK\$639,774) per calendar day from 21 December 2019 until completion of the Night Lighting Construction. The maximum amount of liquidated damages shall be 10% of the Night Lighting Contract Sum.

REASONS FOR AND BENEFITS OF THE SKILIFT CONSTRUCTION AND NIGHT LIGHTING CONSTRUCTION

Enhance efficiency

The new 6-seat detachable chairlift will be equipped with premium heated leather seating, hoods and wifi. The chairlift is 1,598 meters long and will provide additional uphill capacity from the Hanazono base area, transporting up to 3,085 passengers per hour compared to 2,400 passengers previously. It offers the highest uphill capacity currently available in Japan and will ensure that queuing time is kept to a minimum. The lift is of high enough capacity to be able to cater for increased customer volumes as the development of Hanazono continues apace.

The lift is also capable of being converted to gondola use in summer. This will enable uphill transportation of passengers for summer activities such as zip-lining, Segway tours, hiking and terrace-viewing.

More options and easier access

The new 10-seat gondola lift will feature the latest premium Symphony-10 gondola cabins designed by Pininfarina, each equipped with luxury seating and wifi. Moving at 6 metres per second, the new gondola will take passengers from Hanazono base area to the top station in under 4 minutes. With the installation of a mid-station offload the new gondola will service new beginner terrain options and will operate for night skiing during the winter season.

Solid foundation for the future

Each of the new skilifts will feature the latest Direct Drive technology from Europe, setting new benchmarks in energy efficiency, noise reduction, reliability and modern design. The new skilifts will serve as a foundation for further expansion of the skilift system at Hanazono in the future.

The Board considers that the Skilift Construction and Night Lighting Construction are on normal commercial terms, the terms thereof are fair and reasonable and that such transactions are 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 Skilift Construction and Night Lighting Construction as aggregated is more than 5% but less than 25%, the Skilift Construction and Night Lighting Construction constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules which are 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.

The principal activity of NHR is 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 principal activity of the Contractor is design, development, fabrication, processing, installation, and repair of mechanical and electrical control equipment.

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”	JFE Plant Engineering Co., Ltd., a company incorporated in Japan with limited liability
“Defect Liability Period”	2 years after the completion of the Skilift Construction or of the Night Lighting Construction, as the case may be
“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
“NHR”	Nihon Harmony Resorts KK, a company incorporated in Japan with limited liability, and an indirect wholly-owned subsidiary of the Company
“Night Lighting Construction”	the transaction for design, construction, installation, supervision and maintenance of the night lighting system on the beginner slope of the gondola lift to enable night skiing at the Site by the Contractor for NHR pursuant to the Night Lighting Contract
“Night Lighting Contract”	a contract dated 14 August 2018 and entered into between NHR and the Contractor relating to the Night Lighting Construction
“Night Lighting Contract Sum”	JPY60,000,000, excluding consumption tax, being the contract sum payable by NHR to the Contractor in respect of the Night Lighting Construction pursuant to the Night Lighting Contract
“Share(s)”	ordinary share(s) of HK\$0.50 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of Shares from time to time

“Site”	329 Aza Iwaobetsu, Kutchan-Cho, Hokkaido Niseko Hanazono Ski Resort and others
“Skilift Construction”	the transaction for design, construction, installation, supervision and maintenance of a 10-seat cabin gondola lift, demolition of an old skilift and replacement with a newly constructed 6-pax skilift, both with specified Poma lift products, and the augmentation of existing electrical facilities to facilitate the operation of the new skilifts at the Site by the Contractor for NHR pursuant to the Skilift Contract
“Skilift Contract”	a contract dated 14 August 2018 and entered into between NHR and the Contractor relating to the Skilift Construction
“Skilift Contract Sum”	JPY2,900,968,422, excluding consumption tax, being the contract sum payable by NHR to the Contractor in respect of the Skilift Construction pursuant to the Skilift Contract
“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, 14 August 2018

Unless indicated otherwise, in this announcement, translation of amounts in JPY into HK\$ have been made at the rate of HK\$0.071086 = JPY 1 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 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*