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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)

DISCLOSEABLE TRANSACTION
FORMATION OF JOINT VENTURES
AND
ENTERING INTO DEVELOPMENT AGREEMENTS
IN RELATION TO
THE DEVELOPMENT OF QUEEN'S WHARF BRISBANE
IN AUSTRALIA

The Board of the Company is pleased to announce that on 16 November 2015, the Consortium, a joint venture between FEC Australia, a wholly owned subsidiary of the Company, Echo and CTF, entered into Development Agreements with the Queensland State for the delivery of the Project through its various related entities. This follows the Queensland State's selection of the Consortium as the preferred proponent on 20 July 2015.

The Consortium parties formed joint ventures through 2 newly established joint ventures vehicles ("JVCOs") for the purpose of developing, owning and operating the respective Integrated Resort Component and Residential Component of the Project and entered into Security Holders' Agreements on 16 November 2015 to regulate Consortium parties' relationship in the joint ventures.

* *For identification purposes only*

The Group's total capital commitment for the Project is expected to be about AU\$225.75 million (equivalent to approximately HK\$1,248.40 million). As the applicable percentage ratio exceeds 5% and all of the percentage ratios are less than 25%, the formation of the joint ventures and entering into Development Agreements, Shareholders' Agreements, Subscription Agreements, other Project Documents and ancillary documents constitutes a discloseable transaction for the Company and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

BACKGROUND

In October 2014, the Group signed a consortium bid agreement with CTF and Echo to form the Consortium under the name of Destination Brisbane Consortium to jointly bid for the development of the Project (an entertainment precinct and integrated resort in Queen's Wharf, Brisbane, Australia) which comprises Integrated Resort Component and Residential Component.

On 21 July 2015, the Company announced that the Consortium was selected as the preferred proponent on 20 July 2015 by the Queensland State to undertake the Project.

On 16 November 2015, the Queensland State and the Consortium entered into Development Agreements together with some other Project Documents and ancillary documents for the development of the Project through its various related entities.

FORMATION OF JOINT VENTURES AND ENTERING INTO SECURITY HOLDERS' AGREEMENTS AND SUBSCRIPTION AGREEMENTS

On 16 November 2015, the Group, CTF and Echo formed joint ventures through the newly incorporated JVCOs for the purpose of undertaking the Project and entered into Security Holders' Agreements and Subscription Agreements for the Integrated Resort Component and Residential Component.

Integrated Resort Security Holders' Agreement

Date: 16 November 2015

Parties:

- (1) FEC Queens Wharf Integrated Resort Limited, an indirect wholly-owned subsidiary of the Company;
- (2) CTFE Queens Wharf Integrated Resort Limited, an indirect wholly-owned subsidiary of CTF;

- (3) The Star Entertainment DBC Holdings Pty Ltd, an indirect wholly-owned subsidiary of Echo; and
- (4) Integrated Resort JVCo.

The issued and paid up capital of the Integrated Resort JVCo is owned in the proportion of 25% by the Group, 25% by CTF and 50% by Echo. The Group, CTF and Echo will provide equity contributions to the Integrated Resort JVCo on a pro rata basis in accordance with their respective interests to enable the Integrated Resort JVCo to complete the Integrated Resort Component. The balance of any funding required for the development of the Integrated Resort Component will be obtained from third party financiers by the Integrated Resort JVCo.

The Group and CTF each has 25% of the board representation in the Integrated Resort JVCo and Echo has the remaining 50% of the board representation.

Integrated Resort Subscription Agreement

Date: 16 November 2015

Parties:

- (1) The Star Entertainment DBC Holdings Pty Ltd, an indirect wholly-owned subsidiary of Echo;
- (2) CTFE Queens Wharf Integrated Resort Limited, an indirect wholly-owned subsidiary of CTF;
- (3) FEC Queens Wharf Integrated Resort Limited, an indirect wholly-owned subsidiary of the Company;
- (4) Echo (as guarantor for its subsidiary);
- (5) CTF (as guarantor for its subsidiary);
- (6) The Company (as guarantor for its subsidiary);
- (7) Integrated Resort JVCo; and
- (8) Integrated Resort Op Co.

By entering into the Integrated Resort Subscription Agreement, each Consortium party agreed to subscribe for securities in the Integrated Resort JVCo (which in turn agreed to subscribe for securities in the Integrated Resort Op Co) to provide it with equity funding for the development of the Integrated Resort Component; and the Company, Echo and CTF agreed to guarantee the obligations of their respective subsidiaries in respect of the Integrated Resort Subscription Agreement.

Residential Security Holders' Agreement

Date: 16 November 2015

Parties:

- (1) FEC Queens Wharf Residential Development Limited, an indirect wholly-owned subsidiary of the Company;
- (2) CTFE Queens Wharf Residential Development Limited, an indirect wholly-owned subsidiary of CTF; and
- (3) Residential JVCo.

The issued and paid up capital of the Residential JVCo is owned in the proportion of 50% by the Group and 50% by CTF. The Group and CTF will provide equity contributions to the Residential JVCo on a pro rata basis in accordance with their respective interests to enable the Residential JVCo to complete the Residential Component. The balance of any funding required for the Residential Component will be obtained from third party financiers by the Residential JVCo.

The Group and CTF each has 50% of the board representation in Residential JVCo.

Residential Subscription Agreement

Date: 16 November 2015

Parties:

- (1) CTFE Queens Wharf Residential Development Limited, an indirect wholly-owned subsidiary of CTF;
- (2) FEC Queens Wharf Residential Development Limited, an indirect wholly-owned subsidiary of the Company;
- (3) The Company (as guarantor for its subsidiary);
- (4) CTF (as guarantor for its subsidiary);
- (5) Residential JVCo; and
- (6) Residential Op Co.

By entering into the Residential Subscription Agreement, each subsidiary of CTF and the Company agreed to subscribe for securities in the Residential JVCo (which in turn agreed to subscribe securities in the Residential Op Co) to provide it with equity funding for the development of the Residential Component of the Project; and the Company and CTF agreed to guarantee the obligations of their respective subsidiaries in respect of the Residential Subscription Agreement.

DEVELOPMENT AGREEMENTS

On 16 November 2015, the Consortium together with the Joint Ventures Entities entered into the Development Agreements with the Queensland State for development of the Project.

Integrated Resort Development Agreement

Date: 16 November 2015

Parties:

- (1) The Queensland State;
- (2) Integrated Resort Op Co; and
- (3) Echo and CTF (as ultimate parent).

Echo and CTF agreed to provide guarantees on the terms set out in the Integrated Resort Development Agreement.

Residential Development Agreement

Date: 16 November 2015

Parties:

- (1) The Queensland State;
- (2) Residential Op Co; and
- (3) CTF (as ultimate parent).

CTF alone agreed to provide guarantees on the terms set out in the Residential Development Agreement.

CAPITAL COMMITMENTS AND FINANCING

The total investments amount for the Integrated Resort Component is expected to be about AU\$1.93 billion (equivalent to approximately HK\$10.67 billion). The total investment amount is arrived at on the basis of the payments to the Queensland State and the estimated costs associated with the transaction cost and working capital of the Project. The equity portion of the total investment is expected to be about 40% (i.e. AU\$773 million) (equivalent to approximately HK\$4,275 million) with the balance of about 60% to be funded by bank financing undertaken by the Joint Ventures Entities. Payments will be made progressively commencing from signing of the Project Documents up to completion of the Project. The schedule of payment of the equity portion (excluding part of the payments to the Queensland State in the amount of AU\$154 million (equivalent to approximately HK\$852 million) which is payable upon fulfillment of certain conditions in the Integrated Resort Development Agreement) is set out in the subscription schedule in the Integrated Resort Subscription Agreement.

As the Group's has a 25% interest in the Integrated Resort Component, the equity portion of the total investment required from the Group is expected to be about AU\$193.25 million (equivalent to approximately HK\$1,068.67 million). Together with the Group's portion of land premium for the Residential Component, the total capital commitment of the Group for the Project is expected to be about AU\$225.75 million (equivalent to approximately HK\$1,248.40 million). The development of the Residential Component will be subject to the Residential JVCo achieving a satisfactory level of pre-sale of the residential units.

The Board considers that the total capital commitment is fair and reasonable having taken into account the potential development value, location of the Project and prevailing market conditions.

The Group intends to fund its portion of capital commitment for the Project from the Group's internal resources.

The total investment amount for the Project includes the payments to Queensland State as their economic benefit in the total sum of approximately AU\$272 million (equivalent to approximately HK\$1,504 million).

CASINO AGREEMENT

Agreed form of the Casino Agreement (forming part of the Project Documents) was annexed to the Integrated Resort Development Agreement. The Casino Agreement however is subject to the passing of enacting legislation and ratification by the Queensland Parliament. The Casino Agreement contains provisions to the effect that: after the new casino licence is granted for the Integrated Resort Component, any shareholder of the Company holding 20% or above voting power of the Company will be required to satisfy the probity requirements of the Queensland State. If Queensland State forms the view that such shareholder is considered not suitable having regard to the matters set out in section 20 of the Casino Control Act 1982 (Qld), the Queensland State can request that the Company procures the disposal of the interest of such shareholder in the Company as soon as practicable and, in any event within 3 months or such longer time as is determined by Queensland State. If the relevant shareholder does not dispose of its interest within this period, the Queensland State can request that the Group disposes of its interest in the Integrated Resort JVCo.

INFORMATION ON FEC AUSTRALIA, CTF, ECHO AND QUEENSLAND STATE

FEC Australia is the wholly owned subsidiary of the Company carrying out property development and investment in Australia. The principal business activities of the Company comprise property development and investment, hotel operation, car park operations and facilities management, and treasury management.

CTF, ultimately majority owned and controlled by Dato' Dr. Cheng Yu Tung and his family members, is a Hong Kong based private investment holding company with substantial interests in property, hospitality, consumer and retail businesses.

Echo is a renowned integrated resort operator with extensive presence and experience in resort properties in Australia, whose shares are listed on the Australian Stock Exchange.

Queensland State is the owner, registered owner, lessee or trustee of the land in the precinct of the Project.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Queensland State, Echo and CTF and their ultimate beneficial owner and subsidiaries incorporated for formation of JVCOs and entering into the Security Holders' Agreements and Subscription Agreements are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

INFORMATION ON THE PROJECT

The Project entails the development of an iconic world class Integrated Resort and entertainment precinct with over 1,100 premium hotel rooms and feature sky deck as well as residential development at Queen's Wharf, Brisbane in Queensland of Australia. The Integrated Resort and the Residential Component of the Project encompass a total area of approximately 9.4 hectares, consisting of 3 residential towers comprising approximately 2,000 apartments, 5 world class hotels (including Ritz-Carlton Hotel owned by Echo), high end food and commercial outlets and a casino in Brisbane's prime waterfront district.

The Project aims to raise the profile of Brisbane and Queensland as a major tourist destination. The Project will encompass new public infrastructure including a pedestrian bridge, and demolition of existing (non-heritage) buildings, adaptation and re-use of heritage buildings, and the development of public area spaces largely along Brisbane's riverfront. The Project also involves investments in improved transport and connectivity solutions for the city of Brisbane.

Given the ideal location of the Project – the CBD of Brisbane, Australia – and capitalizing on the successful track record and combined expertise of each of the Consortium parties, the Project enables the Consortium parties to be a part of one of the most important developments in Brisbane placing the city on the world stage as an international tourism destination.

It is anticipated that the Queensland State will hand over the land in the precinct of the Project to the Consortium by 2017.

Construction on the site is anticipated to commence in 2017 with the Integrated Resort Component expected to open in 2022.

There will be a new casino licence to be issued for the Project, under which casino operations are permitted to commence upon completion of the Integrated Resort Component. In parallel, Echo will cease gaming operations at the current Treasury Casino and Hotel.

Echo will retain ownership of the existing Treasury Casino and Hotel buildings under a long-dated lease. These buildings will be repurposed into retail facilities and premium hotel accommodation after the new Integrated Resort opens.

Echo will operate the casino in Integrated Resort Component in return for a fee based on the revenue and earnings generated by the Integrated Resort Component. The Company and CTF will generate referral fees for VIP business directly referred to the facility.

The development of the Project remains subject to the planning approvals process and the granting of all necessary planning and development approvals as well as the passing of legislation pursuant to the Casino Control Act 1982 (Qld) to establish the Queen's Wharf Brisbane Casino Agreement under which a Casino Licence may then be issued by the Queensland State. The expected commencement dates and completion dates are estimated based on estimated timing for planning approval processes, expected property handover dates, and construction timelines, and may change accordingly.

The investment will be supported by a long-dated casino licence. The proposed casino licence of the Project will deliver the key operating terms for successful delivery of the Integrated Resort Component, which include:

- Casino licence term and Integrated Resort precinct lease term of 99 years;
- A 25 year casino exclusivity period for 60 kilometers from the Brisbane CBD, from commencement of operations of the new Integrated Resort;
- Gaming tax rates consistent with current levels;
- Maximum approved electronic gaming machines of 2,500;
- Unlimited gaming tables (including electronic derivations) consistent with current Queensland casino licences; and
- Contractual arrangements that provide certainty on key licence conditions until 10 years period from opening of the new Integrated Resort.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The principal business of the Group comprises property development and investment, hotel operations and car park operations and facilities management.

The Project brings together the Group's experience in international hospitality operation and mixed-use development and, CTF's extensive VIP customer base in China and Asian markets, as well as Echo's operational experience in integrated resorts. The Project will allow the Group to develop an integrated resort and residential project in Brisbane and it is a significant step for the Group to expand into a new strategic location in Australia.

The Board believes that the formation of the joint ventures to undertake the development of the Project and entering into the Development Agreements will provide an opportunity for the Group to diversify its recurring cashflow business and expand its property development as well as hotel portfolio. The Project is expected to contribute significantly to the recurring cashflow stream of the Group as well as add to the residential development pipeline. The Board considers that it is in line with the investment strategies of the Group.

The Board considers that the terms of the Development Agreements, Shareholders' Agreements, Subscription Agreements, other Project Documents and ancillary documents and formation of the joint ventures through the JVCOs are on normal commercial terms and are fair and reasonable in the interests of the Company and the shareholders as a whole.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios exceed 5% and all of the percentage ratios are less than 25%, the formation of the joint ventures and entering into the Development Agreements, Shareholders' Agreements, Subscription Agreements, other Project Documents and ancillary documents as aforesaid constitutes a discloseable transaction for the Company and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

“AU\$”	Australian dollars, the lawful currency of Australia
“Board”	the board of Directors
“CBD”	central business district
“Company”	Far East Consortium International Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 35)
“Consortium”/ “Destination Brisbane Consortium”	a joint venture between FEC Australia, Echo and CTF to jointly bid for the development of the Project
“CTF”	Chow Tai Fook Enterprises Limited, a company incorporated under the laws of Hong Kong with limited liability

“Development Agreements”	Integrated Resort Development Agreement and Residential Development Agreement
“Directors”	Directors of the Company
“Echo”	Echo Entertainment Group Limited, a company incorporated under the laws of Australia and the shares of which are listed on the Australian Stock Exchange
“FEC Australia”	Far East Consortium (Australia) Pty Limited, a company incorporated in Australia with limited liability and a wholly owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“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
“Integrated Resort Component”/ “Integrated Resort”	the component which includes all gaming (including all main gaming and private gaming facilities) as well as any hotel, food and beverage and entertainment, meeting, conference, entertainment facilities and public space
“Integrated Resort JVCo”	Destination Brisbane Consortium Integrated Resort Holdings Pty Ltd (ACN 608 538 610) in its own capacity and in its capacity as trustee for the Destination Brisbane Consortium Integrated Resort Holding Trust
“Integrated Resort Op Co”	Destination Brisbane Consortium Integrated Resort Operations Pty Ltd (ACN 608 538 638) in its capacity and as trustee for the Destination Brisbane Consortium Integrated Resort Operating Trust
“Joint Venture Entities”	JVCOs and/or Integrated Resort Op Co and/or Residential Op Co
“JVCOs”	Integrated Resort JVCo and Residential JVCo

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Project”	the development of the integrated resort facility and other components including public space, residential and service apartments and other components (to be defined and determined) at Queen’s Wharf, Brisbane, Queensland, Australia
“Project Documents”	project documents finalized and/or entered into with the Queensland State for the Project include but not limited to Integrated Resort Development Agreement, Residential Development Agreement, Casino Agreement, Precinct Deed, Integrated Resort Development Lease, Residential Development Lease and Long Term Leases
“Queensland State”	Queensland State Government, Australia
“Residential Component”	any residential building(s) or part of a residential building and ancillary facilities including car parks, excluding any residential part of a building that forms part of the Integrated Resort Component
“Residential JVCo”	QWB Residential Precinct Holdings Pty Ltd (ACN 608 790 683) in its own capacity and in its capacity as trustee for QWB Residential Precinct Holdings Trust
“Residential Op Co”	QWB Residential Precinct Operations Pty Ltd (ACN 608 792 329) in its own capacity and as trustee for the QWB Residential Precinct Operations Trust
“Security Holders’ Agreements”	Integrated Resort Security Holders’ Agreement and Residential Security Holders’ Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreements”	Integrated Resort Subscription Agreement and Residential Subscription Agreement

“Treasury Casino and Hotel” the buildings erected on lots 492 and 682 on Crown Plan 855445

“VIP” very important person

“%” per cent

Unless otherwise specified, amounts in this announcement denominated in AU\$ were translated for the purpose of illustration only into Hong Kong dollars at the rate of AU\$1.00:HK\$5.53. No representation is made that any amounts can be or could have been converted at the relevant dates at the above rate or any other rates at all.

By order of the Board of
Far East Consortium International Limited
Boswell Wai Hung CHEUNG
Chief Financial Officer and Company Secretary

Hong Kong, 16 November 2015

As at the date of this announcement, the Board comprises five executive directors, namely Tan Sri Dato’ David CHIU, Mr. Cheong Thard HOONG, Mr. Chi Hing CHAN, Mr. Dennis CHIU and Mr. Craig Grenfell WILLIAMS and three independent non-executive directors, namely Mr. Kwok Wai CHAN, Mr. Peter Man Kong WONG and Mr. Kwong Siu LAM.