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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)**

**BONUS ISSUE TO FULFILL THE MINIMUM PUBLIC FLOAT  
REQUIREMENT  
AND  
PROPOSED SHARE CONSOLIDATION**

The Board is pleased to announce that pursuant to the mandate granted by the Shareholders at the special general meeting of the Company held on Wednesday, 2 May 2012, it has resolved to implement the Bonus Issue, being a bonus issue of new Shares, credited as fully-paid, on the basis of four (4) Bonus Shares for every one (1) existing Share held by the Qualifying Shareholders on the Register on the Record Date for the sole purpose of the restoration of the minimum public float of the Shares prescribed under Rule 8.08(1) of the Listing Rules. Qualifying Shareholders (other than those Qualifying Shareholders who are Overseas Shareholders and whom the Directors, having made enquires pursuant to Rule 13.36(2) of the Listing Rules, consider it necessary or expedient not to offer the option to elect to receive the Bonus Convertible Notes as hereinafter mentioned on account either of legal restrictions under the laws of the relevant jurisdiction or the requirements of the relevant regulatory body or stock exchange in that jurisdiction) will be given the option to elect to receive the Bonus Convertible Notes in lieu of all or part of their entitlement to the Bonus Shares.

The Bonus Convertible Notes will be unlisted, will carry no voting rights at general meetings of the Company and will have no maturity date, but will confer upon the holders thereof substantially the same economic interest attached to the Shares (including rights to receive payments representing any dividends declared and paid, assets distributed, and shares or other securities issued under a capitalisation issue or scrip dividend scheme of the Company, to Shareholders as if the outstanding Bonus Convertible Notes held by them had been converted on the relevant record date) which the electing Shareholders would otherwise be entitled to receive under the Bonus Issue had such Shareholders not elected for the Bonus Convertible Notes.

The Bonus Convertible Notes will be irredeemable but will have conversion rights entitling a Bonus Convertible Noteholder to convert into an equivalent number of Shares (subject to adjustment) as the number of Bonus Shares which the Bonus Convertible Noteholder would otherwise be entitled to receive under the Bonus Issue had the Shareholder not elected for the Bonus Convertible Notes. In the absence of such election, a Qualifying Shareholder will receive Bonus Shares under the Bonus Issue.

The Company has requested PCCW to and PCCW has confirmed that it will, procure its relevant subsidiary which holds Shares to elect to receive the Bonus Convertible Notes in lieu of all of its entitlements to the Bonus Shares under the Bonus Issue.

The Bonus Issue is conditional upon (i) the approval from the Stock Exchange of the terms of the Bonus Convertible Notes to be issued; and (ii) the Stock Exchange granting the listing of, and permission to deal in, the Bonus Shares and the Shares to be issued upon conversion of the Bonus Convertible Notes.

The Bonus Issue is being made for the sole purpose of restoration of the minimum public float of the Shares prescribed under Rule 8.08(1) of the Listing Rules.

**The Board recommends that all Shareholders, other than the relevant subsidiary of PCCW, NOT to elect to receive the Bonus Convertible Notes as the Bonus Convertible Notes carry no voting rights at general meetings of the Company and are unlisted and irredeemable and therefore not readily tradeable notwithstanding its transferability.**

A Bonus Issue Prospectus containing details of the Bonus Issue is currently expected to be despatched to the Shareholders on or about Monday, 4 June 2012. Such date is indicative only and may be subject to change.

In order to minimise the adjustment to the market price of the Shares by the effect of the Bonus Issue, the Board proposes to effect the Share Consolidation, along with the implementation of the Bonus Issue. Pursuant to the Share Consolidation, every five (5) Shares of HK\$0.10 each in the share capital of the Company will be consolidated into one (1) Consolidated Share of HK\$0.50 each.

Fractional Consolidated Shares will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company.

The Share Consolidation is conditional upon (i) the passing by the Shareholders of an ordinary resolution by way of poll to approve the Share Consolidation at the SGM (which is currently expected to be held on or about Wednesday, 20 June 2012, such date is indicative only and may be subject to change); and (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares in issue upon the Share Consolidation becoming effective.

An ordinary resolution to approve the Share Consolidation will be put forward at the SGM for approval by the Shareholders. A circular containing details of the Share Consolidation and a notice of the SGM is currently expected to be despatched to the Shareholders on or about Monday, 4 June 2012, such date is indicative only and may be subject to change.

No Shareholder is required to abstain from voting on the ordinary resolution to approve the Share Consolidation at the SGM. As such, the relevant subsidiary of PCCW which holds Shares (being 1,481,333,333 Shares which represent approximately 93.59% of the Shares in issue immediately after the close of the Offer and the cancellation of all the Shares in respect of which the Offer has been accepted) is entitled to attend and vote on such ordinary resolution.

Currently, the Shares are traded on the Main Board of the Stock Exchange in board lot size of 1,000 Shares. After the Share Consolidation becomes effective, the board lot size for trading in the Consolidated Shares (other than in the temporary counter for trading in the Consolidated Shares in the form of existing share certificates which will be in board lot of 200 Consolidated Shares) will remain at 1,000 Consolidated Shares.

In the event that the Share Consolidation does not become effective, the Bonus Issue will proceed but Shareholders not electing for any Bonus Convertible Notes will hold immediately after the Bonus Issue five times the number of Shares held as at the Record Date.

The Bonus Issue and the Share Consolidation will not lead to any change in the proportional economic interests of the Shareholders in the Company.

References are made to the announcement of the Company dated 2 March 2012; the Circular; the announcement of the Company dated 2 May 2012; and a separate announcement of the Company in respect of the results of the Offer dated the same date of this announcement.

## **BONUS ISSUE**

The Board is pleased to announce that pursuant to the mandate granted by the Shareholders at the special general meeting of the Company held on 2 May 2012, it has resolved to implement the Bonus Issue, being a bonus issue of new Shares, credited as fully-paid, on the basis of four (4) Bonus Shares for every one (1) existing Share held by the Qualifying Shareholders on the Register on the Record Date. Qualifying Shareholders (other than those Qualifying Shareholders who are Overseas Shareholders and whom the Directors, having made enquires pursuant to Rule 13.36(2) of the Listing Rules, consider it necessary or expedient not to offer the option to elect to receive the Bonus Convertible Notes as hereinafter mentioned on account either of legal restrictions under the laws of the relevant jurisdiction or the requirements of the relevant regulatory body or stock exchange in that jurisdiction) will be given the option to elect to receive the Bonus Convertible Notes in lieu of all or part of their entitlement to the Bonus Shares. The sole purpose of the Bonus Issue with the Bonus Convertible Notes election is to meet the minimum public float requirement under Rule 8.08(1) of the Listing Rules.

The Bonus Shares, upon issue, will rank *pari passu* with the Shares then existing in all respects, including the entitlement of receiving dividends and other distributions the record date for which is on or after the date of allotment and issue of the Bonus Shares.

The Bonus Convertible Notes will be unlisted, will carry no voting rights at general meetings of the Company and will have no maturity date, but will confer upon the holders thereof substantially the same economic interest attached to the Shares (including rights to receive payments representing any dividends declared and paid, assets distributed, and shares or other securities issued under a capitalisation issue or scrip dividend scheme of the Company, to Shareholders as if the outstanding Bonus Convertible Notes held by them had been converted on the relevant record date) which the electing Shareholders would otherwise be entitled to receive under the Bonus Issue had such Shareholders not elected for the Bonus Convertible Notes.

The Bonus Convertible Notes will be irredeemable but will have conversion rights entitling the Bonus Convertible Noteholder to convert into an equivalent number of Shares (subject to adjustment) as the number of Bonus Shares which the Bonus Convertible Noteholder would otherwise be entitled to receive under the Bonus Issue had the Shareholder not elected for the Bonus Convertible Notes. In the absence of such election, a Qualifying Shareholder will receive Bonus Shares under the Bonus Issue.

The Company has requested PCCW to, and PCCW has confirmed that it will, procure its relevant subsidiary which holds Shares to elect to receive the Bonus Convertible Notes in lieu of all of its entitlements to the Bonus Shares under the Bonus Issue.

Following the completion of the Offer and the cancellation of all the Shares in respect of which the Offer has been accepted, the number of Shares in issue will be 1,582,775,022 Shares. Accordingly, the Bonus Issue would, assuming that all Shareholders are Qualifying Shareholders and there are no other changes in the issued share capital of the Company, give rise to the issue of 405,766,756 Bonus Shares, in the absence of any Shareholder other than the relevant subsidiary of PCCW electing to receive the Bonus Convertible Notes in lieu of all or any its entitlement to the Bonus Shares. PCCW will, by its relevant subsidiary electing for the Bonus Convertible Notes, reduce its percentage of holding of Shares in the Company and the public Shareholders, who are expected not to elect for the Bonus Convertible Notes, will increase their percentage of holding of Shares correspondingly.

Since the Bonus Issue is on the basis of four (4) Bonus Shares for every one (1) existing Share held by the Qualifying Shareholders on the Record Date, there will not be any fractional entitlements to the Bonus Shares.

A Bonus Issue Prospectus containing details of the Bonus Issue is expected to be despatched to the Shareholders on or about Monday, 4 June 2012. Such date is indicative only and may be subject to change.

### **Conditions of the Bonus Issue**

The Bonus Issue is conditional upon:-

- (i) the approval from the Stock Exchange of the terms of the Bonus Convertible Notes to be issued; and
- (ii) the Stock Exchange granting the listing of, and permission to deal in, the Bonus Shares and the Shares to be issued upon conversion of the Bonus Convertible Notes.

## Shareholding Structure of the Company

The following is a table showing the change in the shareholding structure of the Company solely as a result of the Bonus Issue and on the basis that only the relevant subsidiary of PCCW elects for the Bonus Convertible Notes in lieu of all its entitlement to the Bonus Shares and there are no other changes in the issued share capital of the Company:-

	Immediately after the close of the Offer and cancellation of the accepted Shares		Immediately after completion of the Bonus Issue, if only the relevant subsidiary of PCCW elects to receive the Bonus Convertible Notes in lieu of all its entitlement to the Bonus Shares		If the Bonus Convertible Notes are converted in full <sup>Note</sup>	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
PCCW Group	1,481,333,333	93.59	1,481,333,333	74.49	7,406,666,665	93.59
Public Shareholders	<u>101,441,689</u>	<u>6.41</u>	<u>507,208,445</u>	<u>25.51</u>	<u>507,208,445</u>	<u>6.41</u>
	<u>1,582,775,022</u>	<u>100.00</u>	<u>1,988,541,778</u>	<u>100.00</u>	<u>7,913,875,110</u>	<u>100.00</u>

*Note:* Under the terms of the Deed Poll, if and to the extent that the minimum public float requirement in respect of the Shares under the Listing Rules could not be complied with immediately after the purported exercise of the conversion rights of any Bonus Convertible Noteholder, such holder should not be entitled to exercise such conversion rights.

## Overseas Shareholders

The Company will make appropriate enquiries pursuant to Rule 13.36(2) of the Listing Rules to determine the entitlements of the Overseas Shareholders to the Bonus Issue. Further details of the rights of the Overseas Shareholders will be set out in the Bonus Issue Prospectus to be despatched to the Shareholders.

## Reasons for the Bonus Issue

Following the close of the Offer on Wednesday, 16 May 2012 and the cancellation of all the Shares in respect of which the Offer has been accepted, 101,441,689 Shares, representing approximately 6.41% of the entire issued share capital of the Company, will be held by the public (within the meaning of the Listing Rules). Accordingly, the minimum public float requirement as set out under Rule 8.08(1)(a) of the Listing Rules will not be satisfied. Pursuant to Note 1 to Rule 8.08(1)(b) of the Listing Rules, trading in the Shares will be suspended from 9:00 a.m. on Thursday, 17 May 2012 since the percentage of public float of the Shares falls below 15% following the close of the Offer and the cancellation of the Shares in respect of which the Offer has been accepted.

Following the close of the Offer and taking into consideration the level of acceptances of the Offer and the number of Shares remaining in the hands of public Shareholders, the Board determines that the Bonus Issue alone is a feasible and practical solution to restore the minimum public float of the Shares if Shareholders other than the relevant subsidiary of PCCW do not elect to receive Bonus Convertible Notes. The Board does not expect Shareholders, other than the relevant subsidiary of PCCW, to elect to receive the Bonus Convertible Notes which will carry no voting rights at general meetings of the Company and will be unlisted and irredeemable and therefore not readily tradeable notwithstanding its transferability.

The Bonus Issue is being made for the sole purpose of restoration of the minimum public float of the Shares in accordance with the requirement prescribed under Rule 8.08(1) of the Listing Rules.

### **Advice and Recommendation from the Financial Adviser**

The Board has engaged Anglo Chinese to advise it on addressing the public float issues after the Offer. Anglo Chinese has advised that the Bonus Issue has the following advantages:

- (i) it preserves the equity interest of all Shareholders who receive the Bonus Shares only, and in the case of the PCCW Group and any other Shareholders electing to receive the Bonus Convertible Notes, their equity interest would be preserved upon full conversion of the Bonus Convertible Notes;
- (ii) all Shareholders will be treated equally;
- (iii) no capital raising will be required, which would potentially incur significant expenses and may have dilutive effects on existing Shareholders, shareholding in the Company; and
- (iv) it will not be subject to or dependent on market conditions.

Anglo Chinese has advised the Board that it should recommend the public Shareholders **NOT** to elect to receive any Bonus Convertible Notes which will carry no voting rights at general meetings of the Company and will be unlisted and irredeemable and therefore not be readily tradeable notwithstanding its transferability. It is expected that the Bonus Convertible Notes will not be readily realisable other than by converting them into shares in the Company and subsequently selling them in the market. Furthermore, there is no redemption date for the Bonus Convertible Notes. On a voluntary dissolution, liquidation or winding-up of the Company, the Bonus Convertible Notes will be automatically converted into shares in the Company; and on an involuntary dissolution, liquidation or winding-up of the Company, the Bonus Convertible Noteholders whose Bonus Convertible Notes

are cancelled not as a result of a conversion but as a result of an involuntary dissolution, liquidation or winding-up of the Company will be entitled to receive out of the assets of the Company the same amounts and at the same time as are paid with respect to the shares in the Company; and the rights of the Bonus Convertible Noteholders do not have priority over other Shareholders.

The Company has requested PCCW to, and PCCW has confirmed that it will, procure its relevant subsidiary which holds Shares to elect to receive the Bonus Convertible Notes in lieu of all of its entitlements to the Bonus Shares. The PCCW Group will remain a controlling Shareholder. Assuming that no other Shareholder chooses to receive the Bonus Convertible Notes in lieu of all or any part of its/his/her entitlements to the Bonus Shares and there are no other changes to the shareholding structure of the Company, the PCCW Group will hold approximately 74.49% of the issued share capital of the Company immediately following completion of the Bonus Issue. As PCCW is and will remain the indirect controlling Shareholder, the disadvantages of holding part of its interest in the Company in the form of the Bonus Convertible Notes arising from election for the Bonus Convertible Notes are not significant to PCCW. PCCW will still have considerable flexibility in being able to trade part of its current shareholdings, should it so wish, before reducing its shareholdings in the Company to 50% or less. Any such trading can then be replenished by conversion of the corresponding amount of the Bonus Convertible Notes. Accordingly, the marketability of the Bonus Convertible Notes does not have the same significance to the relevant subsidiary of PCCW as it does to the public Shareholders. In economic terms, the Bonus Convertible Notes have no advantages over the Shares and in terms of rights, they have less than the Shares. No benefit is being conferred on the PCCW Group through their election for the Bonus Convertible Notes. It is expected that PCCW will procure its relevant subsidiary to elect for the Bonus Convertible Notes in lieu of all its entitlements to the Bonus Shares in order to facilitate the Company's fulfillment of the minimum public float requirement as prescribed under Rule 8.08(1)(a) of the Listing Rules or else, the purpose of the Bonus Issue may not be achieved.

### **Recommendation from the Board**

The Board therefore recommends that all Shareholders, other than the relevant subsidiary of PCCW, **NOT** to elect to receive any Bonus Convertible Notes as the Bonus Convertible Notes carry no voting rights at general meetings of the Company and are unlisted and irredeemable and therefore not readily tradeable notwithstanding its transferability. There is therefore no benefit to the public Shareholders electing to receive the Bonus Convertible Notes. **Furthermore, public Shareholders electing to receive the Bonus Convertible Notes may jeopardize the objective of the Bonus Issue for the Company to meet the minimum public float requirement as prescribed under Rule 8.08(1)(a) of the Listing Rules.**

## **Listing**

An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Bonus Shares and the Shares to be issued upon conversion of the Bonus Convertible Notes as soon as possible.

## **Closure of Register for the Bonus Issue**

In order to determine the list of Shareholders who will be entitled to the Bonus Issue, the Register will be closed on Wednesday, 30 May 2012, on which date no transfer of Shares will be registered. In order to qualify for the Bonus Issue, all transfers, accompanied by the relevant share certificates, should be lodged with the branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Tuesday, 29 May 2012.

## **Certificates for Bonus Shares and Bonus Convertible Notes**

It is expected that certificates for the Bonus Shares and certificates for the Bonus Convertible Notes will be sent by ordinary post on or about Friday, 22 June 2012 (such date is indicative only and may be subject to change) after all the conditions for the Bonus Issue have been fulfilled, at the risk of the Shareholders entitled thereto to their respective addresses shown on the Register on the Record Date.

## **SHARE CONSOLIDATION**

In order to minimise the adjustment to the market price of the Shares by the effect of the Bonus Issue, the Board proposes to effect the Share Consolidation, along with the implementation of the Bonus Issue. Pursuant to the Share Consolidation, every five (5) Shares of HK\$0.10 each in the share capital of the Company will be consolidated into one (1) Consolidated Share of HK\$0.50 each. Fractional Consolidated Shares will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company.

If the Share Consolidation is approved by the Shareholders at the SGM, immediately after completion of the Bonus Issue and the Share Consolidation becoming effective, all Shareholders, other than the relevant subsidiary of PCCW and those Shareholders who elect to receive all or part of their entitlements under the Bonus Issue in the form of Bonus Convertible Notes in lieu of any Bonus Shares, will have an equivalent

number of Consolidated Shares as the number of Shares they respectively have on the Record Date, assuming that all Shareholders are Qualifying Shareholders and there are no other events which would give rise to a change in their respective shareholdings subsequent to the Record Date.

An ordinary resolution to approve the Share Consolidation will be put forward at the SGM for approval by the Shareholders. A circular containing details of the Share Consolidation and a notice of the SGM is currently expected to be despatched to the Shareholders on or about Monday, 4 June 2012. Such date is indicative only and may be subject to change.

Currently, the Shares are traded on the Main Board of the Stock Exchange in board lot size of 1,000 Shares. After the Share Consolidation becomes effective, the board lot size for trading in the Consolidated Shares (other than in the temporary counter for trading in the Consolidated Shares in the form of existing share certificates which will be in board lot of 200 Consolidated Shares) will remain at 1,000 Consolidated Shares.

In the event that the Share Consolidation does not become effective, the Bonus Issue will proceed but Shareholders not electing for any Bonus Convertible Notes will hold immediately after the Bonus Issue five times the number of Shares held as at the Record Date.

### **Conditions precedent of the Share Consolidation**

The Share Consolidation is conditional upon:

1. the passing by the Shareholders of an ordinary resolution by way of poll to approve the Share Consolidation at the SGM (which is currently expected to be held on or about Wednesday, 20 June 2012, such date is indicative only and may be subject to change); and
2. the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares in issue.

The Share Consolidation is currently expected to become effective on Monday, 25 June 2012 (such date is indicative only and may be subject to change) or, when the Bonus Issue has been completed and all the above conditions are fulfilled, whichever is later.

No Shareholder is required to abstain from voting on the ordinary resolution to approve the Share Consolidation at the SGM. As such, the relevant subsidiary of

PCCW which holds Shares (being 1,481,333,333 Shares which represent approximately 93.59% of the Shares in issue immediately after the close of the Offer and the cancellation of all the Shares in respect of which the Offer is accepted) is entitled to attend and vote on such ordinary resolution.

### **Reasons for the Share Consolidation**

It is the advice of Anglo Chinese to the Company that following the completion of the Bonus Issue, if there was no Share Consolidation, the number of Shares and board lots in the market would increase substantially but with a proportional decrease in the price of the Shares and hence the value of each board lot. It is intended that the Share Consolidation will reduce the number of board lots in the market to the existing level and should set off the dilution in the share price as a result of the issue of the Bonus Shares pursuant to the Bonus Issue.

Based on such advice of Anglo Chinese, the Board consider that the Share Consolidation is in the interests of the Company and the Shareholders as a whole.

### **Closure of Register for the SGM**

In order to determine the list of Shareholders who will be entitled to attend and vote at the SGM, the Register will be closed from Monday, 18 June 2012 to Wednesday, 20 June 2012 (both days inclusive), during which period no transfer of Shares will be registered. In order to be qualified for attending and voting at the SGM, all transfers, accompanied by the relevant share certificates, should be lodged with the branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Friday, 15 June 2012.

### **Arrangement on odd lot trading**

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company intends to appoint a broker to provide an odd lot matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lot matching arrangements will be set out in the circular in relation to the Share Consolidation to be despatched to the Shareholders.

Shareholders are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisor if they are in doubt about the facility described above.

## **Exchange of share certificates**

Subject to the Share Consolidation being approved by the Shareholders and becoming effective, which effective date is currently expected to be on Monday, 25 June 2012, the existing certificates for the Shares (which is green in colour) will cease to be valid for trading purposes after 4:00 pm on Monday, 30 July 2012. Shareholders may, on or after Monday, 25 June 2012 and until Wednesday, 1 August 2012 (both days inclusive) submit the existing certificates for the Shares (which is green in colour) to the Registrar, to exchange, at the expense of the Company, for certificates for the Consolidated Shares (which is yellow in colour) (on the basis of five (5) Shares for one (1) Consolidated Share). It is expected that the new certificates for the Consolidated Shares will be available for collection within ten Business Days after the submission of the existing share certificates to the Registrar for exchange. Thereafter, existing certificates for Shares will remain effective as documents of legal title but will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) per certificate issued or cancelled, whichever is higher, payable by the Shareholders to the Registrar.

## **EFFECTS OF THE BONUS ISSUE AND SHARE CONSOLIDATION**

Immediately following the completion of the Bonus Issue and on the basis that no Shareholders other than the relevant subsidiary of PCCW will elect to receive the Bonus Convertible Notes in lieu of any Bonus Shares and there being no other changes in the share capital structure of the Company other than the Bonus Issue, the authorised share capital of the Company amounts to HK\$2,000,000,000 divided into 20,000,000,000 Shares, of which 1,988,541,778 Shares will be in issue. Immediately upon the Share Consolidation becoming effective following the completion of the Bonus Issue, and on the basis that there being no other changes in the share capital structure of the Company, the authorised share capital of the Company shall become HK\$2,000,000,000 divided into 4,000,000,000 Consolidated Shares of HK\$0.50 each, and the total number of issued Shares of 1,988,541,778 as aforesaid will be consolidated into 397,708,355 Consolidated Shares. If the Share Consolidation is approved at the SGM and all the conditions of the Share Consolidation having been fulfilled, the Share Consolidation will become effective on the date immediately after the date of the completion of the Bonus Issue.

The Bonus Issue and the Share Consolidation will not lead to any change in the proportional economic interests of the Shareholders in the Company. Other than the expenses incurred in relation to the Bonus Issue and the Share Consolidation, implementation of the Bonus Issue and the Share Consolidation will not alter the underlying assets, business operations, management or financial condition of the

Company or the interests of the Shareholders. Based on the advice of Anglo Chinese on the impact of the Bonus Issue and the Share Consolidation, the Directors consider that the Bonus Issue and the Share Consolidation will not have an adverse effect on the financial position of the Company and its subsidiaries.

Set out below is the shareholding structure of the Company (i) following the close of the Offer on the date of this announcement and the cancellation of all the Shares in respect of which the Offer has been accepted; (ii) upon completion of the Bonus Issue and before the Share Consolidation becomes effective; and (iii) upon the Share Consolidation becoming effective, assuming in each of (ii) and (iii), no Shareholders other than the relevant subsidiary of PCCW will elect to receive the Bonus Convertible Notes in lieu of their entitlements to the Bonus Shares and there are no other changes in the share capital structure of the Company:

	<b>Following the close of the Offer and cancellation of accepted Shares</b>	<b>Upon completion of the Bonus Issue and before the Share Consolidation becoming effective</b>	<b>Upon the Share Consolidation becoming effective</b>
Nominal value per share	HK\$0.10	HK\$0.10	HK\$0.50
Authorised share capital	HK\$2,000,000,000	HK\$2,000,000,000	HK\$2,000,000,000
No. of authorised shares	20,000,000,000	20,000,000,000	4,000,000,000
Issued share capital	HK\$158,277,502.20	HK\$198,854,177.80	HK\$198,854,177.80
No. of shares held by PCCW Group	1,481,333,333	1,481,333,333	296,266,666
No. of shares held by public Shareholders	101,441,689	507,208,445	101,441,689

Upon the Share Consolidation becoming effective, the Consolidated Shares will rank pari passu in all respects with each other in accordance with the memorandum of association and bye-laws of the Company.

An application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares in issue upon the Share Consolidation becoming effective.

As at the date of this announcement, the Company had outstanding (i) Options entitling the holder thereof to subscribe for 5,000,000 new Shares at the exercise

price of HK\$2.375 per Share (subject to adjustment); and (ii) the 2014 Convertible Note which was convertible into 672,222,222 new Shares at the conversion price of HK\$3.60 per Share (subject to adjustment). In addition, pursuant to, and subject to the terms and conditions of, the Subscription Agreement, the CN Issuer may issue the 2019 Convertible Note which, if issued, will be in the principal amount of HK\$2,904,000,000 or the redemption amount of the 2014 Convertible Note due at its maturity on Friday, 9 May 2014 and not repaid (whichever is less) and is convertible into shares in the Company at a conversion price to be set on the issue date of the 2019 Convertible Note to be equal to 140% of the 20 trading day average of the closing prices of the Shares ended on such issue date, but not less than the Minimum Conversion Price (which Minimum Conversion Price and the conversion price so set are subject to adjustment).

If the Share Consolidation does not become effective, and the Bonus Issue alone is implemented, (i) it will lead to an adjustment to the subscription price and/or the number of shares of the Company which may fall to be issued upon exercise of such Options; and (ii) as mentioned in the Circular, an adjustment to the Minimum Conversion Price and to the conversion price of the 2014 Convertible Note appropriate in the case of a bonus issue will be applied as if all Shareholders had not elected to receive the Bonus Convertible Notes.

Furthermore, pursuant to the Bonus Issue, Bonus Convertible Notes in the principal amount equal to the total nominal value of the Shares in respect of which Shareholders have validly elected to receive Bonus Convertible Notes in lieu of their relevant entitlement to the Bonus Shares will be issued on the date of completion of the Bonus Issue (currently expected to be on Friday, 22 June 2012, such date is indicative only and may be subject to change). If all the conditions of Share Consolidation are fulfilled and the Share Consolidation becomes effective, the initial conversion price in respect of the Bonus Convertible Notes of HK\$0.10 per share in the Company will be adjusted with effect from the date on which the Share Consolidation takes effect (currently expected to be on Monday, 25 June 2012, such date is indicative only and may be subject to change).

In view that the maximum number of the Bonus Shares issuable under the Bonus Issue will not be determined until the Record Date, and the Share Consolidation is subject to the fulfillment of the conditions mentioned above, the Company will make further announcement regarding the adjustments to the outstanding Options, the conversion price of the 2014 Convertible Notes, the Minimum Conversion Price and, or the conversion price of the Bonus Convertible Notes as and when appropriate.

Save for the Options and the 2014 Convertible Notes, as at the date of this announcement, the Company had no outstanding options, warrants or convertible securities to subscribe for any securities of the Company.

## **EXPECTED TIMETABLE FOR THE BONUS ISSUE AND THE SHARE CONSOLIDATION**

The expected timetable for the Share Consolidation (including the Bonus Issue) as set out below is indicative only and has been prepared on the assumption that all conditions of the Bonus Issue and the Share Consolidation will be fulfilled. The expected timetable is subject to change, and any such change will be announced in a separate announcement by the Company as and when appropriate:

Suspension of trading in Shares due to insufficient public float .....	9:00 a.m. Thursday, 17 May 2012
Last day of dealings in Shares on a cum-entitlements basis for the Bonus Issue .....	Friday, 25 May 2012
First day of dealings in Shares on an ex-entitlements basis for the Bonus Issue .....	Monday, 28 May 2012
Latest time for lodging transfers of Shares in order to be entitled to the Bonus Issue .....	4:30 p.m. Tuesday, 29 May 2012
Closure of Register for the Bonus Issue .....	Wednesday, 30 May 2012
Record date for the Bonus Issue .....	Wednesday, 30 May 2012
Register re-opens .....	Thursday, 31 May 2012
Despatch of Bonus Issue Prospectus together with the relevant election form .....	on or about Monday, 4 June 2012
Latest time for lodging transfers of Shares for registration in order to be entitled to attend and vote at the SGM .....	4:30 p.m. Friday, 15 June 2012
Latest time for lodging forms of proxy for the SGM.....	10:00 a.m. on Monday, 18 June 2012
Closure of Register for the SGM .....	Monday, 18 June 2012 to Wednesday, 20 June 2012

SGM for approving the  
Share Consolidation ..... 10:00 a.m. Wednesday, 20 June 2012

Announcement of the poll results of the SGM ..... Wednesday, 20 June 2012

Latest time for returning election form  
for the Bonus Issue .....4:30 p.m. on Wednesday, 20 June 2012

Register re-opens ..... Thursday, 21 June 2012

Announcement of the results of election of  
Bonus Convertible Notes ..... at or before 8:30 a.m. Friday, 22 June 2012

Despatch of share certificates for  
Bonus Shares ..... on or about Friday, 22 June 2012

Despatch of share certificates for Bonus  
Convertible Notes ..... on or about Friday, 22 June 2012

Effective date of the Share Consolidation ..... Monday, 25 June 2012

Resumption of trading .....9:00 a.m. Monday, 25 June 2012

First day of free exchange of existing share  
certificates for new share certificates for  
the Consolidated Shares ..... Monday, 25 June 2012

Temporary close of original counter for  
trading in Shares (represented by the  
existing Share Certificates) in existing  
board lot of 1,000 Shares ..... 9:00 a.m. Monday, 25 June 2012

Temporary counter for trading in  
Consolidated Shares (represented by  
existing share certificates) in board  
lot of 200 Consolidated Shares opens ..... 9:00 a.m. Monday, 25 June 2012

Original counter trading in Consolidated  
Shares (in the form of new share  
certificates) in board lot of 1,000  
Consolidated Shares reopens ..... 9:00 a.m. Tuesday, 10 July 2012

- Parallel trading in Consolidated Shares  
in the form of new share certificates  
and existing share certificates commences . . . . 9:00 a.m. Tuesday, 10 July 2012
- Designated broker starts to stand in the  
market to provide matching services  
for odd lots of Consolidated Shares . . . . . 9:00 a.m. Tuesday, 10 July 2012
- Temporary counter for trading in  
Consolidated Shares (in the form of  
existing share certificates) in board  
lot of 200 Consolidated Shares  
closes . . . . . 4:00 p.m. Monday, 30 July 2012
- Designated broker ceases to stand in  
the market to provide matching services  
for odd lots of Consolidated Shares . . . . . 4:00 p.m. Monday, 30 July 2012
- Last day for free exchange of existing  
share certificates for new share  
certificates for Consolidated Shares . . . . . Wednesday, 1 August 2012

All references to date and time contained in this announcement refer to Hong Kong time.

**SUSPENSION OF TRADING**

As mentioned in a separate announcement of the Company in relation to the close of the Offer made on the same date of this announcement, trading in the Shares will be suspended from 9:00 a.m. on Thursday, 17 May 2012 since the percentage of public float of the Shares falls below 15% following the close of the Offer. Trading in the Shares will remain suspended until the minimum public float of the Shares as required under Rule 8.08(1) of the Listing Rules is restored following completion of the Bonus Issue and it is currently expected that trading in the shares in the Company will be resumed at 9:00 a.m. on Monday, 25 June 2012 (such date is indicative only and may be subject to change). The Company will apply to the Stock Exchange for resumption of trading in the shares in the Company on the Main Board after completion of the Bonus Issue when Rule 8.08(1) of the Listing Rules is complied with.

## DEFINITIONS

“2014 Convertible Note”	the convertible note currently in issue and in the principal amount of HK\$2,420 million and due on 9 May 2014 issued by the CN Issuer and guaranteed by the Company, which is now owned by the CN Holder
“2019 Convertible Note”	the convertible note to be issued pursuant to the Subscription Agreement, the principal terms of which are summarised in the section headed “The Subscription Agreement and Special Deal — Principal Terms of the 2019 Convertible Notes” in the “Letter from the Board” on pages 10 to 12 of the Circular
“Anglo Chinese”	Anglo Chinese Corporate Finance, Limited, a licensed corporation under the SFO to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities; and the financial adviser to the Company
“Board”	the board of Directors
“Bonus Convertible Notes”	the new convertible notes to be constituted by the Deed Poll and to be issued by the Company pursuant to the Bonus Issue to Shareholders electing to receive such new convertible notes in lieu of their entitlements to the Bonus Shares
“Bonus Convertible Noteholder(s)”	holder(s) of the Bonus Convertible Notes
“Bonus Issue”	issue of Bonus Share(s) by the Company on the basis of four (4) Bonus Shares for every one (1) existing Share held by the Qualifying Shareholders with the option to elect to receive the Bonus Convertible Notes in lieu of all or part of their entitlement to the Bonus Shares as more particularly described in the section headed “Bonus Issue” above
“Bonus Issue Prospectus”	the prospectus to the Shareholders to be issued in connection with the Bonus Issue
“Bonus Share(s)”	new Share(s) to be issued pursuant to the Bonus Issue

“Business Days”	any day (excluding a Saturday or Sunday or any public holiday and any day on which a tropical cyclone warning signal no. 8 or above or a “black” rainstorm warning signal is hoisted or remains hoisted in Hong Kong at any time between 9 a.m. to 5 p.m.) on which banks are generally open for business in Hong Kong
“Circular”	the circular dated 5 April 2012 issued by the Company in relation to, among other things, the Offer
“CN Holder”	PCCW-HKT Partners Limited, a company incorporated in Hong Kong with limited liability, an indirect wholly-owned subsidiary of PCCW and the existing holder of the 2014 Convertible Note
“CN Issuer”	PCPD Wealth Limited, a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of the Company and the existing issuer of the 2014 Convertible Note
“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
“Consolidated Share(s)”	ordinary share(s) of HK\$0.50 each in the share capital of the Company upon the Share Consolidation becoming effective
“Deed Poll”	the deed poll and any other document (as from time to time altered in accordance with the Deed Poll) to be executed by the Company in order to provide for and to protect the rights and interests of the Bonus Convertible Noteholders
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Minimum Conversion Price”	140% of the 20 trading day average of the closing prices of the Shares ended on Monday, 30 January 2012, subject to adjustments
“Offer”	the conditional cash offer being made by Anglo Chinese on behalf of the Company to repurchase up to 926,126,540 Shares from the Shareholders for cancellation at the price of HK\$1.85 per Share
“Options”	options granted by the Company pursuant to the share option scheme adopted by the Company on 17 March 2003
“Overseas Shareholder(s)”	Shareholder(s) whose address(es) as shown on the Register on the Record Date is(are) outside Hong Kong
“PCCW”	PCCW Limited (stock code: 00008), a company incorporated in Hong Kong with limited liability, the shares of which are listed and traded on the Main Board of the Stock Exchange and traded in the form of American depository receipts on the OTC Markets Group Inc. in the United States of America and a substantial Shareholder holding approximately 93.59% of the issued share capital of the Company following the close of the Offer and cancellation of all the Shares accepted under the Offer
“PCCW Group”	PCCW and its subsidiaries, other than the Group
“PRC”	the People’s Republic of China
“Qualifying Shareholder(s)”	Shareholder(s) whose names appear on the Register at the close of business on the Record Date, other than that/those Overseas Shareholder(s) whom the Directors, after making relevant enquiries, consider it necessary or expedient not to issue the Bonus Shares and/or the Bonus Convertible Notes on account either of the legal restrictions under the laws of the relevant jurisdiction or the requirements of the relevant regulatory body or stock exchange in that jurisdiction

“Record Date”	the record date for determining entitlements to the Bonus Issue, being Wednesday, 30 May 2012
“Register”	the register of members of the Company
“Registrar”	Computershare Hong Kong Investor Services Limited, located at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened and held to consider and, if thought fit, approve the ordinary resolution in connection with the Share Consolidation
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Share Consolidation”	the proposed consolidation of every five (5) Shares with a nominal value of HK\$0.10 each into one (1) Consolidated Share with a nominal value of HK\$0.50 each
“Shareholder(s)”	registered holder(s) of the share(s) in the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the subscription agreement dated 2 March 2012 entered into between the CN Issuer, the Company and the CN Holder in relation to the 2019 Convertible Note
“%”	per cent.

By Order of the Board  
**PACIFIC CENTURY PREMIUM DEVELOPMENTS LIMITED**  
**Cheng Wan Seung, Ella**  
*Company Secretary*

Hong Kong, 16 May 2012

*As at the date of this announcement, the Directors are:*

*Executive Directors:*

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

*Independent Non-Executive Directors:*

Cheung Kin Piu, Valiant; Prof Wong Yue Chim, Richard, SBS, JP; and Dr Allan Zeman, GBM, GBS, JP.

*\* For identification only*