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, 2015

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, 2015. 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").

SUMMARY

- Consolidated turnover from continuing operations decreased by 4 per cent to approximately HK$99 million
- Consolidated operating loss from continuing operations decreased by 25 per cent to approximately HK$114 million
- Loss attributable to equity holders of the Company amounted to approximately HK$112 million
- Basic loss per share: 7.08 Hong Kong cents
- The Board did not declare the payment of an interim dividend

BUSINESS REVIEW

As reported in 2013 Annual Report, the sale of first-hand Villa Bel-Air houses completed in 2013. In the first half of 2015, the nineteenth batch of the net surplus proceeds distribution from the Cyberport project, approximately HK$300 million in total, were allocated between the Government of the Hong Kong Special Administrative Region ("HKSAR Government") and the Group in accordance with the Cyberport Project Agreement. As a result, the HKSAR Government received approximately HK$194 million while the Group retained approximately HK$106 million.

Property investment in Indonesia

The Group's investment in Indonesia is located at Sudirman CBD which is within the Golden Triangle of Jakarta, Indonesia. The site is being developed into a 40-storey Premium Grade A landmark office building; after the completion of the foundation and the basement wall, the construction works of two basement levels were completed as at June 30, 2015, and other levels are underway. The development is scheduled to be completed and to become operational in 2017.

Overseas property development projects

Detailed designs of the Hanazono all-season resort project in Niseko, Hokkaido, Japan, are being worked on in accordance with the project schedule and the Group signed a letter of intent with a 5-star hotel management group. The preparation of the project in Phang-nga, southern Thailand is continuing as planned.

All-season recreational activities in Japan

The Group's all-season recreational operation is located in Niseko, Hokkaido, Japan, which is one of the premium ski destinations in the world. There are various facilities and recreational activities operated by the Group, including ski lift, ski equipment rental, ski school and snowmobile tours in winter and rafting tours and golfing in summer.

The Group's revenue from its all-season recreational activities amounted to approximately HK$52 million for the six months ended June 30, 2015, as compared to approximately HK$54 million for the corresponding period in 2014.

Property management and facilities management in Hong Kong

The Group provides professional property management and facilities management services to its clients in Hong Kong and generated revenue of approximately HK$24 million for the six months ended June 30, 2015, as compared to approximately HK$28 million for the corresponding period in 2014.

Other businesses

Other businesses of the Group mainly include property management in Japan, property investment in Hong Kong and asset management in Mainland China. The revenue from these other businesses amounted to approximately HK$23 million for the six months ended June 30, 2015, as compared to approximately HK$21 million for the corresponding period in 2014.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

HK$ million	Note	For the six months ended June 30, **2015** (Unaudited)	2014 (Unaudited)
Continuing operations			
Turnover	2	**99**	103
Cost of sales		**(24)**	(34)
Gross profit		**75**	69
General and administrative expenses		**(183)**	(222)
Other income		**—**	1
Other (losses) / gains, net		**(6)**	1
Operating loss		**(114)**	(151)
Interest income		**7**	3
Finance costs		**—**	(52)
Loss before taxation	3	**(107)**	(200)
Income tax	4	**(5)**	(12)
Loss attributable to equity holders of the Company from continuing operations		**(112)**	(212)
Discontinued operation			
Profit attributable to equity holders of the Company from discontinued operation	10(a)	**—**	347
(Loss) / profit attributable to equity holders of the Company		**(112)**	135

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - CONTINUED

HK$ million	Note	For the six months ended June 30, 2015 (Unaudited)	2014 (Unaudited)
Other comprehensive loss:			
Item that may be reclassified subsequently to profit or loss			
Currency translation differences:			
Exchange differences on translating foreign operations		**(163)**	(237)
Total comprehensive loss		**(275)**	(102)
Total comprehensive (loss) / income arises from:			
Continuing operations		**(275)**	(173)
Discontinued operation		**—**	71
		(275)	(102)
(Loss) / earnings per share from continuing operations and discontinued operation (expressed in Hong Kong cents per share)			
Basic (loss) / earnings per share	6		
Continuing operations		**(7.08) cents**	(13.40) cents
Discontinued operation		**—**	21.92 cents
		(7.08) cents	8.52 cents
Diluted (loss) / earnings per share	6		
Continuing operations		**(7.08) cents**	(13.40) cents
Discontinued operation		**—**	21.92 cents
		(7.08) cents	8.52 cents

CONDENSED CONSOLIDATED BALANCE SHEET

HK$ million	Note	**As at June 30, 2015 (Unaudited)**	As at December 31, 2014 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties		**1,958**	1,926
Property, plant and equipment		**148**	126
Properties under development		**343**	352
Properties held for development		**555**	566
Goodwill		**2**	3
Other financial assets		**2**	2
Other non-current receivables		**162**	154
		3,170	3,129
Current assets			
Sales proceeds held in stakeholders' accounts		**523**	528
Restricted cash		**96**	1,022
Trade receivables, net	8	**5**	8
Prepayments, deposits and other current assets		**403**	336
Amounts due from fellow subsidiaries		**1**	1
Amounts due from related companies		**2**	3
Derivative financial instrument	7	**57**	—
Other financial assets		**4**	4
Short-term deposits		**350**	—
Cash and cash equivalents		**1,843**	2,466
		3,284	4,368

CONDENSED CONSOLIDATED BALANCE SHEET - CONTINUED

HK$ million	Note	**As at June 30, 2015 (Unaudited)**	As at December 31, 2014 (Audited)
Current liabilities			
Trade payables	9	**4**	17
Accruals, other payables and deferred income		**434**	556
Amounts due to fellow subsidiaries		**1**	2
Amount payable to the HKSAR Government under the Cyberport Project Agreement		**322**	522
Current income tax liabilities		**195**	651
		956	1,748
Net current assets		**2,328**	2,620
Total assets less current liabilities		**5,498**	5,749
Non-current liabilities			
Other payables		**183**	161
Deferred income tax liabilities		**28**	26
		211	187
Net assets		**5,287**	5,562
REPRESENTING:			
Issued equity		**2,848**	2,848
Reserves		**2,439**	2,714
		5,287	5,562

Notes:

1. Basis of Preparation and Accounting Policies

The unaudited condensed consolidated financial information of Pacific Century Premium Developments Limited (the "Company") and its subsidiaries (the "Group") has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The unaudited condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended December 31, 2014, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the HKICPA.

The unaudited condensed consolidated financial information 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 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. In preparing these unaudited condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those which applied to the consolidated financial statements as at and for the year ended December 31, 2014.

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, 2014, except for the adoption of the following amendments to Hong Kong Financial Reporting Standards and HKASs ("new HKFRS") which are effective for the annual period beginning on January 1, 2015 but have no significant impact on the Group's financial statements:

HKAS 19 (2011) (Amendment)	Defined Benefits Plans: Employee Contribution
Annual Improvements to 2010-2012 Cycle	
Annual Improvements to 2011-2013 Cycle	

2. Turnover and Segment Information

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

	Revenue						Results		Other information	
HK$ million	Revenue from external customers		Inter-segment revenue		Reportable segment revenue		Segment results before taxation		Addition to non-current segment assets	
For the six months ended June 30,	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
Property development in Hong Kong	**—**	—	**—**	—	**—**	—	**10**	(7)	**—**	—
Property development in Japan (note a)	**—**	—	**—**	—	**—**	—	**(4)**	(6)	**1**	1
All-season recreational activities in Japan	**52**	54	**—**	—	**52**	54	**11**	7	**34**	1
Property development in Indonesia	**—**	—	**—**	—	**—**	—	**(12)**	(9)	**131**	100
Property development in Thailand (note a)	**—**	—	**—**	—	**—**	—	**(7)**	(8)	**4**	2
Property and facilities management in Hong Kong (note a)	**24**	28	**—**	—	**24**	28	**4**	2	**—**	—
Other businesses (note b)	**23**	21	**—**	1	**23**	22	**4**	4	**—**	3
Elimination	**—**	—	**—**	(1)	**—**	(1)	**—**	—	**—**	—
Total of reported segments	**99**	103	**—**	—	**99**	103	**6**	(17)	**170**	107
Unallocated	**—**	—	**—**	—	**—**	—	**(113)**	(183)	**1**	1
Consolidated from continuing operations	**99**	103	**—**	—	**99**	103	**(107)**	(200)	**171**	108
Discontinued operation (note c)	**—**	121	**—**	—	**—**	121	**—**	715	**—**	10
Consolidated	**99**	224	**—**	—	**99**	224	**(107)**	515	**171**	118

2. Turnover and Segment Information - Continued

HK$ million	Assets		Liabilities	
	June 30,	December 31,	**June 30,**	December 31,
As at	**2015**	2014	**2015**	2014
Property development in Hong Kong	**627**	1,558	**435**	649
Property development in Japan (note a)	**397**	411	**9**	10
All-season recreational activities in Japan	**126**	90	**10**	22
Property development in Indonesia	**2,437**	2,329	**419**	491
Property development in Thailand (note a)	**564**	573	**9**	8
Property and facilities management in Hong Kong (note a)	**22**	20	**10**	11
Other businesses (note b)	**91**	110	**19**	34
Total of reported segments	**4,264**	5,091	**911**	1,225
Unallocated	**2,190**	2,406	**256**	710
Consolidated	**6,454**	7,497	**1,167**	1,935

(a) The segments for property development in Japan, property development in Thailand and property and facilities management in Hong Kong have met the quantitative thresholds under HKFRS 8 for reportable segments during the period ended June 30, 2015, therefore they are separately disclosed and their respective comparative figures have been restated. These segments were included in other businesses for the period ended June 30, 2014.

(b) Revenue from segments below the quantitative thresholds under HKFRS 8 are attributable to three operating segments of the Group. Those segments include property management in Japan, property investment in Hong Kong and asset management in Mainland China. None of these segments have ever met any of the quantitative thresholds for determining reportable segments.

(c) Discontinued operation mainly represents the property investment in Mainland China (note 10).

3. Loss Before Taxation from Continuing Operations

Loss before taxation from continuing operations is stated after crediting and charging the following:

	Six months ended June 30,	
HK$ million	**2015**	2014
Crediting:		
Gross rental income from investment property	**1**	1
Other rental income	**7**	7
Less: outgoings	**(3)**	(3)
Charging:		
Depreciation	**7**	7
Staff costs, included in:		
- cost of sales	**10**	10
- general and administrative expenses	**62**	78
Contributions to defined contribution retirement schemes	**4**	4
Share-based compensation expenses	**2**	2
Auditor's remuneration	**3**	2
Operating lease rental of land and buildings included in general and administrative expenses	**18**	25
Operating lease rental of equipment	**1**	1

4. Income Tax from Continuing Operations

Hong Kong profits tax has been provided at the rate of 16.5 per cent (2014: 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.

	Six months ended June 30,	
HK$ million	**2015**	2014
Current income tax		
- Income tax outside Hong Kong	**3**	7
Deferred income tax		
- Other origination and reversal of temporary differences	**2**	5
	5	12

5. Dividend

	Six months ended June 30,	
HK$ million	**2015**	2014
Interim dividend	**—**	—

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, 2015	2014
(Loss) / Earnings (HK$ million)		
Loss from continuing operations	**(112)**	(212)
Earnings from discontinued operation	**—**	347
(Loss) / Earnings for the purpose of calculating the basic (loss) / earnings per share and the diluted (loss) / earnings per share	**(112)**	135

	Six months ended June 30, 2015	2014
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating the basic earnings per share and the diluted earnings per share	**1,587,775,022**	1,582,775,022

Pursuant to the terms of the applicable deed poll, the bonus convertible notes will confer upon the holders the same economic interests attached to the bonus shares. The aggregated amount of HK$592,553,354.40 (2014: HK$592,553,354.40) outstanding bonus convertible notes which could be converted into 1,185,106,708 (2014: 1,185,106,708) fully paid ordinary shares of HK$0.50 each is included in the weighted average number of ordinary shares for calculating the basic earnings per share for the six months ended June 30, 2015 and June 30, 2014.

2014 Convertible Note was redeemed in full upon its maturity date. 479,097,606 of the weighted average potential ordinary shares arising from the assumed conversion from January 1, 2014 to May 9, 2014 have not been included in the calculation of diluted earnings / (loss) per share for the six months ended June 30, 2014 because they are anti-dilutive.

5,000,000 of the potential ordinary shares arising from the assumed conversion of the employee share options were anti-dilutive at the loss from continuing operations level for the six months ended June 30, 2014 and so, have been treated as anti-dilutive for the purpose of calculating diluted earnings / (loss) per share. Such employee share options were exercised by end of 2014.

7. Derivative Financial Instrument

On June 25, 2015, the Group executed an Indonesian Rupiah/US dollars currency call spread option for a notional amount of US$200 million with a tenor of one year (the "Option"). The Option will expire on June 27, 2016. An option premium of US$8 million (equivalent to HK$62 million) was paid up-front. The Option was purchased for the purpose of managing the risk of foreign currency exposure arising from the Group's net investment in the foreign operation in Indonesia. It is recognised as a derivative financial instrument at fair value as at June 25, 2015 of HK$62 million and the subsequent mark-to-market value at June 30, 2015 showed the fair value of HK$57 million. The difference of HK$5 million is recognised in "other (losses) / gains, net" in the consolidated income statement for the period ended June 30, 2015.

8. Trade Receivables, net

An aging analysis of trade receivables, based on the normal credit period from the invoice date, is set out below:

HK$ million	**As at June 30, 2015**	As at December 31, 2014
Current	**5**	7
One to three months	**—**	—
More than three months	**—**	1
	5	8

Trade receivables have a normal credit period of up to 30 days from the date of the invoice unless there is separate mutual agreement on extension of the credit period.

9. Trade Payables

An aging analysis of trade payables, based on invoice date, is set out below:

HK$ million	**As at June 30, 2015**	As at December 31, 2014
Current	**3**	16
One to three months	**—**	—
More than three months	**1**	1
	4	17

10. Discontinued operation

On April 8, 2014, the Group entered into a sale and purchase agreement (the "SPA") pursuant to which the Group has agreed to sell the entire issued share capital of Gain Score Limited, an indirect wholly-owned subsidiary of the Company, and to assign the shareholder loan which was made by the Group to Gain Score Limited to an independent third party for an initial aggregated consideration of US$928 million (equivalent to approximately HK$7,201 million), subject to adjustments in accordance with the SPA. The principal asset of Gain Score Limited and its subsidiaries (the "Gain Score Group") are the land use rights and property rights in the investment property known as "Pacific Century Place, Beijing" located in Mainland China.

The transaction was completed in August 2014, and the final consideration received was US$939 million (equivalent to approximately HK$7,281 million) after adjustments in accordance with the SPA.

a. The profit attributable to equity holders of the Company from discontinued operation is as follows:

	Six months ended June 30,	
HK$ million	**2015**	2014
Turnover	—	121
Cost of sales	—	(18)
Gross profit	—	103
General and administrative expenses	—	(48)
Surplus on revaluation of investment property	—	654
Operating profit	—	709
Interest income	—	6
Profit before tax	—	715
Income tax	—	(368)
Profit after tax	—	347

FINANCIAL REVIEW

Review of results

The consolidated turnover of the continuing operations of the Group was approximately HK$99 million for the six months ended June 30, 2015, representing a decrease of approximately 4 per cent from approximately HK$103 million for the corresponding period in 2014.

The consolidated gross profit of the continuing operations for the six months ended June 30, 2015 was approximately HK$75 million, representing an increase of approximately 9 per cent from approximately HK$69 million for the corresponding period in 2014. The gross profit margins were similar for the two periods except for an one-off credit adjustment relating to the cost of sales of the previous property sales.

The general and administrative expenses were approximately HK$183 million for the six months ended June 30, 2015, representing a decrease of 18 per cent from approximately HK$222 million for the corresponding period in 2014. Such decrease was mainly due to the cost saving from change in organisation and the decrease in legal and professional fees incurred during the period.

The consolidated operating loss from the continuing operations for the six months ended June 30, 2015 decreased to approximately HK$114 million, as compared to approximately HK$151 million for the corresponding period in 2014. Such decrease was mainly due to the decrease in the general and administrative expenses in the first half of 2015.

As a result of the above, the continuing operations recorded a consolidated net loss after taxation of approximately HK$112 million for the six months ended June 30, 2015, as compared to approximately HK$212 million for the corresponding period in 2014. Basic loss per share during the period under review was 7.08 Hong Kong cents, as compared to basic loss per share of 13.40 Hong Kong cents for the corresponding period in 2014.

Current assets and liabilities

As at June 30, 2015, the Group held current assets of approximately HK$3,284 million (December 31, 2014: HK$ 4,368 million), mainly comprising cash and bank balances, sales proceeds held in stakeholders' accounts, restricted cash and prepayments, deposits and other current assets. The decrease in current assets is mainly due to the tax payment in relation to the disposal of Gain Score Group and the investment in the development project. Cash and bank balances (including cash and cash equivalents and short-term deposits) decreased by approximately 11 per cent from approximately HK$2,466 million as at December 31, 2014 to approximately HK$2,193 million as at June 30, 2015. Sales proceeds held in stakeholders' accounts amounted to approximately HK$523 million as at June 30, 2015 (December 31, 2014: HK$528 million). The level of restricted cash has decreased to approximately HK$96 million as at June 30, 2015 from approximately HK$1,022 million as at December 31, 2014 after the net surplus proceeds distribution of Cyberport project and the release of restricted cash back to the Group.

As at June 30, 2015, the Group's total current liabilities amounted to approximately HK$956 million, as compared to approximately HK$1,748 million as at December 31, 2014. Such decrease was due to the settlement of the amount payable to the HKSAR Government under the Cyberport Project Agreement and the income tax liabilities.

Capital structure, liquidity and financial resources

As at June 30, 2015, the Group has no outstanding borrowings (December 31, 2014: Nil).

On January 21, 2014, the Group entered into agreements to obtain loan facilities by which the lenders syndicate would make available term loan facilities which in the aggregate shall not exceed US$200 million. No drawdown has yet been made by the Group as at June 30, 2015.

As at June 30, 2015, the net debt-to-equity ratio was not applicable (as at December 31, 2014: not applicable). Net debt is calculated by deducting the aggregate of cash and cash equivalents and short-term deposits from the principal amount of borrowings.

Cash and bank deposits were held mainly in US dollars and Hong Kong dollars. The Group has foreign operations, and certain of its net assets are exposed to the risk of foreign currency exchange rate fluctuations. As at June 30, 2015, the assets of the Group in Indonesia, Thailand and Japan represented approximately 38 per cent, 8 per cent and 9 per cent of the Group's total assets respectively. The Group's currency exposure with respect to these operations is subject to fluctuations in the exchange rates of Indonesian Rupiah, Thai Baht and Japanese Yen. On June 25, 2015, the Group has entered an Indonesian Rupiah/US dollars currency option with notional amount of US$200 million to manage the Indonesian Rupiah currency exposure.

Cash generated from operating activities in the six months ended June 30, 2015 was approximately HK$115 million, compared to cash used in operating activities in the amount of approximately HK$199 million for the corresponding period in 2014.

Income tax

The Group's income tax of continuing operations for the six months ended June 30, 2015 were approximately HK$5 million, as compared to approximately HK$12 million for the corresponding period in 2014.

Security on assets

As at June 30, 2015, certain assets of the Group and equity interests in companies within the Group with an aggregated carrying value of approximately HK$2,096 million (December 31, 2014: HK$2,076 million) and performance guarantee of approximately HK$162 million (December 31, 2014: HK$166 million) were mortgaged and pledged to the banks as security for the loan facilities.

EMPLOYEES AND REMUNERATION POLICIES

As at June 30, 2015, the Group employed a total number of 255 staff in Hong Kong and overseas. The remuneration policies of the Group are in line with prevailing industry practices. Bonuses are paid on a discretionary basis taking into account factors such as performance of individual employees and the Group's performance as a whole. The Group provides comprehensive employee benefits, including medical insurance, a choice of provident fund or mandatory provident fund as well as training programs. The Group is also a participating member of the PCCW employee share incentive award schemes.

The share option scheme that the Company adopted in 2005 was terminated and replaced by a new share option scheme ("2015 Scheme") which was approved at the Company's annual general meeting held on May 6, 2015. The 2015 Scheme became effective on May 7, 2015, following its approval by PCCW's shareholders. The 2015 Scheme is valid and effective for a period of 10 years commencing on May 7, 2015. The purpose of the 2015 Scheme is to provide eligible participants with the opportunity to acquire proprietary interests in the Company and to encourage eligible participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole.

DIVIDENDS AND DISTRIBUTION

The Board did not declare an interim dividend to shareholders nor an interim distribution to bonus convertible noteholders for the six months ended June 30, 2015 (2014: Nil).

The Board did not recommend the payment of a final dividend for the year ended December 31, 2014.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended June 30, 2015, there was no purchase, sale or redemption by the Company or any of its subsidiaries of the listed securities of the Company.

AUDIT COMMITTEE

During the period under review, Ms. Chiang Yun has been appointed as an independent non-executive director and a member of the Audit Committee of the Company after the retirement of Mr. Cheung Kin Piu, Valiant with effect on May 6, 2015 (please refer to the Company's announcement of May 6, 2015 for details). The Board welcomed Ms. Chiang to join the Board to foster diversity and considered Ms. Chiang's education and extensive experience gained through performance of functions similar to chief financial officer or controller in investees of Pacific Alliance Equity Partners (being an investment fund investing in private and public companies) fulfil the requirements under Rule 3.10(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The Audit Committee of the Company has reviewed the Group's unaudited condensed consolidated financial statements for the six months ended June 30, 2015 and has held one meeting during the period under review.

CORPORATE GOVERNANCE CODE

The Company has applied the principles and complied with all applicable code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules during the six months period ended June 30, 2015.

OUTLOOK

The US Federal Reserve is expected to keep interest rates at a low level with a possible small hike later in 2015, whereas the Asia Pacific remains the world's key driver in economic growth. Exports in Japan are benefiting from the lower Japanese yen exchange rate and the country's capital spending is on the upward trend on the back of improving corporate earnings. Thailand and Indonesia are likely to see an improved GDP growth as new governments focus on implementing stimulus measures and economic reforms.

Corporations will continue to favor the Asia Pacific for their business development. Unemployment rates across the region remain low, with Indonesia being one of the Southeast Asian countries seeing strong growth in jobs. Taking these into account, PCPD is optimistic about the market response to its 40-storey Premium Grade A office building under construction in Jakarta, Indonesia given its prime location and exceptional green elements. The construction is in good progress with two basement levels completed as at June 30, 2015. The office building is scheduled to be completed in 2017.

Moreover, the Group is accelerating the planning works of its property development project in Niseko, Hokkaido, Japan by signing a letter of intent with a 5-star hotel management group. The Group expects the gradual recovery of Japan's economy to have a positive impact on this long-term resort project.

After the disposal of Pacific Century Place, Beijing, the Group is able to maintain current operations and keep potential projects under consideration with its cash level and appropriate leverage.

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

Hong Kong, August 5, 2015

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

Executive Directors:

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

Independent Non-Executive Directors:

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

** For identification only*