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PACIFIC CENTURY PREMIUM DEVELOPMENTS LIMITED

盈科大衍地產發展有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 00432)

DISCLOSEABLE TRANSACTION

**CONSTRUCTION OF GOLF COURSE
IN PHANG-NGA, THAILAND**

The Board is pleased to announce that on 3 December 2018, Highgame (an associate of the Company) and the Contractor entered into the Construction Contract, under which Highgame has engaged the Contractor for the Golf Course Construction at the Site in Thai-muang, Phang-nga, Thailand owned by the Group for the Contract Sum of THB210,080,079 (equivalent to approximately HK\$49,830,995).

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

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A summary of the principal terms of the Construction Contract is as follows:

Date : 3 December 2018

Parties : Highgame; and

Trad International Golf Service Co., Ltd. (as the Contractor)

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

Subject Matter : Under the Construction Contract, Highgame has engaged the Contractor to construct a 18-hole golf course with total area of approximately 530,000 square meters including associated landscaping works, maintenance sheds and utilities.

Contract Sum : THB210,080,079 (equivalent to approximately HK\$49,830,995) (excluding value-added tax)

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

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

Expected Date of Completion of Works : 30 November 2020

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

- (i) 20% of the Contract Sum to be paid as advance payment upon commencement of works, subject to the submission of a bank guarantee with equivalent amount by the Contractor;
- (ii) the remaining 80% of the Contract Sum to be paid as monthly payments based on progress of works to be evaluated by quantity surveyor;
- (iii) the payments shall be subject to 5% retention to be held by Highgame;
- (iv) the first half of retention shall be released to the Contractor upon completion of works; and
- (v) the second half of retention shall be released upon expiry of the Defect Liability Period. Subject to the submission of a bank guarantee with the amount equivalent to the second half of retention by the Contractor, the relevant retention monies shall be released to the Contractor upon completion of works.

Performance Security : Performance bond with amount equivalent to 10% of the Contract Sum shall be procured by the Contractor.

Liquidated Damages on Delay : 0.1% of the Contract Sum per calendar day subject to a maximum amount equivalent to 10% of the Contract Sum

REASONS FOR AND BENEFITS OF THE GOLF COURSE CONSTRUCTION

The Government of Thailand has announced in May 2018 the construction of a new airport in Khok Kloi, Phang-nga, which is approximately 30 kilometers to the north of the existing Phuket International Airport. According to the announcement by the Government of Thailand, the new airport is expected to be completed around 2023 and would accommodate approximately 10 million passengers annually, which would boost tourism as well as the economic growth of Phang-nga Province.

The development of the golf course and its supporting infrastructure will create a recreation destination for residents and visitors of the region, which in turn would support the overall development of the Site as a residential property development and a resort destination.

The Board considers that the Golf Course Construction is on normal commercial terms, the terms thereof are fair and reasonable and that such transaction is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

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

GENERAL INFORMATION

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

Highgame is principally engaged in the business of developing land for use as a residential place, hotel, building and resort.

The Contractor is principally engaged in golf course construction and maintenance work including course design, course alterations, construction of bunkers, tees, greens, grass and trees planting, etc. plus long term maintenance contract.

DEFINITIONS

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

“associate”	has the meaning ascribed to it under the Listing Rules (as may be amended from time to time)
“Board”	the board of Directors (as constituted from time to time)
“Company”	Pacific Century Premium Developments Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 00432)

“Construction Contract”	a contract dated 3 December 2018 and entered into between Highgame and the Contractor relating to the Golf Course Construction
“Contract Sum”	THB210,080,079, excluding value-added tax, being the contract sum payable by Highgame to the Contractor in respect of the Golf Course Construction pursuant to the Construction Contract
“Contractor”	Trad International Golf Service Co., Ltd., a company incorporated in Thailand with limited liability
“Defect Liability Period”	12 months after the completion of the Golf Course Construction
“Directors”	directors of the Company
“Golf Course Construction”	the transaction for construction of 18-hole golf course with total area of approximately 530,000 square meters including associated landscaping works, maintenance sheds and utilities at the Site by the Contractor for Highgame pursuant to the Construction Contract
“Group”	the Company and its subsidiaries from time to time
“Highgame”	Highgame Golf Co., Ltd., a company incorporated in Thailand with limited liability, and an associate of the Company
“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
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Share(s)”	ordinary share(s) of HK\$0.50 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of Shares from time to time
“Site”	Plots of land located at Thai-muang Sub-district, Thai-muang District, Phang-nga Province, Thailand
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“THB”	Thai Baht, the lawful currency of Thailand

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

Hong Kong, 3 December 2018

Unless indicated otherwise, in this announcement, translation of amounts in THB into HK\$ have been made at the rate of HK\$0.2372 = THB1 respectively for illustration purpose only. No representation is made that any amount in HK\$ could have been or could be converted at such respective rates or at all.

As at the date of this announcement, the Directors of the Company are as follows:

Executive Directors:

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

Non-Executive Director:

Dr Allan Zeman, GBM, GBS, JP

Independent Non-Executive Directors:

Prof Wong Yue Chim, Richard, SBS, JP; Chiang Yun; and Dr Vince Feng

* *For identification only*