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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)

**CONTINUING CONNECTED TRANSACTIONS
AGREEMENT FOR LEASE OF PREMISES AND
SIGNAGE RIGHT**

On 20 January 2016, agreement is reached between PT PBI (as landlord), a wholly-owned subsidiary of the Company, and PT FWD (as tenant), a connected person of the Company, in respect of the key terms of the lease of the Premises and signage right over the Building.

PT FWD is an indirect non-wholly owned subsidiary of FWD which is a majority-controlled company of Mr. Li Tzar Kai, Richard, a Director. Therefore, PT FWD is an associate of Mr. Li Tzar Kai, Richard and thus a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Agreement will constitute continuing connected transactions of the Company under the Listing Rules.

As each of the relevant percentage ratios under the Listing Rules for the aggregate value of the transactions under the Agreement for each of the three financial years ending 31 December 2020 exceeds 0.1% but is less than 5%, the transactions would be subject to the reporting, announcement and annual review requirements set out in the Listing Rules and exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Board approval has been obtained for the transactions and Mr. Li Tzar Kai, Richard has abstained from voting in relation to the Board resolution approving the principal terms of the Agreement and the related transactions.

PRINCIPAL TERMS OF THE AGREEMENT

On 20 January 2016, agreement is reached between PT PBI (as landlord), a wholly-owned subsidiary of the Company, and PT FWD (as tenant), a connected person of the Company, in respect of the key terms of the lease of the Premises and the signage right over the Building. The principal terms of the Agreement are as follows:

Landlord:	PT. Prima Bangun Investama
Tenant:	PT FWD Life Indonesia
Premises:	the whole of 20 th Floor and a portion of the Ground Floor of the Building
Lease Commencement Date:	Three months after fit-out access of the Premises is given to the Tenant, subject to final confirmation from the Landlord (i.e. tentatively on or after 1 January 2018)

Term:	Three years from the Lease Commencement Date (“Lease Term”)
Right of first refusal:	<p>The Tenant shall be offered a right of first refusal over the 19th Floor of the Building, when it becomes available (“ROFR Floor”) and the Tenant must confirm its intentions to take up the ROFR Floor (in part or the whole as defined and at the terms and conditions in the third party’s bona fide offer) to the Landlord within 30 calendar days of such offer notice from the Landlord pursuant to the terms of the Lease. If Tenant fails to notify Landlord within 30 calendar days, Landlord is free to lease the ROFR Floor to any party. The lease of such additional floor is conditional upon fulfillment of the requirements under the Listing Rules.</p> <p>In addition, the Tenant shall have the right of first refusal for a lease over the Premises after the Lease Term ends. Within 6 months before the expiry of the Lease Term, if the Landlord wishes to make an offer to any third party for a lease over the Premises on terms and conditions similar to the Lease with the rent, service charges and signage fees to be charged at market rates specified by the Landlord (“Offer”), the Landlord shall first give written notice to the Tenant making the same Offer to the Tenant (the “Notice”). The Tenant can accept the Offer pursuant to the terms specified in the Notice.</p>
Rental and service charges:	<p>Total rent per month – IDR1,261,252,867 (approximately HK\$709,725.32) comprising</p> <ul style="list-style-type: none"> - IDR1,214,632,867 (approximately HK\$683,491.57) in respect of the whole of 20th Floor - IDR46,620,000 (approximately HK\$26,233.75) in respect of the portion of Ground Floor <p>Total service charges (including management fee, building maintenance fee, cleaning charges, etc.) for the Premises (exclusive of electricity) - IDR90,000 per square meter per month (approximately HK\$50.64) subject to final confirmation or adjustment from the Landlord not less than six months prior to the Lease Commencement Date but shall not exceed IDR150,000 per square meter per month (approximately HK\$84.41)</p>
Signage right:	Tenant will have the right to install two corporate signages on the roof of the Building and two corporate signages on the Building’s podium level subject to the fee payable in the sum of IDR1,083,333,333 per annum (approximately HK\$609,607.41) (“Signage Charges”).

The cost of signage's manufacture, installation, repair & maintenance, taxes and electricity, will be at the Tenant's cost. At expiry of the Lease, the Tenant shall at its own cost and expenses remove all signages and make good any damage resulting from such removal.

Parking space: Subject to availability, a total of 56 car/motorcycle parking spaces will be provided.

ANNUAL CAP

An annual cap of IDR23,102,300,000 (approximately HK\$13,000,000.00) is set for the transactions under the Agreement (including rentals, service charges, parking charges and Signage Charges) for each of the three financial years ending 31 December 2020. The annual cap has been determined by reference to the estimated amounts of rentals, Signage Charges and other charges (including car/motorcycle parking charges which are estimated to be IDR226,800,000 (approximately HK\$127,623.66) for each financial year) plus a contingency margin for each of the three years from the Lease Commencement Date. The rentals, Signage Charges and the other charges applicable are set by reference to the rates available in the market.

REASONS FOR ENTERING INTO THE AGREEMENT AND VIEWS OF THE DIRECTORS

As the principal business of the PCPD Group is property development and management, the Directors (including the independent non-executive Directors) consider that the transaction contemplated under the Agreement has been entered into in the usual and ordinary course of business of the PCPD Group. They also consider that the Agreement has been negotiated and conducted on an arm's length basis between the parties and is on normal commercial terms.

The Directors (including the independent non-executive Directors) are of the view that the annual cap and the terms of the Agreement are fair and reasonable and in the interest of the Company and its shareholders as a whole.

REQUIREMENTS OF THE LISTING RULES

PT FWD is an indirect non-wholly owned subsidiary of FWD which is a majority-controlled company of Mr. Li Tzar Kai, Richard, a Director. Therefore, PT FWD is an associate of Mr. Li Tzar Kai, Richard and thus a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Agreement will constitute continuing connected transactions of the Company under the Listing Rules.

As each of the relevant percentage ratios under the Listing Rules for the aggregate value of the transactions under the Agreement for each of the three financial years ending 31 December 2020 exceeds 0.1% but is less than 5%, the transactions would be subject to the reporting, announcement and annual review requirements set out in the Listing Rules and exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Details of the transactions will be disclosed in the Company's annual report in accordance with Rule 14A.49 and Rule 14A.71 of the Listing Rules.

Board approval has been obtained for the transactions and Mr. Li Tzar Kai, Richard has abstained from voting in relation to the Board resolution approving the principal terms of the Agreement and the related transactions.

GENERAL

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

FWD Group spans Hong Kong & Macau, Thailand, Indonesia and the Philippines, offering life and medical insurance, employee benefits, and general insurance across a number of its markets. FWD is focused on creating fresh customer experiences, with easy-to-understand products, supported by leading digital technologies. Through this customer-led approach, FWD will achieve its vision to become the leading pan-Asian insurer that changes the way people feel about insurance.

DEFINITIONS

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

“Agreement” or “Lease”	the binding Letter of Offer (with a <i>pro forma</i> form of lease agreement attached thereto) issued by PT PBI as landlord and accepted by PT FWD as tenant on 20 January 2016 in connection with the leasing of the Premises by PT FWD and the grant of Signage Right to PT FWD. The parties will sign the <i>pro forma</i> lease agreement for the Building when access to the Premises is ready to be delivered to the Tenant
“associate”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Building”	Grade A office building of 40 storeys to be constructed on a plot of land situated at Jl. Jenderal Sudirman Kavling. 52-53, SCBD Lot 10, Jakarta 12190, Indonesia and construction is currently underway
“Company” or “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)
“Director(s)”	director(s) of the Company
“FWD”	FWD Group Limited, a company incorporated in Cayman Islands with limited liability
“FWD Group”	FWD and its subsidiaries and FWD Limited and its subsidiaries (“FWD Group Company” means any company within the FWD Group and “FWD Group Companies” shall be construed accordingly)
“Lease Commencement Date”	Three months after fit-out access of the Premises by Tenant, subject to final confirmation from the Landlord (i.e. tentatively on or after 1 January 2018)

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PCPD Group”	the Company and its subsidiaries (“PCPD Group Company” means any company of the PCPD Group)
“Premises”	the whole of 20 th Floor and a portion of the Ground Floor of the Building
“percentage ratios”	has the meaning ascribed to it in Chapter 14 of the Listing Rules
“PT FWD” or “Tenant”	PT FWD Life Indonesia, a company incorporated in Indonesia with limited liability and an indirect non-wholly owned subsidiary of FWD
“PT PBI” or “Landlord”	PT. Prima Bangun Investama, a company incorporated in Indonesia with limited liability and a wholly-owned subsidiary of PCPD
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 20 January 2016

Unless indicated otherwise, in this announcement, translation of amounts in IDR into HK\$ have been made at the rate of HK\$1 = IDR1,777.10 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.

The Directors of the Company as at the date of this announcement are:

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*