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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)

**ANNOUNCEMENT OF THE PROPOSED ISSUE OF US\$500,000,000
4.75 PER CENT. BONDS DUE 2022 (THE “BONDS”)**

PROPOSED ISSUE OF THE BONDS

This announcement is made by Pacific Century Premium Developments Limited (the “**Company**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions set out under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

On 2 March 2017, PCPD Capital Limited (the “**Issuer**”), the Company and J.P. Morgan Securities plc, Morgan Stanley & Co. International plc and The Hongkong and Shanghai Banking Corporation Limited as joint bookrunners and joint lead managers and China Everbright Securities (HK) Limited as joint bookrunner (together the “**Managers**”) entered into a subscription agreement (the “**Subscription Agreement**”) in connection with the proposed issue of the Bonds.

Subject to the terms and conditions set out in the Subscription Agreement, including the satisfaction of the conditions precedent set out therein, the Issuer has agreed to issue US\$500,000,000 in aggregate principal amount of the Bonds on 9 March 2017 at 100 per cent. of their principal amount.

Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed on 9 March 2022 at 100 per cent. of their principal amount.

The estimated net proceeds from the issue of the Bonds, after deduction of estimated expenses payable in connection with the issue of the Bonds, will be approximately US\$495.6 million. The Company intends to use the net proceeds from the issue of the Bonds for the Group's servicing of general corporate debt and general corporate purposes, including in relation to the Group's development of an all-season resort in Hokkaido, Japan and the development of a Premium Grade A office building in Sudirman CBD, Jakarta, Indonesia.

It is intended that the Bonds will be listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the Issuer and the Company will use their reasonable endeavours to procure that the Bonds are listed and admitted to trading on the SGX-ST, and to maintain such listing until none of the Bonds is outstanding.

Completion of the Subscription Agreement is subject to the satisfaction and/or waiver of the conditions precedent contained in the Subscription Agreement. The Subscription Agreement may also be terminated in certain circumstances. Shareholders and investors are advised to exercise caution when dealing in the securities of the Company.

Principal Terms of the Bonds

Issuer	PCPD Capital Limited, the Company's indirect wholly-owned subsidiary
Guarantor	Pacific Century Premium Developments Limited
Principal Amount	US\$500,000,000
Maturity Date	9 March 2022
Issue price	100 per cent. of the principal amount of the Bonds.
Interest	4.75 per cent. per annum.
Letter of Support	PCCW Limited has issued a non-binding Letter of Support in connection with the issuance of the Bonds.

Redemption for Change of Control	Holders of the Bonds shall have the right to require the Issuer to redeem the Bonds following the occurrence of a Change of Control at 101 per cent. at their principal amount.
Change of Control	Occurs when either PCCW Limited ceases to hold, directly or indirectly, at least 50 per cent. of the voting rights of the issued share capital of the Company; or ceases to be the largest single shareholder of the Company; or when certain merger or transfer events occur which result in a change of control.

The board of directors of the Company considers the terms of the Subscription Agreement to be fair and reasonable and in the interests of the Group and its shareholders as a whole and that the Subscription Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and the Managers.

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

Hong Kong, 3 March 2017

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); and James Chan.

Independent Non-Executive Directors:

Prof Wong Yue Chim, Richard, SBS, JP; Dr Allan Zeman, GBM, GBS, JP; and Chiang Yun.

* *For identification only.*