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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)**

**VERY SUBSTANTIAL ACQUISITION**

**SUPPLEMENTAL AGREEMENT  
IN RELATION TO THE CONSTRUCTION OF HOTEL  
IN NISEKO, HOKKAIDO, JAPAN**

Reference is made to the announcement of the Company dated 20 July 2018 in relation to the Original Construction Contract entered into between the Owner (an indirect wholly-owned subsidiary of the Company) and the Contractor, under which the Owner has engaged the Contractor to design and construct the Hotel.

**THE SUPPLEMENTAL AGREEMENT**

On 24 December 2019, the Owner and the Contractor have entered into the Supplemental Agreement to supplement and amend certain terms of the Original Construction Contract in relation to the Hotel Construction.

**LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Supplemental Agreement exceeds 100%, the Supplemental Agreement constitutes a very substantial acquisition of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement, circular and the Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The SGM of the Company will be convened for the Shareholders to consider and, if thought fit, to approve, among other matters, the Supplemental Agreement and the transactions contemplated thereunder. For the purpose of the approval to be sought from the Shareholders, the transaction amount to be approved under the Supplemental Agreement will be JPY24,797,640,000 (equivalent to approximately HK\$1,766,087,921), being the Adjusted Contract Sum for the Hotel and its related facilities plus a 5% buffer of the Adjusted Contract Sum for the Hotel and its related facilities for the adjustments for variation works and other Contractor's claims for the settlement of final accounts as mentioned in the sub-section headed "The Supplemental Agreement – Adjusted Contract Sum for the Hotel and its related facilities" in this announcement. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolution(s) to be proposed at

the SGM in respect of the Supplemental Agreement and the transactions contemplated thereunder.

A circular containing, among other things, (i) further details of the Supplemental Agreement; (ii) the notice convening the SGM; and (iii) any other information as required to be disclosed under the Listing Rules, will be despatched to the Shareholders by the Company. As it is expected that additional time will be required to prepare the relevant information to be included in the circular, the Company expects that the circular will be despatched to the Shareholders on or before 4 March 2020.

Reference is made to the announcement of the Company dated 20 July 2018 in relation to the Original Construction Contract entered into between the Owner (an indirect wholly-owned subsidiary of the Company) and the Contractor, under which the Owner has engaged the Contractor to design and construct the Hotel on the land owned by the Group in Niseko, Hokkaido, Japan.

## **THE SUPPLEMENTAL AGREEMENT**

On 24 December 2019, the Owner and the Contractor have entered into the Supplemental Agreement to supplement and amend certain terms of the Original Construction Contract. A summary of key amendments made in relation to the Hotel and its related facilities under the Supplemental Agreement is as follows:

**Date** : 24 December 2019 (with its deemed effective date being 29 November 2019)

**Parties** : The Owner (as the owner); and  
the Contractor (as the contractor)

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Contractor and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

**Adjusted Contract Sum for the Hotel and its related facilities** : JPY23,616,800,000 (equivalent to approximately HK\$1,681,988,496) (excluding consumption tax).

The Adjusted Contract Sum for the Hotel and its related facilities will be funded by the Group's internal resources and bank financing.

The Adjusted Contract Sum for the Hotel and its related facilities comprises costs of construction and associated landscaping works for the Hotel and its related or ancillary facilities. The Adjusted Contract Sum for the Hotel and its related facilities was determined through arm's length negotiations between the Owner and the Contractor and is subject to assessment by administrative architect in due course.

Pursuant to the terms of the Original Construction Contract, the Adjusted Contract Sum for the Hotel and its related facilities is subject to further adjustments to cover variation works and other claims before the final accounts are settled.

**Condition** : The Supplemental Agreement is conditional upon the passing of a resolution as required pursuant to the Listing Rules at the duly convened SGM approving the Supplemental Agreement.

Save as disclosed, all other key terms under the Original Construction Contract shall remain unchanged and shall continue to be in full force and effect.

## **REASONS FOR AND BENEFITS OF THE SUPPLEMENTAL AGREEMENT**

With respect to the Hotel and its related facilities (which are ancillary to the Hotel's operations) for which the Owner has engaged the Contractor to design and construct, the corresponding total gross floor area designated for the Hotel and its ancillary operations has increased from 23,339 square meters to 29,650 square meters. The Adjusted Contract Sum for the Hotel and its related facilities takes into account additional costs for design changes and upgrading works which were not anticipated at the time when the parties entered into the Original Construction Contract and the costs for the Hotel's related or ancillary facilities. Such design changes and upgrading works are needed in order to meet the premium standards and operational needs of the Hotel. It is the Company's vision to position the Hotel as an iconic hotel development in the region, so as to facilitate future developments of the entire site of around 2.7 million square meters at Niseko Hanazono, Hokkaido, Japan. The Hotel, being an iconic hotel development, has already attracted public attention by having the Japan Tourism Agency to hold the G20 Tourism Ministers' Meeting at the function village of the Hotel on 25 and 26 October 2019.

The Board considers that the Supplemental Agreement 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 Supplemental Agreement exceeds 100%, the Supplemental Agreement constitutes a very substantial acquisition of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement, circular and the Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The SGM of the Company will be convened for the Shareholders to consider and, if thought fit, to approve, among other matters, the Supplemental Agreement and the transactions contemplated thereunder. For the purpose of the approval to be sought from the Shareholders, the transaction amount to be approved under the Supplemental Agreement will be JPY24,797,640,000 (equivalent to approximately HK\$1,766,087,921), being the Adjusted Contract Sum for the Hotel and its related facilities plus a 5% buffer of the Adjusted Contract Sum for the Hotel and its related facilities for the adjustments for variation works and other Contractor's claims for the settlement of final accounts as mentioned in the sub-section headed "The Supplemental Agreement – Adjusted Contract Sum for the Hotel and its related facilities" in this announcement. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no

Shareholder is required to abstain from voting on the resolution(s) to be proposed at the SGM in respect of the Supplemental Agreement and the transactions contemplated thereunder.

A circular containing, among other things, (i) further details of the Supplemental Agreement; (ii) the notice convening the SGM; and (iii) any other information as required to be disclosed under the Listing Rules, will be despatched to the Shareholders by the Company. As it is expected that additional time will be required to prepare the relevant information to be included in the circular, the Company expects that the circular will be despatched to the Shareholders on or before 4 March 2020.

## **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.

The Owner is principally engaged in property development in Japan.

The Contractor is principally engaged in contracting, planning, design, supervision, and consulting services for construction projects.

## **DEFINITIONS**

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

“Adjusted Contract Sum for the Hotel and its related facilities”	JPY23,616,800,000 (equivalent to approximately HK\$1,681,988,496) (excluding consumption tax) being the adjusted contract sum payable by the Owner to the Contractor in respect of the Hotel Construction under the Supplemental Agreement
“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)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Contractor”	Fujita/Iwata Chizaki Specified Construction Joint Venture
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries from time to time
“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
“Hotel”	Park Hyatt Niseko, Hanazono
“Hotel Construction”	the transaction for design and construction of the Hotel and its related facilities by the Contractor for the Owner on land owned by the Owner

“JPY”	Japanese yen, the lawful currency of Japan
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Original Construction Contract”	a contract dated 20 July 2018 and entered into between the Owner and the Contractor relating to, inter alia, the design and construction of the Hotel
“Owner”	Harmony TMK, a company incorporated in Japan with limited liability, and an indirect wholly-owned subsidiary of the Company
“SGM”	the special general meeting of the Company to be convened for the Shareholders to consider and, if thought fit, to approve, among other matters, the Supplemental Agreement and the transactions contemplated thereunder
“Share(s)”	ordinary share(s) of HK\$0.50 each in the issued share capital of the Company
“Shareholder(s) ”	holder(s) of share(s) of the Company from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	the supplemental agreement dated 24 December 2019 and entered into between the Owner and the Contractor which amends and supplements the Hotel Construction under the Original Construction Contract
“%”	per cent

By Order of the Board  
**Pacific Century Premium Developments Limited**  
**Timothy Tsang**  
*General Counsel and Company Secretary*

Hong Kong, 24 December 2019

*Unless indicated otherwise, in this announcement, translation of amounts in JPY into HK\$ have been made at the rate of HK\$0.07122 = JPY1 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; Benjamin Lam Yu Yee (Deputy Chairman and Group Managing Director); James Chan; and Hui Hon Hing, Susanna

***Non-Executive Directors:***

Lee Chi Hong, Robert (Non-Executive Chairman); and 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