**PCCW Limited**
**電訊盈科有限公司**
*(Incorporated in Hong Kong with limited liability)*
**(Stock Code: 00008)**

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)**

# JOINT ANNOUNCEMENT

## DISCLOSEABLE TRANSACTION FOR PCCW LIMITED

## (1) VERY SUBSTANTIAL ACQUISITION IN RELATION TO (A) PROPOSED ACQUISITION OF LAND AND SUPPORTING AGREEMENT WITH AN OPTION TO ACQUIRE SHARES OF PT CA, AND (B) CONDITIONAL ISSUE OF SHARES BY AND ASSIGNMENT OF SHAREHOLDER'S LOANS OWING BY A SUBSIDIARY AS PAYMENT OF PART OF THE SUPPORTER PAYMENT AND GRANT OF PUT OPTION

## (2) MAJOR TRANSACTION IN RELATION TO CONDITIONAL ISSUE OF SHARES AND ASSIGNMENT OF SHAREHOLDER'S LOANS IN A SUBSIDIARY AND GRANT OF PUT OPTION TO INVESTOR

## FOR PACIFIC CENTURY PREMIUM DEVELOPMENTS LIMITED

**Financial Adviser to PCPD**

ANGLO CHINESE CORPORATE FINANCE, LIMITED 英高

The PCPD Group proposes to acquire the Land (of an Agreed Site Area of 9,277 square meters) located in Jakarta, Indonesia, for the development of a Grade A office building. In this connection, on 23 May 2013, the agreements and deed listed below were entered into by companies in the PCPD Group with independent third parties. Further details of these agreements and deed are set out in this announcement.

**LAND ACQUISITION AND RELATED AGREEMENTS**

On 23 May 2013, PMA (an indirect wholly-owned subsidiary of PCPD) and PCPD (as PMA's guarantor), entered into the Land SPA with PT CA and its parent company, PT Danayasa (as PT CA's guarantor). Under the Land SPA, PMA conditionally agreed to acquire the Land from PT CA for a consideration of US$184,000,000 (equivalent to approximately HK$1,428 million), subject to various downward adjustments in certain circumstances. Out of the Land Consideration, US$115,000,000 (including the Land Deposit of US$46,000,000 to be released and a further sum of US$69,000,000 payable upon Land SPA Completion, subject to deduction, if applicable) will be payable upon the Land SPA Completion and the balance (subject to deductions, if applicable) will be payable after Land SPA Completion in accordance with the payment terms of the Land SPA.

The Land Consideration has been formulated relying on the representation and warranty by PT CA that the Land is suitable for PMA to construct the Building with the Targeted Height Restrictions and the Targeted Relevant GFA, and the Land Consideration will be adjusted downwards by an amount of US$13,000,000 if by 31 August 2013, the Targeted PRK (achieving both the Targeted Relevant GFA and the Targeted Height Restrictions) is not delivered to PMA. Under the Land SPA, PT CA also represented and warranted that the Amended PRK would be obtained for the development of the Building, and the Land Consideration will be adjusted downwards by an amount of US$5,000,000 if the Amended PRK cannot be delivered by 30 November 2013. PT CA also represented and warranted that certain permits (including the Building Construction Permit, Planning Permit (if necessary) and the New SIPPT) will be obtained and issued or re-issued (as the case maybe) in the name of PMA, and the Land Consideration will be adjusted downwards by an amount of US$23,000,000 if, by 30 June 2015, either the Building Construction Permit, or a Planning Permit (if necessary) and the New SIPPT, are not issued or re-issued (as the case maybe) in the name of PMA.

Under the Land SPA, PT CA and PT Danayasa (as PT CA's guarantor) each represented and warranted to PMA that PT CA is the sole legal owner of the Land and after the Land SPA Completion, PMA will become the legal owner and will have good and transferable title to the Land. If for any reason the Land is not registered in the name of PMA within 60 Business Days after the Land SPA Completion Date, such failure of registration will be deemed as a breach of PT CA's warranty relating to the Land. Further, upon the occurrence of such non-registration, upon written notice given by PMA to PT CA and PT Danayasa, PT CA and/or PT Danayasa will be required to buy back the Land at a price amounting to the paid Land Consideration as at the time of the buyback, which will include all taxes, fees and any other costs and expenses previously incurred by PMA for the original transfer of Land under the Land SPA, with interest for the period from the date of Land SPA Completion until the completion of the buyback.

On 23 May 2013, PMA Holdco (holding company of PMA and a member of the PCPD Group) and PCPD (as PMA Holdco's guarantor) also entered into the Supporting Agreement with Supporter, PT Danayasa (Supporter's parent company, as Supporter's guarantor and one of the grantors of the Call Option) and Santoso (another grantor of the Call Option). Under the Supporting Agreement, Supporter agreed to provide to PMA Holdco certain supporting assistance in respect of, *inter alia*, assisting in the overall business development of the PMA and project development and management of the Land, including rendering advice, expertise and assistance in relation to the design and planning (including traffic networks and arrangements for the project site) and construction, development, occupation and operation of the Building on the Land, liaising with local consultants and local authorities and obtaining certain necessary permits and approvals for the project, including obtaining the Targeted PRK, rendering expertise and assistance in obtaining all Required Permits and Approvals, assisting PMA Holdco and its subsidiaries (including PMA) in relation to getting business licences for PMA's property development and management business, assisting in obtaining requisite approvals for any amendment to its capital structure and its amount of investment plan and ensuring that all title certificates of the Land will at all times be valid and without title defect in order to ensure that relevant permits and approvals will be valid for development purpose. The supporting assistance would be provided in consideration of the Supporter Payment payable by PMA Holdco.

The maximum Supporter Payment is US$51,000,000 (equivalent to approximately HK$396 million). With a view to giving Supporter an incentive to assist in achieving the full development potential of the Land, the Supporter Payment includes: (i) a sum of up to US$28,000,000 (equivalent to approximately HK$217 million) (payable in cash) which will be payable to Supporter only if Supporter has delivered the Targeted PRK which permits the construction of the Building having a Development Area of not less than 132,666.16 square meters; and (ii) having Supporter become a non-voting, non-contributory but dividend-participating minority shareholder of PMA Head Holdco after the Building has been constructed and is ready for occupation (as the last installment of the Supporter Payment in the sum of US$23,000,000 (subject to any downward adjustments, if applicable) will, upon (i) issuance of the Occupation Permit, (ii) re-issue of any Planning Permit (if necessary) and issue or re-issue of Building Construction Permit, and issue of the New SIPPT, all in the name of PMA, be settled by the issue and allotment by PMA Head Holdco of the Supporter Participation Class B Shares to Supporter and the assignment of the Supporter Participation Loan by PCPD Holdco to Supporter). In addition, with a view to providing the PCPD Group with an option to obtain full control of the interests over the approvals and permits obtained by PT CA, the Supporting Agreement contains the Call Option entitling the PCPD Group to acquire shares in PT CA at any time after 30 June 2015, so that if, among other things, the Building Construction Permit, the Planning Permit (if necessary) and the New SIPPT are not issued or re-issued (as the case maybe) in the name of PMA by 30 June 2015, the PCPD Group can, among other things, acquire PT CA.

The supporting assistance of Supporter involves, among other things, verifying and reviewing all the title certificates of the Land under the Supporting Agreement, and PMA Holdco shall have the right to seek refund of any Supporter Payment paid to Supporter if the land title becomes invalid or is revoked or defective rendering the permits not usable for PMA Holdco's building plan in relation to the Building and the Land or if PT CA and/or PT Danayasa is/are required to buyback the Land pursuant to the Land SPA.

Under the Supporting Agreement, PT Danayasa and Santoso (owning in aggregate 100% of the issued share capital of PT CA) have granted to PMA Holdco the Call Option (exercisable after 30 June 2015) to purchase the entire issued and paid-up capital of PT CA. No premium is payable by PMA Holdco for the acquisition of the Call Option. The exercise price payable by PMA Holdco (or its nominated purchaser) will be a sum equal to the net asset value of PT CA at the time of exercise of the Call Option as determined by PMA Holdco but in any event will not be more than US$10,000.

The total investment cost (including, among others, the Land Consideration, the Supporter Payment and the costs of the proposed development of the site and the construction of the Building) to the PCPD Group is expected to be approximately US$400 million or the equivalent.

The Supporter Participation Class B Shares are to be issued to Supporter upon (i) issuance of the Occupation Permit; and (ii) re-issue of a Planning Permit (if necessary), issue or re-issue of Building Construction Permit, and issue of the New SIPPT, all in the name of PMA. In that connection, PCPD Holdco and PMA Head Holdco (both being wholly-owned subsidiaries of PCPD) have, on 23 May 2013, entered into the conditional Supporter Shareholders' Agreement with Supporter and PT Danayasa (as Supporter's guarantor), for governing the rights and obligations of shareholders of PMA Head Holdco. Such Supporter Shareholders' Agreement will take effect upon the issue of the Supporter Participation Class B Shares to Supporter as mentioned above. Both the Supporter Participation Class B Shares and the Supporter Participation Loan will be subject to a lock up for a period of 5 years from the date of issue of the Supporter Participation Class B Shares.

The Supporter Shareholders' Agreement contains the Supporter Put Option granted by PCPD Holdco, pursuant to which Supporter may, at any time after the expiration of the 5-year lock up period, put to PCPD Holdco (i) all Supporter Participation Class B Shares at the net asset value at the time of exercise of such Supporter Put Option together with (ii) all the outstanding Supporter Participation Loan, subject to compliance with relevant laws, rules and regulations (including but not limited to the Listing Rules (including any shareholders' and/or regulatory approval requirements, where applicable)). Supporter will be free to dispose of all or part of the Supporter Participation Class B Shares and all or part of the outstanding Supporter Participation Loan to third parties at a price not lower than the exercised price under the Supporter Put Option if the required approval for such put transaction cannot be obtained by PCPD Holdco and/or its direct or indirect listed shareholder within 6 months from the date of exercise of the Supporter Put Option.

**INVESTOR'S SUBSCRIPTION AND RELATED AGREEMENTS**

On 23 May 2013, the Investor and PMA Holdco entered into the Investor Subscription Agreement. Pursuant to such agreement, the Investor conditionally agreed to subscribe (after the Building has been constructed and the Occupation Permit issued) for the Investor Subscription Shares (representing a 9.99% shareholding in PMA Holdco) at the total par value of US$9,990 payable upon the completion of the Investor Subscription.

On the same date, the Investor and PMA Head Holdco have also entered into the Investor Loan Purchase Agreement for the conditional sale and assignment (at the same time of the Investor Subscription) by PMA Head Holdco to the Investor of 9.99% of the outstanding shareholder's loans PMA Holdco owes to PMA Head Holdco as at the Subscription Completion Date, which is estimated to be approximately US$40 million (being the actual amount of assignable shareholder's loans, calculated based on 9.99% of the Acquisition Costs Loans and the Construction Costs Loans at the time of the Subscription Completion Date excluding interest components at various agreed rates). For the assignment of the Investor Shareholders' Loan, the Investor will also pay to PMA Head Holdco the interest costs for the loan being assigned to it from PMA Head Holdco.

In connection with Investor Subscription Shares to be subscribed by the Investor pursuant to the Investor Subscription Agreement, the Investor, PMA Head Holdco and PMA Holdco entered into the Investor Shareholders' Agreement governing the rights of shareholders of PMA Holdco, which will take effect subject to and as from the Subscription Completion Date. The Investor Shareholders' Agreement contains a lock up period and the Investor is not entitled to, without the consent of PCPD Head Holdco, dispose of the Investor Subscription Shares or assign the shareholder's loans owed to the Investor before the 10th anniversary of the Investor Subscription Agreement.

In relation to the exit by the Investor, PMA Head Holdco and the Investor have, on the same date of the Investor Subscription Agreement, entered into the Investor Option Deed, pursuant to which PMA Head Holdco conditionally agreed to grant to the Investor the Investor Put Option (exercisable on or after the 10th anniversary of the Investor Option Deed), which will allow the Investor to exit by requiring PMA Head Holdco to purchase all of the Investor's shares held in PMA Holdco and all the shareholder's loan PMA Holdco then owes to the Investor at a consideration calculated based on the net asset value of PMA Holdco and taking into account the appraised value of the Building and the Land subject however to approvals, if any, as required by the Listing Rules for such transactions. If the exercise of the Investor Put Option cannot be completed due to the necessary shareholders' and/or regulatory approval requirements of PMA Head Holdco and/or its direct or indirect listed shareholder not being fulfilled within 5 months from the date of its exercise of the Investor Put Option, the Investor may dispose of all or part of its shares and the shareholder's loan owed to it to any other party or parties.

## LISTING RULES IMPLICATIONS

### *PCPD*

The Land SPA, the Supporting Agreement and the respective transactions contemplated thereunder (including the acquisition of the Call Option and the grant of the Supporter Put Option) in aggregate constitute a very substantial acquisition for PCPD under Chapter 14 of the Listing Rules.

The Investor Subscription Agreement, the Investor Loan Purchase Agreement and the respective transactions contemplated thereunder in aggregate constitute a major transaction for PCPD. As no premium is payable for the Investor Put Option, all of the Applicable Percentage Ratios in respect of the grant of the Investor Put Option are below 5% for PCPD.

### *PCCW*

The Land SPA, the Supporting Agreement and the respective transactions contemplated thereunder (including the acquisition of the Call Option and the grant of the Supporter Put Option) in aggregate constitute a discloseable transaction for PCCW under Chapter 14 of the Listing Rules.

The Investor Subscription Agreement, the Investor Loan Purchase Agreement and the respective transactions contemplated thereunder in aggregate do not constitute a notifiable transaction for PCCW under Chapter 14 of the Listing Rules as the Applicable Percentage Ratios are all below 5%. As no premium is payable for the Investor Put Option, all of the Applicable Percentage Ratios in respect of the grant of the Investor Put Option are also below 5% for PCCW.

## GENERAL INFORMATION

A SGM will be convened by PCPD to consider and approve, if thought fit, the Acquisition-related Agreements, the Subscription-related Agreements and the transactions contemplated thereunder. A circular containing, among other things, further details of the terms of the Acquisition-related Agreements and the Subscription-related Agreements, a property valuation report, the notice convening the SGM and other information as required under the Listing Rules will be despatched to the PCPD Shareholders. As additional time is required for preparing and finalizing the valuation report and other information to be included in the circular, it is expected that the circular will be despatched to the PCPD Shareholders on or before 25 June 2013.

## INTRODUCTION

On 23 May 2013, certain members of the PCPD Group entered into the Acquisition-related Agreements and the Subscription-related Agreements with independent third parties relating to the PCPD Group's proposed investment in the Land located in Jakarta, Indonesia. The Land of the Agreed Site Area of 9,277 square meters (based on the title deed of the Land), is to be acquired for development of a Grade A office building.

## LAND ACQUISITION AND RELATED AGREEMENTS

### 1. THE LAND SALE AND PURCHASE AGREEMENT

***Date***

23 May 2013

***Parties***

(1) PMA (an indirect wholly-owned subsidiary of PCPD, which was acquired by the PCPD Group from Supporter on the day before the Land SPA was entered into), as purchaser
(2) PCPD, as PMA's guarantor
(3) PT CA (a direct subsidiary of PT Danayasa), as seller
(4) PT Danayasa, as guarantor for PT CA

To the best of the PCPD Directors' knowledge, information and belief having made all reasonable enquiries, PT CA and PT Danayasa and their ultimate beneficial owners are third parties independent of PCPD and are not its connected persons as defined under the Listing Rules.

To the best of the PCCW Directors' knowledge, information and belief having made all reasonable enquiries, PT CA and PT Danayasa and their ultimate beneficial owners are third parties independent of PCCW and are not its connected persons as defined under the Listing Rules.

***Acquisition of the Land***

PMA has conditionally agreed to acquire from PT CA and PT CA has conditionally agreed to sell to PMA the Land.

The Land is located at Jenderal Sudirman Kav. No. 52-53 Lot 10, Senayan Village, Kebayoran Baru District at South Jakarta in Indonesia, which is one of the prime major central business districts on the southern edge of the "golden triangle" of Jakarta. The Agreed Site Area of the Land is 9,277 square meters, and the Land is currently subject to HGB title of Right to Build No. 424/Senayan. Its current FSR is 8.1, resulting in a Gross Floor Area of 75,144 square meters and its current permissible building height is 32 storeys. The HGB title of the Land has been extended for 20 years to 4 June 2035. Such extended term of HGB title of the Land may be renewed for another 20 years under applicable Indonesian law before its expiration.

As at the date of this announcement, to the best knowledge of PCPD based on PT CA's warranties and PT Danayasa's guarantee on good and transferable title and the due diligence carried out by PCPD Group's Indonesian legal advisors, PT CA is the sole legal owner of the extended HGB legal title of the Land.

***Land Consideration***

The total consideration for the Land will be US$184,000,000 (equivalent to approximately HK$1,428 million) (exclusive of stamp duty, Transfer Duty and VAT and subject to downward adjustments, if applicable). A sum of US$46,000,000 (being the Land Deposit) will be payable on behalf of PMA to an escrow agent within 14 business days after the signing date of the Land SPA. Out of the Land Consideration, US$115,000,000 (representing US$46,000,000 equivalent to the Land Deposit and US$69,000,000 payable upon Land SPA Completion, subject to deduction, if applicable) will be payable upon the Land SPA Completion; and the remaining part of the Land Consideration (subject to deductions, if applicable) will be payable after Land SPA Completion in accordance with the payment terms of the Land SPA.

Following PCPD's instructions, Jones Lang LaSalle has provided an opinion on the market value of the Land to be IDR1,120,000,000,000 (equivalent to approximately US$115 million) based on the Minimum Construction Parameters. The valuation methodology adopted was the direct comparison approach which took into account five property transactions, three of which occurred in 2010 and the other two took place in 2011 and 2012 respectively. Due to the low number of comparative transactions and the market growth experienced during the period which they occurred such sample transactions may therefore not be an accurate reflection of the current value of Grade A office space in Jakarta. Furthermore, none of these transactions, while in established business districts in Jakarta, were in the premium area in which the Land is located. Moreover, as the PT Danayasa group beneficially owns, in addition to the Land, various plots surrounding the Land, this is the only source of development sites in the location.

The Land Consideration was arrived at by the PCPD Group having taken into account the scarcity of land in the area, the prevailing and anticipated rental yields on properties in the area and the prospects for the Grade A office property sector in Jakarta. PT CA represents and warrants to PMA that the Land is suitable for PMA to construct the Building with the parameters matching that of the Targeted PRK, and under the Land SPA a sum of US$13,000,000 will be reduced from the Land Consideration if, by 31 August 2013, the PRK obtained does not achieve both the Targeted Relevant GFA and the Targeted Height Restrictions. PT CA also represented and warranted that the Amended PRK could be amended for the development of the Building, and a sum of US$5,000,000 will be reduced from the Land Consideration if the Amended PRK cannot be delivered by 30 November 2013. PT CA also represented and warranted that certain permits (including the Building Construction Permit, Planning Permit (if necessary) and the New SIPPT) will be obtained and issued or re-issued (as the case maybe) in the name of PMA and a sum of US$ 23,000,000 will be reduced from the Land Consideration if, by 30 June 2015, either the Building Construction Permit or a Planning Permit (if necessary) and the New SIPPT are not issued or re-issued (as the case maybe) in the name of PMA.

The PCPD Board considers that the Acquisition will represent a rare opportunity for the PCPD Group to participate in the premium office market in Jakarta. The Land Consideration is determined based on arm's length negotiations between the parties.

Under the Land SPA, the Land Consideration is to be settled by PMA in the following manner:

| **Instalments of the Land Consideration payable by PMA to PT CA** | **Possible deductions from the corresponding tranche(s) of the part payment of the Land Consideration (see also the section "Other Deductions" below)** |
|---|---|
| *Within 14 Business Days after the execution of the Land SPA* | |
| (a) US$46,000,000 will be payable as Land Deposit on behalf of PMA to an escrow agent and such Land Deposit will be held by the escrow agent. Immediately after the payment of US$46,000,000 by PMA to PT CA, the Land Deposit will be released by the escrow agent to an entity designated by PMA. | Not applicable |
| *On Land SPA Completion Date* | |
| (b) US$69,000,000 will be payable | Not applicable |

| **Instalments of the Land Consideration payable by PMA to PT CA** | **Possible deductions from the corresponding tranche(s) of the part payment of the Land Consideration (see also the section "Other Deductions" below)** |
|---|---|
| *After the Land SPA Completion* | |
| (c) US$46,000,000 will be payable in eight instalments of US$5,750,000 each (each a "**Land Instalment**") on a quarterly basis on the last Business Day of each quarter, starting from the first complete quarter after the Land SPA Completion Date | (1) a sum of US$13,000,000 will be reduced from one or more of the Land Instalments if the Targeted PRK is not delivered to PMA by 31 August 2013 *(Note 1)*;<br><br>(2) a sum of US$5,000,000 will be reduced from one or more of the Land Instalments *(Note 2)*, if the Amended PRK is not delivered to PMA by 30 November 2013;<br><br>(3) a sum of US$23,000,000 will be reduced from one or more of the Land Instalments *(Note 2)* if PMA cannot obtain any of the documents below by 30 June 2015:<br><br>(i) the Building Construction Permit issued in the name of PT CA and re-issued in the name of PMA or the Building Construction Permit issued in the name of PMA;<br><br>(ii) a Planning Permit re-issued in the name of PMA (if necessary for the legal completion of construction of the Building and occupation of the Land and the Building in accordance with the development potential and construction parameters required by PMA as permitted by the Planning Permit); or<br><br>(iii) the New SIPPT issued in the name of PMA.<br><br>(If after deduction from the outstanding Land Instalment(s) at the relevant time, the aforesaid US$23,000,000 as mentioned in (c)(3) above has not been fully deducted, the remaining amount of such US$23,000,000 ("**Remaining Deductible Amount**") will become deductible in the situation (d)(I) below.) |

<table>
<tr><th>Instalments of the Land Consideration payable by PMA to PT CA</th><th>Possible deductions from the corresponding tranche(s) of the part payment of the Land Consideration (see also the section “Other Deductions” below)</th></tr>
<tr><td colspan="2">Note 1: PT CA represented and warranted, among other things, that the Land was suitable for PMA to construct the Building with the Targeted Height Restrictions and the Targeted Relevant GFA and that all relevant governmental authorizations for the development of such Building could be obtained. If the Land was unfit for the above purpose or resulting in PMA’s inability to build the Building as per PMA’s original plan, PT CA has agreed to reduce the Land Consideration. To the extent that such US$13,000,000 cannot be deducted from the Land Consideration, PT Danayasa (as Supporter’s guarantor under the Supporting Agreement) will pay such sum as liquidated damages under the Supporting Agreement. In any case, PT CA has undertaken to PMA that the PRK delivered will permit the construction of the Building with at least the Minimum Construction Parameters.<br><br>Note 2: PT CA represented and warranted, among other things, the Amended PRK, Building Construction Permit, a Planning Permit (if necessary) and the New SIPPT, for the development of the Building could be obtained and/or re-issued in the name of PMA. If the Land was unfit for the above purpose or resulting in PMA’s inability to build the Building as per PMA’s original plan, PT CA has agreed to reduce the Land Consideration.<br><br>To the extent that the respective sums of US$5,000,000 and/or US$23,000,000 cannot be deducted from the Land Consideration, PT Danayasa (as Supporter’s guarantor under the Supporting Agreement) will pay such US$5,000,000 and/or US$23,000,000 (as the case may be) as liquidated damages under the Supporting Agreement.</td></tr>
<tr><td colspan="2">On 31 August 2015 or 31 October 2015 (based on situations (I) or (II) below)</td></tr>
<tr><td>(d) (I) US$23,000,000 will be payable on 31 October 2015, but (II) if all the permits listed in (c)(3)(i), (ii) and (iii) above are received by PMA on or before 30 June 2015, such amount will be payable on 31 August 2015</td><td>The Remaining Deductible Amount (if any, only in respect of payment specified in (d)(I)) as set out in item (c) above.</td></tr>
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### *Other Deductions*

The part payment of the Land Consideration payable at or after Land SPA Completion will be subject to further deductions (“**Other Deductions**”) set out below.

The Land Consideration payable upon Land SPA Completion will be reduced by the following amount to be determined by in accordance with the Land SPA, (i) if, on or before Land SPA Completion, there are any outstanding liabilities of PT CA with respect to the Land ascertainable before Land SPA Completion; (ii) if on or before the Land SPA Completion Date, there are expenses unpaid by PT CA incurred with respect to the Land (including but not limited to land and building tax– *Pajak Bumi dan Bangunan,* water, electricity, gas, insurance, and other expenses and costs of a periodical nature). To the extent that after Land SPA Completion, any such sums are identified, any payable but unpaid Land Consideration as set out in (c) or (d) in the table above will be reduced by an amount determined by PMA and PT CA.

Further, if at any time after the signing of the Land SPA, the amount of the Additional Fees (if any) is ascertainable, such Additional Fees will be deducted from the Land Consideration as set out in (b), (c) or (d) in the table above, until the amount of the outstanding Additional Fees is fully deducted.

***Taxes***

Each party to the Land SPA will bear its own taxes and duties related to the sale and transfer of the Land pursuant to the applicable Indonesian laws. Accordingly, 5% Duty on the Acquisition of Land and Building Rights *(Bea Pengalihan Hak atas Tanah dan Bangunan)* on the Land Consideration ("**Transfer Duty**"), and 10% Value-Added Tax (*Pajak Pertambahan Nilai*) on the Land Consideration ("**VAT**"), are payable by PMA.

In relation to the VAT, PT CA and PT Danayasa have jointly and severally undertaken under the Land SPA that they will use their best effort to ensure that the VAT paid by PMA upon the payment of the Land Consideration can be set-off against any future VAT obligations of PMA levied by the relevant taxation authority.

***Funding of the Acquisition and the development***

The total investment cost (including, among others, the Land Consideration, the Supporter Payment and the cost of the proposed development of the Land) is expected to be approximately US$400 million or equivalent. As previously announced on 8 October 2012 the PCPD Group has entered into a three-year Hong Kong Dollar facility whereby the lenders have agreed to make available a term loan facility and a revolving loan facility of up to an aggregate amount of HK$3,000,000,000. The PCPD Group had only drawn down HK$1,500,000,000 and has held such funds unutilised in deposit account with banks licensed in Hong Kong. On top of the amount drawn down, the PCPD Group had cash and cash equivalents of approximately US$112 million (equivalent to approximately HK$869 million) as at 31 March 2013. These amounts could be available to fund the Land Consideration, the Supporter Payment and the costs of the proposed development. The PCPD Group may consider specific project loan to finance the development costs.

***Conditions precedent to Land SPA Completion***

Land SPA Completion will be conditional upon the conditions summarised below having been fulfilled on or prior to 3 months after the date of the Land SPA or such later date as the parties to the Land SPA may agree or waived by PMA (in respect of the conditions precedent in (A) below, excluding the conditions precedent in (A)(p) and (A)(v) below) or by PT CA (in respect of the conditions precedent in (B) below, excluding the condition precedent in (B)(e) below). As at the date of this announcement, the PMA had no intention to waive any of the conditions precedent.

*(A) Conditions Precedent to the obligations of PMA*

(a) PT CA and PT Danayasa have obtained the approvals from their respective board of commissioners to enter into the Land SPA and the transactions contemplated thereunder.

(b) PT CA and PT Danayasa have issued a written confirmation that the representations and warranties of PT CA and PT Danayasa made in the Land SPA are true, complete and correct as at the date of the Land SPA and as of the Land SPA Completion.

(c) The evidence produced by PT CA to the satisfaction of PMA proving that PT CA being the sole legal and registered title owner of the Land with the HGB title of the Land being until 4 June 2035 as described in a HGB certificate stating the name of PT CA as the owner of the Land.

(d) PT CA's confirmation that no order issued by any Government Authority prohibiting or preventing, among others, the sale and purchase contemplated under the Land SPA and no litigation, arbitration, or proceeding before or by any Government Authority will be pending or threatened, to which any of PT CA or PT Danayasa is or may be a party, challenging or seeking to restrain or prohibit the transactions contemplated under the Land SPA.

(e) Between the date of the Land SPA and the Land SPA Completion, there will have been no material adverse effect which will affect the value or condition or development potential or construction parameters of the Land which may result in a decrease in value of the Land.

(f) All governmental authorizations and other approvals and actions of or by, and all notices to, all governmental or regulatory bodies which are necessary by applicable laws for PT CA and/or PT Danayasa to consummate the transactions contemplated under the Land SPA have been obtained or taken place.

(g) The Land tax records correctly reflect the actual area of the Land.

(h) PT CA's confirmation that all existing taxes, fees and other payables which may be assessable or become payable pertaining to the Land (including those pertaining to all utilities installed at the Land) have been paid in full by PT CA.

(i) PT CA has obtained approval from the general meeting of shareholders of PT CA including approval for PT CA to enter into the Land SPA and the transactions contemplated thereunder, approval for PT CA to transfer to PMA the right, title and interest in and to the Land free and clear of all liens and approval that the transfer of the Land is conducted at the Land Consideration.

(j) PT CA has provided its shareholder register book reflecting PT Danayasa and Santoso as the shareholders of PT CA.

(k) PT CA has provided a confirmation letter issued by PT CA's bank confirming certain particulars of PT CA's bank account onto which the Land Consideration is to be paid.

(l) The Closing Planning Permit has been issued in the name of PT CA stating parameters not lower than the following parameters in relation to the Land:

| | | | |
|---|---|---|---|
| (i) | Site area | : | 9,277 square meters |
| (ii) | Ground ratio | : | 40% |
| (iii) | Floor space ratio | : | 8.1 |
| (iv) | Maximum building height | : | 32 storeys from street level |

(the above particulars collectively referred to as the "**Minimum Construction Parameters**").

(m) The Lease Agreement (dated 19 May 1997 entered into between PT Danayasa as lessor and PT Prestasi Golf Andalan as lessee, as subsequently amended several times) has been effectively terminated.

(n) The Land Management and Utilization Agreement (dated 12 May 1997 entered into between PT Danayasa, as the land manager, and PT CA) has been effectively terminated.

(o) PT Danayasa, as the parent company of PT CA and being a company listed on the Indonesian Stock Exchange, has made the general disclosure to the public within 2 Business Days and has made the report to the OJK within 2 Business Days after the signing of the Land SPA, in compliance with the rules and regulations issued by the OJK and/or the Indonesian Stock Exchange in relation to the transactions contemplated under the Land SPA and guarantee provided by PT Danayasa under the Land SPA.

(p) The resolution(s) at a general meeting of PCPD and, if required, any of its Affiliates (which indirectly wholly owns or will own PMA) by its shareholders who are not prohibited from voting under the Listing Rules to approve the Land SPA and the transactions contemplated thereunder have been passed.

(q) The Powers of Attorney have been duly executed by PT Danayasa and PT CA in favour of PMA and/or such designated person(s) of PMA.

(r) PMA has obtained a land search confirmation letter from the relevant land office in Indonesia in respect of the Land confirming that there is no encumbrance over the Land.

(s) PMA has obtained court searches from the relevant courts in Indonesia in respect of PT CA and PT Danayasa respectively, confirming that neither of them is engaged in any litigation, arbitration or other proceedings.

(t) PT CA has given access to the Land and to all records of the Land for the purpose of facilitating PMA to perform and complete due diligence investigations in respect of the Land and that PMA is satisfied with the results of the due diligence investigations.

(u) PT CA has vacant possession of the Land without any occupants.

(v) (If required) the resolution(s) at a general meeting of PCCW by its shareholders who are not prohibited from voting under the Listing Rules to approve the Land SPA and the transactions contemplated thereunder have been passed.

(w) Up and until the Land SPA Completion Date, PT CA and PT Danayasa are solvent and neither PT CA nor PT Danayasa is a party to, *inter alia*, any actual, threatened or pending litigation, arbitration or prosecutions and there are no unfulfilled or unsatisfied judgment or court orders against PT CA nor PT Danayasa.

(x) PCPD has obtained a written opinion issued by PCPD's accountants covering, *inter alia*, general tax implications on indirect transfer of shares in PMA under Indonesian law and the tax implications in relation to the transactions contemplated under the Land SPA.

(y) PCPD has obtained written legal opinion(s) issued by PCPD's Indonesian legal advisors covering matters contemplated under the Land SPA that are governed by the Indonesian laws.

(z) All requisite licences, approvals, consents and permits for PMA relating to an amendment to its authorized and/or issued capital, if any, and any amounts in PMA's investment plan requested by PMA have been duly obtained and are in full force and effect, including from the Indonesian Investment Coordinating Board ("BKPM") and, to the extent any increase of authorized and/or issued capital is required by BKPM for a change in PMA's investment plan, approval from the Ministry of Law and Human Rights in Indonesia from time to time in respect of any such capital increase.

(aa) PMA's VAT registration number *(Nomor Pendaftaran Pengusaha Kena Pajak – NPPKP)* issued by the relevant taxation authority has been duly obtained and is in full force and effect.

*(B) Conditions precedent to the obligations of PT CA*

(a) PMA has obtained the required corporate approvals to enter into the Land SPA and the other relevant transaction documents pursuant to PMA's articles of association.

(b) The representations and warranties of PMA made in the Land SPA and the other relevant transaction documents be true, complete and correct as of the date of the Land SPA and as of the Land SPA Completion and PMA have performed or complied in all material respects with all obligations and covenants required by the Land SPA and the other relevant transaction documents to be performed or complied with by PMA.

(c) No order issued by any Government Authority prohibiting or preventing the sale and purchase contemplated by the Land SPA or the consummation of a material portion of the relevant transaction to be effected at the Land SPA Completion will be in effect. No litigation at law, no arbitration proceedings, and no proceeding before or by any Government Authority has been pending or threatened, to which PMA is or may be a party, challenging or seeking to restrain or prohibit the transactions contemplated by the Land SPA.

(d) Between the date of the Land SPA and the Land SPA Completion, there have been no circumstances that will affect the ability of PMA to perform its obligations under the Land SPA or on the ability of PMA to consummate the relevant transaction.

(e) All approvals have been obtained or disclosures, notifications or reports having been made by PT Danayasa (as the parent company of PT CA) in compliance with the rules and regulations issued by the OJK and/or the Indonesian Stock Exchange, including in relation to material transactions for listed companies in Indonesia, the transactions contemplated by the Land SPA and the guarantee provided by PT Danayasa under the Land SPA.

Under the Land SPA, the parties agree to use their respective reasonable best efforts to take, or cause to be taken, all actions and to do all things necessary, proper or advisable under applicable laws, to consummate and make effective the transactions contemplated under the Land SPA as promptly as practicable, including:

(1) in respect of PT CA and PT Danayasa, their use of their reasonable best efforts to procure the fulfilment of the conditions precedent set out in (A) above (except for (A)(e) (other than for matters within the control of PT CA and PT Danayasa), (A)(p), (A)(r), (A)(v), (A)(w) (except in respect of PTCA's solvency), (A)(x) and (A)(y)) and the conditions precedent set out in (B)(e) above; and

(2) in respect of PMA, its use of its reasonable best efforts to procure the fulfilment of the conditions precedent set out in (A)(p) (only to the extent within PCPD's control), (A)(r), (A)(s) (subject to PT CA's cooperation with powers of attorney), (A)(x), (A)(y), (z), (aa) and (B)(a) and (B)(b).

***Completion Obligation***

At Land SPA Completion, PT CA will be required to deliver vacant possession of the Land. In addition, an estate management agreement (the "**Estate Management Agreement**") is required to be executed between PT Danayasa and PMA; and pursuant to such agreement, PT Danayasa will agree to provide to PMA certain management and maintenance services including, among others, PT Danayasa's continued maintenance of the public roads surrounding the Land in a way similar to the way it maintains the neighboring lots of the Land in accordance with the Decree of the Governor of DKI Jakarta No. 1050 of 1996 dated 15 July 1996 regarding the Management of Sudirman Central Business District, repair and replacement of infrastructure, utilities and other facilities in the integrated Sudirman Central Business District area.

Under the Land SPA, PMA will not be required to proceed to Land SPA Completion, if there is any impediment imposed by any Government Authority in Indonesia or any change in law in Indonesia that prevents PMA from performing its obligations under the Land SPA or consummating the transactions contemplated by the Land SPA and the closing documents under the Land SPA, in which event PMA may elect to terminate the Land SPA without incurring any liability to PT CA and/or PT Danayasa.

***Guarantee***

PT Danayasa has, among other things, agreed to provide a guarantee to PMA in relation to the Land (including guarantee of good and transferable title to the Land as a primary obligor) and the performance by PT CA of all of its obligations under the Land SPA.

PCPD has provided a guarantee to PT CA in relation to the payment obligations of PMA after the Land SPA Completion under the Land SPA.

*Warranties relating to the Land*

Under the Land SPA, each of PT CA and PT Danayasa (as PT CA's guarantor) warranted to PMA, among others, the following:

(i) as at the date of the Land SPA, PT CA is the sole legal owner of the Land, as at Land SPA Completion, PMA will become the legal owner of the Land and upon registration in accordance with the terms of the Land SPA will become the registered owner of the Land and will have good and transferable title to the Land free from any encumbrance;

(ii) at Land SPA Completion, the Land will be validly transferred from PT CA to PMA to the effect that, after Land SPA Completion, PMA will be the sole legal owner of the Land and will have good and transferable title to the Land free from any encumbrance and that after Land SPA Completion, PMA will be able to be registered as the sole legal owner of the Land. If for any reason the Land is not registered in the name of PMA (as evidenced by the issuance of the HGB certificate under the name of PMA) within 60 Business Days after the Land SPA Completion Date, such failure of registration will be deemed as a breach of PT CA's warranty relating to the Land;

(iii) as at Land SPA Completion, the Land comprises all the property owned, occupied or otherwise used by PT CA and all the estate, interest, right and title whatsoever of PT CA in or in respect of any land or premises. No land or other real properties whatsoever were or have been leased by or licensed to PT CA;

(iv) the particulars of the Land as set out in the schedule to Land SPA are true and accurate in all material respects;

(v) the present use of the Land is not in contravention of any applicable laws (including those regarding zoning and/or city planning), orders or official directions or instruments affecting the Land and all consents have been obtained in respect of the Land;

(vi) the HGB certificate issued in the name of PT CA was and will be good, valid and subsisting and were in no way void or voidable and the terms covenants and conditions contained in, *inter alia,* the HGB certificate, have been duly paid, performed and observed;

(vii) the government rent, rates, taxes and all other outgoings in respect of the Land had been duly and fully paid and there was no outstanding assessment in respect of taxes on the Land;

(viii) all parts of the Land were vacant;

(ix) the Land had not been encroached upon and there were no squatters on the Land;

(x) there were no outstanding notices, orders, complaints or requirements issued by any Government Authority or otherwise affecting PT CA's legal ownership of good and transferable title of the Land or ability of PT CA to consummate transaction contemplated under the Land SPA or otherwise in respect of the Land during the period of ownership of the Land by PT CA;

(xi) there were no planning or other proposals made or intended to be made by any Government Authority concerning the compulsory acquisition or resumption of or the compulsory creation of any rights over the Land or which would adversely affect the Land or its present use and there was no fact or circumstance likely to give rise to such planning or proposals;

(xii) there were no outstanding actions, disputes, claims or demands with any third party affecting the Land or any property neighbouring the Land and there was no judgment, injunction, court order or unresolved dispute or proceedings involving the Land affecting PT CA's legal ownership of good and transferable title of the Land or ability of PT CA to consummate the transactions contemplated under the Land SPA; and there were no outstanding disputes with any third party affecting the Land or any property neighbouring the Land and there were no judgment, unresolved dispute or proceedings involving the Land;

(xiii) the Land was free from any restrictive covenants, easements, wayleases, licences or any other third party rights or interests and/or liens and PT CA was not aware of any third party claim adversely affecting the ownership, use or enjoyment of the Land;

(xiv) there are appurtenant to the Land all rights and easements necessary for its possession, enjoyment, occupation and use;

(xv) all applicable laws which are currently existing affecting or pertaining to the Land or the development, use or occupation of the Land had at all times been complied with and all applicable laws which are historical in nature affecting or pertaining to the Land or the development, use or occupation of the Land had at all times been complied with;

(xvi) neither PT CA nor PT Danayasa has granted any rights to naming or signage over or affecting the Land to any person;

(xvii) notwithstanding the non-fulfilment of certain obligations outstanding from the Existing SIPPT and the expiry of the completion dates for such outstanding Existing SIPPT obligations under an agreement of settlement of obligations, the SIPPT was and will continue to be valid, legally binding and had not been and will not be revoked, and that all the requirements, conditions and obligations stipulated under the SIPPT (other than such outstanding SIPPT obligations) had been fully performed and complied with, and no warnings have been received by PT Danayasa and PT CA from the DKI Jakarta Regional Government with regard to any violation of the requirements, conditions and obligations stipulated under the SIPPT or the expiry of the SIPPT;

(xviii) PMA will not be required to perform any of the obligations outstanding from the Existing SIPPT under any circumstances;

(xix) all dues pertaining to the utilities installed at the Land had been cleared and all agreements and/or licenses for their use have been complied with, so that PMA will be able to continue using the utilities, at PMA's cost, after PMA takes control of the Land;

(xx) PT CA had not given any commitment, undertaking, guarantee or security which will have the effect of creating any mortgage, encumbrance on, lien or liability of whatever nature on the Land;

(xxi) as of the date of the Land SPA, the zoning of the Land either at the provincial, regional or local level was designated for residential and/or commercial usage in accordance with the zoning designation as stipulated under the law;

(xxii) (1) there will be constructed and maintained, at no cost to PMA, air-conditioned under-ground pedestrian interconnections which are furnished by ceramic tiles that will connect the Land and the buildings in three neighbouring lots (such neighbouring lots will be developed as a podium from which the future MRT station will become accessible); (2) that the integrated design and specifications of such under-ground pedestrian interconnections will be constructed with prior consultation of PMA; (3) that, no later than the development of any of such three neighboring lots, their respective owners will grant a right of way at all times to such underground pedestrian interconnections to the respective buildings on their lots (at no cost) to PMA, its prospective tenants, invitees and other designated persons, on the understanding that the opening hours of the gates and/or barriers (if any) on two neighboring lots will be mutually agreed between the PMA and the respective owners of such neighbouring lots in accordance with the customary practice for Grade A office buildings in Jakarta, Indonesia, but in any event, such opening hours will at least include the operation hours of MRT in Jakarta, Indonesia so that during the opening hours of such gates and/or barriers there will be unrestricted right of way (through the said pedestrian interconnections) from the Land and the Building to the buildings on the said neighbouring lots; (4) that such underground pedestrian interconnections will be limited to pedestrian use only; and (5) that gates or barriers will be constructed on the Land at or near the point of intersection of the Land and such under-ground pedestrian interconnections, at the cost and expense of the PMA and that PMA will have the absolute control of the operation of such gates or barriers which will be the property owned by PMA so that PMA will have the absolute discretion to decide whether the Land should be accessible via or otherwise using the abovementioned under-ground pedestrian interconnections;

(xxiii) (when executed) the agreement terminating the Lease Agreement (as mentioned in (A)(m) under "Conditions precedent to Land SPA Completion" above) will be duly executed;

(xxiv) (when executed) the agreement terminating the Land Management and Utilization Agreement (as mentioned in (A)(n) under "Conditions precedent to Land SPA Completion" above) will be duly executed;

(xxv) PT CA is not aware of there being any reason why the New SIPPT, the Targeted PRK and/or the Amended PRK and the Planning Permit will not be issued or otherwise approved by the relevant Government Authority and the New SIPPT and the Planning Permit cannot be re-issued in the name of the Purchaser; and

(xxvi) The Land is fit for the development of the Building with the Target Height Restrictions and Targeted Relevant GFA and that PMA will be able to construct the Building on the Land which meets the development potential and construction parameters as required by PMA Holdco as stipulated in the New SIPPT, the Targeted PRK and/or the Amended PRK, and the Planning Permit (covering the Targeted Height Restrictions and the Targeted Relevant GFA).

PT CA also represented and warranted that all relevant Governmental Authorizations, including the Amended PRK, Building Construction Permit, a Planning Permit and the New SIPPT, for the development of such Building could be obtained and/or re-issued in the name of PMA.

In connection with the right to enforce PT CA's warranty and PT Danayasa's guarantee on good and transferable title of the Land as explained in sub-paragraph (ii) above, if for any reason the Land is not registered in the name of PMA within 60 Business Days after the Land SPA Completion Date, as evidenced by the issuance of the HGB certificate under the name of PMA, upon written notice given by PMA to PT CA and PT Danayasa, PT CA and/or PT Danayasa will be required to buyback the Land at a price amounting to the paid Land Consideration as at the time of the buyback, which will include all taxes, fees and any other costs and expenses previously incurred by PMA for the original transfer of Land under the Land SPA, with interest at a rate of 3-month LIBOR plus 2% for the period from the date of Land SPA Completion until the completion of the buyback. The completion of the buyback of the Land shall occur within 14 Business Days after the date of the above mentioned written notice or at such other later date as the parties may be agreed.

PT Danayasa has, among other things, also agreed to provide certain undertaking (as Supporter's guarantor) in relation to the title of the Land under the Supporting Agreement (see the sub-section headed "Main undertakings" under the section headed "2. The Supporting Agreement" below).

***Termination***

Under the Land SPA, PMA or PT CA may elect to terminate the Land SPA in accordance with provisions as set out below.

(a) PMA may terminate as a result of any of the material conditions precedent (as specified under the Land SPA) not being fulfilled by PT CA due to the default of PT CA or default of PT CA of its completion obligations, under which (i) the Land Deposit will be returned together with all interest accrued thereon (if any) to PMA; and (ii) PT CA will also pay to PMA an amount equivalent to the Land Deposit as liquidated damages and not as penalty, for the breach of material conditions precedent by PT CA as specified in the Land SPA;

(b) PMA may terminate as a result of any of the conditions precedent (other than those in (a) above, or (c) or (d) below, as specified under the Land SPA) not being fulfilled by PT CA due to the default of PT CA or otherwise, under which the Land Deposit will be returned together with all interest accrued thereon (if any) to PMA;

(c) PMA may terminate as a result of any of the conditions precedent of approval by shareholders of PCPD or (if required) approval by shareholders of PCCW not being fulfilled or there being any impediment imposed by any Government Authority in Indonesia or any change in law in Indonesia affecting the ability of PMA to perform its obligations or consummate the transactions under the Land SPA, under which the Land Deposit will be returned together with all interest accrued thereon (if any) to PMA; and

(d) PT CA may terminate due to the default of PMA of its completion obligations, under which PT CA will be entitled to forfeit the Land Deposit together with all interest accrued on the Land Deposit (if any).

*Indemnities*

Under the Land SPA, PT CA and PT Danayasa jointly and severally undertake to indemnify PMA fully against, *inter alia*, any costs or expenses, losses and other liabilities which PMA may incur or suffer in connection with, *inter alia*:

(a) the breach of any of the provisions of the Land SPA by any of PT CA and/or PT Danayasa;

(b) any settlement of any claim or any legal proceeding in which PMA and/or any of its affiliates or PT CA or PT Danayasa may become involved in connection with or arising from the transactions contemplated under the Land SPA;

(c) any taxation and/or land transfer taxes (save and except the VAT and Transfer Duty) imposed on PT CA arising from or otherwise in connection with the transactions contemplated under the Land SPA;

(d) any Additional Fees payable by PMA;

(e) any Planning Permit delivered by PT CA failing to validly and effectively permit the construction of the Building with at least the Minimum Construction Parameters;

(f) PMA being required to perform any of the outstanding obligations under the Existing SIPPT under any circumstances;

(g) the Existing SIPPT not being valid, binding and in full force and effect or otherwise being revoked (other than due to a change in the applicable laws in Indonesia at the relevant time);

(h) any Planning Permit and/or Building Construction Permit not being issued in the name of PT CA and/or any Planning Permit and/or Building Construction Permit not being re-issued in the name of PMA, or any Building Construction Permit no being issued in the name of PMA by the relevant Government Authorities in Indonesia;

(i) any Planning Permit and/or Building Construction Permit issued in the name of PT CA and/or re-issued in the name of PMA or any Building Construction Permit not being issued in the name of PMA and/or the New SIPPT and/or the Occupation Permit and the Targeted PRK and/or the Amended PRK not being valid, binding and in full force and effect or otherwise being revoked (save for such permits and approvals becoming invalid and not in full force and effect or be revoked due to (I) any voluntary action of PMA and/or any of the PCPD Group other than those contemplated under the Land SPA; or (II) any change in the applicable laws in Indonesia at the relevant time, but in the case of such change(s) in the applicable laws, PT CA and PT Danayasa have further jointly and severally undertaken to render all assistance to PMA and/or any of the PCPD Group in respect of any amendments to such licences and permits mentioned above or other actions or steps as may be necessary to be taken by PMA and/or any of the PCPD Group in order to comply with such change(s) in the applicable laws and/or to procure that such licences, approvals, consents and permits mentioned above to become valid, binding and in full force and effect);

(j) the New SIPPT not being issued in the name of PMA by the relevant Government Authority in Indonesia;

(k) the Occupation Permit not being issued in the name of PMA by the relevant Government Authority in Indonesia;

(l) the breach of any of the provisions of the Estate Management Agreement by PT Danayasa;

(m) the Targeted PRK not being delivered to PMA by 31 August 2013; and

(n) the enforcement of any settlement or judgment which is given for PMA and/or any of PCPD Group in connection with the matters referred to in sub-clauses (a) to (m) above.

## 2. THE SUPPORTING AGREEMENT

***Date***

23 May 2013

***Parties***

(1) PMA Holdco (an indirect wholly-owned subsidiary of PCPD)
(2) PCPD, as guarantor for PMA Holdco
(3) Supporter (a direct wholly-owned subsidiary of PT Danayasa)
(4) PT Danayasa, as guarantor for Supporter and one of the grantors of the Call Option
(5) Santoso, as one of the grantors of the Call Option

Santoso is a party to the Supporting Agreement solely in respect of the Call Option and will not be required to provide any consent or approval in respect of any matters (except matters in relation to the Call Option) in the Supporting Agreement.

To the best of the PCPD Directors' knowledge, information and belief having made all reasonable enquiries, Supporter and its ultimate beneficial owners and Santoso are third parties independent of PCPD and are not its connected persons as defined under the Listing Rules.

To the best of the PCCW Directors' knowledge, information and belief having made all reasonable enquiries, Supporter and its ultimate beneficial owners and Santoso are third parties independent of PCCW and are not its connected persons as defined under the Listing Rules.

***The supporting assistance***

Under the Supporting Agreement, Supporter will provide to PMA Holdco certain supporting assistance in respect of, *inter alia*, assisting in the overall business development of PMA and project development and management of the Land, including rendering advice, expertise and assistance in relation to the design and planning (including traffic networks and arrangements for the project site) and, construction, development, occupation and operation of the Building on the Land, liaising with local consultants and local authorities and obtaining certain necessary permits and approvals for the project, including but not limited to the items set out below, assisting PMA Holdco and its subsidiaries (including PMA) in relation to getting business licences for PMA's development and management business, assisting in obtaining requisite approvals for any amendment to its capital structure and its amount of investment plan and ensuring that all title certificates of the Land will at all times be valid and without title defect in order to ensure that relevant permits and approvals will be valid for development purpose:

(i) to ensure that the Targeted PRK be delivered by the Supporter to PMA Holdco by 31 August 2013 and the Amended PRK (see below for specific requirements) be issued by 30 November 2013, and that the Delivered PRK will at all times be valid and binding and not be revoked(save for the Delivered PRK becoming invalid and not in full force and effect or be revoked due to (I) any voluntary action of PMA Holdco and/or its subsidiaries other than those contemplated under the Supporting Agreement; or (II) any change in the applicable laws in Indonesia at the relevant time, but in the case of such change(s) in the applicable laws, the Supporter has further undertaken to render all assistance to PMA Holdco and its subsidiaries (including PMA) in respect of any amendments to the Delivered PRK or other actions or steps as may be necessary to be taken by PMA Holdco and/or its subsidiaries in order to comply with such change(s) in the applicable laws and/or to procure that such Delivered PRK to become valid, binding and in full force and effect);

(ii) to ensure that any Planning Permit delivered to PMA Holdco meets the Minimum Construction Parameters;

(iii) to procure and effect, on or before 30 June 2015, the re-issue of the Planning Permit (if necessary for the legal completion of construction of the Building and occupation of the Land and the Building by PMA in accordance with the development potential and construction parameters required by PMA Holdco as permitted by the Planning Permit) and the Building Construction Permit and the issue of the New SIPPT, all in the name of PMA;

(iv) to obtain the Closing Planning Permit prior to the PMA becoming the sole legal owner of the Land, and to have a Planning Permit re-issued by 30 June 2015 in the name of the PMA (if necessary for the legal completion of construction of the Building and occupation of the Land and the Building by the PMA in accordance with the development potential and construction parameters required by PMA Holdco as permitted under the Planning Permit), which Planning Permit will at all times be valid and binding, and will not be revoked (save for such Planning Permit becoming invalid and not in full force and effect or be revoked due to (I) any voluntary action of PMA Holdco and/or its subsidiaries other than those contemplated under the Supporting Agreement; or (II) any change in the applicable laws in Indonesia at the relevant time, but in the case of such change(s) in the applicable laws, the Supporter has further undertaken to render all assistance to PMA Holdco and its subsidiaries (including PMA) in respect of any amendments to such Planning Permit or other actions or steps as may be necessary to be taken by PMA Holdco and/or its subsidiaries in order to comply with such change(s) in the applicable laws and/or to procure that such Planning Permit to become valid, binding and in full force and effect) (and to render all assistance reasonably requested by the Company from time to time to assist in obtaining the Planning Permit);

(v) to render all assistance to PMA Holdco and its subsidiaries (including PMA) in obtaining all requisite licences and permits for PMA, relating to any amendment to its registered and/or issued capital and the amounts in the PMA's investment plan from time to time and to ensure that such licences and permits will be duly obtained from the relevant Government Authorities and regulators in Indonesia and will at all times up to 5 years after the issue of the Occupation Permit remain valid, in full force and effect and will not be revoked (save for such licences and permits becoming invalid and not in full force and effect or be revoked due to (I) any voluntary action of PMA Holdco and/or its subsidiaries other than those contemplated under the Supporting Agreement; or (II) any change in the applicable laws in Indonesia at the relevant time, but in the case of such change(s) in the applicable laws, the Supporter has further undertaken to render all assistance to PMA Holdco and its subsidiaries (including PMA) in respect of any amendments to such licences and permits mentioned above or other actions or steps as may be necessary to be taken by PMA Holdco and/or its subsidiaries in order to comply with such change(s) in the applicable laws and/or to procure that such licences, approvals, consents and permits mentioned above to become valid, binding and in full force and effect);

(vi) to render all assistance to PMA Holdco and its subsidiaries (including PMA) from time to time in obtaining all requisite licences and permits for the PMA to carry on the business of property development and management including the construction of the Building with the construction parameters according to the reasonable requests of PMA Holdco and to use its best endeavours in ensuring that such licences and permits will be duly obtained and will at all times up to 5 years after the issue of the Occupation Permit) remain valid, in full force and effect and will not be revoked (save for such licences and permits becoming invalid and not in full force and effect or be revoked due to (I) any voluntary action of PMA Holdco and/or its subsidiaries other than those contemplated under the Supporting Agreement; or (II) any change in the applicable laws in Indonesia at the relevant time, but in the case of such change(s) in the applicable laws, the Supporter has further undertaken to render all assistance to PMA Holdco and its subsidiaries (including PMA) in respect of any amendments to such licences and permits mentioned above or other actions or steps as may be necessary to be taken by PMA Holdco and/or its subsidiaries in order to comply with such change(s) in the applicable laws and/or to procure that such licences, approvals, consents and permits mentioned above to become valid, binding and in full force and effect);

(vii) to render all assistance to PMA Holdco and its subsidiaries (including PMA) from time to time in verifying and reviewing all title certificates (including the HGB title) of the Land for the purposes of, *inter alia*, submitting the Application Documents and obtaining the re-issuance of all the relevant licences and permits in the name of the PMA and to ensure that all such title certificates are and will be duly obtained and are and will at all times be valid, in full force and effect and will not be revoked or have any title defect and to represent and warrant that each warranty in respect of the Land under the Supporting Agreement is and will be true, accurate and complete and not misleading in all respects as at the date of the Supporting Agreement and as at the date when the PMA becomes the sole legal owner of the Land;

(viii) to render all assistance to PMA Holdco and its subsidiaries (including PMA) from time to time in obtaining all the relevant licences and permits including any Planning Permit, the Building Construction Permit, the New SIPPT, the Occupation Permit, and to procure and effect the issue or re-issue (as the case maybe) of those licences and permits in the name of the PMA and to ensure that all such licences and permits are and will (aa) at all times after the issue or re-issue such permits and approvals up to 5 years after the issue of the Occupation Permit be valid, in full force and effect and not otherwise revoked; or (bb) at all times after issue or re-issue of such permits and approvals, be valid, in full force and effect and not otherwise revoked due to or arising in connection with such licences and permits being invalid or not in full force and effect or otherwise revoked due to any of the title certificates of the Land becoming invalid, not being in full force and effect or otherwise being revoked or having any title defects or breach of any of the warranties in respect of the Land under the Supporting Agreement (in both cases under (aa) and (bb) above, save for such licences and permits becoming invalid and not in full force and effect or be revoked due to (I) any voluntary action of

PMA Holdco and/or its subsidiaries other than those contemplated under the Supporting Agreement; or (II) any change in the applicable laws in Indonesia at the relevant time, but in the case of such change(s) in the applicable laws, the Supporter has further undertaken to render all assistance to PMA Holdco and its subsidiaries (including PMA) in respect of any amendments to such licences and permits mentioned above or other actions or steps as may be necessary to be taken by PMA Holdco and/or its subsidiaries in order to comply with such change(s) in the applicable laws and/or to procure that such licences, approvals, consents and permits mentioned above to become valid, binding and in full force and effect);

(ix) to render all advice, expertise and assistance to PMA Holdco in relation to the development of the Land, such as amending the direction of traffic flows of the roads surrounding the Land, using its best endeavours to ensure multiple vehicular ingress and egress to and from the Land and the Building be available, using its best endeavours to ensure that the PMA is able to construct an elevated footbridge to a neighbouring lot, procuring and ensuring that, at no cost to PMA, air-conditioned under-ground pedestrian interconnections which are furnished by ceramic tiles that will be constructed and maintained that will connect the Land and the Building with buildings on the neighbouring lots (such that a future MRT station will become accessible from the Land the Building through the neighbouring lots), as well as in assisting the planning, construction and development of the Building; and

(x) to co-ordinate and liaise with all relevant Government Authorities in Indonesia in relation to the construction, development and operation of the Building on the Land and to primarily handle on behalf of PMA Holdco and assist in resolving all enquiries and issues raised by such Government Authorities.

***Main undertakings***

Supporter and PT Danayasa (as Supporter's guarantor) jointly and severally give undertakings in respect of, *inter alia*, the performance of the supporting assistance set out above, including the following:

(i) to ensure that the Targeted PRK be delivered by the Supporter to PMA Holdco by 31 August 2013 and the Amended PRK be issued by 30 November 2013, and that the Delivered PRK will at all times be valid and binding and not be revoked (save for the Delivered PRK becoming invalid and not in full force and effect or be revoked due to (I) any voluntary action of PMA Holdco and/or its subsidiaries other than those contemplated under the Supporting Agreement; or (II) any change in the applicable laws in Indonesia at the relevant time, but in the case of such change(s) in the applicable laws, the Supporter has further undertaken to render all assistance to PMA Holdco and its subsidiaries (including PMA) in respect of any amendments to the Delivered PRK or other actions or steps as may be necessary to be taken by

PMA Holdco and/or its subsidiaries in order to comply with such change(s) in the applicable laws and/or to procure that the Delivered PRK to become valid, binding and in full force and effect);

(ii) to render all assistance to PMA Holdco and/or any of its subsidiaries (including PMA) from time to time as may be reasonably requested by PMA Holdco in verifying and reviewing all the title certificates (including the HGB title) of the Land for the purposes of, *inter alia*, submitting the Application Documents and obtaining the re-issuance of all the relevant licences, approvals, permits and documents in the name of PMA, and to ensure that all such title certificates are and will be duly obtained and are and will at all times be valid, in full force and effect and will not be revoked or have any title defect and to further represent, warrant and undertake that each warranty in respect of the Land under the Supporting Agreement is and will be true, accurate and complete and not misleading in all respects as at the date of the Supporting Agreement and as at the date when the PMA becomes the sole legal owner of the Land; and

(iii) to render all assistance to PMA Holdco and its subsidiaries (including PMA) from time to time in obtaining all the relevant licences and permits including any Planning Permit, the Building Construction Permit, the New SIPPT, the Occupation Permit and to procure and effect the issue or re-issue (as the case maybe) of those licences and permits in the name of the PMA, and to ensure that all such licences and permits are and will (aa) at all times after the issue or re-issue such permits and approvals up to 5 years after the issue of the Occupation Permit be valid, in full force and effect and not otherwise revoked; or (bb) at all times after issue or re-issue of such permits and approvals, be valid, in full force and effect and not otherwise revoked due to or arising in connection with such licences and permits being invalid or not in full force and effect or otherwise revoked due to any of the title certificates of the Land becoming invalid, not being in full force and effect or otherwise being revoked or having any title defects or breach of any of the warranties in respect of the Land under the Supporting Agreement (in both cases under (aa) and (bb) above, save for such licences and permits becoming invalid and not in full effect or be revoked due to (I) any voluntary action of PMA Holdco and/or its subsidiaries other than those contemplated under the Supporting Agreement; or (II) any change in the applicable laws in Indonesia at the relevant time, and in the case of such change(s) in the applicable laws, Supporter has further undertaken to render all assistance to PMA Holdco and its subsidiaries (including PMA) in respect of any amendments to all the licences and permits mentioned above or other actions or steps as may be necessary to be taken by PMA Holdco and/or its subsidiaries in order to comply with such change(s) in the applicable laws and/or to procure that such licences, approvals, consents and permits mentioned above to become valid, binding and in full force and effect).

*Requirements of the Amended PRK*

For the development of the Land, the Sudirman Central Business District Urban Design Guideline (*Panduan Rancang Kota*/PRK) in respect of the Land will have to be amended to fulfill the intended design of the Building and to reflect the Agreed Site Area.

The Amended PRK to be delivered by Supporter pursuant to the Supporting Agreement will meet the following requirements:

1. *Mandatory Regulations*

| | | | |
|---|---|---|---|
| (i) | Land area | : | 9,277 square meters; |
| (ii) | Gross floor area | : | as specified in the Planning Permit; |
| (iii) | FSR | : | as specified in the Planning Permit; |
| (iv) | Maximum building height | : | as specified in the Planning Permit; |
| (v) | Public open space | : | open space in the east and north of the block to have active frontage to the center block of Sudirman CBD. |

2. *Recommended Regulations (Aturan Anjuran Utama)*

| | | | |
|---|---|---|---|
| (i) | Mass Form | : | podium will be amended to up to 8 floors |
| (ii) | Open space | : | open space will be open to the north and east of the site, accessible to pedestrian to provide active frontage to center block of Sudirman CBD; |
| (iii) | Transportation Access | : | the access to the entrance road is located at the east, south and west; |
| (iv) | Signage | : | 4 sides of the tower and 4 sides of the podium; |
| (v) | Recommended Land Allocation | : | general buildings and their facilities will be +/- final achieved GFA as specified in the Planning Permit; |
| (vi) | Parking | : | to be amended to reflect the regulatory requirement; |
| (vii) | Tower | : | tower will be amended as per the relevant amendments in item (iv) under the Mandatory Regulations above; |

Moreover, under the Supporting Agreement, in addition to producing the Amended PRK which fulfills all of the mandatory regulations and recommended regulations as set out above, Supporter and PT Danayasa have jointly and severally undertaken to use their best endeavors to also include the following amendment in the Amended PRK, although failing which, no amount will be deducted from the Supporter Payment or the Land Consideration:

| | | |
|---|---|---|
| Basement | : | minimum number of basement levels of the Building will be 6 and the basement area of the Building will not be less than 70% of the Agreed Site Area. |

***Supporter Payment***

The Supporter Payment is variable and on an "all-in" basis, subject to the maximum of US$51,000,000 (equivalent to approximately HK$396 million). The payment terms of the Supporter Payment are structured in the way that will give Supporter the incentive to assist in achieving the full development potential of the Land. Such incentive payments include: (i) a sum of up to US$28,000,000 (equivalent to approximately HK$217 million) (payable in cash) which will be payable to Supporter only if Supporter has delivered the Targeted PRK which permits the construction of the Building having a Development Area of not less than 132,666.16 square meters; and (ii) having Supporter become a non-voting, non-contributory but dividend-participating minority shareholder of PMA Head Holdco after the Building has been constructed and is ready for occupation (as the last installment of the Supporter Payment in the sum of US$23,000,000 (subject to any downward adjustments, if applicable), which will be payable upon (i) the issue of the Occupation Permit; and (ii) re-issue of any Planning Permit (if necessary for the legal completion of construction of the Building and occupation of the Land and the Building by PMA in accordance with the development potential and construction parameters required by PMA Holdco as permitted by the Planning Permit) and issue or re-issue of Building Construction Permit, and issue of the New SIPPT, all in the name of PMA, will be settled by the issue and allotment by PMA Head Holdco of Supporter Participation Class B Shares to Supporter and assignment of Supporter Participation Loan by PCPD Holdco to Supporter). The Supporter Payment is subject to deductions (if applicable) as set out below.

The Supporter Payment is determined based on arm's length negotiation between Supporter and PMA Holdco. By having Supporter becoming a shareholder of PMA Head Holdco (by the issue of Supporter Participation Class B Shares) only after (i) issuance of the Occupation Permit; and (ii) re-issue of any Planning Permit (if necessary for the legal completion of construction of the Building and occupation of the Land and the Building by PMA in accordance with the development potential and construction parameters required by PMA Holdco as permitted by the Planning Permit) and re-issue or issue (as the case may be) of the Building Construction Permit, and issue of the New SIPPT, all in the name of PMA. Supporter has been provided with the incentive to grow with the project by providing the supporting assistance until the Building becomes operative, that will enable Supporter to enjoy the up side resulting from the increase of net asset value of the Supporter Participation Class B Shares to be allotted to Supporter. After issue of such Supporter Participation Class B Shares and as long as Supporter remains a shareholder of PMA Head Holdco, PCPD Group will be able to utilise Supporter's local experience and expertise in helping the continuous management of the Building and the Land.

Subject to the satisfaction of all the conditions as set out in the sub-section headed "Conditions precedent to PMA Holdco's payment obligations" below, the Supporter Payment will be settled by PMA Holdco to Supporter in the following manner:

| **Instalments of the Supporter Payment payable by PMA Holdco to Supporter** | **Possible deductions from the corresponding tranche(s) of the part payment of the Supporter Payment, and possible payables by PT Danayasa to PMA Holdco** |
|---|---|
| *Within 10 Payment Business Days after Supporter has delivered to PMA Holdco the required PRK by 31 August 2013* | |
| (a) US$23,000,000 ("**First Instalment**") will be payable if the Targeted PRK is delivered to PMA | If the PRK delivered *(Note 1)* by the Supporter is not a Targeted PRK, to<br><br>(aa) deduct US$13,000,000 from the First Instalment payable, if the PRK so delivered achieves the Targeted Height Restrictions but not the Targeted Relevant GFA; or<br><br>(bb) deduct US$23,000,000 from the First Instalment payable, if the PRK so delivered achieves the Targeted Relevant GFA but not the Targeted Height Restrictions; or<br><br>(cc) deduct US$23,000,000 from the First Instalment payable and PT Danayasa as primary obligor will forthwith pay to PMA Holdco US$13,000,000 as liquidated damages (and not as penalty) (to the extent that PCPD Group has not recovered such US$13,000,000 from Supporter's Group) *(Note 2)* if the PRK so delivered does not achieve both the Targeted Relevant GFA and the Targeted Height Restrictions. |
| (b) an amount not exceeding US$5,000,000 calculated based on the following formula *(Note 3)* will be payable:–<br><br>*US\$5,000,000 x (Final Development Area – 132,666.16m$^2$)/(151,632.9m$^2$ – 132,666.16m$^2$)*<br><br>if the Targeted PRK delivered by Supporter to PMA Holdco is adequate for the construction of the Building having a Development Area of not less than 132,666.16 m$^2$. | Not Applicable |

<table>
<tr><th>Instalments of the Supporter Payment payable by PMA Holdco to Supporter</th><th>Possible deductions from the corresponding tranche(s) of the part payment of the Supporter Payment, and possible payables by PT Danayasa to PMA Holdco</th></tr>
<tr><td colspan="2">Note 1: Supporter has undertaken to PMA that under the situation set out in (aa), (bb) or (cc) of the right column above, the PRK so delivered will in any case permit the construction of the Building with at least the Minimum Construction Parameters.<br><br>Note 2: Under the Land SPA, PT CA represented and warranted that the Land was suitable for PMA to construct the Building with the Targeted Height Restrictions and the Targeted Relevant GFA and that all relevant governmental authorizations for the development of such Building could be obtained. US$13,000,000 will be deducted from the Land Consideration as a result of breach of such representation and warranty if the Targeted PRK is not delivered by 31 August 2013. To the extent that PCPD Group has recovered such US$13,000,000 under the Land SPA, PT Danayasa will not be required to pay such liquidated damages under the Supporting Agreement.<br><br>Note 3: For item (b) of the left column above,<br><br>(i) the figure of 132,666.16 is derived on the basis that the “FSR” for the Development Area is 8.53; and<br><br>(ii) the figure of 151,632.9 is derived on the basis that the “FSR” for the Development Area is 9.7495.</td></tr>
<tr><td colspan="2">By 30 November 2013</td></tr>
<tr><td>None</td><td>If Supporter fails to deliver the Amended PRK and to the extent that PCPD Group has not recovered such US$5,000,000 from Supporter’s Group (Note 4),<br><br>(i) to <u>deduct</u> US$5,000,000 from any Supporter Payment payable but unpaid on 30 November 2013 (if any); and<br><br>(ii) if the amount actually deducted as set out in (i) above is less than US$5,000,000, PT Danayasa as primary obligor will forthwith pay PMA Holdco the Difference (Note 5) as liquidated damages (and not as penalty); or<br><br>(iii) if PT Danayasa fails to pay the Difference payable in (ii) above, to deduct an amount equal to the Difference (Note 5) from the Supporter Payment Balance (as defined below).</td></tr>
<tr><td colspan="2">Note 4: Under the Land SPA, PT CA represented and warranted, among others, that all relevant governmental authorizations, including the Amended PRK, for the development of the Building could be obtained, and US$5,000,000 will be deducted from any Land Instalment if the Amended PRK is not delivered by 30 November 2013. To the extent that PCPD Group has recovered such US$5,000,000 under the Land SPA, PT Danayasa will not be required to pay such liquidated damages under the Supporting Agreement.<br><br>Note 5: “Difference” in the right column above means the difference between US$5,000,000 and the actual amount deducted as set out in (i) in the right column above.</td></tr>
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<tr><th>Instalments of the Supporter Payment payable by PMA Holdco to Supporter</th><th>Possible deductions from the corresponding tranche(s) of the part payment of the Supporter Payment, and possible payables by PT Danayasa to PMA Holdco</th></tr>
<tr><td colspan="2">By 30 June 2015</td></tr>
<tr><td>None</td><td>If Supporter is unable to deliver to PMA all of the items below:<br><br>(i) the Building Construction Permit issued in the name of PT CA and re-issued in the name of PMA or the Building Construction Permit issued in the name of the PMA;<br><br>(ii) the Planning Permit re-issued in the name of PMA (if necessary for the legal completion of construction of the Building and occupation of the Land and the Building by PMA in accordance with the development potential and construction parameters required by PMA Holdco as permitted by the Planning Permit); and<br><br>(iii) the New SIPPT issued in the name of PMA,<br><br>PT Danayasa will as primary obligor forthwith pay PMA Holdco a sum of US$23,000,000 as liquidated damages (and not as penalty) (to the extent that PCPD Group has not recovered such US$23,000,000 from Supporter's Group). (Note 6)</td></tr>
<tr><td colspan="2">Note 6: Under the Land SPA, PT CA represented and warranted, among others, the Building Construction Permit, a Planning Permit and the New SIPPT, for the development of the Building could be obtained and issued or re-issued in the name of PMA, and US$23,000,000 will be deducted from the Land Instalments if the items (i) to (iii) in the right column above are not delivered by 30 June 2015. To the extent that PCPD Group has recovered such US$23,000,000 under the Land SPA, PT Danayasa will not be required to pay such liquidated damages of US$23,000,000 under the Supporting Agreement.</td></tr>
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<table>
<tr><th>Instalments of the Supporter Payment payable by PMA Holdco to Supporter</th><th>Possible deductions from the corresponding tranche(s) of the part payment of the Supporter Payment, and possible payables by PT Danayasa to PMA Holdco</th></tr>
<tr><td colspan="2">On Last Instalment Settlement Date</td></tr>
<tr><td>(c) US$23,000,000 (the "Supporter Payment Balance") to be settled by PMA Holdco not in cash but by way of the following:<br><br>(i) PMA Head Holdco to issue and allot the Supporter Participation Class B Shares (representing not more than 6.388% of the shares in PMA Head Holdco) to Supporter at par value; and<br><br>(ii) PCPD Holdco to assign the Supporter Participation Loan (representing not more than 6.388% of the shareholder's loan then owing by PMA Head Holdco to PCPD Holdco) to Supporter by executing a loan assignment deed.</td><td>To deduct up to US$5,000,000 for failure to deliver Amended PRK by 30 November 2013 as mentioned above (if any), and<br><br>(i) if the Supporter Payment Balance is less than the par value of the Supporter Participation Class B Shares, PMA Holdco will have no obligation to procure the issue of any of the Supporter Participation Class B Shares nor the assignment of the Supporter Participation Loan; or<br><br>(ii) if the Supporter Payment Balance is equal to the par value of the Supporter Participation Class B Shares, PMA Holdco will procure the issue of the Supporter Participation Class B Shares but not the assignment of the Supporter Participation Loan.</td></tr>
</table>

***Return and refund of Supporter Payment due to title or permit defects***

Upon the occurrence of the circumstances set out below, PMA Holdco will have the right to require the Supporter to return and refund to PMA Holdco all the Supporter Payment which Supporter has received from PMA Holdco from time to time (including the Supporter Participation Class B Shares and Supporter Participation Loan, if already issued and assigned to Supporter at the relevant time) together with interest accrued at a rate of 3-month LIBOR plus 2% for the period from the date of the relevant payment of the Supporter Payment until the date of return and refund and PMA Holdco will have no obligation to pay Supporter any Supporter Payment which may have become payable by PMA Holdco. All related taxes and any other costs in respect of such return of Supporter Payment will be borne by the Supporter, and the Supporter and PT Danayasa have undertaken to provide indemnity if all related taxes are not paid by the Supporter. All dividends payment and shareholder's loan repayment (if any) which has been received by Supporter as a holder of the Supporter Participation Class B Shares will have to be returned to the PCPD Group.

(a) if due to any reasons (including any of the title documents (including the HGB title) of the Land title becoming invalid or otherwise being revoked or having any defect) (i) any Planning Permit, Building Construction Permit, the New SIPPT and/or Occupation Permit is/are not issued or re-issued (as the case maybe) in the name of PMA by the relevant Government Authorities in Indonesia; or (ii) any of the issued permits and/or approvals as set out in (i) or the Delivered PRK becomes invalid or is otherwise revoked (other than due to a change in the relevant laws in Indonesia at the relevant time or voluntary action of PMA Holdco and/or its subsidiaries other than those as contemplated under the Supporting Agreement) at any time from its issuance up to 5 years after the issue of the Occupation Permit, provided that such time limit will not apply to such licences and permits being invalid or not in full force and effect due to any of the title certificates of the Land becoming invalid, not being in full force and effect or otherwise being revoked or having any title defects or breach of any of the warranties in respect of the Land under the Supporting Agreement); or (iii) any of the title documents (including the HGB title) of the Land becoming invalid or is otherwise revoked (other than due to a change in the relevant laws in Indonesia at the relevant time) or has any defect, which render the Required Permits and Approvals not usable for PMA Holdco's building plan in relation to the Building and the Land; or

(b) if PMA does not become the registered title owner of the Land within 60 Business Days after PMA becomes the sole legal owner of the Land; or

(c) any of the warranties as set out under the sub-section headed "Warranties relating to the Land" under the section "1. The Land Sale and Purchase Agreement" above being untrue, inaccurate or misleading.

***Conditions precedent to PMA Holdco's payment obligations***

All payment obligations of PMA Holdco under the Supporting Agreement (if any) will only take effect after the fulfilment of the following conditions:

(a) the PMA having become the sole legal owner of the Land;

(b) (if required) the passing of resolution(s) at a general meeting of PCPD by its shareholders who are not prohibited from voting under the Listing Rules to approve the Supporting Agreement and the transactions contemplated thereunder;

(c) (if required) the passing of resolution(s) at a general meeting of PCCW by its shareholders who are not prohibited from voting under the Listing Rules to approve the Supporting Agreement and the transactions contemplated thereunder;

(d) (if required) all the parties to the Supporting Agreement and PT CA having obtained all consents, approvals, clearances and authorisations of any Government Authority, any regulators or other relevant third parties in Hong Kong, Indonesia or elsewhere as may be necessary for the transactions contemplated under and the execution and implementation of the Supporting Agreement, and a written legal opinion issued by PMA Holdco's legal advisor(s) confirming that no such consents, approvals, clearances and/or authorisations is required to be obtained by PT Danayasa and/or PT CA, or that the abovementioned consents and approvals have been duly obtained; and

(e) (if required) all approvals having been obtained or disclosures having been made by PT Danayasa in respect of the Supporting Agreement, the Supporter Shareholders Agreement and the transactions contemplated thereunder (including the taking of the Supporter Participation Class B Shares and the Supporter Put Option), in compliance with the rules and regulations issued by the OJK and/or the Indonesian Stock Exchange, and a written legal opinion issued by PMA Holdco's legal advisor(s) confirming that no such approvals and/or disclosures is required to be obtained or made by PT Danayasa, or that such approvals and disclosures have been duly obtained and made.

If the above conditions are not fulfilled within 4 months from the date of the Supporting Agreement (or such other date as agreed between the parties), the Supporting Agreement will be terminated and of no force and effect from the beginning save for certain survival provisions contained therein.

***Indemnities***

Under the Supporting Agreement, Supporter and PT Danayasa agreed to jointly and severally indemnify PMA Holdco (for itself and on behalf of each of the subsidiaries of PMA Holdco) at all times from and against all loss and expenses which PMA Holdco and/or any of its subsidiaries may suffer or incur in connection with the Supporting Agreement, *inter alia*, the following:

(a) any breach by Supporter and/or PT Danayasa of any of its/their obligations, undertakings and warranties under the Supporting Agreement;

(b) any Planning Permit delivered by Supporter failing to validly and effectively permit the construction of the Building with at least the Minimum Construction Parameters;

(c) the PMA being required to perform any of the outstanding Existing SIPPT obligations under any circumstances;

(d) the Existing SIPPT not being valid, binding and in full force and effect or otherwise being revoked (other than due to a change in the applicable laws in Indonesia at the relevant time);

(e) any Planning Permit and/or Building Construction Permit not being issued in the name of PT CA and/or any Planning Permit (if necessary for the legal completion of construction of the Building and occupation of the Land and the Building by PMA in accordance with the development potential and construction parameters required by PMA Holdco as permitted by the Planning Permit) and/or Building Construction Permit not being re-issued in the name of the PMA and/or the Occupation Permit or any Building Construction Permit not being issued in the name of PMA, by the relevant Government Authorities in Indonesia;

(f) any Planning Permit and/or Building Construction Permit issued in the name of PT CA and/or re-issued in the name of the PMA, the New SIPPT and/or the Occupation Permit or any Building Construction Permit issued in the name of PMA and the Delivered PRK not being valid, binding and in full force and effect or otherwise being revoked (save for such permits, approvals and guidelines becoming invalid and not in full force and effect or be revoked due to (I) any voluntary action of PMA Holdco and/or its subsidiaries other than those contemplated under the Supporting Agreement; or (II) any change in the applicable laws in Indonesia at the relevant time, but in the case of such change(s) in the applicable laws, the Supporter and PT Danayasa have further undertaken to render all advice and assistance to PMA Holdco and its subsidiaries (including PMA) in respect of any amendments to such permits, approvals and guidelines mentioned above or other actions or steps as may be necessary to be taken by PMA Holdco and/or its subsidiaries in order to comply with such change(s) in the applicable laws and/or to procure that such permits, approvals and guidelines mentioned above to become valid, binding and in full force and effect);

(g) the New SIPPT and/or the Occupation Permit not being issued in the name of the PMA; and

(h) the Targeted PRK not being delivered by the Supporter to PMA Holdco by 31 August 2013.

***Other material terms of the Supporting Agreement***

*Allotment of Supporter Participation Class B Shares*

On the Last Instalment Settlement Date, after PMA Holdco received from Supporter of the Required Permits and Approvals, as a means of partly settling the Supporter Payment Balance, PMA Holdco will procure that PMA Head Holdco issues and allots to Supporter such number of Class B Shares representing Supporter Participation Percentage of the total issued shares of PMA Head Holdco as enlarged by the issue and allotment of the Supporter Participation Class B Shares. Such Supporter Participation Shares are subject to Supporter Lock-up Period, the Supporter Put Option and the PCPD Holdco Drag-along Right as contained in the Supporter Shareholders' Agreement.

*Assignment of Supporter Participation Loan*

On the Last Instalment Settlement Date, after PMA Holdco received from Supporter of the Required Permits and Approvals, as a means of partly settling the Supporter Payment Balance, PMA Holdco will also procure that PCPD Holdco assigns the benefit and interests in the Supporter Participation Loan to Supporter by way of execution of loan assignment deed. Such Supporter Participation Loan is subject to the Supporter Lock-up Period, the Supporter Put Option and the PCPD Holdco Drag-along Right as contained in the Supporter Shareholders' Agreement.

*Call Option*

With a view to providing the PCPD Group with an option to obtain full control of the interests over the approvals and permits obtained by PT CA in case that the Building Construction Permit is not issued/re-issued in the name of PMA and the Planning Permit (if necessary) is not re-issued in the name of PMA and the New SIPPT is not issued in the name of PMA by 30 June 2015, the Supporting Agreement contains the Call Option, the exercise of which will enable the PCPD Group to acquire PT CA at any time after 30 June 2015 for achieving the takeover of the interests in the permits obtained by PT CA.

Under the Supporting Agreement, PT Danayasa and Santoso, owning in aggregate 100% of the issued share capital of PT CA as at the date of this announcement, jointly granted to PMA Holdco the Call Option. No premium is payable by PMA Holdco for the acquisition of the Call Option.

Upon the exercise of the Call Option (subject to any applicable approvals, consents and authorizations being obtained), PMA Holdco may purchase (or otherwise to nominate a purchaser to purchase) all (but not part only) of the Call Option Shares, representing the entire issued share capital of PT CA.

The Call Option can only be exercised after 30 June 2015 and the exercise price payable by PMA Holdco (or its nominated purchaser) will be the net asset value of PT CA at the time of exercise of the Call Option (after the distribution of any dividend by PT CA to its shareholders) as determined by PMA Holdco but in any event will not be more than US$10,000. The Call Option will expire 5 years after the Occupation Permit is issued in the name of PMA.

PT Danayasa and Santoso covenant with PMA Holdco that PT CA will, from the signing of the Supporting Agreement up to the completion of the sale and purchase of the Call Option Shares, undertake no business activities (apart from performing matters required to be done by PT CA as contemplated under the Supporting Agreement), has no indebtedness and/or litigation and incur no liabilities (including contingent liabilities).

In respect of the Call Option Shares registered in Santoso's name (the "**Santoso Option Shares**"), Santoso further covenants and undertakes with PMA Holdco that if (i) the Call Option on the Santoso Option Shares cannot be effectively exercised; or (ii) if exercised, completion of the sale and purchase of the Santoso Option Shares cannot be consummated; or (iii) if consummated, the title of the Santoso Option Shares acquired is challenged or the relevant transfer being invalidated, Santoso will, *inter alia*:

(1) exercise all voting rights in respect of the Santoso Option Shares in accordance with the directions of PMA Holdco;

(2) assign all his economic interests and benefits in the Santoso Option Shares (including rights in dividends) to PMA Holdco, and irrevocably authorize PT CA to pay such economic interests directly to PMA Holdco; and

(3) return and refund to PMA Holdco all the exercise price received by Santoso for the Santoso Option Shares.

***Guarantee***

PT Danayasa has, among other things, agreed to provide guarantee to PMA Holdco in relation to the performance by Supporter of all of its obligations under the Supporting Agreement and Supporter Shareholders' Agreement.

PCPD has agreed to provide a guarantee to Supporter in relation to the payment obligations of PMA Holdco under the Supporting Agreement.

## 3. THE SUPPORTER SHAREHOLDERS' AGREEMENT

***Date***

23 May 2013

***Parties***

(1) Supporter (a wholly-own subsidiary of PT Danayasa)
(2) PCPD Holdco (a wholly-owned subsidiary of PCPD and the holding company of all the issued shares of PMA Head Holdco)
(3) PMA Head Holdco
(4) PT Danayasa, as guarantor for Supporter

***Purpose of the Supporter Shareholders' Agreement***

In connection with Supporter Participation Class B Shares that will be issued to Supporter under the payment terms of the Supporting Agreement, the Supporter Shareholders' Agreement was made for governing the rights and obligations of shareholders of PMA Head Holdco.

***Shares of PMA Head Holdco***

As at the date of the Land SPA, PMA Head Holdco is authorized to issue 100,000 shares of US$1 each in a single class, among which, 93,612 shares have been issued to PCPD Holdco and fully paid up, which represent all the issued shares of PMA Head Holdco. It is contemplated that on or prior to the issue of the Supporter Participation Class B Shares, PMA Head Holdco will re-designate its existing single class of shares (including the 93,612 existing shares held by PCPD Holdco) as "Class A Shares" and create a new class of 6,388 shares of US$1 each as "Class B Shares", among which, the Supporter Participation Class B Shares, representing not more than 6.388% of all the issued shares of PMA Head Holdco, will be issued and allotted to Supporter subject to the terms and conditions of the Land SPA.

***Effective date***

The Supporter Shareholders' Agreement will only take effect upon Supporter having become a registered holder of the Supporter Participation Class B Shares as recorded in the register of members of PMA Head Holdco.

***Material terms***

The Supporter Shareholders' Agreement contains terms on arrangements relating to the holding of shares in PMA Head Holdco and the management and operation of PMA Head Holdco. PT Danayasa has, among other things, agreed to guarantee PCPD Holdco the performance by Supporter of all its obligations under the Supporter Shareholders' Agreement.

***A. Business***

The principal business of PMA Head Holdco will be real estate development and investment holding.

***B. Board representation***

There will be a minimum of two and no maximum number of directors of PMA Head Holdco unless otherwise decided by PCPD Holdco, and PCPD Holdco will have the right to appoint all of such directors. As at the date of this announcement, the board of directors of PMA Head Holdco ("**PMA Head Holdco Board**") has 4 directors. The quorum at meetings of the PMA Head Holdco Board will be 2 directors, unless otherwise decided by a resolution of the directors.

Holders of Class B Shares will have no right to attend or vote at a meeting of shareholders of PMA Head Holdco.

***C. Financing for the business of PMA Head Holdco and its subsidiaries***

The PMA Head Holdco Board will decide whether further funds will be required by PMA Head Holdco and its subsidiaries and the amount thereof to finance any capital expenditure, working capital requirements and other requirements.

If PMA Head Holdco Board will decide that funds are required by PMA Head Holdco and its subsidiaries, such funds will, so far as practicable, be obtained by way of (i) loans to be provided to PMA Head Holdco by holders of Class A Shares pro-rata to their respective percentage shareholding among all the Class A Shares then in issue of PMA Head Holdco; or (ii) loans and facilities from banks; or (iii) such other financing means as will be decided by the PMA Head Holdco Board from time to time. The Supporter Participation Class B Shares are not subject to capital or loan called for by the PMA Head Holdco.

Except for the outstanding shareholders' loans owing by PMA Head Holdco to its shareholders as at the date of the issue of the Supporter Participation Class B Shares, none of the shareholders of PMA Head Holdco will have any obligation to provide any loan or other funding to PMA Head Holdco or any of its subsidiaries or any security or indemnity in respect of any loan or facility being obtained by PMA Head Holdco and/or its subsidiaries.

***D. Restrictions on issue and transfers of shares and shareholders' loans***

*Pre-emptive rights*

If PMA Head Holdco proposes to issue any new shares, such new shares will comprise both Class A Shares and Class B Shares in the same proportion as the then existing Class A Shares and Class B Shares in issue of PMA Head Holdco, and such number of new Class A Shares (the "**New Class A Shares**") and such number of new Class B Shares (the "**New Class B Shares**") proposed to be issued by PMA Head Holdco, will be first offered to PCPD Holdco and Supporter respectively, at the same price and upon the terms as may be determined by the PMA Head Holdco Board.

Any New Class A Shares offered by PMA Head Holdco to PCPD Holdco for subscription and not accepted to be subscribed for by PCPD Holdco may be offered by the PMA Head Holdco Board to Supporter, on the same terms (including price for the New Class A Shares) as those offered to PCPD Holdco, and, if not accepted by Supporter, to a third party whom the PMA Head Holdco Board thinks fit at the same price and on the same terms.

Any New Class B Shares offered by PMA Head Holdco to Supporter for subscription and not accepted to be subscribed for by Supporter may be offered by the PMA Head Holdco Board to PCPD Holdco, on the same terms (including price for the New Class B Shares) as those offered to Supporter, and, if not accepted by PCPD Holdco, to a third party whom the PMA Head Holdco Board thinks fit at the same price and on the same terms.

*Lock-up provisions*

Supporter will not, without the prior written consent of PCPD Holdco, transfer, assign or otherwise dispose of any Supporter Subscription Shares or the Supporter Shareholder's Loan during the period of 5 years from the date of completion of the issue of the Supporter Participation Class B Shares to Supporter (the "**Supporter Lock-up Period**") except in accordance with the PCPD Holdco Drag-along Right. After the Supporter Lock-up Period, where Supporter wishes to transfer or by any way dispose of any of the Supporter Subscription Shares or Supporter Shareholder's Loans, unless PCPD Holdco otherwise agrees, Supporter may only do so by way of exercising the Supporter Put Option or when PCPD Holdco exercising the PCPD Holdco Drag-along Right.

At all times, Supporter will not, without the express prior written consent of PCPD Holdco, mortgage, charge or create or permit to create any encumbrance on or over or in respect of any part of the shares in and shareholder's loans owing to it by PMA Head Holdco.

***E. PCPD Holdco Drag-along Right***

When PCPD Holdco proposes to sell or otherwise dispose of, to one or more independent third-party transferees all or part of the shares held by PCPD Holdco that will result in it holding less than 50% of PMA Head Holdco's total shares in issue from time to time by PMA Head Holdco to PCPD Holdco, then PCPD Holdco will have the right (but not the obligation) to require Supporter to include in such transfer or assignment all (or part only) of the Supporter Subscription Shares and all (or part only) of the Supporter Shareholder's Loan on the same terms and conditions and at the same unit price as PCPD Holdco (the "**PCPD Holdco Drag-along Right**").

***F. Supporter Put Option***

The Supporter Put Option will be granted by PCPD Holdco so that Supporter may, at any time after the expiration of the Supporter Lock-up Period, put to PCPD Holdco (i) all Supporter Participation Class B Shares together with (ii) all the outstanding Supporter Participation Loan in the terms below.

Subject to compliance with all relevant laws, rules and regulations (including but not limited to the Listing Rules (including any shareholders' and/or regulatory approval requirements, where applicable)), PCPD Holdco grants to Supporter the right (but not the obligation) to require PCPD Holdco, after the expiry of the Supporter Lock-up Period, to purchase from Supporter all (but not part) of the Supporter Subscription Shares and to take assignment of all the then outstanding Supporter Shareholder's Loans on and subject to the terms and conditions more particularly set out in the Supporter Shareholders' Agreement ("**Supporter Put Option**"). The Supporter Put Option is granted at no premium.

Upon the exercise of the Supporter Put Option, the total price at which such (i) Supporter Subscription Shares are to be sold and purchased and (ii) the Supporter Shareholder's Loans are to be assigned is set out below.

(i) Supporter Subscription Shares are to be sold and purchased at a consideration determined as follows:

(a) an amount equivalent to the corresponding portion of the consolidated net asset value of PMA Head Holdco and its subsidiaries proportional to the percentage which the Supporter Subscription Shares which are subject to the Supporter Put Option represent all issued shares of PMA Head Holdco, and such net asset value having been adjusted by the average fair value of the Building and the Land (as at the date when the Supporter Put Option is exercised) ("**Adjusted PMA Head Holdco Consolidated NAV**"), as determined by four reputable property valuers designated in the Supporter Shareholders' Agreement and if any of those designated valuer(s) refuses to act or be appointed for any reason, such other property valuer of international repute in Hong Kong to be chosen and agreed between Supporter and PCPD Holdco for substitution, and failing such agreement within 15 days, to be nominated by the President of the Hong Kong Institute of Certified Public Accountants; or

(b) if the Adjusted PMA Head Holdco Consolidated NAV of PMA Head Holdco and its subsidiaries is determined to be negative, an amount of US$1 for all Supporter Subscription Shares; and

(ii) the Supporter Shareholder's Loans are to be assigned at (a) the face amount of the Supporter Shareholder's Loans; or (b) if the Adjusted PMA Head Holdco Consolidated NAV is negative, an amount equivalent to the face amount of the Supporter Shareholder's Loans deducted by the absolute value of the corresponding portion of the Adjusted PMA Head Holdco Consolidated NAV (the amount of such deduction will not exceed the face amount of such Supporter Shareholder's Loans in any case).

Completion of the sale and purchase of shares and assignment of outstanding Supporter Shareholder's Loans pursuant to the exercise of the Supporter Put Option will be subject to compliance by the direct and indirect shareholders of PCPD Holdco which are listed on the Stock Exchange of all applicable legal and regulatory requirements, including requirements under the Listing Rules (including shareholders' approval, where applicable) in respect of such transaction.

Supporter will be free to dispose of all or part of the Supporter Participation Class B Shares and all or part of the outstanding Supporter Participation Loan to third parties at a price not lower than the exercised price under the Supporter Put Option if the abovementioned required regulatory and/or shareholders' approval for such put transaction cannot be obtained within 6 months from the date of exercise of the Supporter Put Option.

### *G. Rights of Class A Shares and Class B Shares*

Shareholders of Class A Shares of PMA Head Holdco ("**Class A Shareholders**") will have the right to vote on shareholders' resolutions but Shareholders of Class B Shares of PMA Head Holdco ("**Class B Shareholders**") will have no right to vote on any shareholders' resolution of PMA Head Holdco.

Class A Shareholders and Class B Shareholders will be entitled to equal shares in any dividend paid by PMA Head Holdco.

Each Class A and Class B Shareholder will have the right to an equal share in the distribution of the surplus assets of PMA Head Holdco on its liquidation.

### *H. Termination*

If any shareholder of PMA Head Holdco ceases to be a shareholder of PMA Head Holdco, the rights and obligations of such shareholder under the Supporter Shareholders' Agreement will immediately terminate (without prejudice to any antecedent breaches and certain provisions of the Supporter Shareholders' Agreement will continue to have effect).

If Supporter is in material breach of any of its obligations under the Supporter Shareholders' Agreement and fails (despite written request by PCPD Holdco to remedy) to remedy; or if Supporter is petitioned for winding-up or enters into liquidation whether compulsorily or voluntarily, then PCPD Holdco will have the right (subject to the compliance (if required) of Listing Rules requirements by PCPD and PCCW upon the exercise of such right), within 14 days after the occurrence of the such termination events, upon giving notice to Supporter (the "**PCPD Holdco Notice**"), to:

(a) purchase all of the Supporter Subscription Shares at a consideration equal to (i) a 35% discount to the corresponding portion of the consolidated net asset value of PMA Head Holdco and its subsidiaries attributable to the Supporter Subscription Shares as at the date of the PCPD Holdco Notice; ***or*** (ii) where such consolidated net asset value is negative, 35% of the amount of the par value of the Supporter Subscription Shares; and

(b) take assignment of all the Supporter Shareholder's Loans at a consideration equal to (i) a 35% discount to the face amount of the Supporter Shareholder's Loans; ***or*** (ii) where such consolidated net asset value is negative, the face amount of the Supporter Shareholder's Loan deducted by the absolute value of the corresponding portion of the consolidated net asset value (the amount of such deduction will not exceed the face amount of such Supporter Shareholder's Loans in any case).

***Guarantee***

PT Danayasa has, among other things, agreed to provide a guarantee to PMA Head Holdco and PCPD Holdco in relation to the performance by Supporter of all of its obligations under the Supporter Shareholders' Agreement.

## INVESTOR'S SUBSCRIPTION AND RELATED AGREEMENTS

### 1. INVESTOR SUBSCRIPTION AGREEMENT

***Date***

23 May 2013

***Parties***

(1) Investor
(2) PMA Holdco, an indirect wholly-owned subsidiary of PCPD

To the best of the PCPD Directors' knowledge, information and belief having made all reasonable enquiries, the Investor and its ultimate beneficial owner are third parties independent of PCPD and are not its connected persons as defined under the Listing Rules.

***Nature of Transaction***

PMA Holdco conditionally agreed to allot and the Investor conditionally agreed to subscribe in cash at par value of US$1 each for 9,990 new shares in PMA Holdco, representing 9.99% of the then issued shares of PMA Holdco. The Investor Subscription Shares, when issued and allotted, will rank *pari passu* in all respects with the other shares then in issue in PMA Holdco.

PMA Holdco is a relatively new company incorporated in 2013 that acts as an indirect holding company of PMA. The book value of PMA Holdco as at the date of the announcement only consists of the capital of PMA Holdco. PMA Holdco is authorised to issue 100,000 shares, of which 90,010 shares have been issued and are fully paid.

Immediately following the completion of the Investor Subscription Agreement, PMA Holdco will continue to be a subsidiary of PCPD.

***Consideration***

The Investor Subscription Shares will be subscribed by the Investor at par value at US$1 per share and in aggregate a consideration of US$9,990.

***Conditions Precedent***

The completion of the Investor Subscription Agreement is conditional upon fulfillment of the following, and the Investor Subscription Agreement did not provide for any right of any party to waive any of such conditions:

(a) the Land SPA having become unconditional;

(b) the fulfillment of all conditions precedent to the Investor Loan Purchase Agreement (save for the condition in relation to fulfillment of the conditions in the Investor Subscription Agreement);

(c) none of the Land SPA and the Investor Loan Purchase Agreement having been terminated;

(d) Land SPA Completion having taken place;

(e) the Required Permits and Approvals having been issued and/or re-issued in the name of PMA (as the case maybe);

(f) approval by the PCPD Shareholders of the Investor Subscription Agreement and the transactions contemplated thereunder in accordance with the requirements of the Listing Rules;

(g) (if required), approval by the shareholders of PCCW of the Investor Subscription Agreement and the transactions contemplated thereunder in accordance with the requirements of the Listing Rules;

(h) each of PMA Holdco and the Investor having obtained all necessary consents, approvals, clearances and authorisations of any Government Authority, any regulators or other relevant third parties in Hong Kong, Indonesia or elsewhere as may be necessary for the transactions contemplated under and the execution and implementation of the Investor Subscription Agreement; and

(i) all the warranties by the Investor under the Investor Subscription Agreement remaining true and accurate in all respects.

***Completion***

Completion of the Investor Subscription Agreement will take place on the seventh Business Day after the issue of the Required Permits and Approvals, or such other date as the Investor and PMA Holdco may agree. PMA Holdco will have the right to terminate the Investor Subscription Agreement if any other conditions have not yet been fulfilled by that date.

Completion of the Investor Subscription Agreement and completion of the Investor Loan Purchase Agreement will take place simultaneously and PMA Holdco will not be obliged to complete the Investor Subscription Agreement if the Investor does not perform its completion obligations under the Investor Subscription Agreement and the Investor Loan Purchase Agreement.

The Investor Subscription Shares are subject to the Investor Lock-up Period, PMA Head Holdco Drag-along Right, Investor Tag-along Right, as contained in the Investor Shareholders' Agreement, and the Investor Put Option as contained in the Investor Option Deed.

*Early Completion*

Prior to the issue of the Required Permits and Approvals, if a third party makes an offer to directly or indirectly acquire all or part of the interest in the Land and the Building which the PCPD Group considers acceptable, either the Investor or PMA Holdco may require early completion, which will take place subject to all the above conditions (except for the condition (e) above) having been fulfilled.

## 2. INVESTOR LOAN PURCHASE AGREEMENT

*Date*

23 May 2013

*Parties*

(1) PMA Head Holdco (an indirect wholly-owned subsidiary of PCPD), as vendor
(2) Investor, as purchaser

*Nature of the transaction*

PMA Head Holdco conditionally agreed to assign and the Investor conditionally agreed to take assignment of 9.99% of all unsecured and non-interest bearing shareholder's loans owing by PMA Holdco to PMA Head Holdco outstanding as at the date of completion of the Investor Loan Purchase Agreement (the "**Investor Shareholder's Loans**").

The Investor Shareholder's Loans will comprise 9.99% of the following:

(a) shareholder's loans advanced and/or to be advanced by PMA Head Holdco to PMA Holdco for the costs of acquisition (including the Land Consideration, the Transfer Duty and the VAT) under the Land SPA and the Supporter Payment (the "**Acquisition Costs Loans**"); and

(b) shareholder's loans advanced and/or to be advanced by PMA Head Holdco to PMA Holdco to enable PMA Holdco to further advance and/or invest into its subsidiaries to meet the construction costs and other related professional fees and expenses for the construction and development of the Building on the Land (the "**Construction Costs Loans**")

up to and including the Subscription Completion Date.

***Consideration***

(1) The consideration under the Investor Loan Purchase Agreement will be 9.99% of:

(a) the aggregate amount of the Acquisition Costs Loans together with interest at the rate of 3.8% per annum (compounded on a semi-annual basis) from the date on which each of such loans is disbursed by PMA Head Holdco to PMA Holdco up to (but excluding) the Subscription Completion Date;

(b) the aggregate amount of the Construction Costs Loans together with interest at the rate (or in the amount) as referred to in paragraph (2) below in respect of each such loan from the date on which each such loan is disbursed by PMA Head Holdco to PMA Holdco up to (but excluding) the Subscription Completion Date (compounded on a basis which will be consistent with the interest period of the Specific Bank Financing (as defined in paragraph (2) below) and/or the interest period of another source of fund);

(2) If the funding for a Construction Costs Loan has been sourced by (a) PMA Holdco or (b) PCPD and/or its subsidiary from bank(s) by way of financing of the Construction Costs Loan in a specific manner ("**Specific Bank Financing**"), the interest rate on that Construction Costs Loan payable by the Investor as referred to in paragraph (1)(b) above will be identical to the interest rate payable in respect of the Specific Bank Financing so obtained. If no Specific Bank Financing is available or if PMA Head Holdco (or any of its holding companies) elect(s) not to obtain Specific Bank Financing in respect of any particular Construction Costs Loan, the interest rate on that Construction Costs Loan payable by the Investor as referred to in paragraph (1)(b) above will be equal to the actual interest cost to PCPD to fund such Construction Costs Loan (from whatever source other than Specific Bank Financing) plus 1% per annum, compounded at an interest interval identical to that of such source of fund in respect of each such loan from (and including) the date on which each such loan is obtained and up to (but excluding) the Subscription Completion Date.

The consideration under the Investor Loan Purchase Agreement is estimated to be approximately US$40 million (being the actual amount of assignable shareholder's loans, calculated based on 9.99% of the Acquisition Costs Loans and the Construction Costs Loans at the time of the Subscription Completion Date excluding interest components at various agreed rates). For the assignment of the Investor Shareholders' Loan, the Investor will also pay to PMA Head Holdco the interest costs for the loan being assigned to it from PMA Head Holdco.

*Conditions Precedent*

The completion of the Investor Loan Purchase Agreement will be conditional on the following, and the Investor Loan Purchase Agreement did not provide for any right of any party to waive any of such conditions:

(a) approval by the PCPD Shareholders of the Investor Loan Purchase Agreement and the transactions contemplated thereunder in accordance with the requirements of the Listing Rules;

(b) if required, approval by the shareholders of PCCW of the Investor Loan Purchase Agreement and the transactions contemplated thereunder in accordance with the requirements of the Listing Rules;

(c) the Land SPA having become unconditional;

(d) fulfillment of all conditions under the Investor Subscription Agreement (save for the condition in relation to the fulfillment of conditions under the Investor Loan Purchase Agreement);

(e) none of the Land SPA and the Investor Subscription Agreement having been terminated;

(f) Land SPA Completion having taken place;

(g) the Required Permits and Approvals having been issued and/or re-issued in the name of PMA (as the case maybe);

(h) each of PMA Head Holdco and the Investor having obtained all necessary consents, approvals, clearances and authorisations of any Government Authority, any regulators or other relevant third parties in Hong Kong, Indonesia or elsewhere as may be necessary for the transactions contemplated under and the execution and implementation of the Investor Loan Purchase Agreement; and

(i) all the warranties by the Investor and by PMA Head Holdco under the Investor Loan Purchase Agreement remaining true and accurate in all respects.

*Completion*

Completion of the Investor Loan Purchase Agreement will take place on the seventh Business Day after the issue of the Required Permits and Approvals, or such other date as the Investor and PMA Holdco may agree. PMA Holdco will have the right to terminate the Investor Loan Purchase Agreement if any other conditions have not yet been fulfilled by that date.

The completion of the Investor Loan Purchase Agreement and completion of the Investor Subscription Agreement will take place simultaneously and PMA Head Holdco will not be obliged to complete the Investor Loan Purchase Agreement if the Investor does not perform its completion obligations under the Investor Subscription Agreement and the Investor Loan Purchase Agreement.

*Early Completion*

Prior to the issue of the Required Permits and Approvals, if a third party makes an offer to directly or indirectly acquire all or part of the interest in the Land and the Building which the PCPD Group considers acceptable, either the Investor or PMA Head Holdco may require early completion, which will take place subject to all the above conditions (except for the condition (g) above) having been fulfilled.

## 3. THE INVESTOR SHAREHOLDERS' AGREEMENT

*Date*

23 May 2013

*Parties*

(1) Investor
(2) PMA Head Holdco
(3) PMA Holdco

*Effective Date*

The Investor Shareholders' Agreement will become effective as from the Subscription Completion Date.

*Material terms*

The Investor Shareholders' Agreement contains terms on arrangements relating to the holding of shares in PMA Holdco and the management and operation of PMA Holdco.

***A. Business***

Unless otherwise agreed by the shareholders of PMA Holdco, the principal business of PMA Holdco will be real estate development and investment holding.

***B. Board representation***

The board of directors of the PMA Holdco will comprise a minimum of 2 directors, unless otherwise decided by a directors' resolution, and there will be no maximum number of directors, unless otherwise decided by PMA Head Holdco, being the majority shareholder, from time to time. As at the date of this announcement, the board of directors of PMA Holdco has 4 directors. The Investor will be entitled to appoint 1 director of PMA Holdco upon the completion of the Investor Subscription Agreement. By then, the board of PMA Holdco will have 5 directors. PMA Head Holdco will have the right to appoint all other directors of PMA Holdco. The quorum at any board meeting will be 2 directors, one of whom will be the director appointed by the Investor. If such director fails to attend the board meeting at the notified time, the quorum will be any 2 directors.

### *C. Financing*

(I) The board of directors will decide whether further funds will be required by PMA Holdco and the amount thereof to finance any capital expenditure, working capital and other requirements.

(II) Further funds required by PMA Holdco, will, so far as practicable, be obtained by way of:

(i) loans to be provided by its shareholders pro-rata to their respective percentage shareholding in PMA Holdco;

(ii) loans and facilities from banks or other institutions, and if required, PMA Head Holdco (or its affiliated company) will provide guarantee for such loans on the terms and conditions acceptable to it; or

(iii) equity through an issue of new shares by PMA Holdco to its shareholders,

as determined by the board of directors.

(III) If the shareholders are required to make further loans to PMA Holdco and any shareholder other than PMA Head Holdco fails to provide all or part of the portion of the loans it is required to advance ("**Loan Defaulter**"):

(i) PMA Head Holdco may lend such portion of the loans to PMA Holdco for and on behalf of the Loan Defaulter; and

(ii) the amount so advanced by PMA Head Holdco on behalf of the Loan Defaulter plus the actual cost to PMA Head Holdco of funding such amount (including but not limited to the interests incurred and any related fees and expenses) will constitute a loan made to the Loan Defaulter ("**Defaulter's Debt**") with compound interest at the rate of 10% per annum chargeable on a daily basis from the date of advance of such amount by PMA Head Holdco up to the date of repayment by the Loan Defaulter to PMA Head Holdco.

(IV) Further funds required to be provided by the shareholders by way of equity will be obtained through an issue of new shares to its shareholders in proportion to their respective shareholdings. If any shareholder other than PMA Head Holdco fails to subscribe and/or pay for any of such new shares allocated to it (the "**Share Defaulter**"), PMA Head Holdco may take up such new shares, and the Share Defaulter's percentage shareholding in PMA Holdco will be thereafter diluted.

***D. Restrictions on new issues and transfers of shares and shareholders' loans***

*Pre-emptive Rights*

The issue of new or additional shares in PMA Holdco will, before issue, be offered for subscription in the first instance to the shareholders of PMA Holdco pro-rata to their respective shareholding proportion in PMA Holdco. Any outstanding new shares which have not been accepted to be subscribed for by such shareholder may be offered by the board to the other shareholder and, if not accepted, to a third party whom the board thinks fit at the same price and on the same terms as those offered to the shareholders of PMA Holdco in the first instance.

*Lock-up provisions*

Without the prior written consent of PMA Head Holdco, the Investor will not dispose of any its shares held in PMA Holdco or any of the shareholders' loans owing by PMA Holdco to it at any time (i) before the 10th anniversary of the date of the Investor Shareholders' Agreement (the "**Investor Lock-up Period**") except disposal pursuant to PMA Head Holdco's exercise of the PMA Head Holdco Drag-along Right or the Investor Tag-along Right; or (ii) after the Investor Lock-up Period, except disposal pursuant to PMA Head Holdco's exercise of the PMA Head Holdco Drag-along Right or the Investor Tag-along Right or pursuant to the Investor Option Deed.

Save for the mortgages and assignment under the Investor Share Mortgage Deed, at all times, the Investor will not, without the express prior written consent of PMA Head Holdco, mortgage, charge or create or permit to subsist any encumbrance on or over or in respect of any of the shares in and the shareholder's loan due to it by PMA Holdco.

***E. PMA Head Holdco Drag-along Right***

When PMA Head Holdco or PCPD Holdco proposes to (directly or indirectly) sell to third party transferee(s) at a price acceptable to PMA Head Holdco or PCPD Holdco all or part of PMA Holdco's shares in issue and/or of the shareholder's loan owing from time to time by PMA Holdco to PMA Head Holdco, then PMA Head Holdco will have the right (but not the obligation) to require the other shareholders of PMA Holdco to include in such sale the same proportion of the shares held by them and of the shareholder's loans due to them as PMA Head Holdco is disposing, on the same terms and conditions and at the same price as PMA Head Holdco offers to the independent third party transferee(s) (the "**PMA Head Holdco Drag-along Right**").

### *F. Investor Tag-along Right*

When PMA Head Holdco proposes to sell such number of PMA Holdco's issued shares or such amount of the shareholder's loan owing from time to time by PMA Holdco to PMA Head Holdco which will result in its shareholding in PMA Holdco or its holding of shareholder's loan owing by PMA Holdco to PMA Head Holdco falling below 50% of the total issued shares of PMA Holdco or total shareholder's loan owing to PMA Head Holdco respectively, the Investor will have the right to participate in such proposed sale to sell all of its shares in PMA Holdco and all of the shareholder's loan in due from PMA Holdco to the Investor on the same terms and conditions as PMA Head Holdco in such proposed sale (the "**Investor Tag-along Right**").

If the exercise of the Investor Tag-along Right cannot be completed due to the necessary shareholders' and/or regulatory approval requirements of PMA Head Holdco and/or its direct or indirect listed shareholder which are listed not being fulfilled within 5 months from the date of its exercise of the Investor Tag-along Right, the Investor may dispose of all or part of its shares and the shareholder's loan due to it to any other party or parties.

### *G. Investor's share mortgage*

Upon completion of the Investor Subscription Agreement, the Investor agrees to duly execute a deed (the "**Investor Share Mortgage Deed**") to mortgage its shareholding and to assign the loans due from PMA Holdco to it to PMA Head Holdco to secure the due and punctual performance of its obligations under the Investor Subscription Agreement, the Investor Loan Purchase Agreement and the Investor Shareholders' Agreement.

### *H. Termination*

If any shareholder of PMA Holdco ceases to be beneficially interested in shares of PMA Holdco, the rights and obligations of such shareholder under the Investor Shareholders' Agreement will forthwith terminate (without prejudice to any antecedent breaches under the Investor Shareholders' Agreement and certain provisions of the Investor Shareholders' Agreement will survive such termination).

## 4. INVESTOR OPTION DEED

***Date***

23 May 2013

***Parties***

(1) PMA Head Holdco (an indirect wholly-owned subsidiary of PCPD) (as grantor)

(2) Investor (as grantee)

*Nature of the transaction*

For the Investor's exit, PMA Head Holdco has conditionally agreed to grant to the Investor the right to require PMA Head Holdco to purchase from the Investor the following:

(i) all of the issued shares in PMA Holdco beneficially owned by the Investor as at the date of the Exercise Notice (as defined below) (the "**Investor Put Option Shares**"); and

(ii) all of outstanding amounts due from PMA Holdco to the Investor together with accrued interest thereon (if any) (excluding such amount of loan to PMA Holdco made by PMA Head Holdco on behalf of the Investor under its default, which has not yet been paid for by the Investor) as at the date of the Exercise Notice (the "**Investor Shareholder's Loans**").

The Investor Put Option can be exercised by the Investor at any time on or after the tenth anniversary of the date of the Investor Option Deed, by giving not less than 30 days' prior written notice to PMA Head Holdco (the "**Exercise Notice**").

Under the Investor Shareholders' Agreement, if the exercise of the Investor Put Option cannot be completed due to the necessary shareholders' and/or regulatory approval requirements of PMA Head Holdco and/or its direct or indirect listed shareholder which are listed not being fulfilled within 5 months from the date of its exercise of the Investor Put Option, the Investor may dispose of all or part of its shares and the shareholder's loan due to it to any other party or parties.

*Consideration*

The Investor Put Option is granted at no premium.

The exercise price of the Investor Put Option will be determined and agreed by negotiations between PMA Head Holdco and the Investor within 14 days from the date of the Exercise Notice. If no such agreement can be reached within that 14-day period, the exercise price of the Investor Put Option will be determined by the following:

(i) the Investor Put Option Shares are to be sold and purchased at a total price equal to: (a) the corresponding portion of the consolidated net asset value of PMA Holdco and its subsidiaries proportional to the percentage which the Investor Put Option Shares represent all issued shares of PMA Holdco, and such net asset value having been adjusted by the average fair value of the Building and the Land (as at the date when the Investor Put Option is exercised) ("**Adjusted PMA Holdco Consolidated NAV**"), as determined by four reputable property valuers designated in the Investor Option Deed, and any reputable property valuer to be chosen and agreed between the Investor and PMA Head Holdco for substitution if any of any designated valuer(s) refuses act or to be appointed, and failing such agreement within 15 days, to be nominated by the President of the Hong Kong Institute of Certified Public Accountants; or (b) if the Adjusted PMA Holdco Consolidated NAV of PMA Holdco and its subsidiaries is determined to be negative, an amount of US$1 for all the Investor Put Option Shares;

(ii) the Investor Shareholder's Loans are to be assigned at a price equal to: (a) the face amount of the Investor Shareholder's Loans to be assigned (plus outstanding accrued interest (if any)), or (b) if the Adjusted PMA Holdco Consolidated NAV is negative, an amount equivalent to the face amount of the Investor Shareholder's Loans to be assigned (plus outstanding accrued interest (if any)) less the absolute value of the corresponding portion of the negative Adjusted PMA Holdco Consolidated NAV; and

(iii) the Investor to settle the remaining balance of the corresponding portion of the negative Adjusted PMA Holdco Consolidated NAV after the deduction of Investor Put Option Shares and Shareholder's Loans as per (i) and (ii) above by way of immediate available fund to PMA Head Holdco.

***Conditions precedent to the grant of the Investor Put Option***

The grant of the Investor Put Option is conditional upon the following conditions:

(a) compliance of the relevant laws, rules and regulations by PMA Head Holdco and/or its direct and indirect shareholders and other shareholders of PMA Holdco (if any) whose shares are listed on any recognised stock exchange) in relation to the grant of the Investor Put Option by PMA Head Holdco to the Investor;

(b) completion of the Investor Subscription Agreement; and

(c) completion of the Investor Loan Purchase Agreement.

and the Investor Option Deed did not provide for any right of any party to waive any of such conditions.

***Conditions precedent to the exercise of the Investor Put Option***

The exercise of the Investor Put Option is conditional upon the following:

(a) the Investor Put Option Shares and the Investor Shareholder's Loan being put to PMA Head Holdco together simultaneously;

(b) as at the date of the Exercise Notice, there being no breach by the Investor of any obligations under the Investor Subscription Agreement, the Investor Loan Purchase Agreement and the Investor Shareholders' Agreement which has not been fully remedied by the Investor;

(c) the Investor having nominated a guarantor (the "**Investor's Guarantor**"), who will be an individual or a corporation approved by PMA Head Holdco (subject to the financial status and credit-worthiness of such individual or corporation with reference to, among other things, the magnitude of liabilities to be guaranteed being acceptable to PMA Head Holdco, such approval not to be unreasonably withheld) for entering into a deed to guarantee the Investor's obligations under the Investor Subscription Agreement, the Investor Loan Purchase Agreement, Investor Shareholders' Agreements and the Investor Option Deed;

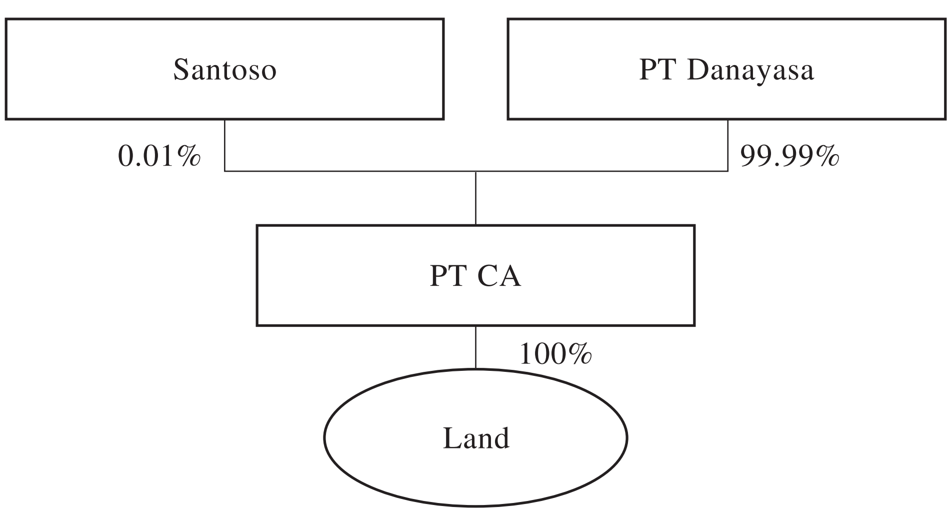
(d) a deed of guarantee having been duly executed by the Investor's Guarantor; and

no exercise of the Investor Put Option will be valid unless all the above conditions are satisfied and/or waived.

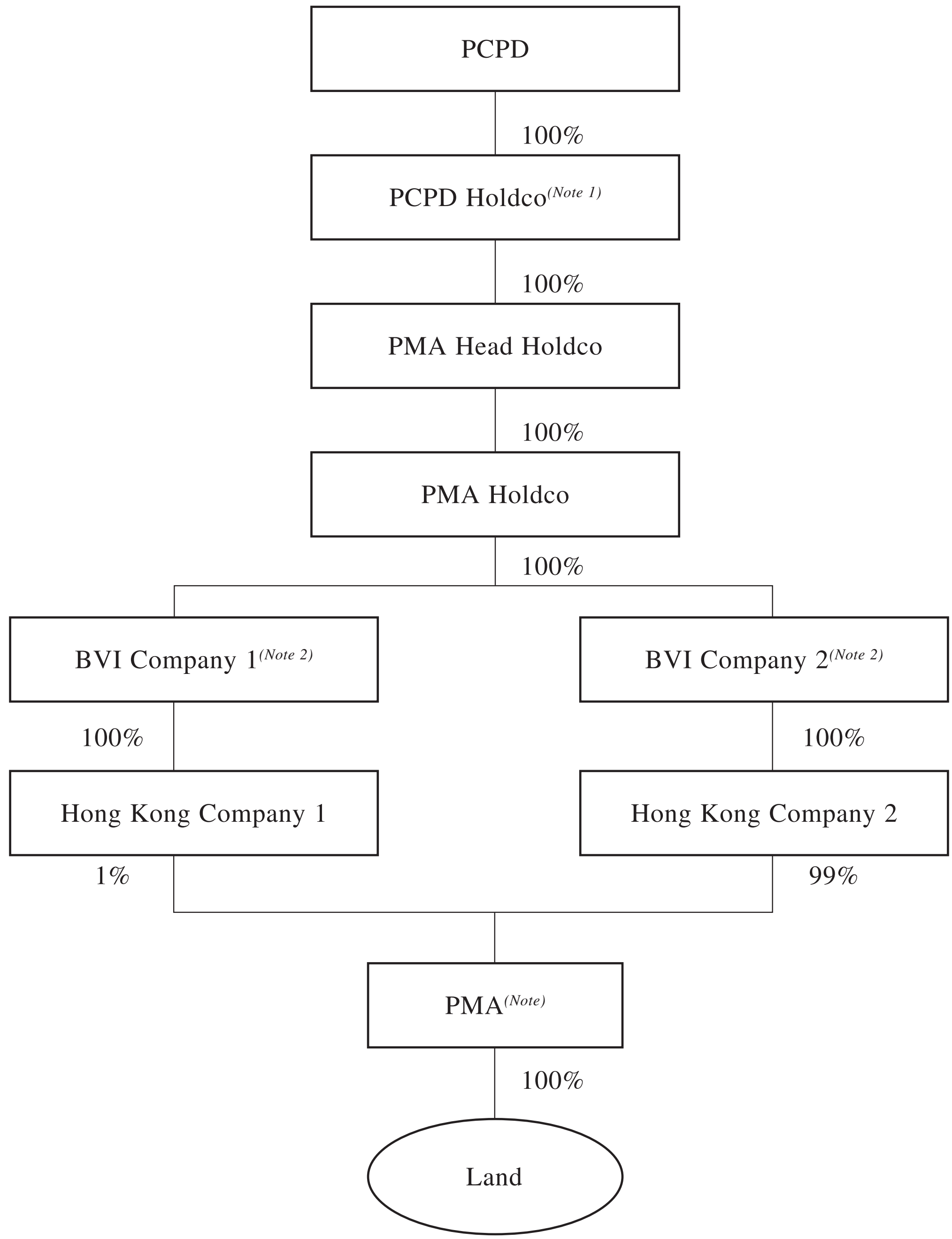
The Investor Put Option, when exercised, will also be subject to compliance of the relevant laws, rules and regulations in respect of such exercise of the Investor Put Option (including but not limited to the Listing Rules and any other rules of any recognised stock exchange (including the obtaining of approval by the shareholders of PCPD and/or its parent company and/or regulatory approval requirements, where applicable) by PMA Head Holdco and/or its direct and indirect shareholders and other shareholders of PMA Holdco (if any) whose shares are listed on any recognised stock exchange).

**INFORMATION ON THE SHAREHOLDING STRUCTURE OF PMA UPON LAND SPA COMPLETION, ISSUE OF SUPPORTER PARTICIPATION CLASS B SHARES AND COMPLETION OF INVESTOR SUBSCRIPTION**

**(1) Shareholding structure of PT CA before Land SPA Completion (as the PCPD Group understood from PT Danayasa)**



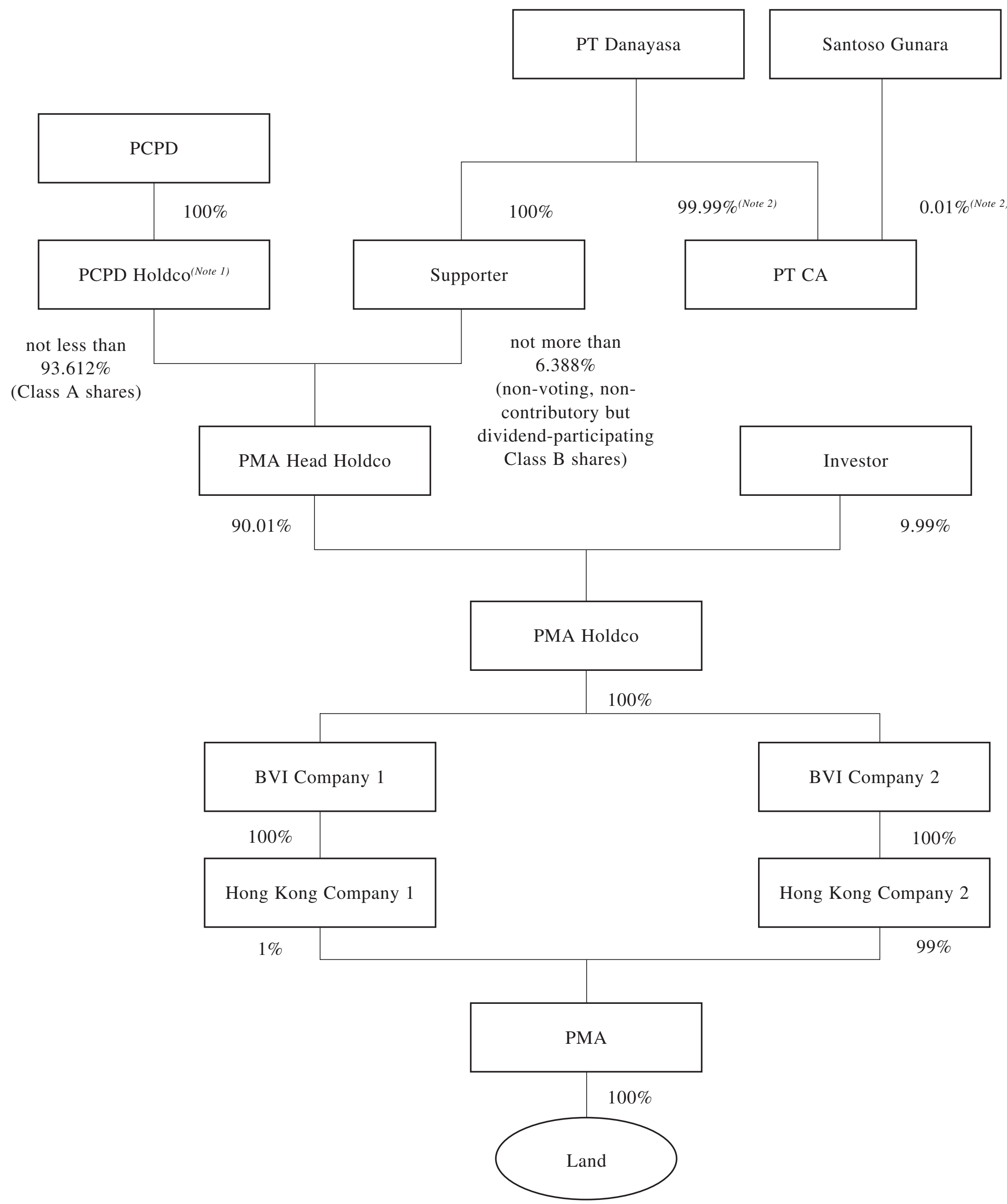
## (2) Expected shareholding structure of PMA upon Land SPA Completion




*Note 1:* PCPD Holdco is an indirect wholly-owned subsidiary of PCPD.

*Note 2:* PMA was acquired by PMA Holdco from Supporter through the acquisition of all the issued shares of BVI Company 1 and BVI Company 2, pursuant to a share sale and purchase agreement dated 22 May 2013 entered into among Supporter as vendor, PMA Holdco as purchaser and PT Danayasa as Supporter's guarantor, at a consideration of US$2.00 with an additional cash payment of approximately US$2,200 or an equivalent amount (in local and foreign currencies) for settlement of the current account balance of BVI Company 2 as at the date of the aforesaid agreement. The PMA is a relatively new company established in Indonesia earlier this year, with no business and no material assets/liabilities prior to the entering into of the Land SPA.

**(3) Expected shareholding structure of PMA immediately after (a) Land SPA Completion, (b) issue of the Supporter Participation Class B Shares to Supporter and (c) completion of the Investor Subscription under the Investor Subscription Agreement (assuming that the Call Option has not been exercised)**




*Note 1:* PCPD Holdco is an indirect wholly-owned subsidiary of PCPD.

*Note 2:* As PCPD understood from PT Danayasa, shares in PT CA are owned as to 99.99% by PT Danayasa and 0.01% by Santoso as at the date of this announcement.

**Principal Businesses of the PCCW Group, PCPD Group, PT Danayasa Group, and the Investor**

The principal activities of the PCCW Group are the provision of local, mobile and international telecommunications services, internet access services, interactive multimedia and pay-TV services, the sale and rental of telecommunications equipment, and the provision of computer, engineering and other technical services primarily in Hong Kong and also in the People's Republic of China and elsewhere in the Asia Pacific region; investments in, and development of, systems integration, network engineering and technology-related businesses; and investments in, and development of, infrastructure and properties in Hong Kong, the People's Republic of China and elsewhere in the Asia Pacific region.

The PCPD Group is principally engaged in development and management of premium property and infrastructure projects, as well as investment in premium-grade buildings, in the Asia-Pacific region.

To the best knowledge of the PCPD Directors, (i) the PT Danayasa Group is principally engaged in real estate development and services including construction of office buildings, shopping and trade centers and their facilities, renting office buildings and shopping centers, providing infrastructure and supports, development and management of integrated commercial centers, and providing general services with the exception of legal and financial services; (ii) PT CA (a member of the PT Danayasa Group) is a property development company which only holds the Land; and (iii) Supporter is a vehicle of PT Danayasa that will carry out the activities under the Supporting Agreement, the obligations of which are fully guaranteed by PT Danayasa.

To the best knowledge of the PCPD Directors, Santoso is an experienced businessman in Indonesia, and is the commissioner of PT Danayasa.

To the best knowledge of the PCPD Directors, the Investor is an investment vehicle of a business operator and investor principally engaged in ceramic manufacturing and investment in various sectors including real estate, energy, retail and financial services in Indonesia, and is independent from the PT Danayasa Group.

## FINANCIAL EFFECTS ON THE DISPOSAL AND USE OF PROCEEDS

Based on the estimated total investment cost of approximately US$400 million as mentioned in the section headed "Funding of the Acquisition and the development" above, the total consideration receivable (before interest accrued) under the Investor Subscription Agreement and the Investor Loan Purchase Agreement is currently estimated to be approximately US$39.96 million, being 9.99% of US$400 million. The issue of the Investor Subscription Shares will be regarded as a deemed disposal of PMA Holdco by the PCPD Group at the time of share allotment under the Listing Rules. In accounting perspective, upon the completion of the Land SPA, PCPD Group will recognize a liability for the future share subscription by the Investor and the redemption arrangement of the Investor Subscription Shares. Upon the issuance of

Investor Subscription Shares, any difference between the relative interests of the non-controlling interests in the subsidiary and the fair value of the consideration received will be recognized directly in equity.

The proceeds receivable from the issue of the Investor Subscription Shares and the sale and assignment of the Investor Shareholder's Loan, amount to approximately US$39.96 million, is intended to be used as working capital of the PCPD Group (including possible repayment of bank loan(s)).

## REASONS FOR AND BENEFITS OF THE ACQUISITION-RELATED AGREEMENTS

The PCPD Group is mainly engaged in developing and managing premium property and infrastructure projects, as well as investing in premium-grade buildings in the Asia-Pacific region. The Bel-Air project has been completed and steady progress is being made in respect of the Hanazono development in Japan and Phang Nga development in Thailand. In line with its objective of continuing to develop major projects in the region to sustain the PCPD Group's long-term growth, it has identified and agreed to acquire the Land for development into high quality office space in a much sought after location in Jakarta. The proposed investment in Indonesia will diversify further the PCPD Group's property interests in the Asia Pacific region.

Indonesia has been one of the fastest growing economies in Asia with an average annual GDP growth rate of 6.3 per cent between 2010 and 2012[1]. GDP is projected to increase at six to seven per cent over the three years to 2015[2]. Office demand in the business districts in Jakarta has been strong as reflected by increased rental rates of Grade A offices in Jakarta in recent years and the PCPD Directors believe that demand will continue to be strong during the development period for the Land, which is located in Sudirman CBD, one of the prime business districts within what is referred to as the "Golden Triangle" of Jakarta.

PCPD is projecting that the occupancy rate for Grade A offices in the central business district of Jakarta will exceed 95 per cent for the next three years and that demand for such space will continue to grow at a healthy pace[3]. It is believed that the upward pressure on rent for Grade A office space will continue strongly over the development period of the Building.

Although the development is expected to be completed in 2016, the PCPD Group intends to conditionally enter into agreements with one or more anchor tenants for the rental of space in the Building prior to completion of the development thereby securing a level of occupancy for the Building as it becomes available for tenants to take possession of space at rents reflecting the anticipated demand for quality office space in Jakarta.

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1 Source: Bloomberg

2 Source: Bloomberg

3 Source: Jones Lang LaSalle Research

As stated under the section headed "Land Consideration", the valuation provided by Jones Lang LaSalle of approximately US$115 million represents a discount to the total consideration assuming that only the Minimum Construction Parameters are met and other parameters in the PRK remains unchanged. The total Land Consideration of US$184 million is subject to deductions if the Targeted Relevant GFA and the Targeted Height Restrictions are not achieved resulting in the Building being restored to the Minimum Construction Parameters or if certain other building design related parameters in the PRK cannot be successfully changed. Under the Land SPA, these deductions may amount up to US$18 million in aggregate. Given the current and anticipated rental rates for Grade A offices, the expected growth rates, the exceptional location of the Land and the scarcity of land in the area, the PCPD Board considers that the consideration payable under the Land SPA is fair and reasonable.

Supporter is a subsidiary of PT Danayasa which is a listed property developer on the Jakarta Stock Exchange. Under the Supporting Agreement, Supporter will provide supporting assistance which include, among other things, assisting in obtaining the required permits and review of title documents of the Land. The maximum Supporter Payment payable under the Supporting Agreement is US$51 million. Of this amount, an aggregate of a maximum of US$28 million will be payable in cash pending Supporter successfully delivering the Targeted PRK, subject to deductions and adjustment for any shortfalls. The balance of the fees of up to US$23 million, subject to adjustments, will be settled by the issue of the Supporter Participation Class B Shares and assignment of the Supporter Participation Loan when Occupation Permit is issued. Supporter will be restricted from selling its interests for five years from the date of issue of the Supporter Participation Class B Shares and the assignment of the Supporter Participation Loan. Following the Supporter Lock-up Period, Supporter can exercise its rights under the Supporter Put Option to sell its interests to PCPD Holdco only subject to compliance of Listing Rules. By this arrangement, PMA Holdco would be able to finance part of the Supporter Payment thereby reducing the cash outlay required by PMA Holdco for the payment of such part of US$23 million Supporter Payment. Further, the issue of the Supporter Participation Class B Shares and assignment of the Supporter Participation Loan to Supporter serve to align the interests of Supporter with the PCPD Group and will give Supporter greater incentive in using its best efforts in providing their supporting assistance in the development phase of the Land and the Building. PCPD considers that the experience and expertise of PT Danayasa in the Indonesian property sector, as a stakeholder (through Supporter as its subsidiary) in PMA Head Holdco from the time when the Building becomes operative and at least till the end the Supporter Lock-up Period, will be beneficial to the post-construction development, management and market potential of the Building, hence, beneficial to the interests of PCPD Group.

The payment term of the Supporting Agreement provides further incentive to Supporter in the context of assisting PMA to obtain an increased gross floor area through an elevation of FSR in the Targeted PRK. The maximum amount to be paid under the Supporting Agreement in this respect is US$5 million if the gross floor area (including carpark) can be increased to 151,632.9 square meters representing a FSR of 9.7495.

As outlined above, under the Supporting Agreement, Supporter and PT Danayasa have given various indemnities in relation to the various permits and approvals in relation to the Land and the construction of the Building thereon. Such permits and approvals have been applied for by PT CA and are intended to be re-issued in the name of PMA upon receipt. If for any reason, the re-issue cannot be made or is delayed, PCPD Group holds the Call Option the exercise of which will enable PMA Holdco to purchase the entire share capital of PT CA with the underlying approvals and permits obtained by PT CA for a consideration representing the net asset value of PT CA at the time of exercise but subject to a cap of US$10,000.

The PCPD Board is of the view that the Acquisition meets PCPD's strategy of investing in premium-grade property in the Asia-Pacific region and that the prospects for the sector in Indonesia may result in a rewarding investment for PCPD and its shareholders. Having considered and reviewed the terms of the Acquisition-related Agreements, the PCPD Board believes that the terms of the Acquisition is fair and reasonable, and are in the interests of PCPD and its shareholders as a whole.

Although PCPD is majority-owned by PCCW, PCPD is a separately listed company with its own board of directors. Having regard to the reasons for and the benefits of the Acquisition-related Agreements and the transactions contemplated thereunder as described by the PCPD Board, the PCCW Board believes that the Acquisition-related Agreements and the transactions contemplated thereunder are fair and reasonable and in the interests of the shareholders of PCCW as a whole.

## REASONS FOR AND BENEFITS OF THE SUBSCRIPTION-RELATED AGREEMENTS

The Investor is an investment vehicle of an experienced investor and business operator in Indonesia. Although the PCPD Group is experienced in the development of premium property and infrastructure project, it recognises that different jurisdictions have different characteristics and business practices. By offering the Investor a stake in the Acquisition through the Investor Subscription Agreement and the Investor Loan Purchase Agreement, the PCPD Group will be able to utilise the local experience and connections of the Investor in helping to facilitate the development and management of the Land and the Building.

The basis of consideration to be paid by the Investor under the Investor Subscription Agreement and the Investor Loan Purchase Agreement is the par value of the shares in PMA Holdco and the proportional amount of shareholder's loans to be assigned by the PCPD Group, through PMA Head Holdco, to PMA Holdco with interest component as part of the consideration. By investing on this basis, the Investor will be investing at the same valuation as the PCPD Group in both the Land and the development and construction of the Building in the percentage of 9.99%. Although the completion of each of the Investor Subscription Agreement and the Investor Loan Purchase Agreement will not take place until the construction of the Building completes (as the issue of the Required Permits and Approvals (including the Occupation Permit) is the condition precedent to both the Investor Subscription Agreement and the Investor Loan Purchase Agreement), the amount payable on the shareholder's loan will be the principal amount plus interest charged at various rates from the date of the Investor Loan Purchase Agreement.

The Investor's interests will be subject to the Investor Lock-up Period which will expire on the tenth anniversary of the Investor Shareholders' Agreement. On and after the expiration of the Investor Lock-up Period it may exit its investment only by exercising its rights under the Investor Put Option subject to compliance of the Listing Rules. The Investor is not free to sell its interest to third parties unless regulatory or shareholders' approvals (when required under the Listing Rules) cannot be obtained within 5 months after the exercise of the Investor Put Option. Similar to the Supporter Put Option, the Investor Put Option enables a structure which allows the Investor to realise its investment and prevents unknown parties from becoming a stakeholder in PMA Holdco, so far as practicable.

Given the benefits to be gained by having the Investor as a minority shareholder of PMA Holdco, the PCPD Board believes the terms of the Investor Subscription Agreement and the Investor Loan Purchase Agreement are fair and reasonable and are in the interest of PCPD and its shareholders as a whole.

## LISTING RULES IMPLICATIONS

### PCPD

As one of the Applicable Percentage Ratios in respect of the Land SPA, the Supporting Agreement and the respective transactions contemplated thereunder (including the acquisition of the Call Option and the grant of the Supporter Put Option) in aggregate exceeds 100%, the Acquisition-related Agreements and the transactions contemplated thereunder (including the acquisition of the Call Option and the grant of the Supporter Put Option) in aggregate constitute a very substantial acquisition for PCPD under Chapter 14 of the Listing Rules.

Since the exercise of the Call Option will be at the discretion of PCPD, on the acquisition of the Call Option by PMA Holdco, only the premium of the Call Option will be taken into consideration for calculating the Applicable Percentage Ratios in relation to the acquisition of the Call Option by PMA Holdco. As no such premium is payable, all of the Applicable Percentage Ratios in respect of the acquisition of the Call Option are below 5%. The exercise of the Call Option will be subject to the compliance (if required) by PCPD and PCCW of the Listing Rules requirements.

The exercise of the Supporter Put Option will be at the discretion of Supporter, but will be subject to compliance with relevant laws, rules and regulations (including the obtaining of shareholders' approval, as applicable) by PCPD and PCCW. Pursuant to Rule 14.75 of the Listing Rules, the grant of the Supporter Put Option is to be classified taking into account only the premium of the Supporter Put Option. As no premium is payable for the Supporter Put Option, all of the Applicable Percentage Ratios in respect of the grant of the Supporter Put Option are below 5%.

Pursuant to Rule 14.29 of the Listing Rules, the Investor Subscription gives rise to a deemed disposal of the shares in PMA Holdco. Based on the Acquisition Costs Loans and the current estimate of the Construction Costs Loans which may be advanced by the PCPD Group as shareholder's loans to PMA Holdco, one of the Applicable Percentage Ratios in respect of the Investor Subscription Agreement, the Investor Loan Purchase Agreement and the respective transactions contemplated thereunder in aggregate exceeds 25% but all of those Applicable Percentage Ratios are below 75%, such transactions therefore constitute a major transaction for PCPD.

The exercise of the Investor Put Option will be at the discretion of Investor, but will be subject to compliance with relevant laws, rules and regulations (including the obtaining of shareholders' approval, as applicable) by PCPD and PCCW. Pursuant to Rule 14.75 of the Listing Rules, the grant of the Investor Put Option is to be classified taking into account only the premium of the Investor Put Option. As no premium is payable for the Investor Put Option, all Applicable Percentage Ratios in respect of the grant of the Investor Put Option are below 5%.

Based on the above, the Acquisition-related Agreements, the Subscription-related Agreements and the transactions contemplated thereunder are subject to the reporting, announcement and PCPD Shareholders' approval requirements under Chapter 14 of the Listing Rules.

**PCCW**

As one of the Applicable Percentage Ratios in respect of the Land SPA, the Supporting Agreement and the respective transactions contemplated thereunder (including the acquisition of the Call Option and the grant of the Supporter Put Option) in aggregate is more than 5% but all the Applicable Percentage Ratios are less than 25%, the

Acquisition-related Agreements and the transactions contemplated thereunder (including the acquisition of the Call Option and the grant of the Supporter Put Option) in aggregate constitute a discloseable transaction for PCCW under Chapter 14 of the Listing Rules.

Since the exercise of the Call Option will be at the discretion of the PCPD Group, on the acquisition of the Call Option by PMA Holdco, only the premium of the Call Option will be taken into consideration for calculating the Applicable Percentage Ratios in relation to the acquisition of the Call Option by PMA Holdco. As no such premium is payable, all of the Applicable Percentage Ratios in respect of the acquisition of the Call Option are below 5%. The exercise of the Call Option will be subject to the compliance (if required) by PCPD and PCCW of the Listing Rules requirements.

The exercise of the Supporter Put Option will be at the discretion of Supporter, but will be subject to compliance with relevant laws, rules and regulations (including the obtaining of shareholders' approval, as applicable) by PCPD and PCCW. Pursuant to Rule 14.75 of the Listing Rules, the grant of the Supporter Put Option is to be classified taking into account only the premium of the Supporter Put Option. As no premium is payable for the Supporter Put Option, all the Applicable Percentage Ratios in respect of the grant of the Supporter Put Option are below 5%.

The Investor Subscription Agreement, the Investor Loan Purchase Agreement and the respective transactions contemplated thereunder in aggregate do not constitute a notifiable transaction for PCCW under Chapter 14 of the Listing Rules as the Applicable Percentage Ratios are all below 5%.

The exercise of the Investor Put Option will be at the discretion of Investor, but will be subject to compliance with relevant laws, rules and regulations (including the obtaining of shareholders' approval, as applicable) by PCPD and PCCW. Pursuant to Rule 14.75 of the Listing Rules, the grant of the Investor Put Option is to be classified taking into account only the premium of the Investor Put Option. As no premium is payable for the Investor Put Option, all of the Applicable Percentage Ratios in respect of the grant of the Investor Put Option are also below 5%.

## GENERAL INFORMATION

A SGM will be convened by PCPD to consider and approve, if thought fit, the Acquisition-related Agreements, the Subscription-related Agreements and the transactions contemplated thereunder (including the acquisition of the Call Option and the grant of the Supporter Put Option). A circular containing, among other things, further details of the terms of the Acquisition-related Agreements and the Subscription-related Agreements, a property valuation report, the notice convening the SGM and other information as required under the Listing Rules will be despatched to the PCPD Shareholders. As additional time is required for preparing and finalizing the valuation report and other information to be included in the circular, it is expected that the circular will be despatched to the PCPD Shareholders on or before 25 June 2013.

# DEFINITIONS

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| "Acquisition" | the transactions contemplated under the Land SPA, the Supporting Agreement and the Supporter Shareholders' Agreement; |
| "Acquisition-related Agreements" | the Land SPA, the Supporting Agreement and the Supporter Shareholders' Agreement; |
| "Additional Fees" | all fees and charges which may be levied by any Government Authority in relation to the increase of the FSR of the Land and the corresponding height restrictions (including but not limited to the Retribution Premium (if any) and related fees and charges); |
| "Affiliate" | any person that directly or through one or more intermediaries, controls or is controlled by or is under common control with, the person specified. Control (including the terms "controlled by" and "under common control with" and "control") means the possession, directly or indirectly, of the ability to determine management decision. Without limiting the generality of the above, such control is presumed to exist if one person holds, directly or indirectly, 25% or more of the outstanding voting shares of another person; |
| "Agreed Site Area" | 9,277 square meters of site area of the Land as determined and agreed by a joint survey agreed in writing and endorsed by the DKI Jakarta Regional Office evidenced by a copy of the tentative Planning Permit, which has been stamped and initialed by the Head of the City Planning Office of South Jakarta, in the name of PT CA; |
| "Amended PRK" | an amended Sudirman Central Business District Urban Design Guideline (*Panduan Rancang Kota*/PRK) in respect of the Sudirman Central Business District which includes the Land issued by the Governor of DKI Jakarta, which meets the requirements specified under the Supporting Agreement, as set out under the sub-section headed "Requirements of the Amended PRK" in the section headed "2. The Supporting Agreement" in this Announcement; |

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| "Applicable Percentage Ratios" | the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules; |
| "Application Documents" | all necessary documents or applications or drawings or plans to the relevant Government Authorities in Indonesia for the purpose of obtaining the in-principle approvals or documents or permits in respect of the Land including but not limited to any Planning Permit, Building Construction Permit and the New SIPPT; |
| "Building" | a Grade A office building to be constructed by PMA on the Land after Land SPA Completion; |
| "Building Construction Permit" | the original Building Construction Permit (*Izin Mendirikan Bangunan*/IMB) duly issued by the Governor of DKI Jakarta for the commencement of construction of the Building on the Land which permits the construction of the Building with the construction parameters that are consistent with or not lower than the construction parameters as permitted under the Planning Permit; |
| "Business Day" | a day (other than (i) a Saturday or Sunday, (ii) a day on which a typhoon signal no.8 or above or black rainstorm signal is in force in Hong Kong at 10:00 a.m. (Hong Kong time), and (iii) a public holiday in Indonesia and/or Hong Kong) on which banks are generally open in Hong Kong and in Jakarta, Indonesia to the general public for business; |
| "BVI" | the British Virgin Islands; |
| "Call Option" | an exclusive and unconditional right (but not the obligation) granted by PT Danayasa and Santoso jointly to PMA Holdco under the Supporting Agreement for PMA Holdco (or its nominated purchaser) to purchase, after 30 June 2015, all of the Call Option Shares, representing the entire issued share capital of PT CA; |
| "Call Option Shares" | the entire issued share capital of PT CA and as at the date of the Supporting Agreement, consists of 83,525,434 shares of PT CA owned by PT Danayasa and 200 shares of PT CA owned by Santoso, with par value of IDR1,000 per share; |

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| "Class A Shares" | the current single class of shares in PMA Head Holdco which will be designated as Class A Shares on or prior to the issue and allotment of such number of Class B Shares to Supporter pursuant to the Land SPA; |
| "Class B Shares" | Class B issued shares of US$1 each in PMA Head Holdco, which will be non-voting, non-contributory but dividend-participating, and the rights of such class of shares will be as set out in the Memorandum and Articles of Association of PMA Head Holdco to be adopted by PMA Head Holdco on or prior to the issue of the Class B Shares; |
| "Closing Planning Permit" | KRK which validly and effectively permits the construction of the Building having the construction parameters consistent with or not lower than the Minimum Construction Parameters; |
| "Deductible Amount" | any of the amounts deductible from the Supporter Payment as set out in the table under the sub-section headed "Supporter Payment" under the section headed "2. The Supporting Agreement" in this announcement; |
| "Delivered PRK" | the PRK(s) delivered by the Supporter to PMA Holdco pursuant to the Supporting Agreement (which includes the Targeted PRK and the Amended PRK, if any); |
| "Development Area" | the total floor area of the whole Building that PMA is entitled to build on the Land under the Building Construction Permit, which is calculated by using the following formula:<br><br>Development Area of the Building = Agreed Site Area x FSR ÷ 0.85 (being all statutory or regulatory allowances (including, without limitation, mechanical and electrical plant allowance)) + Agreed Site Area x FSR x 50%; |
| "Existing SIPPT" | the Letter of Appointment of Land Utilization Permit (*Surat Izin Penunjukan Penggunaan Tanah*) dated 17 January 1992 issued by the Governor of DKI Jakarta under the name of PT Danayasa for + 277,430 square meters at Jl. Jend. Sudirman Kav. No.52-53 and the back side, Senayan Sub-district, Kebayoran Baru District, South Jakarta (which include the Land) to build a hotel, an office building, a trading area, flats/apartments and their facilities and other facilities; |

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| "Final Development Area" | the Development Area of the Building validly and effectively permitted to be constructed pursuant to the Targeted PRK as determined by PMA Holdco in its absolute discretion after consultation with the relevant construction consultants and/or other professional advisors; |
| "FSR" | floor space/area ratio (*Koefisien Lantai Bangunan*) of the Land; |
| "Government Authority" | any ministry, department or agency or official body of any government (whether national, provincial or local) or any regulatory body or any body exercising similar functions (including the OJK); |
| "Gross Floor Area" or "GFA" | site area of the Land times the FSR; |
| "HGB" | the land title of Right to Build (*Hak Guna Bangunan*), as such term is defined in Law No. 5/1960 re Basic Regulations of Agrarian Principles of Indonesia and its implementing regulations; |
| "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; |
| "IDR" | Indonesian Rupiah, the lawful currency of Indonesia; |
| "Indonesia" | the Republic of Indonesia; |
| "Investor" | Lot 10 Assets Ltd., a limited company incorporated under the laws of the BVI, being the subscriber under the Investor Subscription Agreement; |
| "Investor Loan Purchase Agreement" | the conditional loan purchase agreement dated 23 May 2013 made between the Investor and PMA Head Holdco in relation to the conditional sale and assignment by PMA Head Holdco to the Investor of 9.99% of all outstanding unsecured and non-interest bearing loans and liabilities outstanding owing by PMA Holdco to PMA Head Holdco as at the date of completion of the Investor Loan Purchase Agreement; |

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| "Investor Lock-up Period" | the period before the 10th anniversary of the date of the Investor Shareholders' Agreement; |
| "Investor Option Deed" | the investor option deed dated 23 May 2013 entered into between PMA Head Holdco and the Investor in relation to a put option granted by PMA Head Holdco to Investor, as set out in the section "4. Investor Option Deed" in this announcement; |
| "Investor Put Option" | the put option granted by PMA Head Holdco to the Investor pursuant to the Investor Option Deed; |
| "Investor Share Mortgage Deed" | a deed of share mortgage and assignment of receivables to be entered by the Investor as chargor in favour of PMA Head Holdco as chargee upon completion of the Investor Subscription Agreement in respect of the Investor's shareholding in PMA Holdco and all amounts due from PMA Holdco to the Investor; |
| "Investor Shareholders' Agreement" | the conditional shareholders' agreement dated 23 May 2013 entered into between the Investor, PMA Head Holdco and PMA Holdco relating to PMA Holdco which will take effect from the Subscription Completion Date; |
| "Investor Subscription" | the subscription by the Investor of the Investor Subscription Shares; |
| "Investor Subscription Agreement" | the conditional subscription agreement dated 23 May 2013 made between the Investor and PMA Holdco in relation to the subscription of the Investor Subscription Shares by the Investor; |
| "Investor Subscription Shares" | 9,990 shares at par value in PMA Holdco representing 9.99% of the issued shares of PMA Holdco as enlarged by the Investor Subscription; |
| "Investor Tag-along Right" | has the meaning as defined in "F. Investor Tag-along Right" under the sub-section headed "Material terms" in the section headed "3. The Investor Shareholders' Agreement" in this announcement; |

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| "KRK" | an original City Planning Stipulation (*Ketetapan Rencana Kota*/KRK) duly issued by the DKI Jakarta Regional Government evidenced by the full signature of the authorized government officer empowered by the relevant planning permit regulations under the laws in Indonesia, in respect of the Land; |
| "Land" | the plot of land as more particularly set out under the sub-section headed "Acquisition of the Land" under the section headed "1. The Land Sale and Purchase Agreement" in this announcement; |
| "Land Consideration" | the consideration payable by PMA to PT CA as more particularly set out in the sub-section headed "Land Consideration" under the section headed "1. The Land Sale and Purchase Agreement" in this announcement; |
| "Land Deposit" | the deposit of US$46,000,000 payable within 14 Business Days after the signing date of the Land SPA as set out in item (a) in the sub-section headed "Land Consideration" under the section headed "1. The Land Sale and Purchase Agreement" in this announcement; |
| "Land SPA" | the conditional Land Sale and Purchase Agreement dated 23 May 2013 entered into between PMA as purchaser, PCPD as PMA's guarantor, PT CA as the vendor and PT Danayasa as PT CA's guarantor in relation to the acquisition of the Land by PMA from PT CA; |
| "Land SPA Completion" | completion of the sale and purchase of the Land pursuant to the Land SPA; |
| "Land SPA Completion Date" | the date on which Land SPA Completion takes place, being no later than 5 Business Days after the date on which all the Land SPA Conditions have been satisfied or waived (failing which, an automatic extension of another 5 Business Days after the first agreed Land SPA Completion Date) or 5 Business Days after the date of the successful injection of the issued and paid-up capital of PMA into its bank account, whichever is later; |
| "Land SPA Conditions" | the conditions precedent to Land SPA Completion as more particularly set out in the sub-section headed "Conditions precedent to the Land SPA Completion" under the section headed "1. The Land Sale and Purchase Agreement" in this announcement; |

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| "Last Instalment Settlement Date" | a date falling within 14 Business Days (or such earlier date as PMA Holdco may decide) after issue of the Required Permits and Approvals; |
| "Listing Rules" | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; |
| "Loan to PMA Head Holdco" | all outstanding loan(s) (including all interests accrued thereon (if any)) owing by PMA Head Holdco to PCPD Holdco as at the Last Instalment Settlement Date; |
| "Minimum Construction Parameters" | has the meaning as defined in paragraph (A)(m) under the sub-section headed "Conditions precedent to Land SPA Completion" under the section headed "1. The Land Sale and Purchase Agreement" in this announcement; |
| "New SIPPT" | the original SIPPT duly issued by the Governor of DKI Jakarta in the name of the PMA in respect of the Land which does not: (1) impose any obligations outstanding from the Existing SIPPT on the part of the PMA; (2) in the reasonable opinion of PMA Holdco, contain any unusual or onerous conditions or conditions which are unsatisfactory to PMA Holdco or conditions which affect or have adverse effect on or are otherwise inconsistent with the development potential, construction parameters and/or building and development requirements in relation to the development of the Building on the Land as contemplated by PMA Holdco under the Supporting Agreement; and/or (3) give rise to any outstanding payment obligations (whether or not due) that have not been fully discharged or settled by the Supporter and/or its holding companies, subsidiaries, fellow subsidiaries, associates, Affiliates and related companies; |
| "Occupation Permit" | the original function worthiness certificate (*Sertifikat Laik Fungsi*/SLF) duly issued by the Head of the Building Supervision and Control Department of the DKI Jakarta Province in the name of PMA for a building which has been completely constructed and complies with the requirements of occupation function pursuant to Regional Regulation of DKI Jakarta No. 7 of 2010 on Building which permits the occupation of the Building with the construction parameters that are consistent with or not lower than the construction parameters as permitted under the Planning Permit; |

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| "OJK" | the Indonesian Financial Services Authority or *Otoritas Jasa Keuangan* (formerly the Capital Markets and Financial Institution Supervisory Board or Bapepam-LK); |
| "Payment Business Day" | a day (other than (i) a Saturday or Sunday, (ii) a day on which a typhoon signal no.8 or above or black rainstorm signal is in force in Hong Kong at 10:00 a.m. (Hong Kong Time), and (iii) a public holiday in Singapore, Indonesia and/or Hong Kong) on which banks are generally open in Hong Kong, Singapore and Jakarta, Indonesia to the general public for business; |
| "PCCW" | PCCW Limited, a company incorporated in Hong Kong with limited liability and 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 of America (Ticker: PCCWY), which is holding approximately 74.5% of the total issued share capital of PCPD as at the date of this announcement; |
| "PCCW Board" | the board of PCCW Directors; |
| "PCCW Directors" | the directors of PCCW; |
| "PCCW Group" | PCCW and its subsidiaries, and including the PCPD Group; |
| "PCPD" | Pacific Century Premium Developments Limited (Stock Code: 00432), a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange; |
| "PCPD Board" | the board of PCPD Directors; |
| "PCPD Directors" | the directors of PCPD; |
| "PCPD Group" | PCPD and its subsidiaries; |
| "PCPD Holdco" | Idea Novel Limited, a company incorporated under the laws of BVI, being the immediate holding company of PMA Head Holdco as at the date of this announcement; |

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| "PCPD Holdco Drag-along Right" | has the meaning as defined in "E. PCPD Holdco Drag-along Right" under the sub-section headed "Material terms" in the section headed "3. The Supporter Shareholders' Agreement" in this announcement; |
| "PCPD Shareholders" | the holders of Shares; |
| "Planning Permit" | a KRK, being the Closing Planning Permit and/or Targeted Planning Permit and/or a KRK with the construction parameters consistent with or not lower than those as set out in the PRK delivered by the Supporter pursuant to the Supporting Agreement (which will not be lower than the Minimum Construction Parameters); |
| "Powers of Attorney" | the irrevocable powers of attorney executed by PT Danayasa and PT CA in favour of PMA, authorising and giving powers and authorities to PMA and/or such designated person(s) of PMA to act for and on behalf of each of PT Danayasa and PT CA and use the Existing SIPPT for the purpose of, among others, processing, arranging and submission of any application documents and obtaining of the re-issue of the relevant licences, approvals, permits and documents in the name of PMA including but not limited to any Planning Permit and Building Construction Permit obtained after the signing of the Land SPA; |
| "PMA" | PT Prima Bangun Investama, a licensed foreign investment limited liability company in Indonesia (*penanaman modal asing*), an indirect wholly-owned subsidiary of PCPD as at the date of this announcement, with the lines of business of carrying out business in construction and office building management; |
| "PMA Head Holdco" | Melati Holding Limited, a company incorporated under the laws of BVI, being the immediate holding company of PMA Holdco as at the date of this announcement; |
| "PMA Head Holdco Drag-along Right" | has the meaning as defined in "E. PMA Head Holdco Drag-along Right" under the sub-section headed "Material terms" in the section headed "3. The Investor Shareholders' Agreement" in this announcement; |

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| "PMA Holdco" | Rafflesia Investment Limited, a limited liability company incorporated under the laws of the BVI and an indirectly wholly-owned subsidiary of PCPD which indirectly owns the entire issued share capital of PMA as at the date of this announcement; |
| "PRK" | the original Sudirman Central Business District Urban Design Guideline (*Panduan Rancang Kota*) in respect of the Sudirman Central Business District which includes the Land; |
| "PT CA" | PT. Citra Adisarana, being the current sole legal and registered owner of the Land and, to the best knowledge of PCPD, being a subsidiary of PT Danayasa as at the date of this announcement; |
| "PT Danayasa" | PT Danayasa Arthatama, Tbk., a limited liability company incorporated under the laws of Indonesia, the shares of which are listed on the Indonesian Stock Exchange (Stock Code: SCBD) and to the best knowledge of PCPD, owns approximately 99.9% of the issued share capital of PT CA as at the date of this announcement; |
| "PT Danayasa Group" | for the purpose of this announcement, includes PT Danayasa, PT CA and Supporter; |
| "Required Permits and Approvals" | the construction and occupation permits and all other relevant permits (including Planning Permit, Building Construction Permit, the Occupation Permit and the New SIPPT) and approvals issued/re-issued (as the case may be) in the name of PMA, as required under the relevant laws, rules and regulations in Indonesia for the legal completion of the construction of the Building and the occupation of the Building and the Land in accordance with the development potential and construction parameters required by PMA Holdco under the Planning Permit; |
| "Retribution Premium" | the additional payment and/or penalty payable to the DKI Jakarta Regional Office and/or any other Government Authority in Indonesia for or otherwise in connection with the increase of the FSR of the Land and the corresponding height restrictions or any general uplifting or change of any construction parameters of the Land and the corresponding change of the construction parameters; |

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| "Santoso" | Mr. Santoso Gunara, an Indonesian individual, being one of the grantors of the Call Option under the Supporting Agreement and owns approximately 0.01% of the issued share capital of PT CA as at the date of this announcement; |
| "SGM" | the special general meeting of PCPD to be convened to consider and, if thought fit, to approve, among other things, the terms of the Acquisition-related Agreements and the Subscription-related Agreements and the transactions contemplated thereunder; |
| "Shares" | ordinary share(s) of HK$0.50 each in the share capital of PCPD; |
| "SIPPT" | the Letter of Appointment of Land Utilization Permit (*Surat Izin Penunjukan Penggunaan Tanah*); |
| "Stock Exchange" | The Stock Exchange of Hong Kong Limited; |
| "Subscription Completion Date" | the date on which (i) the completion of the Investor Subscription takes place, which will be a date falling on the 7th Business Day after the date on which the last of the Subscription Conditions has been fulfiled, or such other date as the parties to the Investor Subscription Agreement may agree, or (ii) the earlier completion of the Investor Subscription before the Required Permits and Approvals are issued, where applicable; |
| "Subscription Conditions" | the conditions precedent to the completion of the Investor Subscription pursuant to the Investor Subscription Agreement; |
| "Subscription-related Agreements" | the Investor Subscription Agreement, the Investor Shareholders' Agreement, the Investor Loan Purchase Agreement and the Investor Option Deed; |
| "Supporter" | Ace Equity Holdings Limited, a limited liability company incorporated under the laws of BVI and, to the best knowledge of PCPD, a wholly-owned offshore subsidiary of PT Danayasa; |
| "Supporter Payment" | has the meaning as defined in the sub-section headed "Supporter Payment" under the section headed "2. The Supporting Agreement" in this announcement; |

“Supporter Lock-up Period” — 5 years from the date of completion of the issue of the Supporter Participation Class B Shares to Supporter;

“Supporter Participation Class B Shares” — such number of Class B Shares representing the Supporter Participation Percentage of the total issued shares of PMA Head Holdco as enlarged by the issue and allotment of the Supporter Participation Class B Shares (for the purpose of calculating such percentage, all classes of shares (including the existing single class of shares of PMA Head Holdco (which will be re-designated as Class A Shares on or prior to the issue of the Class B Shares) and Class B Shares) will be taken into consideration);

“Supporter Participation Loan” — a portion of the Loan to PMA Head Holdco in the sum equal to the Supporter Payment Balance (as defined in paragraph (c) in the table under the sub-section headed “Supporter Payment” under the section headed “2. The Supporting Agreement” in this announcement) less the total par value of the Supporter Participation Class B Shares;

“Supporter Participation Percentage” —

(i) (if the Investor Subscription is completed on or before the Last Instalment Settlement Date), such percentage being not more than 6.388%, which will be determined in accordance with the following formula:

6.388% x (US$23,000,000 – Deductible Amount)/ US$23,000,000;

(ii) (if for any reason the Investor Subscription is not completed on or before the Last Instalment Settlement Date), such percentage being not more than 5.75%, which will be determined in accordance with the following formula:

5.75% x (US$23,000,000 – Deductible Amount)/ US$23,000,000;

“Supporter Put Option” — has the meaning as defined in the sub-section headed “F. Supporter Put Option” under the section headed “3. The Supporter Shareholders’ Agreement” in this announcement;

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| "Supporter Shareholders' Agreement" | the conditional shareholders' agreement dated 23 May 2013 entered into between PCPD Holdco, Supporter and PMA Head Holdco relating to PMA Head Holdco; |
| "Supporter Shareholder's Loans" | such amount of shareholder's loan from time to time advanced by Supporter to PMA Head Holdco and owing by PMA Head Holdco to Supporter from time to time; |
| "Supporter Subscription Shares" | such number of Class B Shares held by Supporter from time to time; |
| "Supporter's Group" | Supporter and its holding companies, subsidiaries, fellow subsidiaries, associates, Affiliates and related companies; |
| "Supporting Agreement" | an agreement dated 23 May 2013 entered into between PMA Holdco, PCPD (as PMA Holdco's guarantor), Supporter, PT Danayasa (as Supporter's guarantor and one of the grantors of the Call Option) and Santoso (as one of the grantors of the Call Option) for the provision by Supporter of certain supporting assistance in relation to the construction, development, occupation and operation of the Building, the details of which are set out in the section headed "2. The Supporting Agreement" in this announcement; |
| "Targeted Height Restrictions" | the maximum height restrictions of not less than 220 meters and not less than 44 storeys, both measured from street level of the Land; |
| "Targeted Planning Permit" | a KRK permitting the construction parameters of the Building consistent with or not lower than those as stated in the Targeted PRK; |
| "Targeted PRK" | the PRK delivered by the Supporter to PMA Holdco which achieves both the Targeted Height Restrictions and the Targeted Relevant GFA; |
| "Targeted Relevant GFA" | GFA of not less than 79,132.81 square meters, calculated based on the following formula:<br><br>*Agreed Site Area x FSR as permitted under the Targeted PRK;* |
| "Transfer Duty" | has the meaning as defined in the sub-section headed "Taxes" under the section headed "1. The Land Sale and Purchase Agreement" in this announcement; |

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| "US$" | United States dollars, the lawful currency of the United States of America; |
| "VAT" | has the meaning as defined in the sub-section headed "Taxes" under the section headed "1. The Land Sale and Purchase Agreement" in this announcement; and |
| "%" | per cent. |

| By order of the board of | By order of the board of |
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| **PCCW Limited** | **Pacific Century Premium Developments Limited** |
| **Philana WY Poon** | **Cheng Wan Seung, Ella** |
| *Group Company Secretary* | *Company Secretary* |

Hong Kong, 23 May 2013

*Unless indicated otherwise, in this announcement, translation of amounts in US$ into HK$ and US$ into IDR have been made at the rate of US$1 = HK$7.762 and US$1 = IDR9,750 respectively for illustration purpose only. No representation is made that any amount in US$ could have been or could be converted at such respective rates or at all.*

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

***Executive Directors:***

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

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

***Executive Directors***

*Li Tzar Kai, Richard (Chairman); Chan Ching Cheong, George (Group Managing Director); Hui Hon Hing, Susanna (Group Chief Financial Officer) and Lee Chi Hong, Robert*

***Non-Executive Directors***

*Sir David Ford, KBE, LVO; Tse Sze Wing, Edmund, GBS; Lu Yimin (Deputy Chairman); Li Fushen; Li Gang and Wei Zhe, David*

***Independent Non-Executive Directors***

*Dr The Hon Sir David Li Kwok Po, GBM, GBS, OBE, JP; Aman Mehta; Frances Waikwun Wong; Bryce Wayne Lee and Lars Eric Nils Rodert*

* *For identification only*