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 INTERIM RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2009

The board of directors (the "Board") of Pacific Century Premium Developments Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended June 30, 2009. This interim financial information has not been audited but has been reviewed by the Company's Audit Committee and the Company's independent auditor, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

- Consolidated turnover up 273 per cent to HK$2,306 million
- Consolidated operating profit up 343 per cent to HK$306 million
- Profit attributable to equity holders of the Company up 3,080 per cent to HK$159 million
- Basic earnings per share 6.63 Hong Kong cents
- The Board did not declare an interim dividend

Profit for the first half year

The Group's unaudited profit attributable to equity holders of the Company for the six months ended June 30, 2009 amounted to HK$159 million. Basic earnings per share were 6.63 Hong Kong cents.

BUSINESS REVIEW

Property development in Hong Kong

Revenue from the property development in Hong Kong for the six months ended June 30, 2009 amounted to approximately HK$2,109 million, compared with approximately HK$416 million for the corresponding period in 2008.

In February 2009, the tenth batch of net surplus proceeds from the Cyberport project, totalling HK$5,604 million, was allocated between the Government of the Hong Kong Special Administrative Region ("HKSAR") and the Group, in accordance with the Cyberport Project Agreement. The HKSAR Government received approximately HK$3,617 million, while the Group retained approximately HK$1,987 million.

Subsequent to June 30, 2009, the eleventh batch of net surplus proceeds from the Cyberport project, totalling HK$2,639 million, was allocated between the HKSAR Government and the Group in July 2009, in accordance with the Cyberport Project Agreement. The HKSAR Government received approximately HK$1,703 million, while the Group retained approximately HK$936 million.

The Group's first telephone exchange redevelopment project, located in Wo Fung Street to the west of Central and named ONE Pacific Heights, was completed in July this year. The 39-storey project comprises 155 luxury boutique apartments ranging from 531 to 1,727 square feet in size.

Property investment in mainland China

Home to multinational corporations, world-class retailers and residential tenants, Pacific Century Place, the Group's investment property in Beijing's central business district, enjoyed an average occupancy rate of approximately 73 per cent for the six months ended June 30, 2009.

The Group's gross rental income for the six months ended June 30, 2009 amounted to approximately HK$107 million, compared with approximately HK$115 million for the same period in 2008.

Other businesses

Other businesses of the Group include property developments in mainland China, Thailand and Japan, property management, facilities management, as well as ski operation. Revenue from other businesses for the six months ended June 30, 2009 amounted to approximately HK$90 million, compared with approximately HK$87 million for the corresponding period in 2008.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

HK$ million	Note(s)	For the six months ended June 30, 2009 (Unaudited)	2008 (Unaudited)
Turnover	2	**2,306**	618
Cost of sales		**(1,924)**	(358)
Gross profit		**382**	260
General and administrative expenses		**(293)**	(204)
Other income		**199**	2
Other gains, net		**18**	11
Operating profit		**306**	69
Interest income		**6**	46
Finance costs		**(73)**	(69)
Profit before taxation	2, 3	**239**	46
Income tax	4	**(80)**	(41)
Profit attributable to equity holders of the Company		**159**	5
Other comprehensive (loss)/income (after taxation):			
Currency translation differences		**(10)**	280
Total comprehensive income		**149**	285
Earnings per share (expressed in Hong Kong cents per share)			
Basic	6	**6.63 cents**	0.2 cent
Diluted	6	**N/A**	N/A

CONDENSED CONSOLIDATED BALANCE SHEET

HK$ million	Note	**June 30, 2009 (Unaudited)**	December 31, 2008 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties		**3,860**	3,831
Property, plant and equipment		**174**	173
Properties under development		**665**	626
Properties held for development		**853**	860
Goodwill		**95**	96
Other receivables		**4**	4
Deferred income tax assets		**22**	23
		5,673	5,613
Current assets			
Properties under development/held for sale		**1,145**	2,402
Sales proceeds held in stakeholders' accounts		**2,364**	6,994
Restricted cash		**2,745**	720
Trade receivables, net	7	**879**	1,918
Prepayments, deposits and other current assets		**218**	125
Amounts due from fellow subsidiaries		**22**	10
Amounts due from related companies		**2**	2
Cash and cash equivalents		**3,242**	1,654
		10,617	13,825

HK$ million	Note	**June 30, 2009 (Unaudited)**	December 31, 2008 (Audited)
Current liabilities			
Current portion of long-term borrowings		**24**	24
Trade payables	8	**32**	191
Accruals, other payables and deferred income		**1,336**	1,600
Deposits received on sales of properties		**670**	469
Gross amounts due to customers for contract works		**—**	5
Amounts due to fellow subsidiaries		**—**	15
Amount payable to the HKSAR Government under the Cyberport Project Agreement		**3,040**	4,981
Current income tax liabilities		**182**	143
		5,284	7,428
Net current assets		**5,333**	6,397
Total assets less current liabilities		**11,006**	12,010
Non-current liabilities			
Long-term borrowings		**2,166**	2,105
Amount payable to the HKSAR Government under the Cyberport Project Agreement		**—**	1,195
Deferred income tax liabilities		**249**	240
Other long-term liabilities		**5**	33
		2,420	3,573
Net assets		**8,586**	8,437
REPRESENTING:			
Issued equity		**4,321**	4,321
Reserves		**4,265**	4,116
		8,586	8,437

Notes:

1. Basis of Preparation and Accounting Policies

The unaudited condensed consolidated financial information of the Group has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the HKICPA. The unaudited condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended December 31, 2008, which have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA.

The preparation of the unaudited condensed consolidated financial information in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The accounting policies and methods of computation used in the preparation of these unaudited condensed consolidated financial information are consistent with those used in preparing the Group's annual financial statements for the year ended December 31, 2008, except for the adoption of the following new and revised Hong Kong Financial Reporting Standards, HKASs and interpretations ("new HKFRS") which are effective for the annual period beginning on January 1, 2009:

Standards, amendments and interpretations effective from January 1, 2009

HKAS 1 (Revised) Presentation of Financial Statements

As a result of the adoption of HKAS 1 (Revised), details of change in equity during the period arising from transactions with equity shareholders in their capacity as such have been presented separately from all other income and expenses in a revised consolidated statement of changes in equity. All other items of income and expenses are presented in the consolidated statement of comprehensive income. This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any period presented. Comparative figures have been provided on a basis consistent with the new presentation requirements under HKAS 1 (Revised).

HKFRS 8 Operating Segments

HKFRS 8 requires segment disclosure to be based on the way that the Group's chief operating decision maker regards and manages the Group, with the amounts reported for each reportable segment being the measures reported to the Group's chief operating decision maker for the purposes of assessing segment performance and making decisions about operating matters. This contrasts with the presentation of segment information in prior years which was based on a disaggregation of the Group's financial statements into segments based on related products and services and on geographical areas. The adoption of HKFRS 8 has resulted in the presentation of segment information in a manner that is more consistent with internal reporting provided to the Group's most senior executive management, and has resulted in additional reportable segments being identified and presented. Comparative figures have been provided on a basis consistent with the revised segment information.

Standards, amendments and interpretations effective from January 1, 2009 adopted by the Group but have no significant impact on the Group's financial statements

HKAS 23 (Revised)	Borrowing Costs
HKAS 32 (Amendment) and HKAS 1 (Amendment)	Puttable Financial Instruments and Obligations Arising on Liquidation
Amendments to HKFRS 1	First-time adoption of HKFRS and HKAS 27 - Consolidated and Separate Financial Statements - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Share-based Payment Vesting Conditions and Cancellations
HK(IFRIC)-Int 13	Customer Loyalty Programmes

1. Basis of Preparation and Accounting Policies (Cont'd)

HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation

Improvements to HKFRS – Amendments to:

HKAS 2	Inventories
HKAS 7	Cash Flow Statements
HKAS 16	Property, Plant and Equipment
HKAS 19	Employee Benefits
HKAS 20	Accounting for Government Grants and Disclosure of Government Assistance
HKAS 27	Consolidated and Separate Financial Statements
HKAS 28	Investments in Associates
HKAS 29	Financial Reporting in Hyperinflationary Economies
HKAS 31	Interests in Joint Ventures
HKAS 36	Impairment of Assets
HKAS 38	Intangible Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKAS 40	Investment Property
HKAS 41	Agriculture

Other minor amendments to:

HKFRS 7	Financial Instruments: Disclosures
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 10	Events After the Balance Sheet Date
HKAS 18	Revenue
HKAS 34	Interim Financial Reporting

2. Turnover and Segment Information

An analysis of turnover and information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purpose of resource allocation and assessment of segment performance for the six months ended June 30 is set out below:

HK$ million	Property development in Hong Kong		Property investment in mainland China		Other businesses (note a)		Elimination		Consolidated	
For the six months ended June 30,	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
Revenue from external customers	**2,109**	416	**107**	115	**90**	87	**—**	—	**2,306**	618
Inter-segment revenue	**—**	—	**—**	—	**37**	37	**(37)**	(37)	**—**	—
Reportable segment revenue	**2,109**	416	**107**	115	**127**	124	**(37)**	(37)	**2,306**	618
Interest income	**2**	26	**2**	2	**—**	2	**—**	—	**4**	30
Unallocated interest income									**2**	16
Consolidated interest income									**6**	46
Finance costs	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—
Unallocated finance costs									**73**	69
Consolidated finance costs									**73**	69
Depreciation and amortisation	**1**	1	**6**	5	**10**	6	**—**	—	**17**	12
Unallocated depreciation and amortisation									**2**	1
Consolidated depreciation and amortisation									**19**	13
Impairment losses	**8**	—	**—**	—	**1**	—	**—**	—	**9**	—
Profit/(loss) before taxation	**378**	75	**60**	73	**(18)**	6	**—**	—	**420**	154
Unallocated corporate expenses									**(181)**	(108)
Consolidated profit before taxation									**239**	46
Income tax	**57**	3	**12**	44	**8**	(5)	**—**	—	**77**	42
Unallocated income tax									**3**	(1)
Consolidated income tax									**80**	41

2. Turnover and Segment Information (Cont'd)

HK$ million	Property development in Hong Kong		Property investment in mainland China		Other businesses (note a)		Elimination		Consolidated	
For the six months ended June 30,	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
Addition to non-current segment assets during the period	**—**	—	**14**	6	**44**	47	**—**	—	**58**	53
Unallocated addition									**3**	—
Consolidated addition to non-current segment assets during the period									**61**	53

HK$ million	Property development in Hong Kong		Property investment in mainland China		Other businesses (note a)		Elimination		Consolidated	
	June 30, 2009	December 31, 2008	**June 30, 2009**	December 31, 2008	**June 30, 2009**	December 31, 2008	**June 30, 2009**	December 31, 2008	**June 30, 2009**	December 31, 2008
Segment assets	**7,301**	12,179	**4,258**	4,217	**1,845**	1,811	**—**	—	**13,404**	18,207
Unallocated corporate assets									**2,886**	1,231
Consolidated total assets									**16,290**	19,438
Segment liabilities	**5,126**	8,375	**292**	286	**54**	124	**—**	—	**5,472**	8,785
Unallocated corporate liabilities									**2,232**	2,216
Consolidated total liabilities									**7,704**	11,001

(a) Revenue from segments below the quantitative thresholds are attributable to six operating segments of the Group. Those segments include property development in mainland China, property development in Thailand, property development in Japan, property management, facilities management and ski operation. None of these segments has ever met any of the quantitative thresholds for determining reportable segments.

3. Profit Before Taxation

Profit before taxation is stated after crediting and charging the following:

	Six months ended June 30,	
HK$ million	**2009**	2008
Crediting:		
Gross rental income from investment properties	**107**	116
Other rental income	**5**	1
Less: outgoings	**(12)**	(11)
Gain on disposal of subsidiaries	**—**	4
Gain on derivative financial instrument	**—**	7
Charging:		
Cost of properties sold	**1,863**	308
Depreciation	**18**	9
Amortisation of leasehold land	**1**	4
Staff costs, included in:		
- cost of sales	**36**	32
- general and administrative expenses	**93**	59
Contributions to defined contribution retirement scheme, included in:		
- cost of sales	**1**	1
- general and administrative expenses	**4**	4
Auditors' remuneration	**2**	2
Operating lease rental of land and buildings, included in:		
- cost of sales	**2**	1
- general and administrative expenses	**20**	7
Operating lease rental of equipment	**1**	1
Provision for impairment of trade receivables	**8**	—
Net foreign exchange loss	**—**	1

4. Income Tax

Hong Kong profits tax has been provided at the rate of 16.5 per cent (2008: 16.5 per cent) on the estimated assessable profits for the period.

Taxation for overseas subsidiaries has been calculated on the estimated assessable profits for the period at the rates prevailing in the respective jurisdictions.

HK$ million	**Six months ended June 30,** **2009**	2008
Hong Kong profits tax		
- Provision for current year	**68**	10
- Under/(Over) provision in respect of prior years	**1**	(9)
Overseas income tax		
- Provision for current year	**2**	29
- Over provision in respect of prior years	**(1)**	—
Deferred income tax relating to the origination and reversal of temporary differences	**10**	11
	80	41

5. Dividend

HK$ million	**Six months ended June 30,** **2009**	2008
Interim dividend declared (2008: Nil)	**—**	—

There was no final dividend paid for 2008.

6. Earnings Per Share

The calculations of basic and diluted earnings per share based on the share capital of the Company are as follows:

	Six months ended June 30,	
	2009	2008
Earnings (HK$ million)		
Earnings for the purpose of calculating the basic earnings per share	**159**	5
Finance costs on convertible notes	**73**	69
Earnings for the purpose of calculating the diluted earnings per share	**232**	74
	Number of shares	*Number of shares*
Weighted average number of ordinary shares for the purpose of calculating the basic earnings per share	**2,407,459,873**	2,407,459,873
Effect of dilutive potential ordinary shares on conversion of convertible notes and the employee share options	**672,222,222**	672,858,018
Weighted average number of ordinary shares for the purpose of calculating the diluted earnings per share	**3,079,682,095**	3,080,317,891

The diluted earnings per share for the six months ended June 30, 2009 and June 30, 2008 are the same as the basic earnings per share as all potential additional ordinary shares are anti-dilutive.

7. Trade Receivables, net

An aging analysis of trade receivables is set out below:

HK$ million	**June 30, 2009**	December 31, 2008
Current	**701**	1,742
One to three months	**2**	—
More than three months	**209**	209
	912	1,951
Less : Provision for impairment	**(33)**	(33)
	879	1,918

Trade receivables in respect of properties sold are payable by the purchasers pursuant to the terms of the sales contracts. Other trade receivables have a normal credit period ranges up to 30 days from the date of the invoice unless there is separate mutual agreement on extension of the credit period.

8. Trade Payables

An aging analysis of trade payables is set out below:

HK$ million	**June 30, 2009**	December 31, 2008
Current	**30**	191
One to three months	**—**	—
More than three months	**2**	—
	32	191

FINANCIAL REVIEW

Review of results

The Group recorded a consolidated turnover of approximately HK$2,306 million for the six months ended June 30, 2009, representing an increase of 273 per cent compared with approximately HK$618 million for the corresponding period in 2008. The increase in turnover was mainly due to revenue being recognised from the sales of one major phase of the Bel-Air project took place during the period.

The Group's consolidated gross profit for the six months ended June 30, 2009 was approximately HK$382 million, representing an increase of 47 per cent from approximately HK$260 million for the same period in 2008. The increase in consolidated gross profit resulted from the increase in turnover.

The Group's consolidated operating profit for the six months ended June 30, 2009 was approximately HK$306 million, comparing to approximately HK$69 million for the corresponding period in 2008.

The Group recorded consolidated net profit of approximately HK$159 million for the six months ended June 30, 2009, representing an increase of 3,080 per cent compared with approximately HK$5 million for the same period in 2008. The increase was attributable to an increase in turnover and other income. Basic earnings per share during the period were 6.63 Hong Kong cents compared with 0.2 Hong Kong cent for the corresponding period in 2008.

In accordance with applicable HKFRS issued by the HKICPA, revenue and profits from the sale of property development are recognised on completion of the development, when the inflow of economic benefits associated with the property sales transactions is assessed to be probable and significant risks and rewards of ownership have been transferred.

Current assets and liabilities

As at June 30, 2009, the Group held current assets of approximately HK$10,617 million (December 31, 2008: approximately HK$13,825 million), mainly comprising properties under development/held for sale, cash and bank balances, sales proceeds held in stakeholders' accounts and restricted cash. The decrease in current assets was attributable to a decrease in sales proceeds held in stakeholders' accounts. Properties under development/held for sale in current assets have decreased from approximately HK$2,402 million as at December 31, 2008 to approximately HK$1,145 million as at June 30, 2009. Cash and bank balances amounted to approximately HK$3,242 million as at June 30, 2009 (December 31, 2008: approximately HK$1,654 million). Sales proceeds held in stakeholders' accounts decreased by 66 per cent from approximately HK$6,994 million as at December 31, 2008 to approximately HK$2,364 million as at June 30, 2009. Restricted cash increased from approximately HK$720 million as at December 31, 2008 to approximately HK$2,745 million as at June 30, 2009.

Total current liabilities as at June 30, 2009 amounted to approximately HK$5,284 million compared with approximately HK$7,428 million as at December 31, 2008. The decrease resulted mainly from decrease in payable to the Government of the HKSAR under the Cyberport Project Agreement.

Capital structure, liquidity and financial resources

As at June 30, 2009, total Group borrowings amounted to approximately HK$2,669 million, representing an increase of HK$24 million amortised redemption premium compared with total borrowings of approximately HK$2,645 million as at December 31, 2008. As at June 30, 2009, all the Group's borrowings were from PCCW group, representing the tranche B convertible note of HK$2,420 million carrying a fixed interest rate of 1 per cent per annum and becoming repayable at 120 per cent of the outstanding principal amount at maturity in 2014. Gearing ratio is not provided as all borrowings are from PCCW, the Company's majority shareholder.

The Group's business transactions, assets and liabilities were primarily denominated in Hong Kong dollars. Renminbi-denominated revenue and Japanese-denominated revenue represented approximately 4.8 per cent and 1.5 per cent of the Group's total turnover respectively, while PRC assets, Thailand assets and Japan assets represented approximately 31.2 per cent, 3.4 per cent and 2.6 per cent of the Group's total assets, respectively.

All the Group's borrowings were denominated in Hong Kong dollars. Cash and bank balances were held mainly in Hong Kong dollars, with the remaining balance in US dollars, Renminbi, Thai Baht and Japanese Yen. As the Group has certain investment in foreign operations, net assets are exposed to foreign currency translation risks. The Group's currency exposure in respect of these operations is mainly from Renminbi, Thai Baht and Japanese Yen.

Cash generated from operating activities for the six months ended June 30, 2009 was approximately HK$1,626 million, compared with cash used for operating activities of approximately HK$177 million for the same period in 2008.

Income tax

Income tax for the six months ended June 30, 2009 was approximately HK$80 million compared with approximately HK$41 million for the same period in 2008.

Contingent liabilities

As at December 31, 2008, the Group had an outstanding performance guarantee of approximately HK$1 million granted to the HKSAR Government for certain entrustment works in relation to the Cyberport project. There was no such performance guarantee outstanding as at June 30, 2009.

EMPLOYEES AND REMUNERATION POLICIES

As at June 30, 2009, the Group employed 429 staff, most of whom were based in Hong Kong. The Group's remuneration policies, which are in line with prevailing industry practices, have been formulated on the basis of performance and experience and are reviewed regularly. Bonuses are paid on a discretionary basis, according to individual and Group performance. The Group also provides comprehensive benefits including medical insurance, choice of provident fund or mandatory provident fund and training programmes.

The Company's share option scheme adopted on March 17, 2003 was terminated on May 13, 2005 and replaced by a new share option scheme, which was adopted on May 23, 2005, following approval from PCCW's shareholders. The new share option scheme is valid and effective for a period of 10 years from the date of adoption.

INTERIM DIVIDEND

The Board did not declare an interim dividend for the six months ended June 30, 2009 (2008: Nil).

The Board had not recommended the payment of a final dividend for the year ended December 31, 2008.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended June 30, 2009, there was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries.

AUDIT COMMITTEE

The Company's Audit Committee has reviewed the Group's unaudited, condensed, consolidated financial information for the six months ended June 30, 2009 and has held one meeting during the period under review.

PUBLIC FLOAT

Based on information that is available to the Company, as at the date of this announcement, the percentage of shares held by the public has fallen to approximately 18.56 per cent, which is below the minimum percentage prescribed under Rule 8.08 (the "Minimum Prescribed Percentage") of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The shortfall arose because Elliott Capital Advisors, L.P. has increased its shareholdings in the Company to 19.91 per cent and became a substantial shareholder and hence a connected person of the Company. The Company will take steps to restore its public holdings to the Minimum Prescribed Percentage as soon as practicable. Further announcement will be made in due course once there is concrete progress in the restoration of the public float of the Company.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles and complied with all the applicable code provisions contained in the Code on Corporate Governance Practices set out in Appendix 14 to the Listing Rules for the six months ended June 30, 2009, except that the Chairman of the Board was unable to attend the Company's annual general meeting held on June 11, 2009 (which was required under the code provision E.1.2) as he needed to attend an important business meeting of the Company.

SUBSEQUENT MATERIAL EVENT

On August 20, 2009, the Group entered into a sale and purchase agreement to sell the residential development at Lot No.4, Gong Ti Bei Lu in Beijing's Chaoyang district to an independent third party for a consideration of US$118 million. Disposal of this property constitutes a discloseable transaction under the Listing Rules. For details of this transaction, please refer to a separate announcement, under the heading of "**DISCLOSEABLE TRANSACTION – PROPOSED DISPOSAL OF A SUBSIDIARY HAVING AN INDIRECT INTEREST IN A PROJECT SITE IN BEIJING**", which was published on the same date.

OUTLOOK

Although the global financial tsunami has been creating a challenging environment for the Hong Kong economy since late 2008, the local property market showed signs of moderate recovery in terms of volume, prices and sentiment during the first six months of 2009.

Despite uncertainty at the macroeconomic level, low interest rates, limited supply of high-end luxury accommodation and a fiscal stimulus package introduced by the HKSAR Government are keeping demand for luxury residential housing reasonably intact. With these factors in mind, the Group maintains a cautiously optimistic view of the local property market, as well as the economic outlook, over the long term.

PCPD's luxury houses at Villa Bel-Air are expected to be released to the market over the next two years, while ONE Pacific Heights, the Company's first telephone exchange redevelopment project, was completed in July this year.

Meanwhile, steady progress is being made on long-term projects to develop world-class all-season luxury resort complexes at Hanazono, Hokkaido in Japan – where a ski operation has already been established – and at Thai Muang Beach, Phang-nga in southern Thailand.

Maintaining a cautiously prudent approach, the Group continues to explore investment opportunities around the world that show substantial growth potential.

By order of the Board
Pacific Century Premium Developments Limited
Cheng Wan Seung, Ella
Company Secretary

Hong Kong, August 20, 2009

The directors of the Company as at the date of this announcement are as follows:

Executive Directors:
Li Tzar Kai, Richard (Chairman); Alexander Anthony Arena (Deputy Chairman);
Lee Chi Hong, Robert (Chief Executive Officer); Lam Yu Yee; James Chan; and Gan Kim See, Wendy.

Independent Non-Executive Directors:
Cheung Kin Piu, Valiant; Prof Wong Yue Chim, Richard, SBS, JP; and Dr Allan Zeman, GBS, JP.

* *For identification only*