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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)**

**PROPOSED RIGHTS ISSUE  
ON THE BASIS OF ONE (1) RIGHTS SHARE  
FOR EVERY TWO (2) EXISTING SHARES  
HELD ON THE RECORD DATE  
ON A NON-UNDERWRITTEN BASIS**

**AND**

**CLOSURE OF REGISTER OF MEMBERS**

**Financial Adviser to the Company**

**J.P.Morgan**

**J.P. Morgan Securities (Asia Pacific) Limited**

**PROPOSED RIGHTS ISSUE**

The Company proposes to raise up to approximately HK\$650.8 million before expenses, by issuing 793,627,989 Rights Shares to the Qualifying Shareholders by way of the Rights Issue on the basis of 1 Rights Share for every 2 Existing Shares at the Subscription Price of HK\$0.82 per Rights Share. The Rights Issue is only available to the Qualifying Shareholders.

**However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted.**

Assuming that there is no change in the number of issued Shares on or before the Record Date, the net proceeds from the Rights Issue (after deduction of estimated professional fees and other related expenses of approximately HK\$6.5 million) will be approximately HK\$644.3 million. The net proceeds are intended to be used for servicing general corporate debt and general corporate purposes, including in relation to the Group's development of an all-season resort in Hokkaido, Japan and Phang Nga, Southern Thailand, and the residential development project in Hong Kong.

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event that there is an under-subscription of the Rights Issue, the size of the Rights Issue will be reduced accordingly. There is no minimum amount which must be raised in order for the Rights Issue to proceed.

Besides, any Shareholder who applies to take up all or part of his/her/its entitlement under the PAL or apply for excess Rights Shares under EAF may unwittingly incur an obligation to make a general offer under the Takeovers Code, unless a waiver from the Executive (as defined in the Takeovers Code) has been obtained.

Accordingly, the Rights Issue will be made on the term that the Company will provide for Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the applications of any Shareholder for his/her/its entitlement under the PAL or for excess Rights Shares under the EAF can be scaled down to a level which does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code.

### **IRREVOCABLE UNDERTAKINGS**

As at the date of this announcement, Mr. Li, being a substantial shareholder of the Company, is interested in (via his holding entities) an aggregate of 241,545,950 Shares (representing approximately 15.22% of the issued share capital of the Company).

Pursuant to the PCRD Irrevocable Undertaking, PCRD has irrevocably undertaken to the Company that, among other things, it will (i) subscribe for its full entitlement to the Rights Shares to be provisionally allotted to it; (ii) ensure that the 189,381,234 Shares which are legally owned by it will remain registered in its name at the close of business on the Record Date as they are on the date of the PCRD Irrevocable Undertaking; and (iii) not sell, dispose of or transfer (directly or indirectly, including without limitation by the creation of any option, charge or encumbrance or rights over or in respect of) any rights to subscribe for Rights Shares (in the form of Rights Shares in nil-paid form) from the date such rights are provisionally allotted to it up to and including the last date for acceptance and payment in respect of provisional allotments under the Rights Issue.

Pursuant to the PCGH Irrevocable Undertaking, PCGH has irrevocably undertaken to the Company that, among other things, it will (i) subscribe for its full entitlement and to procure the subscription by the Relevant Holding Entities' for their full entitlement to the Rights Shares to be provisionally allotted to it and the Relevant Holding Entities; (ii) ensure that the aggregate of 52,164,716 Shares which are legally owned by it and the Relevant Holding Entities will remain registered in the same names of such entities at the close of business on the Record Date as they are on the date of the PCGH Irrevocable Undertaking; (iii) apply and/or procure the application by one or more of the Relevant Holding Entities, by way of excess application, for an additional 351,708,177 Rights Shares in aggregate, provided that such excess applications will be scaled down to a level which does not trigger an obligation on its part or the part of Mr. Li or any of the Relevant Holding Entities or PCRD to make a general offer under the Takeovers Code; and (iv) not sell, dispose of or transfer, and procure that the Relevant Holding Entities do not sell, dispose of or transfer (directly or indirectly, including without limitation by the creation of any option, charge or encumbrance or rights over or in respect of) any rights to subscribe for Rights Shares (in the form of Rights Shares in nil-paid form) from the date such rights are provisionally allotted to it and the Relevant Holding Entities up to and including the last date for acceptance and payment in respect of provisional allotments under the Rights Issue.

### **WARNING OF THE RISKS OF DEALING IN SHARES AND NIL-PAID RIGHTS SHARES**

**The Rights Issue is subject to the fulfillment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the section headed "Conditions of the Rights Issue" in this announcement. Shareholders and potential investors of the Company should note that if the conditions to the Rights Issue are not satisfied, the Rights Issue will not proceed.**

**The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders or transferees of nil-paid Rights Shares will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. Investors are advised to exercise caution when**

dealing in the Shares. Shareholders should note that the Shares will be dealt in on an ex-rights basis commencing from Wednesday, 17 February 2021. The Rights Shares will be dealt with in their nil-paid form from Tuesday, 2 March 2021 to Friday, 12 March 2021 (both days inclusive). Any Shareholders or other persons dealing in the Shares or in the Rights Shares in their nil-paid form up to the date on which all conditions to which the Rights Issue is subject are fulfilled (which is expected to be at 4:00 p.m. on Thursday, 18 March 2021) will accordingly bear the risk that the Rights Issue cannot become unconditional and may not proceed. Any Shareholders or other persons contemplating selling or purchasing the Shares or Rights Shares in their nil-paid form who are in any doubt about their position are recommended to consult their professional advisers. Shareholders and potential investors should exercise caution in dealing in the securities of the Company.

The register of members of the Company will be closed from Friday, 19 February 2021 to Thursday, 25 February 2021 (both days inclusive) to determine the eligibility of the Qualifying Shareholders. No transfer of Shares will be registered during the book closure period. To qualify for the Rights Issue, a Qualifying Shareholder's name must appear on the register of members of the Company at 5:00 p.m. on the Record Date, which is currently expected to be Thursday, 25 February 2021. In order to be registered as a member of the Company at 5:00 p.m. on the Record Date, any transfer of Shares (together with the relevant title documents) must be lodged with the Registrar for registration by 4:30 p.m. on Thursday, 18 February 2021.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms.

#### **LISTING RULES IMPLICATIONS**

Pursuant to Rule 7.19A(1) of the Listing Rules, since the Rights Issue would not increase either the number of issued Shares or the market capitalisation of the Company by more than 50% (on its own or when aggregated with any other rights issues or open offers announced by the Company (i) within the 12 month period immediately preceding this announcement or (ii) prior to such 12 month period where dealing in respect of the Shares issued pursuant thereto commenced within such 12 month period, together with any bonus securities, warrants or other convertible securities (assuming full conversion) granted or to be granted to Shareholders as part of such rights issues or open offers), the Rights Issue is not conditional upon approval by the Shareholders.

#### **RIGHTS ISSUE**

The Company proposes the Rights Issue, details of which are summarised below:

##### **Rights Issue statistics**

Basis of the Rights Issue	:	One (1) Rights Share for every two (2) existing Shares in issue and held on the Record Date by the Qualifying Shareholders
Number of Shares in issue as of the date of this announcement	:	1,587,255,979 Shares
Number of Rights Shares	:	Up to 793,627,989 Rights Shares (assuming there is no change in the issued share capital of the Company from the date of this announcement up to and including the Record Date)
Subscription Price	:	HK\$0.82 per Rights Share

Number of Shares in issue immediately following the completion of the Rights Issue	:	Up to 2,380,883,968 Shares (assuming there is no other change in the issued share capital of the Company from the date of this announcement up to and including the completion of the Rights Issue other than the Rights Issue)
Aggregate nominal value of the Rights Shares	:	Up to HK\$396,813,994.50
Amount to be raised	:	Up to approximately HK\$650.8 million before expenses

The 793,627,989 Rights Shares proposed to be provisionally allotted pursuant to the terms of the Rights Issue represent (i) 50% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 33% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares, assuming no new Shares (other than the Rights Shares) are allotted and issued on or before completion of the Rights Issue.

As at the date of this announcement, there is an aggregate outstanding amount of HK\$20,021.20 of the mandatorily convertible notes issued by the Company on 22 June 2012 at the adjusted conversion price of HK\$0.50 per Share convertible into 40,042 Shares. Save as disclosed, there are no other outstanding derivative, options, warrants, convertible securities or other rights to subscribe for Shares or securities convertible or exchangeable into Shares as at the date of this announcement.

### **Qualifying Shareholders**

The Rights Issue will only be available to the Qualifying Shareholders. The Company will send the Prospectus Documents to the Qualifying Shareholders, and to the extent reasonably practicable, the Company will send copies of the Prospectus to the Excluded Shareholders for their information only. Please take special note that the Company will send the PAL and EAF to the Qualifying Shareholders only.

The register of members of the Company will be closed from Friday, 19 February 2021 to Thursday, 25 February 2021 (both days inclusive) to determine the eligibility of the Qualifying Shareholders. No transfer of Shares will be registered during the book closure period.

To qualify for the Rights Issue, a Shareholder must: (i) be registered as a member of the Company at 5:00 p.m. on the Record Date; and (ii) not be an Excluded Shareholder.

In order to be registered as members of the Company at 5:00 p.m. on the Record Date, Qualifying Shareholders must lodge any transfer of Shares (with the relevant share certificates) for registration with the Registrar by 4:30 p.m. on Thursday, 18 February 2021.

The last day for dealing in the Shares on a cum-rights basis is Tuesday, 16 February 2021. The Shares will be dealt with on an ex-rights basis from Wednesday, 17 February 2021.

The branch share registrar and transfer office of the Company in Hong Kong is:

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716, 17<sup>th</sup> Floor,  
Hopewell Centre,  
183 Queen's Road East, Wan Chai, Hong Kong

The latest time for acceptance of and payment for the Rights Shares is expected to be at 4:00 p.m. on Wednesday, 17 March 2021.

Qualifying Shareholders who take up their pro rata entitlement in full will not suffer any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements). If a Qualifying Shareholder does not take up his/her/its/their entitlement in full under the Rights Issue, his/her/its/their proportionate shareholding in the Company may be diluted.

### **Rights of PRC Southbound Trading Investors**

According to the “Stock Connect Southbound Shareholding Search” available on the Stock Exchange’s website, as at 30 December 2020, ChinaClear held 248,902 Shares, representing approximately 0.01% of the total number of the issued Shares.

The Directors have made the relevant enquiries and they were advised that the PRC Southbound Trading Investors who hold Shares through ChinaClear as nominee under China Connect can participate in the Rights Issue through ChinaClear. ChinaClear will provide nominee services for the PRC Southbound Trading Investors to (i) sell (in full or in part) their nil-paid Rights Shares on the Stock Exchange; and/or (ii) subscribe for the Rights Shares (in full or in part) for their pro rata entitlement in respect of Shares held on the Record Date at the Subscription Price under the Rights Issue in accordance with the relevant laws and regulations. In addition, according to the PRC legal adviser of the Company, the PRC Southbound Trading Investors (or the relevant ChinaClear participants as the case may be) whose stock accounts are credited with nil-paid Rights Shares could only sell those nil-paid Rights Shares on the Stock Exchange under China Connect but could not purchase any other nil-paid Rights Shares nor transfer any nil-paid Rights Shares to other PRC Southbound Trading Investors. The PRC Southbound Trading Investors cannot sell or subscribe for Rights Shares until after the Company completes its filing with the CSRC.

**The PRC Southbound Trading Investors should seek advice from their intermediary (including broker, custodian, nominee or ChinaClear participant) and/or other professional advisers for details of the logistical arrangements as required by ChinaClear, and provide instructions for such intermediary in relation to the acceptance and/or sale of the nil-paid Rights Shares. Such instructions should be given in advance of the latest time for acceptance of and payment for the Rights Shares (currently expected to be 4:00 p.m. on Wednesday, 17 March 2021) or last day of dealing in nil-paid Rights Shares (currently expected to be Friday, 12 March 2021) and otherwise in accordance with the requirements of the intermediary of the PRC Southbound Trading Investors and/or ChinaClear in order to allow sufficient time to ensure that such instructions are given effect.**

According to the PRC legal adviser of the Company, as the Prospectus Documents will not be and are not intended to be filed with or approved by the CSRC other than in accordance with the relevant requirements of China Connect, the Rights Shares in nil-paid or fully-paid forms issued to the PRC Southbound Trading Investors shall not be offered and may not be offered or sold directly or indirectly in the PRC to any person or entity, unless through China Connect, or the person or entity has otherwise been exempt by or has obtained the necessary and appropriate approvals from the relevant PRC authorities in accordance with the applicable PRC laws and regulations.

### **Rights of the Overseas Shareholders**

The Prospectus Documents are not expected to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. The Company will comply with Rule 13.36(2) of the Listing Rules and make enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders (if any), and if, having made such enquiry, the Directors consider that it is necessary or expedient not to extend the Rights Issue to these Overseas Shareholders on account either of the legal restrictions under the laws of the place of his/her/its/their registered address or the requirements of the relevant regulatory body or stock exchange in that place, the Rights Issue will not be available to such Overseas Shareholders and the Company will disclose the explanation for such

exclusion in the Prospectus. To the extent reasonably practicable, the Company will only send the Prospectus to the Excluded Shareholders for their information.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence on the Stock Exchange and in any event before the last day for dealings in nil-paid Rights Shares if a premium (net of expenses) can be obtained. Proceeds of each sale, less expenses and stamp duty, above HK\$100 will be distributed by the Company to the relevant Excluded Shareholders pro rata to their shareholdings on the Record Date (but rounded down to the nearest cent) in Hong Kong dollars. The Company will retain individual amounts of HK\$100 or less for the benefit of the Company. Any unsold nil-paid Rights Shares of the Excluded Shareholders will be made available for excess application by the Qualifying Shareholders (other than the PRC Southbound Trading Investors).

**Overseas Shareholders should note that he/she/it/they may or may not be entitled to the Rights Issue, subject to the results of enquiries made by the Directors pursuant to Rule 13.36(2) of the Listing Rules. Accordingly, the Overseas Shareholders should exercise caution when dealing in the Shares.**

### **The Subscription Price**

The Subscription Price is HK\$0.82 per Rights Share and is payable in full when a Qualifying Shareholder accepts the relevant provisional allotment of Rights Shares or applies for excess Rights Shares or when a transferee of nil-paid Rights Shares applies for the relevant Rights Shares.

The Subscription Price represents:

- (a) a discount of 0% to the closing price of HK\$0.82 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 1.2% to the average closing price of HK\$0.83 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the Last Trading Day;
- (c) a discount of approximately 2.4% to the average closing price of HK\$0.84 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the Last Trading Day; and
- (d) a discount of 0% to the theoretical ex-rights price of HK\$0.82 based on the closing price of HK\$0.82 per Share as quoted on the Stock Exchange on the Last Trading Day.

The Subscription Price was determined by the Directors with reference to the market price of the Shares under the prevailing market conditions preceding and including the date of this announcement. The Board considers that the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the best interests of the Company and the Shareholders as a whole. The net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue) upon full acceptance of the relevant provisional allotment of Rights Shares will be approximately HK\$0.81.

### **Basis of provisional allotments**

The basis of the provisional allotment shall be one (1) Rights Share (in nil-paid form) for every two (2) existing Shares in issue and held by the Qualifying Shareholders on the Record Date. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for. Any holdings (or balance of holdings) of less than two (2) Shares will not entitle their holders to be provisionally allotted a Rights Share. Please refer to the arrangement as referred to in the paragraph headed "Fractional entitlements" below.

### **Fractional entitlements**

The Company will not provisionally allot and will not accept applications for any fractions of the Rights Shares. All fractions of the Rights Shares will be aggregated (and rounded down to the nearest whole number) and all nil-paid Rights Shares arising from such aggregation will be sold in the market and the proceeds will be retained by the Company for its own benefit, if a premium (net of expenses and stamp duty) can be obtained. Any such unsold aggregated fractions of nil-paid Rights Shares will be made available for excess application by the Qualifying Shareholders (other than the PRC Southbound Trading Investors).

### **Odd lot matching services**

Upon completion of the Rights Issue, the board lots of the Company will remain as 1,000 Shares. In order to facilitate the trading of odd lots of Shares which will arise upon the Rights Issue, the Company will procure an arrangement with an agent to stand in the market to provide matching services for sale and purchase of odd lots of Shares on a best effort basis. Further details in respect of the odd lots arrangements will be set out in the Prospectus.

Holder of Shares in odd lots should note that the matching services mentioned above are on a “best effort” basis only and successful matching of the sale and purchase of odd lots of Shares is not guaranteed and will depend on there being adequate amount of odd lots of Shares available for matching. Any Shareholder who is in any doubt about the odd lots arrangements is recommended to consult his/her/its own professional advisers.

### **Status of the Rights Shares**

The Rights Shares (when allotted, issued and fully-paid) will rank pari passu in all respects with the then existing Shares in issue. Holders of the fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid in respect thereof on or after the date of allotment and issue of such Rights Shares in their fully-paid form.

### **Application for excess Rights Shares**

Qualifying Shareholders (other than the PRC Southbound Trading Investors) may apply, by way of excess application, for (i) any unsold entitlements of the Excluded Shareholders; (ii) any Rights Shares provisionally allotted but not accepted; and (iii) any unsold Rights Shares arising out of the aggregation of fractional entitlements.

Application for excess Rights Shares can be made only by duly completing and signing an EAF (in accordance with the instructions printed therein) and lodging the same with a separate cheque or banker’s cashier order for the sum payable for the excess Rights Shares being applied for at any designated branch of the receiving bank as to be mentioned in the Prospectus by a time which is currently expected to be 4:00 p.m. on Wednesday, 17 March 2021 (Hong Kong time).

The Directors will allocate the excess Rights Shares (if any) at their discretion on a fair and equitable basis and on a pro rata basis in proportion to the number of excess Rights Shares being applied for under each application. No reference will be made to Rights Shares subscribed through applications by PAL(s) or the existing number of Shares held by Qualifying Shareholders. If the aggregate number of Rights Shares not taken up by the Qualifying Shareholders under PAL(s) is greater than the aggregate number of excess Rights Shares applied for through EAF(s), the Directors will allocate in full to each Qualifying Shareholder (other than the PRC Southbound Trading Investors) the number of excess Rights Shares applied for under the EAF(s).

In applying the above principles, reference will only be made to the number of excess Rights Shares being applied for. No preference will be given to topping up odd lots to whole board lots.

Shareholders with Shares held by a nominee (or which are held in CCASS) should note that the Board will consider the nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company. Accordingly, such Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to the relevant beneficial owners individually.

Shareholders with Shares held by a nominee (or which are held in CCASS) are advised to consider whether they would like to arrange for the registration of their relevant Shares under the names of the beneficial owners prior to the Record Date for the purpose of the Rights Issue. Shareholders and investors should consult their professional advisers if they are in doubt as to their status.

### **Receiving bank arrangement**

In order to ensure that large volume of applications for the Rights Shares and excess Rights Shares can be processed within a short period of time, the Company will appoint a receiving bank for the Rights Issue to collect the applications and the subscription money. Further details of the receiving bank arrangement will be disclosed in the Prospectus.

### **Certificates and refund cheques for the Rights Issue**

Subject to fulfillment of the conditions of the Rights Issue, share certificates for the fully-paid Rights Shares are expected to be despatched by ordinary post on or before Wednesday, 24 March 2021 to those persons who have validly accepted and paid for the Rights Shares and those successful applicants for the excess Rights Shares to the registered address or, in case of joint applicants, to the registered address of the applicant whose name first appears in the register of members of the Company in Hong Kong or, as the case may be, the transfer form, at their own risk. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) will be despatched on or before Wednesday, 24 March 2021 by ordinary post to the registered addresses as aforesaid at the respective applicants' own risks. One share certificate will be issued for all the Rights Shares a shareholder is entitled to.

### **Application for listing**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue. The nil-paid and fully-paid Rights Shares will be traded in board lots of 1,000 Shares.

No part of the Shares for which listing or permission to deal is being or is proposed to be sought, is listed, or dealt in on any other stock exchange.

### **Rights Shares will be eligible for admission into CCASS**

Subject to the granting of listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange, the Rights Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Rights Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Shareholders should seek advice from their stockbroker or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests if they are in any doubt.



## **Stamp duty and other applicable fees and charges**

Dealings in the Rights Shares in both their nil-paid and fully-paid forms, which are registered in the Registrar, will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy or any other applicable fees and charges in Hong Kong.

## **The Rights Issue on a non-underwritten basis**

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event that there is an under-subscription of the Rights Issue, the size of the Rights Issue will be reduced accordingly. There is no minimum amount which must be raised in order for the Rights Issue to proceed.

Besides, any Shareholder who applies to take up all or part of his/her/its entitlement under the PAL or apply for excess Rights Shares under EAF may unwittingly incur an obligation to make a general offer under the Takeovers Code, unless a waiver from the Executive (as defined in the Takeovers Code) has been obtained.

Accordingly, the Rights Issue will be made on the term that the Company will provide for Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the applications of any Shareholder for his/her/its entitlement under the PAL or for excess Rights Shares under the EAF can be scaled down to a level which does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code.

## **Conditions of the Rights Issue**

The Rights Issue is conditional upon each of the following conditions being fulfilled:

- (a) the delivery to the Stock Exchange for authorisation and registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Board (and all other documents required to be attached thereto) not later than the Posting Date and otherwise in compliance with the Listing Rules and the Companies (WUMP) Ordinance;
- (b) the posting of the Prospectus Documents to Qualifying Shareholders on the Posting Date; and
- (c) the Listing Committee of the Stock Exchange granting, or agreeing to grant (subject to allotment), the listing of and permission to deal in the Rights Shares in their nil-paid and fully-paid forms, either unconditionally or subject to such conditions as the Company may accept.

None of the above conditions can be waived. If any of the conditions referred to above are not fulfilled at or before 4:00 p.m. on Thursday, 18 March 2021, the Rights Issue will not proceed.

**As the proposed Rights Issue is subject to the above conditions, it may or may not proceed accordingly.**

## **Irrevocable Undertakings**

As at the date of this announcement, Mr. Li, being a substantial shareholder of the Company, is interested in (via his respective holding entities) an aggregate of 241,545,950 Shares (representing approximately 15.22% of the issued share capital of the Company).

Pursuant to the PCRD Irrevocable Undertaking, PCRD has irrevocably undertaken to the Company that, among other things, it will:

- (i) subscribe for its full entitlement to the Rights Shares to be provisionally allotted to it;
- (ii) ensure that the 189,381,234 Shares which are legally owned by it will remain registered in its name at the close of business on the Record Date as they are on the date of the PCRD Irrevocable Undertaking; and
- (iii) not sell, dispose of or transfer (directly or indirectly, including without limitation by the creation of any option, charge or encumbrance or rights over or in respect of) any rights to subscribe for Rights Shares (in the form of Rights Shares in nil-paid form) from the date such rights are provisionally allotted to it up to and including the last date for acceptance and payment in respect of provisional allotments under the Rights Issue.

Pursuant to the PCGH Irrevocable Undertaking, PCGH has irrevocably undertaken to the Company that, among other things, it will:

- (i) subscribe for its full entitlement and to procure the subscription by the Relevant Holding Entities' for their full entitlement to the Rights Shares to be provisionally allotted to it and the Relevant Holding Entities;
- (ii) ensure that the aggregate of 52,164,716 Shares which are legally owned by it and the Relevant Holding Entities will remain registered in the same names of such entities at the close of business on the Record Date as they are on the date of the PCGH Irrevocable Undertaking;
- (iii) apply and/or procure the application by one or more of the Relevant Holding Entities, by way of excess application, for an additional 351,708,177 Rights Shares in aggregate, provided that such excess applications will be scaled down to a level which does not trigger an obligation on its part or the part of Mr. Li or any of the Relevant Holding Entities or PCRD to make a general offer under the Takeovers Code; and
- (iv) not sell, dispose of or transfer, and procure that the Relevant Holding Entities do not sell, dispose of or transfer (directly or indirectly, including without limitation by the creation of any option, charge or encumbrance or rights over or in respect of) any rights to subscribe for Rights Shares (in the form of Rights Shares in nil-paid form) from the date such rights are provisionally allotted to it and the Relevant Holding Entities up to and including the last date for acceptance and payment in respect of provisional allotments under the Rights Issue.

Save for the Irrevocable Undertakings, the Company has not received, as at the date of this announcement, any information or irrevocable undertaking from any other substantial Shareholder of the Company of any intention in relation to the Rights Shares to be provisionally allotted to that Shareholder under the Rights Issue.

## SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company immediately before and after the completion of the Rights Issue is set out below:

Shareholders	As at the date of this announcement		Immediately after completion of the Rights Issue (assuming all Qualifying Shareholders take up their respective entitlements to the Rights Shares in full) <sup>(5)</sup>		Immediately after completion of the Rights Issue (assuming none of the Qualifying Shareholders take up their respective entitlements to the Rights Shares except for PCGH who will take up the Rights Shares in accordance with the Irrevocable Undertaking) <sup>(5)</sup>	
	No. of Shares	% (approx.)	No. of Shares	% (approx.)	No. of Shares	% (approx.)
Asian Motion Limited <sup>(1)</sup>	635,354,407	40.03	953,031,610	40.03	635,354,407	33.05
Mr. Li and his holding entities <sup>(2) (3)</sup>	241,545,950 <sup>(3)</sup>	15.22	362,318,925	15.22	576,458,274	29.99
Other non-public Shareholders <sup>(4)</sup>	107,255 <sup>(4)</sup>	0.01	160,882	0.01	107,255	0.01
Public Shareholders	710,248,367	44.74	1,065,372,551	44.74	710,248,367	36.95
<b>Total</b>	<b>1,587,255,979</b>	<b>100.00</b>	<b>2,380,883,968</b>	<b>100.00</b>	<b>1,922,168,303</b>	<b>100.00</b>

Notes:

- (1) Asian Motion Limited, a company incorporated in the British Virgin Islands with limited liability, a controlling shareholder of the Company, and a wholly-owned subsidiary of PCCW Limited (a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 00008) and traded in the form of American Depositary Receipts on the OTC Markets Group Inc. in the United States (ticker: PCCWY). As at the date of this announcement, Mr. Li is the controlling shareholder as well as chairman and director of PCCW Limited.
- (2) As at the date of this announcement, Mr. Li is an executive director of the Company.
- (3) Of these Shares:
  - (a) Pacific Century Diversified Limited (“PCD”), a wholly-owned subsidiary of Chiltonlink Limited (“Chiltonlink”), held 29,102,971 Shares, and Eisner Investments Limited (“Eisner”) held 4,128,021 Shares. Mr. Li owned 100% of the issued share capital of Chiltonlink and Eisner;
  - (b) 18,933,724 Shares are held by Pacific Century Group Holdings Limited (“PCGH”). Mr. Li was the founder of certain trusts which held 100% interests in PCGH; and
  - (c) 189,381,234 Shares are held by Pacific Century Regional Developments Limited (“PCRD”), a company in which PCGH had, through itself and certain wholly-owned subsidiaries being Anglang Investments Limited, Pacific Century Group (Cayman Islands) Limited, Pacific Century International Limited and Borsington Limited, an aggregate of 88.63% interest. Mr. Li was the founder of certain trusts which held 100% interests in PCGH. Mr. Li was also deemed to be interested in 1.06% of the issued share capital of PCRD through Hopestar Holdings Limited, a company wholly-owned by Mr. Li.
- (4) Mr. Lee Chi Hong, Robert, a non-executive director of the Company and the non-executive chairman of the Company, is interested in 107,255 Shares.
- (5) It is assumed that all Shareholders will be Qualifying Shareholders.

## **REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS**

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

Assuming that there is no change in the number of issued Shares on or before the Record Date, the net proceeds from the Rights Issue (after deduction of estimated professional fees and other related expenses of approximately HK\$6.5 million) will be approximately HK\$644.3 million. The net proceeds are intended to be used for servicing general corporate debt and general corporate purposes, including in relation to the Group's development of an all-season resort in Hokkaido, Japan and Phang Nga, Southern Thailand, and the residential development project in Hong Kong.

The Qualifying Shareholders who elect not to participate in the Rights Issue will have the opportunity to sell the nil-paid Rights Shares in the market while the Qualifying Shareholders who wish to increase their shareholding in the Company through the Rights Issue will have the opportunity to acquire additional nil-paid Rights Shares in the market and/or through application for excess Rights Shares.

The Directors consider that the Rights Issue provides a good opportunity for the Group to strengthen its capital base without incurring debt financing cost and to enhance its financial position, while at the same time the Rights Issue will enable the Shareholders to participate in the future development of the Group. Therefore, the Directors are of the view that it is in the interests of the Company and the Shareholders as a whole to raise capital through the Rights Issue.

The Group has considered fund raising by issuing debt securities or debt financing but the Board considers that any further debt financing or borrowings for the time being would increase the gearing ratio of the Group, leading to the Group incurring further interest expenses which is contrary to the Board's intention to reduce the gearing ratio and interest expenses of the Group to a more favourable level. Therefore, the Board has ruled out debt financing as a source for raising funds in this occasion.

The Board also considered the option of placing new Shares, but taking into account (i) the dilution of the interests of Shareholders without giving them the opportunity to take part in the exercise; and (ii) the engagement of a placing agent which would incur additional costs and expenses on the part of the Company, it was not considered by the Board to be the most suitable fund-raising method for the Company in this occasion. Further, the Board considered that a rights issue would be more favourable and attractive to the Shareholders than an open offer because it would allow Shareholders to have more flexibility in dealing with the Shares and the nil-paid rights attaching thereto.

In light of the above, the Board is of the view that the Rights Issue is the most appropriate fund-raising method in this occasion and that the terms of the Rights Issue are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

The Company will make further announcement(s) in the future in accordance with the applicable requirements of the Listing Rules as and when appropriate if any other suitable fund-raising opportunities arise, having regard to the financing needs of the Group at the time.

## EXPECTED TIMETABLE

The expected timetable for the Rights Issue is set out below:-

<b>Event</b>	<b>Time and Date</b>
Last day of dealing in Shares on a cum-rights basis	Tuesday, 16 February 2021
First day of dealing in Shares on an ex-rights basis	Wednesday, 17 February 2021
Latest time for lodging transfer of Shares in order to be qualified for the Rights Issue	4:30 p.m. on Thursday, 18 February 2021
Closure of register of members of the Company (both days inclusive)	Friday, 19 February 2021 to Thursday, 25 February 2021
Record Date to determine entitlements under the Rights Issue	Thursday, 25 February 2021
Register of members of the Company re-opens	Friday, 26 February 2021
Despatch of the Prospectus Documents	Friday, 26 February 2021
First day of dealings in nil-paid Rights Shares	9:00 a.m. on Tuesday, 2 March 2021
Latest time for splitting of nil-paid Rights Shares	4:30 p.m. on Tuesday, 9 March 2021
Last day of dealings in nil-paid Rights Shares	Friday, 12 March 2021
Latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares	4:00 p.m. on Wednesday, 17 March 2021
Rights Issue expected to become unconditional	4:00 p.m. on Thursday, 18 March 2021
Announcement of results of the Rights Issue	Tuesday, 23 March 2021
Despatch of certificates for the fully-paid Rights Shares	Wednesday, 24 March 2021
Despatch of refund cheques, if any, for wholly or partially unsuccessful excess applications or if the Rights Issue is terminated	Wednesday, 24 March 2021
Dealings in the fully-paid Rights Shares expected to commence	Thursday, 25 March 2021

All times and dates stated in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

### **EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR RIGHTS SHARES**

The latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will not take place if there is a tropical cyclone warning signal no. 8 or above, or a “black” rainstorm warning:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Wednesday, 17 March 2021. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Wednesday, 17 March 2021. Instead the latest time of acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance does not take place on Wednesday, 17 March 2021, the dates mentioned herein may be affected. The Company will notify the Shareholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

### **PREVIOUS FUND RAISING EXERCISE OF THE COMPANY**

There has been no equity fund raising activities carried out by the Company in the 12 months immediately preceding the date of this announcement.

### **GENERAL**

The Prospectus Documents, containing further information on the Rights Issue will be despatched to the Qualified Shareholders on Friday, 26 February 2021. To the extent reasonably practicable, the Prospectus will be despatched to the Excluded Shareholders for their information only. Shareholders and potential investors should exercise caution in dealing in the Shares.

### **LISTING RULES IMPLICATIONS**

Pursuant to Rule 7.19A(1) of the Listing Rules, since the Rights Issue would not increase either the number of issued Shares or the market capitalisation of the Company by more than 50% (on its own or when aggregated with any other rights issues or open offers announced by the Company (i) within the 12 month period immediately preceding this announcement or (ii) prior to such 12 month period where dealing in respect of the Shares issued pursuant thereto commenced within such 12 month period, together with any bonus securities, warrants or other convertible securities (assuming full conversion) granted or to be granted to Shareholders as part of such rights issues or open offers), the Rights Issue is not conditional upon approval by the Shareholders.

### **WARNING OF THE RISKS OF DEALINGS IN SHARES AND NIL-PAID RIGHTS SHARES**

**The Rights Issue is subject to the fulfilment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the section headed “Conditions of the Rights Issue” in this announcement. Shareholders and potential investors of the Company should note that if the conditions to the Rights Issue are not satisfied, the Rights Issue will not proceed.**

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders or transferees of nil-paid Rights Shares will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. Investors are advised to exercise caution when dealing in the Shares. Shareholders should note that the Shares are expected to be dealt in on an ex-rights basis commencing from Wednesday, 17 February 2021. The Rights Shares are expected to be dealt with in their nil-paid form from Tuesday, 2 March 2021 to Friday, 12 March 2021 (both days inclusive). Any Shareholders or other persons dealing in the Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled or waiver (as appropriate) (which is expected to be at 4:00 p.m. on Thursday, 18 March 2021), or any dealings in the Rights Shares in their nil-paid form from Tuesday, 2 March 2021 to Friday, 12 March 2021 (both days inclusive) will accordingly bear the risk that the Rights Issue cannot become unconditional and may not proceed. Any Shareholders or other persons who are in any doubt about their position or any action to be taken are recommended to consult their professional advisers. Shareholders and potential investors should exercise caution in dealing in the securities of the Company.

The register of members of the Company will be closed from Friday, 19 February 2021 to Thursday, 25 February 2021 (both days inclusive) to determine the eligibility of the Qualifying Shareholders. No transfer of Shares will be registered during the book closure period. To qualify for the Rights Issue, a Qualifying Shareholder's name must appear on the register of members of the Company in Hong Kong at 5:00 p.m. on the Record Date, which is currently expected to be Thursday, 25 February 2021. In order to be registered as a member of the Company in Hong Kong at 5:00 p.m. on the Record Date, any transfer of Shares (together with the relevant title documents) must be lodged with the Registrar for registration by 4:30 p.m. on Thursday, 18 February 2021.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“Board”	the board of directors of the Company
“Business Day”	a day (excluding Saturday and any day on which a tropical cyclone warning number 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“China Connect”	Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, a securities trading and clearing platform under which PRC domestic investors may trade in the Stock Exchange via ChinaClear
“ChinaClear”	China Securities Depository and Clearing Corporation Limited

“Companies (WUMP) Ordinance”	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) as amended and supplemented 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)
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“EAF(s)”	the excess application form(s) for use by the Qualifying Shareholders (other than the PRC Southbound Trading Investors) who wish to apply for Rights Shares in excess of their entitlements under the Rights Issue
“Eisner”	has the meaning ascribed to it in the section headed “Shareholding Structure of the Company” in this announcement
“Excluded Shareholder(s)”	Overseas Shareholder(s) whom the Board, based on legal opinions provided by legal advisers, considers it necessary or expedient not to offer the Rights Shares to such Shareholders on account either of legal restrictions under the laws of relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“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
“Irrevocable Undertakings”	PCGH Irrevocable Undertaking and PCR D Irrevocable Undertaking
“Last Trading Day”	31 December 2020, being the last trading day of the Shares on the Stock Exchange prior to the issue of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mr. Li”	Mr. Li Tzar Kai, Richard, an executive director of the Company
“Overseas Shareholders”	Shareholders with registered addresses (as shown in the register of members of the Company on the Record Date) which are outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue



“PCD”	has the meaning ascribed to it in the section headed “Shareholding Structure of the Company” in this announcement
“PCGH”	has the meaning ascribed to it in the section headed “Shareholding Structure of the Company” in this announcement
“PCGH Irrevocable Undertaking”	the irrevocable undertaking dated 31 December 2020 executed by PCGH in favour of the Company, the principal terms of which are disclosed in the section headed “Irrevocable Undertakings” in this announcement
“PCRD”	has the meaning ascribed to it in the section headed “Shareholding Structure of the Company” in this announcement
“PCRD Irrevocable Undertaking”	the irrevocable undertaking dated 31 December 2020 executed by PCRD in favour of the Company, the principal terms of which are disclosed in the section headed “Irrevocable Undertakings” in this announcement
“Posting Date”	26 February 2021 or such other date as the Company may determine, being the date on which the Prospectus Documents are posted to the Qualifying Shareholders
“PRC”	the People’s Republic of China
“PRC Southbound Trading Investor(s)”	the PRC southbound trading investor(s) through China Connect who hold(s) the Share(s) through ChinaClear and/or HKSCC Nominees Limited as nominee(s)
“Prospectus”	the Rights Issue prospectus
“Prospectus Documents”	the Prospectus, the PAL and the EAF
“Qualifying Shareholders”	Shareholders whose names appear on the register of members of the Company on the Record Date, other than the Excluded Shareholders
“Record Date”	25 February 2021 or such other date as the Company may determine, being the date by reference to which entitlements to the Rights Issue are to be determined
“Registrar”	Computershare Hong Kong Investor Services Limited, the Company’s Hong Kong branch share registrar and transfer office
“Relevant Holding Entities”	PCD and Eisner
“Rights Issue”	the proposed issue of the Rights Shares at the Subscription Price on the basis of one (1) Rights Share for every two (2) existing Shares, payable in full upon acceptance

“Rights Share(s)”	the 793,627,989 new Shares (assuming there is no change in the share capital of Company after the date of this announcement up to and including the Record Date) proposed to be allotted and issued by way of rights to the Qualifying Shareholders under the Rights Issue
“SFC”	the Securities and Futures Commission in Hong Kong
“Share(s)”	the ordinary share(s) with par value 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
“Subscription Price”	the subscription price of HK\$0.82 per Rights Share under the Rights Issue
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers and Share Buy-Backs

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

Hong Kong, 31 December 2020

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); 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*