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**PCCW Limited**  
電訊盈科有限公司

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 00008)**



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)**

## **JOINT ANNOUNCEMENT**

### **CONNECTED TRANSACTIONS SALE AND PURCHASE AGREEMENT AND SHAREHOLDERS' MEMORANDUM IN RELATION TO FORMATION OF JOINT VENTURE**

#### **THE SALE AND PURCHASE AGREEMENT**

For the purpose of jointly redeveloping the Properties by PCPD and CSI, Silvery Sky (a wholly-owned subsidiary of PCPD) as the Purchaser, Radiant Talent (a wholly-owned subsidiary of CSI) as the Vendor and CSI as the Vendor's Guarantor entered into the Sale and Purchase Agreement on 15 January 2018 (after trading hours of the Stock Exchange).

Pursuant to the Sale and Purchase Agreement, subject to the terms and conditions thereunder, Silvery Sky will acquire from Radiant Talent the Sale Interests (being the entire issued share capital of Fast Million and the entire shareholder's loan owing to the Vendor by Fast Million) for a consideration which comprises (i) the cash payment by the Purchaser to the Vendor of an amount which is initially HK\$2,018,000,000 (subject to adjustments); and (ii) the allotment and issue of the Non-voting Participating Share credited as fully paid to the Vendor by the Purchaser. Upon Completion, Fast Million will become a wholly-owned subsidiary of Silvery Sky which in turn will, through Fast Million Group, own 100% of the Properties.

#### **THE JV FORMATION AND THE PROJECT**

Silvery Sky is an investment holding company formed for the purpose of the JV Formation and is wholly-owned by Concept Plus, an indirect wholly-owned subsidiary of PCPD, as at the date of this announcement.

Fast Million is an investment holding company which currently owns, through its wholly-owned subsidiaries, 100% of the Million Base Property, the Million Basis Property and the Garhing Property and following completion of the White Pacific Property Acquisition Agreement, will also own the White Pacific Property.

Immediately following Completion, (i) Silvery Sky will own all the issued shares in and all the shareholder's loan owing by Fast Million, and thus will indirectly own 100% of the Properties; and (ii) PCPD will, through Concept Plus, continue to hold one issued ordinary share of Silvery Sky and CSI will, through Radiant Talent, hold one issued Non-voting Participating Share of Silvery Sky (which together with the aforesaid one issued ordinary share will represent the entire issued share capital of Silvery Sky).

The JV Formation is for the single purpose of undertaking and implementing the Project, which involves the redevelopment of the Properties into the Development and the subsequent disposal thereof. The PCPD Group intends to redevelop the Properties, jointly with CSI, into the Development, a high-end predominantly-residential building unless the user of the Lot is successfully changed to commercial. If such change in user is successful before the commencement of foundation works in respect of the Development, the Conversion will take place following which, (i) the issued share capital of Silvery Sky will consist of ordinary shares only and each of PCPD (through Concept Plus) and CSI (through Radiant Talent) will hold 50% of the entire issued share capital of Silvery Sky; and (ii) each of PCPD (through Concept Plus) and CSI (through Radiant Talent) will hold 50% of the entire Silvery Sky Shareholder's Loans.

#### **LISTING RULES IMPLICATIONS**

Since Chung Cho Yee, Mico, a controlling shareholder and director of CSI, (i) is a director of certain subsidiaries of PCCW (including as a non-executive director of HKT Management Limited (the trustee-manager of the HKT Trust) and of HKT Limited, HKT Trust and HKT Limited are both listed on the Stock Exchange); and (ii) was a director of PCPD Services Limited (a wholly-owned subsidiary of PCPD) until 25 January 2017, CSI and Radiant Talent are connected persons at the subsidiary level of both PCCW and PCPD within the meaning of Rule 14A.06(9) of the Listing Rules. Accordingly, the Transactions constitute connected transactions for both PCCW and PCPD under Chapter 14A of the Listing Rules.

#### ***PCCW***

For PCCW, as the Transactions have been approved by the PCCW Board and the independent non-executive directors of PCCW have confirmed that the terms thereof are fair and reasonable, and the Transactions are on normal commercial terms and in the interests of PCCW and its shareholders as a whole, the Transactions are exempted from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.101 of the Listing Rules but are subject to announcement and annual reporting requirements under Chapter 14A of the Listing Rules.

#### ***PCPD***

For PCPD, as the Transactions have been approved by the PCPD Board and the independent non-executive directors of PCPD have confirmed that the terms thereof are fair and reasonable, and the Transactions are on normal commercial terms and in the interests of PCPD and its shareholders as a whole, the Transactions are exempted from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.101 of the Listing Rules but are subject to announcement and annual reporting requirements under Chapter 14A of the Listing Rules.

Notwithstanding that the Transactions are exempted from the independent financial advice requirement under Chapter 14A of the Listing Rules, PCCW and PCPD have engaged Opus Capital as their independent financial adviser to advise their respective independent non-executive directors in respect of the Transactions. It is the opinion of Opus Capital that the terms of the Transactions are fair and reasonable, and the Transactions are on normal commercial terms and in the interests of each of PCCW and PCPD and their respective shareholders as a whole.

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

## **BACKGROUND**

For the purpose of jointly redeveloping the Properties by PCPD and CSI, Silvery Sky (a wholly-owned subsidiary of PCPD) as the Purchaser, Radiant Talent (a wholly-owned subsidiary of CSI) as the Vendor and CSI as the Vendor's Guarantor entered into the Sale and Purchase Agreement on 15 January 2018 (after trading hours of the Stock Exchange).

## **THE SALE AND PURCHASE AGREEMENT**

The principal terms of the Sale and Purchase Agreement are summarised as below:-

### **Date**

15 January 2018

### **Parties**

- (a) Silvery Sky, as the Purchaser;
- (b) Radiant Talent, as the Vendor; and
- (c) CSI, as the Vendor's Guarantor.

### **Subject matter**

Subject to the terms and conditions of the Sale and Purchase Agreement, Silvery Sky will acquire from Radiant Talent the Sale Interests (being the entire issued share capital of Fast Million and the entire shareholder's loan owing to the Vendor by Fast Million).

### **Consideration**

The consideration for the sale and purchase of the Sale Interests (the "**Consideration**") comprises (i) the cash payment by the Purchaser to the Vendor (the "**Cash Consideration**") of an amount which is initially HK\$2,018,000,000 (the "**Initial Cash Consideration**") subject to adjustments to be calculated in accordance with certain agreed principles and calculations and based on the consolidated statement of financial position of Fast Million Group as at the date of Completion; and (ii) the allotment and issue of the Non-voting Participating Share credited as fully paid to the Vendor by the Purchaser (the "**Non-cash Consideration**"). The Cash Consideration is payable in the following manner:

- (i) an initial deposit in the sum of HK\$100,000,000 paid upon the signing of the Sale and Purchase Agreement;
- (ii) a further deposit in the sum of HK\$200,000,000 payable on or before 14 February 2018; and
- (iii) the balance of the Cash Consideration payable at Completion.

The initial deposit is and the further deposit will be held by the Stakeholder as stakeholder pending application towards part payment of the Cash Consideration at Completion or forfeited by the Vendor or returned to the Purchaser in accordance with the terms of the Sale and Purchase Agreement.

Should there be any difference in the amount of the Initial Cash Consideration and the amount of the Cash Consideration as finally determined subsequent to Completion, (if the Initial Cash Consideration is less than the Cash Consideration as finally determined) the Purchaser is required to pay the Vendor an amount equal to such shortfall, or (if the Initial Cash Consideration is more than the Cash Consideration as finally determined), the Vendor is required to pay back to the Purchaser an amount equal to such excess.

Out of the Consideration, (i) the consideration for the Sale Loan shall be a sum equal to the outstanding principal amount of the Sale Loan, and (ii) the consideration for the Sale Shares shall be the aggregate of the Non-cash Consideration and the sum calculated by deducting the amount of the consideration for the Sale Loan from the Cash Consideration.

The Consideration has been arrived at after commercial and arm's length negotiations between CSI and PCPD after taking into account various factors, including but not limited to the value attributed to the Properties as agreed between the Vendor and the Purchaser.

### **Conditions precedent**

Completion is subject to and conditional upon the fulfillment of the following conditions:

- (i) subject to certain exceptions provided in the Sale and Purchase Agreement, Million Base, Million Basis, Garhing and White Pacific (following completion of the White Pacific Property Acquisition Agreement) having proved and shown, in accordance with Sections 13 and 13A of the Conveyancing and Property Ordinance (Chapter 219 of the Laws of Hong Kong) their respective title to the relevant Properties free from all encumbrances (subject only to the existing tenancies, lettings and licences, and those tenancies, lettings and licences entered into after the date of the Sale and Purchase Agreement (if any) with the prior written consent of the Purchaser to the extent they remain in force on the date of Completion), and those existing legal charge(s) and rental assignment(s) (if any) over any of the Properties which the Vendor is required to procure to be released and discharged with effect from the date of Completion;
- (ii) completion of the White Pacific Property Acquisition Agreement having taken place with the assignment in respect of the White Pacific Property to White Pacific duly executed by the relevant vendor;

- (iii) the absence of any breach of any of those of the warranties given by the Vendor as specified in the Sale and Purchase Agreement, provided that the Vendor will not be liable to the Purchaser in respect of (and any warranty given by the Vendor will not be deemed to be breached if it becomes untrue solely as a result of) any change or price fluctuation in the property market in Hong Kong;
- (iv) the Purchaser (acting reasonably) being satisfied with the results of (a) its physical and technical inspection and investigation of the Properties, including the receipt of a building survey report in form and substance satisfactory to the Purchaser (acting reasonably) to be arranged by and at the cost of the Purchaser (in each case having regard to the intention that the Properties are to be demolished and redeveloped), and (b) its inspection and investigation of each member of Fast Million Group, including without limitation the financial, legal and contractual, taxation and trading position of each member of Fast Million Group (such that there is no material inconsistency with any representation, warranty and undertaking of the Vendor under the Sale and Purchase Agreement, provided that the Vendor will not be liable to the Purchaser in respect of (and any warranty given by the Vendor will not be deemed to be breached if it becomes untrue solely as a result of) any change or price fluctuation in the property market in Hong Kong), and the Purchaser not having served an irrevocable and unconditional written notice of dissatisfaction of this condition precedent (specifying reasonable particulars of the dissatisfaction) to the Vendor or the Vendor's solicitors on or before the date of Completion;
- (v) all approvals, consents and acts that are necessary for the purpose of the transaction, the Sale and Purchase Agreement, the deed of assignment of the Sale Loan, the deed of tax covenant and the Shareholders' Memorandum (and the transactions under the aforesaid agreements) as required under the Listing Rules, or by the SFC or the Stock Exchange or other regulatory authority, or by any third party pursuant to any agreement or contract, having been obtained and completed (unless the relevant waiver from compliance with any of such rules or requirements has been obtained from the SFC or the Stock Exchange, or such other relevant authority or person); and
- (vi) there being no compulsory acquisition or resumption of the Properties or any material part of it, and no order or notice or proposed notice of such intended compulsory acquisition or resumption having been issued, given or publicly advertised by the government or other competent authority.

The Vendor is required to use all reasonable endeavours to satisfy the conditions precedent set out in (i), (ii), (iii) and (v) above (in relation to (v), as far as they relate to the Vendor and/or any member of the Fast Million Group). The Purchaser is required to use all reasonable endeavours to satisfy the conditions precedent set out in (iv) and (v) above (in relation to (v), as far as they relate to the Purchaser).

The Purchaser may at its absolute discretion at any time before Completion waive any or all of the above conditions precedent (except condition precedent (v)) either in whole or in part and such waiver may be made subject to such terms and conditions as the Purchaser may require by notice in writing to the Vendor.

If notwithstanding the performance by the Vendor and the Purchaser of their respective obligations to satisfy the relevant conditions precedent as set out in the preceding paragraph, any condition precedent is not satisfied or waived (as the case may be) by the Purchaser on or before the date set for Completion, then the Vendor shall return to the Purchaser (without interest) the Deposits paid by the Purchaser and save and except for the Vendor's obligation to refund, and the Purchaser's right to the refund of, the Deposits as aforesaid, the Sale and Purchase Agreement will automatically terminate and all rights and obligations of the parties thereunder will automatically lapse and be of no further force and effect and no party shall have any claim against or liability or obligations to the other party.

## **Completion**

Subject to the satisfaction or waiver (as the case may be) of the conditions precedent summarised above, Completion is required to take place by 3 p.m. (or such other time as the Vendor and the Purchaser may agree in writing) on or before 23 March 2018 (or such later day as the Vendor and the Purchaser may agree in writing which in no event shall be later than 31 May 2018).

If the respective obligations of the Vendor and the Purchaser at Completion as provided in the Sale and Purchase Agreement are not complied with on the date of Completion, the Purchaser may by notice to the Vendor (in the event that the Vendor is unable or unwilling to comply with its obligations) or the Vendor may by notice to the Purchaser (in the event that the Purchaser is unable or unwilling to comply with its obligations), (i) proceed to Completion as far as practicable; (ii) defer Completion to a date not more than 30 days after the date set for Completion; or (iii) terminate the Sale and Purchase Agreement by notice in writing.

If the Purchaser elects to terminate the Sale and Purchase Agreement due to the default of the Vendor, then the Vendor is required to return to the Purchaser the Deposits paid by the Purchaser without any interest or cost, and termination will not affect or prejudice the then accrued rights and obligations of the Purchaser (including the right to damages for the breach, if any, giving rise to the termination and any other pre-termination breach by any party).

If the Vendor elects to terminate the Sale and Purchase Agreement due to the default of the Purchaser, then the Deposits paid by the Purchaser will be forfeited to the Vendor as damages on the date set for Completion and termination will not affect or prejudice the then accrued rights and obligations of the Vendor (including the right to damages over and above the Deposits forfeited for the breach, if any, giving rise to the termination and any other pre-termination breach by any party).

## **Stamp duty refund**

Million Base and Million Basis will apply to the Collector of Stamp Revenue pursuant to the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong) for the refund of the buyer's stamp duty and the additional ad valorem stamp duty paid by Million Base (the "**Million Base Stamp Duty Refund**") and Million Basis (the "**Million Basis Stamp Duty Refund**") in respect of their acquisition of the Million Base Property and the Million Basis Property respectively. Both the Purchaser and the Vendor acknowledge that the Million Base Stamp Duty Refund and the Million Basis Stamp Duty Refund (if any) will not have been refunded to Million Base or Million Basis before Completion.

Subject to Completion having taken place, the Purchaser undertakes that it will pay to the Vendor an amount equivalent to any Million Base Stamp Duty Refund or Million Basis Stamp Duty Refund, less the cost and expenses reasonably incurred by Million Base or Million Basis in connection with the application for such refund, in the event that any such refund is actually received by Million Base or Million Basis (as the case may be) within 10 Business Days after the receipt thereof.

### **Guarantee**

CSI, as the Vendor's Guarantor, has agreed to guarantee to the Purchaser, the due and punctual payment and performance by the Vendor of the Vendor's obligations under the Sale and Purchase Agreement and any other documents referred to in it to which the Vendor is a party.

### **THE SHAREHOLDERS' MEMORANDUM**

Upon Completion, Concept Plus, Radiant Talent and Silvery Sky will enter into the Shareholders' Memorandum to regulate the management of Silvery Sky. The principal terms of the Shareholders' Memorandum are summarised as below:-

#### **Parties**

- (a) Concept Plus;
- (b) Radiant Talent; and
- (c) Silvery Sky.

#### **Purpose**

Silvery Sky is established for the single purpose of undertaking and implementing the Project.

#### **Business activities**

All business activities of Silvery Sky will be conducted on prudent commercial principles. Unless unanimously agreed by the Silvery Sky Shareholders, the Silvery Sky Group will not enter into any contracts and/or transactions which are not on an arm's length basis.

#### **Non-voting Participating Share**

The Non-voting Participating Share will:

- (i) as regards profits which Silvery Sky may determine to distribute by way of dividend or other distributions, have the right to be paid or distributed 50% of the dividends declared or distributions made by Silvery Sky;
- (ii) on a return of assets on the winding-up of Silvery Sky, have the right to 50% of such assets representing all distributable profits (if any) of Silvery Sky upon winding-up, but will have no right to the remaining assets of Silvery Sky; and
- (iii) not entitle the holder thereof to receive notice of or to attend or vote as a Silvery Sky Shareholder at any general meeting of Silvery Sky.

The Non-voting Participating Share will not entitle the holder thereof to the right to participate in the day-to-day operations of Silvery Sky or any other member of the Silvery Sky Group, and will not entitle the holder thereof to the right to nominate or appoint any director of Silvery Sky or any other member of the Silvery Sky Group.

Upon Conversion, the Non-voting Participating Share will be converted to the Conversion Share which will constitute 50% of the entire issued share capital of Silvery Sky immediately following Conversion. Concept Plus and Radiant Talent will negotiate in good faith and agree on, as soon as possible thereafter, the form of the Shareholders' Agreement, which will contain (a) provisions which are substantially the same as the provisions as the Shareholders' Memorandum (other than certain exceptions as specified in the Shareholders' Memorandum) and (b) such other provisions to give effect to the joint and equal control of the Silvery Sky Group by Concept Plus and Radiant Talent and which are customarily and reasonably required for similar joint venture arrangement.

### **Funding and financing**

Prior to Conversion, all funding requirements of the Silvery Sky Group is to be met by raising funds:-

- (i) by way of external borrowings to the maximum level as far as practicable, and if so required by the lenders, with securities over the Silvery Sky Group's assets, securities or guarantees from the PCPD Group as are customarily and reasonably required for loan facilities of a similar nature, or securities over the Non-voting Participating Share; and
- (ii) to the extent such external borrowings are not practicable, subject to any necessary consent from any lenders of members of the Silvery Sky Group and/or members of the PCPD Group and/or other members of the PCCW Group having been obtained and any regulatory requirements to which any members of the PCPD Group and/or any other members of the PCCW Group is subject having been complied with, by way of Silvery Sky Shareholder's Loans from the PCPD Group and such loans will bear interest at a rate of 3% per annum for a maximum period of 60 months, from the date of Completion, unless otherwise agreed between Concept Plus and Radiant Talent.

Following Conversion, the funding requirements of the Silvery Sky Group is to be met by raising funds:-

- (i) by way of external borrowings for which if so required, (a) the Silvery Sky Group will provide the external lenders with securities over their respective assets; and (b) the relevant member(s) of the PCPD Group and the CSI Group will provide to the external lenders such guarantee or securities as are customarily and reasonably required for loan facilities of similar nature, on a several (but not joint and several) and equal basis; or
- (ii) by way of Silvery Sky Shareholder's Loans advanced or procured by each of Concept Plus and Radiant Talent severally and equally.

### **Silvery Sky Executive Committee**

The Silvery Sky Executive Committee will be formed for overseeing and monitoring the Project, including the day-to-day operations (including the sale and marketing of the Development and its pre-sale process) and execution of the Project.

The Silvery Sky Executive Committee will report to the Silvery Sky Board and will comprise 4 members, of which 3 members will be appointed by Concept Plus and 1 member will be appointed by Radiant Talent. The chairman of the Silvery Sky Executive Committee will be one of the members appointed by Concept Plus.

Save for the matters as set out below (the “**Reserved Matters**”), all matters put to the Silvery Sky Executive Committee at any meeting of the Silvery Sky Executive Committee and all resolutions passed thereat will be decided by a simple majority of votes:

- (i) any subsequent revision(s) of the construction budget and cost plan in respect of the Development if the profits available for dividend payment or other distributions is reduced from the amount expected from the agreed initial construction budget and cost plan by more than 15%;
- (ii) the approval of the price list (as defined in Section 2 of the Residential Properties (First-hand Sales) Ordinance (Chapter 621 of the Laws of Hong Kong)) in respect of the sale of the Units if the proposed selling price(s) in respect of any Unit(s) is/are lower by not less than 15% as compared to the price assessment obtained from external surveyor(s) or valuer(s) appointed by the Silvery Sky Group in respect of the relevant Unit(s);
- (iii) any fundamental deviation from the agreed principal business objectives of Silvery Sky;
- (iv) other than as contemplated under the Shareholders’ Memorandum, the entering into of any contracts and/or transactions with any member of the PCPD Group (whether on an arm’s length basis or otherwise) for an amount in excess of HK\$10 million;
- (v) issuing shares, debentures, convertible notes, options or other equity or debt securities of any member of the Silvery Sky Group, changing the rights of the Silvery Sky Shares, changing the share capital of any member of the Silvery Sky Group in any way (including any capitalisation of shareholder’s loans (or any part(s) thereof) and/or profits (including any gain from revaluation) into any form of share capital and/or reserve of any member of the Silvery Sky Group); and
- (vi) appointing a liquidator to any member of the Silvery Sky Group or proposing a winding-up of any member of the Silvery Sky Group (whether voluntary, insolvent or otherwise).

For as long as Radiant Talent holds the Non-voting Participating Share (or such other period as the Silvery Sky Shareholders may agree), no resolution of the Silvery Sky Executive Committee in respect of any Reserved Matters will be regarded as duly passed unless it is approved by a member of the Silvery Sky Executive Committee appointed by Radiant Talent (whose approval will not be unreasonably withheld or delayed); and the Silvery Sky Group should not conduct any Reserved Matters without a resolution of the Silvery Sky Executive Committee.

The quorum for a meeting of the Silvery Sky Executive Committee will be 2 members, save for a meeting at which any Reserved Matter will be considered during the period referred to in the immediate preceding paragraph, in which case the quorum will be 2 members, where at least one member appointed by each of Concept Plus and Radiant Talent is present.

## **The Development**

The Project involves the demolition of the Properties and redeveloping the Lot into the Development and subsequent disposal thereof. The final General Building Plans are subject to the approval of the Silvery Sky Executive Committee.

Unless with the prior written consent of each the Silvery Sky Shareholders, the Development may not be disposed of, directly or indirectly, on an “en bloc” basis (excluding where such disposal is by way of security in respect of external borrowings in favour of the relevant lender or the enforcement of such security). Such disposal is further subject to (a) if the Development is for residential purpose, the right of first refusal in respect of all (but not part only) of it of each Silvery Sky Shareholder; or (b) if the Development is for commercial purpose, the right of first refusal in respect of all (but not part only) of it of Concept Plus or its nominee, provided that if such right is not exercised by Concept Plus, Radiant Talent or its nominee will have a right of first refusal in respect of all (but not part only) of the Development.

Concept Plus may appoint any of its affiliates as the Project Manager for such term as may be approved by the Silvery Sky Board provided that the project management fee payable to the Project Manager would be 1% of the construction costs of the Development. The Project Manager will report to the Silvery Sky Executive Committee.

Concept Plus, or (as from the Conversion Effective Date) each of Concept Plus and Radiant Talent, will use all reasonable endeavours to procure that all units of the Development will be disposed of as soon as practicable (including by way of pre-sale). In the event that any units of the Development remain unsold upon the expiry of the period of 24 months (or other agreed period) from the date of the issuance of the Occupation Permit (the “**Unsold Units**”), either Silvery Sky Shareholder may by written notice to the other Silvery Sky Shareholder and Silvery Sky request Silvery Sky to take all appropriate steps to procure the disposal of the Unsold Units including by way of tender or auction.

## **Location, sale and lease of the Signage**

The Signage will be located at agreed parts of the Development provided that they will not materially adversely affect the overall gross development value or exit value of the Development and will be in compliance with all applicable legal requirements.

Following completion of the Development,

- (i) if the Development is for residential purpose, the Signage Portion will be sold to such purchaser as Concept Plus may procure at a price agreed between the Silvery Sky Shareholders;
- (ii) if the Development is for commercial purpose, and Concept Plus and Radiant Talent have agreed that the Development will not be sold directly or indirectly on an “en bloc” basis (excluding where such disposal is by way of security in respect of external borrowings in favour of the relevant lender or the enforcement of such security), the Signage Portion will be sold to such purchaser as Concept Plus may procure at the then prevailing market price, provided that such price will not be less than a price agreed between the Silvery Sky Shareholders; and

- (iii) if the Development is for commercial purpose, and Concept Plus and Radiant Talent have not yet agreed whether the Development will or will not be sold directly or indirectly on an “en bloc” basis (with the same exclusion as mentioned in (ii) above), the Signage Portion will be leased to such lessee as Concept Plus may procure at the then prevailing market rent, subject to the lessor’s right to terminate the lease (with payment of compensation to the lessee if earlier than an agreed period after commencement of the initial term of the lease) if the Development is sold on an “en bloc” basis to a bona fide purchaser . If Concept Plus and Radiant Talent have subsequently agreed in writing that the Development will be sold on an “en bloc” basis when no lease agreement had been entered into, then any lease agreement may only be entered into within one month following such agreement between Concept Plus and Radiant Talent in respect of “en bloc” disposal. After the end of such one-month period, if no such lease agreement has been entered into, the right of Concept Plus to procure a lease over the Signage Portion will automatically terminate and lapse.

### **Development proceeds and dividend policy**

Subject to the mortgagee's requirements for the release of money from the stakeholder account as required under the loan facility documents (if applicable), the proceeds arising from the Development will be applied firstly, for payment of the expenses of the Project; secondly, for repayment of the external borrowings and Silvery Sky Shareholder’s Loans; and lastly, for distribution as dividends to the Silvery Sky Shareholders.

The dividend policy of each member of the Silvery Sky Group will be to distribute dividend in a manner which is consistent with prudent commercial principles, having regard to (i) its profitability and the need to maintain and build up the reserves to an appropriate level in a prudent manner in accordance with normal management practices, and (ii) the interests of its shareholder(s) as a whole.

Silvery Sky should retain sufficient available funds and cash resources as required by the applicable laws and as may be determined by the Silvery Sky Board before any distribution of cash dividends.

### **Transfer of Silvery Sky Shares and Silvery Sky Shareholder’s Loans**

None of the Silvery Sky Shareholders may sell, transfer, assign, mortgage or otherwise encumber or dispose of its direct or indirect interest in the Silvery Sky Shares or its (or its affiliates’) direct or indirect interests in the Silvery Sky Shareholder’s Loans, other than:

- (a) by way of security in respect of external borrowings of the Silvery Sky Group in favour of any lender thereof or the enforcement of such security; or
- (b) by a transfer or assignment of all (but not only part) of such interests in the Silvery Sky Shares and the Silvery Sky Shareholder’s Loans:
  - (i) with the prior written consent of the other Silvery Sky Shareholder (whose consent, if given, may be subject to such conditions as such other Silvery Sky Shareholder may require) and such other Silvery Sky Shareholder has the right of first refusal in respect of such transfer and assignment; or
  - (ii) to any of its affiliates; or
- (c) in the event of the disposal of the Development on an “en bloc” basis; or

- (d) on or after the date on which all proceeds arising from the Development have been applied and distributed in accordance with the Shareholders' Memorandum.

## **Conversion**

If the user of the Lot is successfully changed to commercial before the commencement of foundation works in respect of the Development, on the Conversion Due Date, all such necessary actions as required by the applicable laws to convert the Non-voting Participating Share to the Conversion Share will be taken by Concept Plus, Radiant Talent and Silvery Sky, 50% of the then outstanding aggregate Silvery Sky Shareholder's Loans owing by Silvery Sky to Concept Plus or its affiliates will be assigned to Radiant Talent, and the Shareholders' Agreement will be entered into by Concept Plus, Radiant Talent and Silvery Sky to replace the Shareholders' Memorandum with effect from the Conversion Effective Date.

For the purpose of the Conversion, Radiant Talent is required to pay to Concept Plus an amount (the "**Conversion Payment**") equal to: (i) 50% of the Silvery Sky Shareholder's Loans owing by Silvery Sky to Concept Plus or its affiliates as at the Conversion Effective Date (including any accrued but unpaid interests thereon); and (ii) either: (1) adding an amount representing 50% of the NRI as at the Conversion Effective Date (if such NRI is greater than zero); or (2) subtracting an amount representing 50% of the absolute value of the NRI as at the Conversion Effective Date (if such NRI is less than zero), such amount to be calculated based on the Conversion Accounts. Pending the agreement or determination of the amount of the Conversion Payment, on the Conversion Due Date, Radiant Talent is required to pay to Concept Plus an amount (the "**Initial Conversion Payment**") to be calculated in the manner as aforesaid save that references to the Conversion Accounts and as at the Conversion Effective Date above are to be replaced by the management account of the Silvery Sky Group and as at the last date of the month up to which such management account is prepared, respectively. If the Conversion Payment as agreed or deemed to be agreed or certified as provided in the Shareholders' Memorandum is different from the Initial Conversion Payment, then the excess will be paid by Radiant Talent to Concept Plus or vice versa for any shortfall.

If the user of the Lot is successfully changed to commercial, each of Concept Plus and Radiant Talent should use their respective best endeavours to procure to the extent possible, guarantees or securities provided by Concept Plus and/or members of the PCPD Group and/or Radiant Talent will be replaced by those provided by Concept Plus and Radiant Talent (or the respective members of the PCPD Group and the CSI Group) on a several (but not joint and several) and equal basis with effect from the Conversion Effective Date or as soon as possible thereafter. If any guarantees or securities are not so replaced, the indebtedness, liabilities and costs arising under such guarantees or securities should be borne by Concept Plus and Radiant Talent equally, and Radiant Talent should pay Concept Plus an amount equal to its share of such indebtedness, liabilities and costs so discharged or paid by Concept Plus and/or member of the PCPD Group.

## **INFORMATION OF THE SILVERY SKY GROUP AND THE PROJECT**

Fast Million is indirectly wholly-owned by CSI through the Vendor and is an investment holding company. Fast Million currently owns, through its wholly-owned subsidiaries, namely, Million Base, Million Basis and Garhing, 100% of the Million Base Property, the Million Basis Property and the Garhing Property, and will own, through its wholly-owned subsidiary, namely White Pacific, 100% of the White Pacific Property upon the completion of the White Pacific Property Acquisition Agreement. The costs incurred by the Vendor (or its subsidiaries) for acquisition of the Million Base Property, Million Basis Property and Garhing Property amounted to approximately HK\$1,150,923,000 in aggregate. The purchase price payable by White Pacific for the White Pacific Property is HK\$493,000,000.

Set out below are certain key financial figures extracted from the unaudited consolidated financial information of Fast Million for the two financial years ended 31 March 2016 and 2017 (which do not reflect (i) the financial results of Garhing, the acquisition of which was completed on 5 June 2017; and (ii) the interest in the White Pacific Property, the acquisition of which pursuant to the White Pacific Property Acquisition Agreement has not yet completed):

	<b>For the year ended 31 March</b>	
	<b>2016</b>	<b>2017</b>
	HK\$	HK\$
Net liabilities	(59,022,688)	(73,415,400)
Revenue	5,345,701	6,316,564
Net loss before taxation	(21,864,823)	(17,810,856)
Net loss after taxation	(20,775,366)	(14,392,711)

Set out below are certain key financial figures extracted from the audited financial information of Garhing for the two financial years ended 30 June 2016 and 2017:

	<b>For the year ended 30 June</b>	
	<b>2016</b>	<b>2017</b>
	HK\$	HK\$
Net assets	179,288,756	348,410,506
Revenue	5,399,189	5,691,721
Net (loss) / profit before taxation	(4,528,777)	173,002,935
Net (loss) / profit after taxation	(5,062,524)	172,821,750

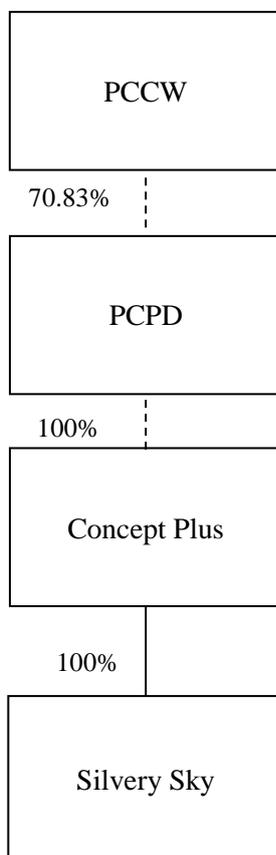
Silvery Sky is an investment holding company formed for the purpose of the JV Formation and is wholly-owned by Concept Plus, an indirect wholly-owned subsidiary of PCPD, as at the date of this announcement.

Immediately following Completion, (i) Silvery Sky will own all the issued shares in and all the shareholder's loan owing by Fast Million, and thus will indirectly own 100% of the Properties; and (ii) PCPD will, through Concept Plus, continue to hold one issued ordinary share of Silvery Sky and CSI will, through Radiant Talent, hold one issued Non-voting Participating Share of Silvery Sky (which together with the aforesaid one issued ordinary share will represent the entire issued share capital of Silvery Sky).

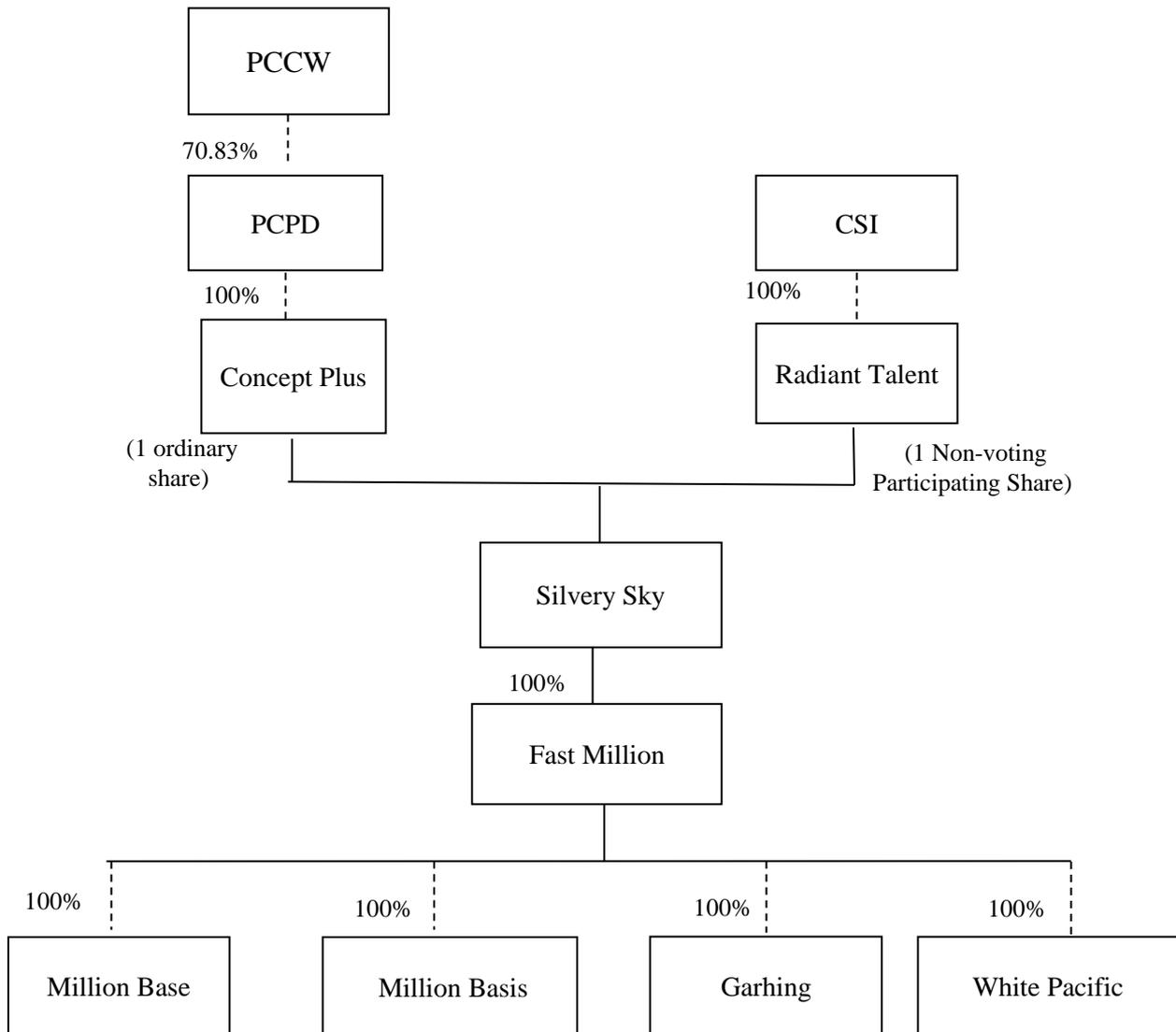
Immediately following the Conversion and assignment of Silvery Sky Shareholder's Loans as contemplated in the event of the Conversion, (i) the issued share capital of Silvery Sky will consist of ordinary shares only and each of PCPD (through Concept Plus) and CSI (through Radiant Talent) will hold 50% of the entire issued share capital of Silvery Sky; and (ii) each of PCPD (through Concept Plus) and CSI (through Radiant Talent) will hold 50% of the entire Silvery Sky Shareholder's Loans.

The following diagrams show the simplified shareholding structures of the Silvery Sky Group immediately before and after Completion:

*(a) Immediately before Completion*



*(b) Immediately after Completion*



The Properties are located at Nos. 3-6 Glenealy, Central, Hong Kong, prime piece of residential real estate within a stone's throw of Lan Kwai Fong and the Central CBD. Currently erected on Million Base Property and Million Basis Property is a block of 9-storey commercial / residential building completed in 1959 and on Garhing Property and White Pacific Property is an 11-storey commercial / residential building completed in 1968. The Properties have a total site area of approximately 1,090.31 square metres (11,736 square feet) and plot ratio of not less than 8. The PCPD Group intends to redevelop the Properties, jointly with CSI, into the Development, a high-end predominantly-residential building, or in the event that the user of the Lot is successfully changed to commercial, a grade A commercial building.

**REASONS FOR AND BENEFITS OF THE TRANSACTIONS**

Located at prime piece of residential area within a stone's throw of Lan Kwai Fong and the Central CBD, and conveniently a 5 to 10-minute walk to the MTR-Central station, but elevated away from the noise pollution, the Properties occupy a tranquil segment of the Central CBD. In view of the supreme location of the Properties and scarcity of residential and commercial sites in Central, the PCPD Group considers that the Project represents an excellent opportunity for the PCPD Group to invest in luxurious redevelopment project and to maximise the strengths of its brand through the

Development, in line with the PCPD Group's business strategies in seizing premium development projects. The JV Formation is proposed for the purpose of jointly undertaking the Project with the CSI Group. Subject to the user of the Lot being successfully changed to commercial, the Properties can be redeveloped into a grade A commercial building which, given the limited grade A office supply in Central, is expected to bring supreme benefit to PCPD. However, there is no assurance that such change can realise.

At the outset, PCPD Group will, through the acquisition of the Sale Shares and Sale Loan by Silvery Sky, obtain indirect interest in the Properties from the CSI Group and the Consideration for such acquisition consists of a combination of cash payment (i.e. the Cash Consideration) which is lower than the value of the Properties as at 16 November 2017 of approximately HK\$2,400,000,000 as valued by an independent property valuer, and consideration in kind (i.e. the Non-voting Participating Share) which entitles Radiant Talent to share 50% of the profit of Silvery Sky. If the user of the Lot is subsequently successfully changed from residential to commercial and the Properties is redeveloped into a grade A commercial building, it is anticipated that the scale of the Project would be expanded and the potential return of the Project is expected to be increased. In such event, for the sake of fairness, by virtue of the Conversion, Radiant Talent will become an equal joint venture partner with Concept Plus in respect of Silvery Sky such that Radiant Talent will continue to be entitled to share 50% of the profits of Silvery Sky and at the same time, it would bear the costs and fund and provide support in respect of all the funding required in respect of the Project equally with Concept Plus and for the costs already incurred by the PCPD Group in respect of the Project prior to the Conversion, Radiant Talent will share such cost by making the Conversion Payment to Concept Plus.

The transactions to be undertaken by Silvery Sky pursuant to the JV Formation are of a revenue nature and in the ordinary and usual course of business of the PCPD Group. The PCCW Board and the PCPD Board (including their respective independent non-executive directors) are of the view that the terms of the Transactions are fair and reasonable and the Transactions are on normal commercial terms, and in the interests of PCCW, PCPD and their respective shareholders as a whole.

No directors of PCCW and PCPD are regarded as having a material interest in the Transactions and hence no directors of PCCW and PCPD are required under the Listing Rules to abstain from voting on the resolutions approving the Transactions.

## **GENERAL**

The PCCW Group is principally engaged in the provision of telecommunications and related services which include local telephony, local data and broadband, international telecommunications, mobile, and other telecommunications businesses such as customer premises equipment sales; the provision of interactive pay-TV services, Internet portal digital media entertainment platform in Hong Kong and other parts of the world; investments in, and development of, systems integration, network engineering, and technology-related businesses; and development and management of premium-grade property and infrastructure projects as well as premium-grade property investments. Through HK Television Entertainment Company Limited, PCCW also operates a domestic free television service in Hong Kong.

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.

Concept Plus is an investment holding company.

Silvery Sky is an investment holding company.

CSI is an investment holding company and the principal activities of its principal subsidiaries include property investment, and development in Hong Kong, Macau and China.

Radiant Talent is an investment holding company.

## **LISTING RULES IMPLICATIONS**

Since Chung Cho Yee, Mico, a controlling shareholder and director of CSI, (i) is a director of certain subsidiaries of PCCW (including as a non-executive director of HKT Management Limited (the trustee-manager of the HKT Trust) and of HKT Limited, HKT Trust and HKT Limited are both listed on the Stock Exchange); and (ii) was a director of PCPD Services Limited (a wholly-owned subsidiary of PCPD) until 25 January 2017, CSI and Radiant Talent are connected persons at the subsidiary level of both PCCW and PCPD within the meaning of Rule 14A.06(9) of the Listing Rules. Accordingly, the Transactions constitute connected transactions for both PCCW and PCPD under Chapter 14A of the Listing Rules.

### ***PCCW***

For PCCW, as the Transactions have been approved by the PCCW Board and the independent non-executive directors of PCCW have confirmed that the terms thereof are fair and reasonable, and the Transactions are on normal commercial terms and in the interests of PCCW and its shareholders as a whole, the Transactions are exempted from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.101 of the Listing Rules but are subject to announcement and annual reporting requirements under Chapter 14A of the Listing Rules.

### ***PCPD***

For PCPD, as the Transactions have been approved by the PCPD Board and the independent non-executive directors of PCPD have confirmed that the terms thereof are fair and reasonable, and the Transactions are on normal commercial terms and in the interests of PCPD and its shareholders as a whole, the Transactions are exempted from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.101 of the Listing Rules but are subject to announcement and annual reporting requirements under Chapter 14A of the Listing Rules.

Notwithstanding that the Transactions are exempted from the independent financial advice requirement under Chapter 14A of the Listing Rules, PCCW and PCPD have engaged Opus Capital as their independent financial adviser to advise their respective independent non-executive directors in respect of the Transactions. It is the opinion of Opus Capital that the terms of the Transactions are fair and reasonable, and the Transactions are on normal commercial terms and in the interests of each of PCCW and PCPD and their respective shareholders as a whole.

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

## DEFINITIONS

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

“Building Authority”	the Building Authority as defined in the Buildings Ordinance (Chapter 123 of the Laws of Hong Kong)
“Business Days”	days on which banks in Hong Kong are generally opened for business but excluding Saturdays and any day on which tropical cyclone warning signal no. 8 or above or black rainstorm warning signal is in force in Hong Kong at any time between the hours of 9 a.m. and 5 p.m.
“BVI”	the British Virgin Islands
“Cash Consideration”	has the meaning ascribed to it in the section headed “The Sale and Purchase Agreement – Consideration” of this announcement
“CBD”	central business district
“Completion”	completion of the Sale and Purchase Agreement
“Concept Plus”	Concept Plus Holdings Limited, a company incorporated in BVI with limited liability and an indirect wholly-owned subsidiary of PCPD
“Consideration”	the Cash Consideration together with the Non-cash Consideration
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Conversion”	conversion of the Non-voting Participating Share to the Conversion Share in accordance with the Shareholders’ Memorandum
“Conversion Accounts”	the unaudited consolidated statement of financial position of the Silvery Sky Group as at the Conversion Effective Date to be prepared and delivered to Radiant Talent by Concept Plus
“Conversion Due Date”	the 10th Business Day after the Conversion Preparation End Date
“Conversion Effective Date”	the Conversion Due Date or such other date on which the Conversion becomes effective in accordance with the applicable laws if it is not the Conversion Due Date
“Conversion Payment”	has the meaning ascribed to it in the section headed “The Shareholders’ Memorandum – Conversion” of this announcement

“Conversion Preparation End Date”	the date on which all approvals, consents, waiver and acts that are necessary for the purpose of the Conversion having been obtained or completed and all applicable regulatory requirements (including but not limited to the Listing Rules) to which any member of the PCPD Group or any other member of the PCCW Group is subject in relation to the Conversion having been complied with (which Concept Plus is required to use all reasonable endeavours to procure) or waived by the relevant regulatory authority, or such other date as Concept Plus and Radiant Talent may agree in writing
“Conversion Share”	one new fully paid up ordinary share of Silvery Sky to be issued on Conversion which shall represent 50% of the total issued voting share capital of Silvery Sky immediately following Conversion and shall rank pari passu in all respects with the existing one ordinary share of Silvery Sky in issue
“CSI” or “Vendor’s Guarantor”	CSI Properties Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange (stock code: 00497)
“CSI Group”	CSI and its subsidiaries
“Deposits”	the initial deposit and the further deposit referred to under the section headed “The Sale and Purchase Agreement – Consideration” of this announcement
“Development”	a high-end predominantly-residential building (or, in the event that the user of the Lot is successfully changed to commercial, a commercial building) to be erected on the Lot in accordance with the Shareholders’ Memorandum and the final General Building Plans approved by the Silvery Sky Executive Committee, or such other development as may be unanimously agreed by the Silvery Sky Shareholders
“Fast Million”	Fast Million Limited, a company incorporated in BVI with limited liability and a direct wholly-owned subsidiary of Radiant Talent. As at the date of this announcement, it indirectly holds 100% of the issued share capital of Million Base, Million Basis, Garhing and White Pacific
“Fast Million Group”	Fast Million and its subsidiaries
“Garhing”	Garhing Investment Company, Limited, a company incorporated in Hong Kong with limited liability, an indirect wholly-owned subsidiary of Fast Million and the legal and beneficial owner of the Garhing Property
“Garhing Property”	all that piece or parcel of ground registered in the Land Registry as the Remaining Portion of Inland Lot No. 7986 together with all messuages, buildings and erections thereon (No. 6 Glenealy, Hong Kong)

“General Building Plans”	the building plans (including any amendments thereto) for the Development from time to time approved by the Building Authority and (if required) by the Director of Lands of the Lands Department of the government of Hong Kong and such other government authorities of Hong Kong
“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
“Initial Conversion Payment”	has the meaning ascribed to it in the section headed “The Shareholders’ Memorandum – Conversion” of this announcement
“JV Formation”	the formation of joint venture between Concept Plus and Radiant Talent for the single purpose of undertaking and implementing the Project through the transactions pursuant to and as contemplated under the Sale and Purchase Agreement and the Shareholders’ Memorandum
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Lot”	the Remaining Portion of Sub-section 1 of Section E of Inland Lot No. 140, the Remaining Portion of Section E of Inland Lot No. 140, the Remaining Portion of Section D of Inland Lot No. 140 and the Remaining Portion of Inland Lot No. 7986
“Million Base”	Million Base Properties Limited, a company incorporated in Hong Kong with limited liability, an indirect wholly-owned subsidiary of Fast Million and the legal and beneficial owner of the Million Base Property
“Million Base Property”	all those pieces and parcels of ground respectively registered in the Land Registry as the Remaining Portion of Section E of Inland Lot No. 140 and the Remaining Portion of Sub-section 1 of Section E of Inland Lot No. 140 together with all messuages, buildings and erections thereon (No. 3, 4 Glenealy, Hong Kong) (other than the Million Basis Property)
“Million Base Stamp Duty Refund”	has the meaning ascribed to it in the section headed “The Sale and Purchase Agreement — Stamp duty refund” of this announcement
“Million Basis”	Million Basis Property Limited, a company incorporated in BVI with limited liability, an indirect wholly-owned subsidiary of Fast Million and the legal and beneficial owner of the Million Basis Property

“Million Basis Property”	(a) Portion of the Ground Floor of the Building as shown and coloured Pink hatched Red and marked “GB” in the Ground Floor Plan annexed to an Assignment Memorial No.UB322718; and (b) Portion of the Eighth Floor and the Roof of the Building as shown and coloured Pink hatched Red and marked “8B” on the Plan annexed to an Assignment Memorial No.UB308763
“Million Basis Stamp Duty Refund”	has the meaning ascribed to it in the section headed “The Sale and Purchase Agreement — Stamp duty refund” of this announcement
“Non-voting Participating Share”	1 non-voting participating share of par value US\$1.00 of Silvery Sky credited as fully paid up at an issue price of US\$1.00, which will be issued upon Completion and will be the only non-voting participating share of Silvery Sky following Completion
“NRI”	the amount of net rental income of the Silvery Sky Group after deducting all related operating expenses (but not the finance costs) as at the Conversion Effective Date
“Occupation Permit”	an occupation permit issued by the Building Authority in relation to the Development or any part or parts thereof
“Opus Capital”	Opus Capital Limited, a corporation licensed under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to carry out type 1 (dealings in securities) and type 6 (advising on corporate finance) regulated activities
“PCCW”	PCCW Limited, a company incorporated in Hong Kong with limited liability, the shares of which are 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 (ticker: PCCWY), which indirectly holds approximately 70.83% of the total number of shares of PCPD in issue as at the date of this announcement
“PCCW Board”	the board of directors of PCCW
“PCCW Group”	PCCW and its subsidiaries
“PCCW Shareholders”	holders of PCCW Shares
“PCCW Shares”	ordinary shares in the issued share capital of PCCW
“PCPD”	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)
“PCPD Board”	the board of directors of PCPD
“PCPD Group”	PCPD and its subsidiaries

“PCPD Shareholders”	holders of PCPD Shares
“PCPD Shares”	ordinary shares in the issued share capital of PCPD
“Project”	the demolition of the Properties and redeveloping the Lot into the Development and the subsequent disposal thereof, which is expected to be completed within 24 months (or such other period as the Vendor and the Purchaser may agree) from the date of the issuance of the Occupation Permit
“Project Manager”	the project manager for the Development
“Properties”	the Million Base Property, the Million Basis Property, the Garhing Property and the White Pacific Property
“Radiant Talent” or “Vendor”	Radiant Talent Holdings Limited, a company incorporated in BVI with limited liability and an indirect wholly-owned subsidiary of CSI. As at the date of this announcement, it holds 100% of the issued share capital of Fast Million
“Reserved Matters”	the matters as further described under the section headed “The Shareholders’ Memorandum – Silvery Sky Executive Committee” in this announcement
“Sale and Purchase Agreement”	the sale and purchase agreement dated 15 January 2018 entered into between Silvery Sky, Radiant Talent and CSI in relation to the sale and purchase of the Sale Interests
“Sale Interests”	the Sale Shares and the Sale Loan
“Sale Loan”	the entire amount of the shareholder’s loan owing by Fast Million to the Vendor as at the date of Completion
“Sale Shares”	100% of the issued ordinary share capital of Fast Million as at the date of Completion
“SFC”	the Securities and Futures Commission of Hong Kong
“Shareholders’ Agreement”	a shareholders’ agreement to be agreed and entered into on the Conversion Due Date between Concept Plus, Radiant Talent and Silvery Sky to govern the relationship between Concept Plus and Radiant Talent as Silvery Sky Shareholders from the Conversion Effective Date
“Shareholders’ Memorandum”	the shareholders’ memorandum to be entered into at Completion between Concept Plus, Radiant Talent and Silvery Sky in relation to, among other things, the businesses, operation and management of Silvery Sky and the relationship between Concept Plus and Radiant Talent as voting shareholder and non-voting participating shareholder respectively of Silvery Sky

“Signage”	signage(s) (of whatsoever format) together with all relevant ancillary apparatus, conducts, cables and supporting structures to be located at such agreed parts of the Development
“Signage Portion”	the relevant portion of the Development for affixation, erection and installation of Signage
“Silvery Sky” or “Purchaser”	Silvery Sky Holdings Limited, a company incorporated in BVI with limited liability and an indirect wholly-owned subsidiary of PCPD
“Silvery Sky Board”	the board of directors of Silvery Sky
“Silvery Sky Executive Committee”	the executive committee of Silvery Sky to be formed in accordance with the Shareholders’ Memorandum, further details of which are set out in the section headed “The Shareholders’ Memorandum — Silvery Sky Executive Committee” of this announcement
“Silvery Sky Group”	Silvery Sky and its subsidiaries
“Silvery Sky Share(s)”	the issued share(s) of any class in the issued share capital of Silvery Sky
“Silvery Sky Shareholder(s)”	the holder(s) of the Silvery Sky Share(s)
“Silvery Sky Shareholder’s Loans”	any sums or loans advanced or made (or procured to be made) to Silvery Sky by a Silvery Sky Shareholder or its affiliate(s)
“Stakeholder”	legal advisers to Radiant Talent and CSI
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transactions”	the Sale and Purchase Agreement, the Shareholders’ Memorandum and the transactions contemplated thereunder, including the JV Formation and the Conversion
“Unit(s)”	strata title unit(s) within the Development
“US\$”	United States dollars, the lawful currency of the United States of America
“White Pacific”	White Pacific Limited, a company incorporated in BVI, an indirect wholly-owned subsidiary of Fast Million and will become the legal and beneficial owner of the White Pacific Property upon completion of the White Pacific Property Acquisition Agreement
“White Pacific Property”	all that piece or parcel of ground registered in the Land Registry as the Remaining Portion of Section D of Inland Lot No. 140 together with all messuages, buildings and erections thereon (No. 5 Glenealy, Hong Kong)

“White Pacific Property Acquisition Agreement”

agreement in respect of the sale and purchase of the White Pacific Property dated 28 December 2017 entered into between White Pacific as the purchaser and Church Body of the Hong Kong Sheng Kung Hui as the vendor

“%”

per cent.

By order of the board of directors of  
**PCCW Limited**  
**Bernadette M. Lomas**  
*Group General Counsel and  
Company Secretary*

By order of the board of directors of  
**Pacific Century Premium Developments  
Limited**  
**Tsang Sai Chung**  
*Company Secretary*

Hong Kong, 15 January 2018

As at the date of this announcement, the directors of PCCW are as follows:

***Executive Directors:***

Li Tzar Kai, Richard (Chairman); Srinivas Bangalore Gangaiah (aka BG Srinivas) (Group Managing Director); Hui Hon Hing, Susanna (Group Chief Financial Officer) and Lee Chi Hong, Robert

***Non-Executive Directors:***

Tse Sze Wing, Edmund, GBS; Lu Yimin (Deputy Chairman); Li Fushen; Shao Guanglu and Wei Zhe, David

***Independent Non-Executive Directors:***

Dr The Hon Sir David Li Kwok Po, GBM, GBS, OBE, JP; Aman Mehta; Frances Waikwun Wong; Bryce Wayne Lee; Lars Eric Nils Rodert; David Christopher Chance and David Lawrence Herzog

As at the date of this announcement, the directors of PCPD 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*