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**FAR EAST CONSORTIUM INTERNATIONAL LIMITED**

**遠東發展有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

*Website: <http://www.fecil.com.hk>*

**(Stock Code: 35)**

**PROPOSED ISSUE OF U.S.\$250,000,000 7.375 PER CENT.  
SENIOR GUARANTEED PERPETUAL CAPITAL NOTES BY**

**FEC FINANCE LIMITED**

*unconditionally and irrevocably guaranteed by*

**FAR EAST CONSORTIUM INTERNATIONAL LIMITED**

**UNDER THE  
U.S.\$1,000,000,000 GUARANTEED MEDIUM TERM NOTE  
PROGRAMME**

\* For identification purposes only

This announcement is made pursuant to Rule 13.09(2)(a) of the Listing Rules and the provisions under Part XIVA of the SFO.

The Board announces that on 5 September 2019, the Issuer and the Company (as Guarantor) entered into the Subscription Agreement with the Joint Lead Managers, whereby the Issuer agreed to issue, and each of the Joint Lead Managers severally but not jointly, agreed to subscribe and pay for or procure subscribers to subscribe and pay for, the Notes in an aggregate nominal amount of U.S.\$250,000,000. The Notes will be offered and issued pursuant to a drawdown under the Guaranteed Medium Term Note Programme and are expected to be issued on or about 12 September 2019.

The estimated net proceeds from the issue of the Notes, after deduction of commission and administrative expenses, will approximately be U.S.\$247,500,000 (approximately HK\$1,930,500,000). The Issuer intends to apply the net proceeds from the issue of the Notes for the Group's business development, general corporate purposes and refinancing of existing debts.

Application will be made to the Stock Exchange for listing of, and permission to deal in, the Notes by way of debt issues to Professional Investors only.

**Completion of the Subscription Agreement is subject to the satisfaction and/or waiver of the conditions precedent therein.**

**As the Subscription Agreement may or may not complete and the issuance of the Notes may or may not proceed, potential investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company.**

The Board announces that on 5 September 2019, the Issuer and the Company (as Guarantor) entered into the Subscription Agreement with the Joint Lead Managers in relation to the issue of the Notes, the principal terms of which are as follows:

## **SUBSCRIPTION AGREEMENT**

**Date:** 5 September 2019

**Parties:** The Issuer (as issuer of the Notes)  
The Company (as Guarantor)  
Credit Suisse  
DBS Bank Ltd.  
Guotai Junan International  
HSBC  
UBS  
AMTD  
BNP Paribas  
Haitong International  
OCBC Bank  
Mizuho Securities (collectively, as Joint Lead Managers in relation to the issue of the Notes)

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Joint Lead Managers are independent third parties not connected with (i) the Issuer; (ii) the Guarantor; and (iii) their respective connected persons.

Subject to the fulfilment of certain conditions precedent under the Subscription Agreement, the Issuer has agreed to issue, and each of the Joint Lead Managers has severally but not jointly, agreed to subscribe and pay for or procure subscribers to subscribe and pay for, the Notes in an aggregate nominal amount of U.S.\$250,000,000.

The Notes will be offered and sold pursuant to a drawdown under the Guaranteed Medium Term Note Programme outside the United States in reliance upon Regulation S of the U.S. Securities Act. None of the Notes will be offered to the public in Hong Kong or elsewhere, and none of the Notes will be placed with any connected persons of the Issuer or the Company.

### **Undertaking**

The Issuer and the Company have, among other things, undertaken with the Joint Lead Managers that during the period commencing on the date of the Subscription Agreement and ending on the date falling 30 days after the Issue Date, neither the Issuer nor the Guarantor nor any other member of the Group nor any person acting on its behalf shall, without the prior consent of the Joint Lead Managers, issue, sell, offer or agree to sell, grant any option for the sale of, or otherwise dispose of any debt instruments or debt securities of the Issuer or the Guarantor save for any debt instruments or debt securities issued via private placements which do not exceed HK\$80,000,000 in aggregate principal amount.

### **Closing**

Subject to the fulfilment of certain conditions precedent under the Subscription Agreement, the Subscription Agreement is expected to be completed and the Notes to be issued on or about 12 September 2019.

## **PRINCIPAL TERMS OF THE NOTES**

### **Notes offered**

U.S.\$250,000,000 aggregate nominal amount of the Notes to be issued under the Guaranteed Medium Term Note Programme.

### **Ranking of the Notes**

The Notes (when issued) will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all other unsecured and unsubordinated indebtedness of the Issuer, present and future.

## **Guarantee of the Notes**

The Guarantee (as defined in the terms and conditions of the Notes) will constitute an unconditional and irrevocable guarantee of the due payment of all sums expressed to be payable by the Issuer under the trust deed and the Notes. The obligations of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

## **Issue Price**

100.00 per cent. of the aggregate nominal amount of the Notes.

## **Distributions**

Subject to provisions relating to deferral of Distributions, the Notes confer a right to receive a Distribution from and including the Issue Date at the applicable Distribution Rate (as defined in the terms and conditions of the Notes).

## **Distribution Rate**

The Distribution Rate applicable to the Notes shall be:

- 1) in respect of the period from (and including) the Issue Date to (but excluding) the First Reset Date, 7.375 per cent. per annum; and
- 2) in respect of the period from (and including) the First Reset Date and each Reset Date falling thereafter to (but excluding) the immediately following Reset Date, the applicable Reset Distribution Rate as set out below.

## **Initial Distribution Rate**

7.375 per cent. per annum (payable semi-annually).

## **Reset Distribution Rate**

The applicable treasury rate with respect to the relevant Reset Date plus the Initial Spread plus the Step-Up Margin.

## **Initial Spread**

5.924 per cent. per annum.

## **Step-Up Margin**

3.00 per cent. per annum.

## **Distribution Payment Dates**

18 April and 18 October in each year, commencing 18 April 2020.

**First Reset Date**

18 October 2024.

**Reset Date**

The First Reset Date and each date falling every five years after the First Reset Date.

**Optional Deferral of Distributions**

The Issuer may, at its sole discretion, elect to defer any Distribution pursuant to the terms and conditions of the Notes, unless during the three months ending on the day before such Distribution Payment Date, a compulsory distribution payment event as defined in the terms and conditions of the Notes has occurred.

**Redemption at the Option of the Issuer**

The Issuer may redeem all (and not some only) of the Notes on 18 October 2024 or any Distribution Payment Date thereafter at the principal amount of the Notes.

**Redemption for Accounting Reasons**

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at their principal amount at any time, upon the occurrence of an Accounting Event.

**Redemption for Taxation Reasons**

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, if the Issuer or the Guarantor is obliged to pay any additional amount as a result of any change in, or amendment to, the applicable tax laws or regulations of the Cayman Islands or Hong Kong, or any authority the Issuer or the Guarantor has become so subject.

**Redemption for Change of Control**

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at 101% of their principal amount at any time, following the occurrence of a Change of Control with respect to the Guarantor.

**Redemption upon a Breach of Covenants Event**

The Notes may be redeemed at the option of the Issuer, in whole, but not in part, at their principal amount at any time, upon the occurrence of a Breach of Covenants Event.

**Redemption upon a Relevant Indebtedness Default Event**

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at their principal amount at any time, upon the occurrence of a Relevant Indebtedness Default Event.

### **Redemption in the case of minimal outstanding amount**

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at their principal amount at any time when the aggregate principal amount of the Notes outstanding is less than 10 per cent. of the aggregate principal amount originally issued.

### **Form of the Notes and Denomination**

The Notes are in registered form in the specified denomination of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof.

### **LISTING**

The Issuer intends to seek a listing of the Notes on the Stock Exchange. Application will be made to the Stock Exchange for listing of, and permission to deal in, the Notes by way of debt issues to Professional Investors only.

The Notes are expected to be listed on the Stock Exchange on or about 13 September 2019.

### **PROPOSED USE OF PROCEEDS**

The estimated net proceeds from the issue of the Notes, after deduction of commission and administrative expenses, will be approximately U.S.\$247,500,000 (approximately HK\$1,930,500,000). The Issuer intends to apply the net proceeds from the issue of the Notes for the Group's business development, general corporate purposes and refinancing of existing debt.

**Completion of the Subscription Agreement is subject to the satisfaction and/or waiver of the conditions precedent therein.**

**As the Subscription Agreement may or may not complete and the issuance of the Notes may or may not proceed, potential investors and shareholders of the Company are advised to exercise caution when dealing in the securities of the Company.**

## TERMS USED IN THIS ANNOUNCEMENT

“Accounting Event”	occurs when the Notes must not or must no longer be recorded as “equity” of the Guarantor as a result of any change in, or amendment to, HKFRS or any other accounting standards that may replace HKFRS for the purposes of the consolidated financial statements of the Guarantor
“AMTD”	AMTD Global Markets Limited
“BNP Paribas”	BNP Paribas
“Board”	the board of Directors
“Breach of Covenant Event”	occurrence of a Covenant Breach
“Change of Control”	occurs when, <ul style="list-style-type: none"><li>(i) any Person or Persons (as defined in the terms and conditions of the Notes) acting together acquires Control of the Guarantor if such Person or Persons does not or do not have, and would not be deemed to have, Control of the Guarantor on the Issue Date other than, David Chiu and/or the estate of Deacon Te Ken Chiu, companies directly or indirectly controlled by either or both of them, or trusts of which either or both of them or their family members or relatives are beneficiaries, acting individually or together;</li><li>(ii) the Guarantor consolidates with or merges into or sells or transfers all or substantially all of the Guarantor’s assets to any other Person, unless the consolidation, merger, sale or transfer will not result in the other Person or Persons acquiring Control over the Guarantor or the successor entity;</li><li>(iii) the Guarantor ceases to directly or indirectly hold or own 100 per cent. of the issued share capital of the Issuer; or</li><li>(iv) one or more Persons (other than any Person referred to in the proviso to sub-paragraph (i) above) acquires the legal or beneficial ownership of all or substantially all of the Guarantor’s issued share capital</li></ul>
“Issue Date”	the date (expected to be on or about 12 September 2019 or such other date as the Issuer, the Guarantor and the Joint Lead Managers may agree) on which the Notes are issued

“connected persons”	has the meaning ascribed to it under the Listing Rules
“Control”	the acquisition or control of more than 50 per cent. of the voting rights of the issued share capital of Person (defined in the terms and conditions of the Notes) or the right to appoint and/or remove all or the majority of the members of such Person’s board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise
“Covenant Breach”	non-compliance and/or non-performance by the Issuer or the Guarantor of any one or more of their respective obligations and covenants set out in the terms and conditions of the Notes
“Credit Suisse”	Credit Suisse (Hong Kong) Limited
“DBS Bank Ltd.”	DBS Bank Ltd.
“Director(s)”	director(s) of the Guarantor
“Group”	the Issuer, Guarantor and its subsidiaries
“Company” or “Guarantor”	Far East Consortium International Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“Guotai Junan International”	Guotai Junan Securities (Hong Kong) Limited
“Haitong International”	Haitong International Securities Company Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China (excluding Hong Kong, Macau and Taiwan)
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited
“Issuer”	FEC Finance Limited, an indirect wholly-owned subsidiary of the Company
“Joint Lead Managers”	Credit Suisse, DBS Bank Ltd., Guotai Junan International, HSBC, UBS, AMTD, BNP Paribas, Haitong International, OCBC Bank and Mizuho Securities



“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Guaranteed Medium Term Note Programme”	the U.S.\$1,000,000,000 medium term note programme of the Issuer, unconditionally and irrevocably guaranteed by the Company
“Mizuho Securities”	Mizuho Securities Asia Limited
“Noteholder(s)”	holder(s) of the Notes from time to time
“Notes”	the 7.375 per cent. senior perpetual capital notes in an aggregate nominal amount of U.S.\$250,000,000 proposed to be issued by the Issuer pursuant to a drawdown under the Guaranteed Medium Term Note Programme
“OCBC Bank”	Oversea-Chinese Banking Corporation Limited
“Professional Investors”	has the meaning ascribed to it in Chapter 37 of the Listing Rules and in the SFO
“Relevant Indebtedness Default Event”	<p>occurrence of one or more of the following events:</p> <ul style="list-style-type: none"> <li>(i) any other present or future indebtedness of the Issuer or the Guarantor or any of their respective subsidiaries for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described);</li> <li>(ii) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period; or</li> <li>(iii) the Issuer or the Guarantor or any of their respective subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised</li> </ul> <p>provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this provision have occurred equals or exceeds U.S.\$20,000,000 or its equivalent in any other currency (on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by any leading bank on the day on which this provision operates)</p>

“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	a conditional subscription agreement entered into between the Issuer, the Company (as Guarantor) and the Joint Lead Managers on 5 September 2019 in connection with the issue by the Issuer of the Notes
“UBS”	UBS AG Hong Kong Branch
“U.S.\$”	United States dollars, the lawful currency of the United States
“United States” or “U.S.”	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
“U.S. Securities Act”	United States Securities Act of 1933, as amended from time to time

*Note:* Unless otherwise specified and for illustration purpose only, the conversion of U.S.\$ into HK\$ adopted in this announcement is based on the exchange rate U.S.\$1.00 = HK\$7.80. Such conversion should not be construed as a representation that the U.S.\$ amounts could actually be converted to HK\$ at that rate or at all.

By order of the Board of  
**Far East Consortium International Limited**  
**Ka Pong CHAN**  
*Company Secretary*

Hong Kong

6 September 2019

*As at the date of this announcement, the Board comprises five executive directors namely, Tan Sri Dato’ David CHIU, Mr. Cheong Thard HOONG, Mr. Dennis CHIU, Mr. Craig Grenfell WILLIAMS and Ms. Wing Kwan Winnie CHIU; and three independent non-executive directors, namely Mr. Kwok Wai CHAN, Mr. Kwong Siu LAM and Mr. Lai Him Abraham SHEK.*