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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)

**CONNECTED TRANSACTIONS AND CONTINUING CONNECTED
TRANSACTIONS**

FORMATION OF JOINT VENTURE

SERVICE AGREEMENTS

**RE-DESIGNATION OF DIRECTOR AND APPOINTMENT OF
INDEPENDENT NON-EXECUTIVE DIRECTOR**

CHANGES IN COMPOSITION OF BOARD COMMITTEES

THE JV AGREEMENT

For the purpose of investment in and development of the Project, Gold Estate (a wholly-owned subsidiary of the Company) and Paradise (a company wholly-owned by Dr. Zeman) entered into the JV Agreement on 16 March 2018 (after trading hours of the Stock Exchange).

THE PROJECT AND THE PROPOSED JV FORMATION

Gold Estate is an investment holding company formed for the purpose of the Proposed JV Formation and is wholly-owned by the Company as at the date of this announcement. Paradise is a company incorporated in the Cayman Islands wholly-owned by Dr. Zeman, and is an investment holding company.

The Project Site is located in Phang Nga Province, Thailand, and comprises certain plots of land with total site area of approximately 349,000 square meters. The Project Site forms part of the larger Phang Nga Site of approximately 1.7 million square meters. The Project Site is currently held by the Thai Land-holding Companies. As part of the Proposed JV Formation, the Land SPAs will be signed in relation to transfer of the Project Site from the Thai Land-holding Companies to Developer Co 1 and Developer Co 2 such that, upon completion of the Land SPAs, Developer Co 1 and Developer Co 2 will hold (separately or together) title to and ownership of the Project Site.

The Proposed JV Formation is for the single purpose of undertaking and implementing the Project, which involves investment in and development of the Project Site for building and developing residential properties for sale and associated infrastructure and facilities.

Immediately following Completion, each of Gold Estate and Paradise will respectively hold 90.01% and 9.99% of the JV Company's issued share capital.

THE SERVICE AGREEMENTS

For the purpose of design, construction management, quantity surveying and layout planning of the Project, upon Completion and on the Completion date, each of the Developer Cos will enter into the Service Agreements with Andaman Property.

Andaman Property is an associate (as defined under the Listing Rules) of Dr. Zeman, and is engaged in the design and development of Andara Resort & Villas and Andara Signature Resort Villas, which is located by the west coast of Phuket, Thailand. Andara Resort & Villas is a boutique hotel offering luxury villas and suites of various sizes in serene surroundings with extensive views of the Andaman Sea.

LISTING RULES IMPLICATIONS

General

Since each of Paradise and Andaman Property constitute associates (as defined under the Listing Rules) of Dr. Zeman, who is an independent non-executive director (and a connected person of the Company), each of Paradise and Andaman Property is a connected person of the Company within the meaning of Rule 14A.06 of the Listing Rules. Accordingly (A) each of the Proposed JV Formation and the transactions contemplated under the Master Layout Planning Agreement constitute connected transactions; and (B) the transactions contemplated under the Development Management Agreements constitute continuing connected transactions, for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of (A) the Proposed JV Formation; and (B) the aggregated annual caps of the transactions contemplated under the Development Management Agreements, exceed 5%, (i) the Proposed JV Formation is subject to the announcement, independent shareholders' approval, circular and annual reporting requirements; and (ii) the transactions contemplated under the Development Management Agreements are subject to the announcement, independent shareholders' approval, circular, annual reporting and annual review requirements, under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the transactions contemplated under the Master Layout Planning Agreement exceed 1% but are less than 5%, such transactions are subject to the announcement and annual reporting requirements under Chapter 14A of the Listing Rules.

Waiver from circular requirements

In respect of the Proposed JV Formation and the Development Management Agreements, the Company has applied for, and the Stock Exchange has granted to the Company, pursuant to Rule 14A.103 of the Listing Rules a waiver from complying with circular requirements (including independent board committee and independent financial adviser requirements under Rules 14A.40 to 14A.45 of the Listing Rules) under Chapter 14A of the Listing Rules. Accordingly, (1) the Proposed JV Formation will only be subject to announcement, independent shareholders' approval and annual reporting requirements; and (2) the Development Management Agreements will only be subject to announcement, independent shareholders' approval, annual reporting and annual review requirements, under Chapter 14A of the Listing Rules. As such, no circular will be despatched to PCPD Shareholders in respect of the JV Formation and the transactions contemplated under the Development Management Agreements.

Written approval

Pursuant to the waiver granted by the Stock Exchange under Rule 14A.37 of the Listing Rules, the general meeting requirement will be waived, and written PCPD Shareholders' approval of the Proposed JV Formation and the transactions contemplated under the Development Management Agreements has been obtained from Asian Motion Limited as holder of more than 50% of the PCPD Shares giving the right to attend and vote at general meetings of the Company. As at the date of this announcement, Asian Motion Limited holds 285,088,666 PCPD Shares, representing approximately 70.83% of the PCPD Shares. Further details of the waivers are set out below in the section headed "Listing Rules Implications" of this announcement.

RE-DESIGNATION OF DIRECTOR AND APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

In light of the Transactions to be entered into between the Group and Dr. Zeman's associates, in the interest of maintaining good corporate governance, Dr. Zeman (i) will be re-designated from an independent non-executive director to a non-executive director of the Company; (ii) will be re-designated from Chairman of the Company's Nomination Committee of the Board to a member of the Nomination Committee; and (iii) will cease to be a member of the Audit Committee of the Board, all with effect from the date of this announcement.

The Board is pleased to announce that Dr. Feng has been appointed as an independent non-executive director of the Company, Chairman of the Company's Nomination Committee of the Board and a member of the Company's Audit Committee of the Board, all with effect from the date of this announcement. Details of the appointment of Dr. Feng as an independent non-executive director are set out in this announcement below.

PCPD Shareholders and potential investors of PCPD should note that the JV Agreement is subject to certain conditions and accordingly the Proposed JV Formation may or may not proceed. PCPD Shareholders and potential investors of PCPD should exercise caution when dealing in the PCPD Shares.

BACKGROUND

The Board is pleased to announce that, on 16 March 2018 (after trading hours of the Stock Exchange), Gold Estate (a wholly-owned subsidiary of the Company) entered into the JV Agreement with Paradise for the Proposed JV Formation. For the purpose of design, construction management, quantity surveying and master layout planning of the Project, upon Completion and on the Completion date, (1) Developer Co 1 and Developer Co 2 will enter into the Development Management Agreements with Andaman Property for design, construction management and quantity surveying of the Project; and (2) Developer Co 3 will enter into the Master Layout Planning Agreement with Andaman Property in relation to the Phang Nga Site.

Immediately following Completion, the total issued share capital of the JV Company will be US\$10,000 (comprising 10,000 shares of US\$1.00 each) and will be held as to 90.01% and 9.99% by Gold Estate and Paradise respectively.

THE JV AGREEMENT

The principal terms of the JV Agreement are summarised below:-

Date	16 March 2018
Parties	(1) Gold Estate; and

(2) Paradise

JV Company

Easy Treasure Limited

Conditions precedent

The obligations of the parties pursuant to the JV Agreement are conditional on:

- (a) compliance by Gold Estate of all applicable requirements under the Listing Rules in relation to the performance and completion of the JV Agreement by Gold Estate, including (if applicable) the obtaining of the approval of the independent shareholders of the Company for the transactions contemplated by the JV Agreement, including:
 - (i) the formation and investment in the JV Company in accordance with the JV Agreement;
 - (ii) the entering into of the Development Management Agreements between Developer Co 1 and Developer Co 2, on the one hand, and Andaman Property; and
 - (iii) the entering into of the Master Layout Planning Agreement between Developer Co 3 and Andaman Property; and
- (b) signing of the Land SPAs in relation to transfer of the Project Site from the Thai Land-holding Companies to Developer Co 1 and Developer Co 2 such that Developer Co 1 and Developer Co 2 will, upon completion of the Land SPAs, hold (separately or together) good and valid title to and ownership of the Project Site.

If the above conditions precedent are not fulfilled (or waived as agreed by Gold Estate and Paradise) within 1 month from the date of the JV Agreement (or such later date as Gold Estate and Paradise may agree) then the provisions of the JV Agreement (save for certain specified provisions) shall terminate and cease to be of effect.

Scope of JV Company business

For investment in and development of the Project

Initial capital contribution

Upon completion of the Proposed JV Formation, the total issued share capital of the JV Company will be US\$10,000 (comprising 10,000 shares of US\$1.00 each) and will be held as to 90.01% and 9.99% by Gold Estate and Paradise respectively.

Upon completion of the Proposed JV Formation, the following shall be procured by the parties to the JV Agreement:

- (a) Gold Estate shall contribute US\$20 million (equivalent to approximately HK\$156 million) as initial capital contribution (the “**PCPD Capital Contribution**”) by transfer of the legal and/or beneficial ownership and all rights over the Project Site from the Thai Land-holding Companies to Developer Co 1 and Developer Co 2 at the historical carrying book value of US\$20 million (equivalent to approximately HK\$156 million), and

- (i) Gold Estate shall subscribe for 9,000 shares at par (together with the 1 share held by Gold Estate as at the JV Agreement date, representing 90.01% of the total issued share capital of the JV Company);
 - (ii) the remaining balance of the PCPD Capital Contribution (after deducting therefrom the total share subscription price in sub-paragraph (i) above) shall constitute the principal amount of a shareholder loan extended by Gold Estate to the JV Company;
- (b) Paradise shall inject US\$2,219,753 (equivalent to approximately HK\$17.3 million) as initial capital contribution (the “**Paradise Capital Contribution**”) in cash as follows:
- (i) Paradise shall subscribe for 999 shares (representing 9.99% of the total issued share capital of the JV Company) at par; and
 - (ii) the remaining balance of the Paradise Capital Contribution (after deducting therefrom the total subscription price in sub-paragraph (i) above) shall constitute the principal amount of a shareholder loan extended by Paradise to the JV Company;
- (c) The delivery of the duly executed Land SPAs by the parties thereto;
- (d) The appointment of directors nominated respectively by Gold Estate and Paradise as directors of the JV Company; and
- (e) The execution of the Service Agreements by the parties thereto.

Further funding

Further funding necessary to meet the working capital needs of the JV Company (A) for the Phase 1A Development and development of the Phase 1 Associated Facilities shall be funded in accordance with such schedule as Gold Estate and Paradise shall agree on or prior to Completion (the **Phase 1A Funding Schedule**); and (B) for the Remaining Phase 1 Development shall be funded as determined by the JV Board from time to time. Such further funding shall be provided (i) by bank finance with recourse limited to the JV Group; and (ii) if bank finance provided under (i) is insufficient to meet funding needs and/or is not economically justifiable (as the JV Board shall determine), the outstanding amount shall be provided by shareholder loans made to the JV Company by Gold Estate and Paradise (1) (for the Phase 1A Development and development of the Phase 1 Associated Facilities) in accordance with the Phase 1A Funding Schedule; and (2) (for the Remaining Phase 1 Development) in proportion to their respective equity ownership in the JV Company.

JV Board

The JV Board shall comprise five directors, and Gold Estate and Paradise shall have the right to appoint four directors and one director respectively.

Resolutions of the JV Board shall be passed by simple majority, and

resolutions on reserved matters specified in the JV Agreement shall require a Paradise appointed director to vote in favour of such resolutions.

Profit sharing Revenue generated from the Project Site (but excluding revenue generated from the Phase 1 Associated Facilities), after deducting therefrom certain costs, expenses, outstanding principal and accrued interest relating to shareholder loans and taxes specified in the JV Agreement, shall be distributed to Gold Estate and Paradise in proportion to their respective equity ownership in the JV Company.

THE SERVICE AGREEMENTS

For the purpose of design, construction management, quantity surveying and master layout planning of the Project, upon Completion and on the date of this announcement:

- (1) Developer Co 1 will enter into the Phase 1A Development Management Agreement with Andaman Property for the design, construction management and quantity surveying of the Phase 1A Development and development of the Phase 1 Associated Facilities (excluding the golf course upgrade);
- (2) Developer Co 2 will enter into the Remaining Phase 1 Development Management Agreement with Andaman Property for the design, construction management and quantity surveying of the Remaining Phase 1 Development and development of the Phase 1 Associated Facilities (excluding the golf course upgrade); and
- (3) Developer Co 3 will enter into the Master Layout Planning Agreement with Andaman Property in relation to the Phang Nga Site.

The principal terms of each agreement are summarised below:

The Phase 1A Development Management Agreement

Date	The Completion date
Parties	(1) Developer Co 1 (and/or any entity(ies) nominated by Developer Co 1); and (2) Andaman Property
Term	Term of 3 years commencing from the Completion date, such term to be renewed subject to (i) written agreement by each party to the agreement; and (ii) the Group's compliance with applicable Listing Rules requirements.
Purpose	Pursuant to the Phase 1A Development Management Agreement, Developer Co 1 will engage Andaman Property as the development manager of the Phase 1A Development and the development of the Phase 1 Associated Facilities (excluding the golf course upgrade), which services shall include construction management, design services relating to architecture, civil, structural and MEP engineering and quantity surveying.
Fees	Andaman Property will be entitled to a base management fee of 11.2% of total construction costs of the Phase 1A Development and

the Phase 1 Associated Facilities (excluding the golf course upgrade). The management fee will be payable by Developer Co 1 according to the stage of development of the Phase 1A Development and the Phase 1 Associated Facilities (excluding the golf course upgrade).

The Remaining Phase 1 Development Management Agreement

Date	The Completion date
Parties	(1) Developer Co 2 (and/or any entity(ies) nominated by Developer Co 2); and (2) Andaman Property
Term	Term of 3 years commencing from the Completion date, such term to be renewed subject to (i) written agreement by each party to the agreement; and (ii) the Group's compliance with applicable Listing Rules requirements.
Purpose	Pursuant to the Remaining Phase 1 Development Management Agreement, Developer Co 2 will engage Andaman Property as the development manager of the Remaining Phase 1 Development and the development of the Phase 1 Associated Facilities (excluding the golf course upgrade), which services shall include construction management, design services relating to architecture, civil, structural and MEP engineering and quantity surveying.
Fees	Andaman Property will be entitled to a base management fee of 7.6% of total construction costs of the Remaining Phase 1 Development and the Phase 1 Associated Facilities (excluding the golf course upgrade). The management fee will be payable by Developer Co 2 according to the stage of development of the Remaining Phase 1 Development and the Phase 1 Associated Facilities (excluding the golf course).

The (A) estimated annual fees payable under each of the Phase 1A Development Management Agreement and the Remaining Phase 1 Development Management Agreement during their respective terms; and (B) estimated aggregate annual fees payable under the Development Management Agreements, is as follows:

	2018 <i>(HK\$)</i>	2019 <i>(HK\$)</i>	2020 <i>(HK\$)</i>
Phase 1A Development Management Agreement	12 million	11 million	1 million
Remaining Phase 1 Development Management Agreement	0	25 million	10 million
Aggregate	12 million	36 million	11 million

The aggregate annual fees payable to Andaman Property under the Development Management Agreements will not exceed the annual cap of HK\$36 million during the term of the agreements.

The annual cap is based on the estimated highest single year fee payable to Andaman Property under the Development Management Agreements, and taking into account (i) milestone payments against the estimated development schedule; and (ii) reasonable buffer.

The Master Layout Planning Agreement

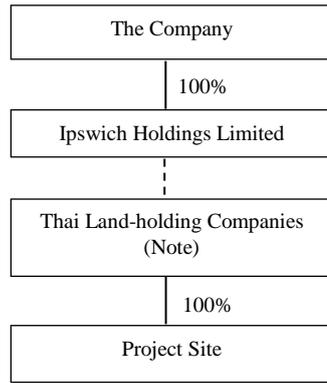
Date	The Completion date
Parties	(1) Developer Co 3; and (2) Andaman Property
Term	Term of 1 year commencing from the Completion date
Purpose	Pursuant to the Master Layout Planning Agreement, Developer Co 3 will engage Andaman Property to provide master layout planning services in relation to the Phang Nga Site (including the Project Site), including overall infrastructure planning, logistics arrangements, phasing of works and continuous study for business models, and submission of the master layout plan to Thai authorities for approval.
Fees	Andaman Property will be entitled to a service fee of approximately US\$590,000 (equivalent to approximately HK\$5 million) payable in stages according to agreed milestones under the agreement. The service fee under the Master Layout Planning Agreement was determined based on the scope of design services to be provided by Andaman Property and the agreed milestones under the agreement, taking into account fees for similar services provided for another residential property development project of the Company with comparable nature and size to the Project.

THE PROJECT AND THE PROPOSED JV FORMATION

The Proposed JV Formation is for the single purpose of undertaking and implementing the Project, which involves investment in and development of the Project Site for building and developing residential properties for sale, and associated infrastructure and facilities. The Project Site is located in Phang Nga Province, Thailand, and comprises certain plots of land with total site area of approximately 349,000 square meters. The Project Site forms part of the larger Phang Nga Site of approximately 1.7 million square meters.

Based on preliminary design plans, the Project Site's estimated total GFA of approximately 133,000 square meters represents approximately 25.58% of the Phang Nga Site's estimated total GFA of approximately 520,000 square meters. The book value of the Phang Nga Site, based on the Group's audited consolidated financial statements for the year ended December 31, 2017, is approximately US\$77 million. The book value of the Project Site (and the PCPD Capital Contribution) of US\$20 million represents 25.58% of the Phang Nga Site's book value of approximately US\$77 million.

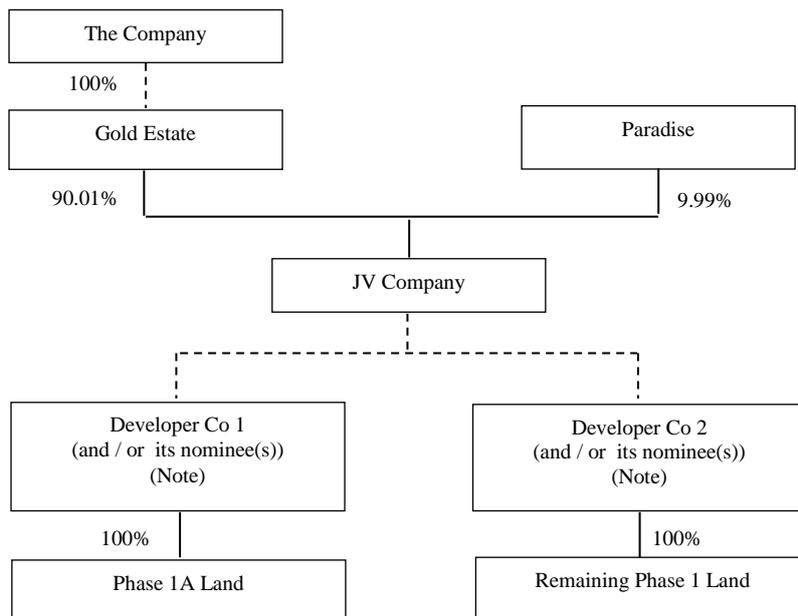
The Project Site is currently held by the Thai Land-holding Companies, Phang-nga Paradise Limited and Phang-nga Leisure Limited. The following diagram shows the Group's simplified ownership structure of the Project Site before completion of the Proposed JV Formation:



Note: Each of the Thai Land-holding Companies (being an entity over which the Group has control) is consolidated in the Company's consolidated financial statements.

“ ——— ” denotes direct shareholding interest
 “ - - - - - ” denotes indirect shareholding interest

As part of the Proposed JV Formation, the Land SPAs will be signed in relation to transfer of the Project Site from the Thai Land-holding Companies to Developer Co 1 and Developer Co 2 such that, upon completion of the Land SPAs, Developer Co 1 and Developer Co 2 will hold (separately or together) title to and ownership of the Project Site. The following diagram shows the simplified group structure of the JV Group immediately after completion of the Proposed JV Formation and the Land SPAs.



Note: Each of Developer Co 1 and Developer Co 2 (being an entity over which the Company has control) is consolidated in the Company's consolidated financial statements as at the date of this announcement. Each of Developer Co 1 and Developer Co 2 will, upon completion of the Proposed JV Formation, remain consolidated in the Company's consolidated financial statements.

“ ——— ” denotes direct shareholding interest
 “ - - - - - ” denotes indirect shareholding interest

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

As mentioned above, the Agreements will be entered into with associates (as defined under the Listing Rules) of Dr. Zeman, the Company's independent non-executive director. Dr. Zeman (and his associates) has extensive experience in property development, in particular the design, development, marketing and sale of residential properties and resorts in Phuket, Thailand. In particular, Andaman Property has participated in the design and development of Andara Resort & Villas and Andara Signature Resort Villas in Phuket, Thailand. The Proposed JV Formation would align the respective interests of the Company and Dr. Zeman (and his associates) in the investment in and development of the Project Site. The Service Agreements would allow the Company to benefit from Dr. Zeman's abundant local resources and experience in the Thai property development market.

Since Dr. Zeman is an independent non-executive director of the Company, he has abstained from voting on the relevant resolution of the Board approving each of the Agreements and the Transactions. Save as aforementioned, none of the other Directors has any material interest in the Agreements or the Transactions and hence no other Director has abstained from voting on such Board resolutions.

As the principal business of the Group is property development and management, the Directors (including the independent non-executive Directors (but excluding Dr. Zeman)) consider that the Proposed JV Formation and the transactions contemplated under the Service Agreements have been (and will be) entered into in the usual and ordinary course of business of the Group. They also consider that each of the JV Agreement and the Service Agreements have been negotiated and conducted on an arm's length basis between the parties and are on normal commercial terms. The Directors (including the independent non-executive Directors (but excluding Dr. Zeman)) are of the view that the terms of each of the JV Agreement and the Service Agreements are fair and reasonable and in the interests of the Company and its shareholders as a whole, and the Transactions have been approved by the Board.

LISTING RULES IMPLICATIONS

General

With regards to the Proposed JV Formation, since Paradise is a company wholly-owned by Dr. Zeman, an independent non-executive director of the Company, Paradise is a connected person of the Company within the meaning of Rule 14A.06 of the Listing Rules. With regards to the Service Agreements, as Andaman Property is an associate (as defined under the Listing Rules) of Dr. Zeman, Andaman Property is also a connected person of the Company within the meaning of Rule 14A.06 of the Listing Rules. Accordingly (i) each of the Proposed JV Formation and the transactions contemplated under the Master Layout Planning Agreement constitutes a connected transaction; and (ii) the transactions contemplated under the Development Management Agreements constitute continuing connected transactions, for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of (A) the Proposed JV Formation; and (B) the aggregated annual caps of the Development Management Agreements, exceed 5%, (i) the Proposed JV Formation is subject to the announcement, independent shareholders' approval, circular and annual reporting requirements; and (ii) the transactions contemplated under the Development Management Agreements are subject to the announcement, independent shareholders' approval, circular, annual reporting and annual review requirements, under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the transactions contemplated under the Master Layout Planning Agreement exceed 1% but are less than 5%, such transactions are subject to the announcement and annual reporting requirements under Chapter 14A of the Listing Rules.

Waiver from circular requirements

In respect of the Proposed JV Formation and the Development Management Agreements (and the transactions contemplated thereunder), the Company has applied for, and the Stock Exchange has granted to the Company, pursuant to Rule 14A.103 of the Listing Rules a waiver from complying with circular requirements (including independent board committee and independent financial adviser requirements under Rules 14A.40 to 14A.45 of the Listing Rules) under Chapter 14A of the Listing Rules, on the basis that (1) the transactions are connected only because of the interest of Dr. Zeman (an independent non-executive director of the Company); (2) Dr. Zeman does not take part in the management of the Company's business; and (3) Dr. Zeman does not control the Company or its subsidiaries, and his principal business interest is the Lan Kwai Fong group and not the Group. Accordingly (A) the Proposed JV Formation will only be subject to announcement, independent shareholders' approval and annual reporting requirements; and (B) the Development Management Agreements (and the transactions contemplated thereunder) will only be subject to announcement, independent shareholders' approval, annual reporting and annual review requirements, under Chapter 14A of the Listing Rules. As such, no circular will be despatched to PCPD Shareholders in respect of the JV Formation and the transactions contemplated under the Development Management Agreements.

Notwithstanding that the Transactions are exempted from the independent financial adviser requirements under Chapter 14A of the Listing Rules, the Company has engaged Able Capital as its financial adviser to advise the Company's independent non-executive directors in respect of the Transactions. It is the opinion of Able Capital that the terms of (1) the JV Agreement and the JV Formation; (2) the Development Management Agreements and the transactions contemplated thereunder; and (3) the Master Layout Planning Agreement and the transactions contemplated thereunder, are fair and reasonable, are on normal commercial terms and in the interests of the Company and its shareholders as a whole.

Written Approval

In respect of independent shareholders' approval for the Proposed JV Formation and the Development Management Agreements, the Company has applied for, and the Stock Exchange has granted to the Company, pursuant to Rule 14A.37 of the Listing Rules, a waiver from the general meeting requirement, and accept a written shareholders' approval, on the basis that (1) to the best knowledge, information and belief of the Directors having made all reasonable enquiries, (a) Dr. Zeman does not hold any shares in the Company or PCCW; and (b) no PCPD Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Proposed JV Formation and the Development Management Agreements; and (2) written PCPD Shareholders' approval has been obtained from Asian Motion Limited which holds more than 50% of the PCPD Shares giving the right to attend and vote at that general meeting to approve the Proposed JV Formation and the Development Management Agreements. As at the date of this announcement, Asian Motion Limited holds 285,088,666 PCPD Shares, representing approximately 70.83% of the PCPD Shares.

RE-DESIGNATION OF DIRECTOR AND APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

In light of the Transactions to be entered into between the Group and Dr. Zeman's associates, in the interest of maintaining good corporate governance, Dr. Zeman (i) will be re-designated from an independent non-executive director to a non-executive director of the Company; and (ii) will be re-designated from Chairman of the Company's Nomination Committee of the Board to a member of the Nomination Committee; and (iii) will cease to be a member of the Company's Audit Committee of the Board, all with effect from the date of this announcement.

The Board is pleased to announce that Dr. Feng has been appointed as an independent

non-executive director of the Company, Chairman of the Company's Nomination Committee of the Board and a member of the Company's Audit Committee of the Board, all with effect from the date of this announcement.

Dr. Feng, aged 45, is a Cofounder and Managing Director of Ocean Arete Limited, an investment manager based in Hong Kong that manages the global macro hedge fund Arete Macro Fund. Dr. Feng is also a Non-Executive Independent Director of TIH Limited (formerly known as Transpac Industrial Holdings Limited), a listed company in Singapore, where he also serves as Chairman of the Remuneration Committee and a member of the Audit Committee and Board Investment Committee. Dr. Feng also serves as a director of various funds and asset management firms.

Dr. Feng has been working in the financial services industry since 1994. Prior to founding Arete Macro Fund in 2012, Dr. Feng was a Cofounder and Managing Director of Ocean Capital Management Limited from 2009 to 2010. Dr. Feng has also previously served as a Managing Director of General Atlantic LLC, a US\$17 billion global private equity firm focused on growth sectors, overseeing their North Asian operations and serving on the boards of numerous technology companies in Greater China, such as Lenovo, Digital China, Ren Ren, Data Systems, and Vimicro. Prior to that, Dr. Feng was a financial analyst with Goldman Sachs (Asia) LLC in Hong Kong, working in the Direct Private Investing (formerly PIA) and Mergers and Acquisitions areas.

Dr. Feng received his Doctor of Philosophy (PhD) in Economic Sociology and Bachelor of Arts (BA) degree (Honors) in Social Studies, both from Harvard University, and his Master of Business Administration (MBA) degree from Stanford University.

Save as disclosed above, Dr. Feng does not hold any directorship in any other listed public companies in the last three years, or any other position with the Company or other members of the Group. Moreover, Dr. Feng does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company. As at the date of this announcement, Dr. Feng does not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Pursuant to his letter of appointment as an independent non-executive director of the Company, Dr. Feng is appointed for a term of two years commencing from the date of his appointment (subject to retirement by rotation and re-election and other related provisions as stipulated in the bye-laws of the Company and the Listing Rules). He is entitled to an annual director's fee of HK\$228,200 per annum. Such fee was determined by reference to his duties and responsibilities with the Company and the Company's remuneration policies.

Dr. Feng has confirmed that he meets the independence guidelines set out in Rule 3.13 of the Listing Rules.

Save as disclosed in this announcement, the Board is not aware of any other information relating to Dr. Feng which is required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules. Save as disclosed in this announcement, there is no other information to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules nor are there any other matters that need to be brought to the attention of the Company's shareholders, in relation to the appointment of Dr. Feng.

The Company would like to express its warmest welcome to Dr. Feng in joining the Board.

CHANGE IN COMPOSITION OF BOARD COMMITTEES

The Board announces that following the re-designation of Dr. Zeman as a non-executive director, and the appointment of Dr. Feng as an independent non-executive director, the composition of the Company's Nomination Committee and Audit Committee of the Board has been changed as follows with effect from the date of this announcement:

- (i) Dr. Feng will replace Dr. Zeman as Chairman of the Company's Nomination Committee of the Board and Dr. Zeman will be re-designated as a member of the Nomination Committee;
- (ii) Dr. Feng will be appointed as a member of the Company's Audit Committee of the Board; and
- (iii) Dr. Zeman will cease to be a member of the Company's Audit Committee of the Board.

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. Gold Estate is an investment holding company formed for the purpose of the Proposed JV Formation and is wholly-owned by the Company as at the date of this announcement. Each of the Developer Cos is a limited company incorporated in Thailand. As at the date of this announcement, each of the Developer Cos is consolidated in the Company's consolidated financial statements and held through the Thai Land-holding Companies. Prior to Completion, the Company will procure a restructuring of the shareholding interest of Developer Co 1 and Developer Co 2 such that each will be held through the JV Company. Each of the Developer Cos will remain consolidated in the Company's consolidated financial statements after Completion.

Paradise is a company incorporated in the Cayman Islands wholly-owned by Dr. Zeman, and is an investment holding company. Andaman Property is an associate (as defined under the Listing Rules) of Dr. Zeman, and is engaged in the design and development of Andara Resort & Villas and Andara Signature Resort Villas, which is located by the west coast of Phuket, Thailand. Andara Resort & Villas is a boutique hotel offering luxury villas and suites of various sizes in serene surroundings with extensive views of the Andaman Sea.

Dr. Zeman is an independent non-executive director of the Company and, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, he does not as at the date of this announcement hold any shares in the Company or PCCW. Dr. Zeman's principal business is the Lan Kwai Fong Group, which engages in various businesses including property portfolio management, development and operation, food and beverage concepts, film production and distribution, media, entertainment and lifestyle businesses, themed attractions and private equity investments.

PCPD Shareholders and potential investors of PCPD should note that the JV Agreement is subject to certain conditions and accordingly the Proposed JV Formation may or may not proceed. PCPD Shareholders and potential investors of PCPD should exercise caution when dealing in the PCPD Shares.

DEFINITIONS

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

“%”	per cent
“Able Capital”	Able Capital Partners Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Affiliate”	in relation to a person, any person which, directly or indirectly, Controls, is Controlled by, or is under common Control with, such first person
“Agreements”	the JV Agreement and the Service Agreements
“Andaman Property”	Andaman Property Development Co., Ltd., an associate (as defined under the Listing Rules) of Dr. Zeman
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Pacific Century Premium Developments Limited (Stock Code: 00432), a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the JV Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Control”	has the meaning as defined in the JV Agreement
“Developer Cos”	Developer Co 1, Developer Co 2 and/or Developer Co 3 (as the case may be), and/or entities nominated by Developer Co 1, Developer Co 2 and/or Developer Co 3
“Developer Co 1”	a limited company incorporated in Thailand for the purpose of the Phase 1A Development

“Developer Co 2”	a limited company incorporated in Thailand for the purpose of the Remaining Phase 1 Development
“Developer Co 3”	a limited company incorporated in Thailand for the purpose of entering into the Master Layout Planning Agreement
“Development Management Agreements”	the Phase 1A Development Management Agreement and the Remaining Phase 1 Development Management Agreement
“Director(s)”	director(s) of the Company
“Dr. Feng”	Dr. Vince Feng, an independent non-executive director of the Company
“Dr. Zeman”	Dr. Allan Zeman, an independent non-executive director of the Company
“Gold Estate”	Gold Estate Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“JV Agreement”	the joint venture agreement dated 16 March entered into between Gold Estate and Paradise
“JV Board”	the board of directors of the JV Company
“JV Company”	Easy Treasure Limited, a joint venture entity incorporated in the Cayman Islands in accordance with the terms of the JV Agreement
“JV Group”	the JV Company and its subsidiaries, and “JV Company” means any of them
“Land SPAs”	the Phase 1A Land SPA and the Remaining Phase 1 Land SPA

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Master Layout Planning Agreement”	the agreement to be entered into between Developer Co 3 and Andaman Property on the date of Completion for, amongst others, the appointment of Andaman Property to provide master layout planning services in relation to the Phang Nga Site (including the Project Site), including overall infrastructure planning, logistics arrangements, phasing of works and continuous study for business models, and submission of the master layout plan to Thai authorities for approval
“Paradise”	Paradise Pinetree Development Limited, a company incorporated in the Cayman Islands wholly-owned by Dr. Zeman, an independent non-executive director of the Company
“PCCW”	PCCW Limited, a company incorporated in Hong Kong with limited liability and having its shares listed on the main board of the Stock Exchange (Stock Code: 00008) and traded in the form of American Depositary Receipts on the OTC Markets Group Inc. in the United States of America (ticker: PCCWY), which is an indirect holding company of PCPD
“PCPD Shareholders”	holders of PCPD Shares
“PCPD Shares”	ordinary shares in the issued share capital of the Company
“Phang Nga Site”	all plots of land located at Tai-muang Sub-district, Tai-muang District, Phang Nga Province, Thailand of approximately 1.7 million square meters
“Phase 1 Associated Facilities”	the golf course, golf clubhouse and golf associated buildings (excluding spa extension), tricycle track, one tennis court and associated infrastructure for the benefit of the development of the Phang Nga Site, and which shall be owned and managed by the Group
“Phase 1A Development”	Phase 1A development of the Project, which is intended to comprise the development of two blocks of apartments with approximately 36 units, 4 villas (one of which will be a show villa), residential clubhouse facilities (with sale gallery and office), staff utilities compound (which may or may not be located within the Project Site) and infrastructure on the Project Site, or as otherwise determined by the JV Board depending on market demand following sales launch

“Phase 1A Development Management Agreement”	the agreement to be entered into between Developer Co 1 (and/or any entity(ies) nominated by Developer Co 1) and Andaman Property on the date of Completion for, amongst others, the appointment of Andaman Property as the development manager of the Phase 1A Development and development of the Phase 1 Associated Facilities (excluding the golf course upgrade), which services shall include construction management, design services relating to architecture, civil, structural and MEP engineering and quantity surveying
“Phase 1A Land”	the plots of land within the Project Site relating to the Phase 1A Development
“Phase 1A Land SPA”	the agreement under which the Thai Land-holding Companies will sell and Developer Co 1 (and/or entity(ies) nominated by Developer Co 1) will purchase the Phase 1A Land
“PRC”	the People’s Republic of China
“Project”	the investment in and development of the Project Site for building and developing residential properties for sale, and associated infrastructure and facilities, and shall comprise the Phase 1A Development and the Remaining Phase 1 Development
“Project Site”	the plots of land with total site area of approximately 349,000 square meters (subject to change according to (i) the final master layout plan prepared for the Phang Nga Site; and (ii) final consolidation and subdivision approved by and registered with the relevant competent land department in Thailand) within the Phang Nga Site and which comprises the Phase 1A Land the Remaining Phase 1 Land
“Proposed JV Formation”	the formation of the JV Company between Gold Estate and Paradise for the purpose of investing in and development of the Project through the transactions pursuant to and as contemplated under the JV Agreement
“Remaining Phase 1 Development”	the development of the Project Site other than the Phase 1A Development

“Remaining Phase 1 Development Management Agreement”	the agreement to be entered into between Developer Co 2 (and/or any entity(ies) nominated by Developer Co 2) and Andaman Property on the date of Completion for, amongst others, the appointment of Andaman Property as the development manager of the Remaining Phase 1 Development and development of the Phase 1 Associated Facilities (excluding the golf course upgrade), which services shall include construction management, design services relating to architecture, civil, structural and MEP engineering and quantity surveying
“Remaining Phase 1 Land”	the plots of land within the Project Site relating to the Remaining Phase 1 Development
“Remaining Phase 1 Land SPA”	the agreement under which the Thai Land-holding Companies will sell and Developer Co 2 (and/or any entity(ies) nominated by Developer Co 2) will purchase the Remaining Phase 1 Land
“Service Agreements”	the Phase 1A Development Management Agreement, the Remaining Phase 1 Development Management Agreement and the Master Layout Planning Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Thai Land-holding Companies”	Phang-nga Paradise Limited and Phang-nga Leisure Limited, each a limited company incorporated in Thailand and consolidated in the Company’s consolidated financial statements
“Transactions”	the Proposed JV Formation and the transactions contemplated under the JV Agreement and the Service Agreements
“US\$”	United States dollars, the lawful currency of the United States of America

By Order of the Board
**Pacific Century Premium Developments
Limited**
Tsang Sai Chung
Company Secretary

Hong Kong, 16 March 2018

As at the date of this announcement, the directors of the Company are:

Executive Directors:

Li Tzar Kai, Richard (Chairman); Lee Chi Hong, Robert (Deputy Chairman and Chief Executive Officer); and James Chan

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*