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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)

ANNOUNCEMENT PURSUANT TO RULE 13.18 OF THE LISTING RULES

This announcement is made by Far East Consortium International Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.18 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”).

THE FACILITY AGREEMENT

The board of directors (the “**Board**”) of the Company announces that on 22 February 2016, the Company and certain of its wholly-owned subsidiaries, as guarantors and City Sight Limited (“**City Sight**”), which is also a wholly-owned subsidiary of the Company, as borrower, entered into a facility agreement (the “**Facility Agreement**”) with a group of banks (the “**Lenders**”), which are third parties independent of (a) the Company and (b) the connected persons of the Company. Pursuant to the Facility Agreement, an unsecured term loan facility in the aggregate amount of HK\$1,350 million (the “**Loan Facility**”) were granted to City Sight. The final maturity date is 36 months from the date of the Facility Agreement.

All amounts borrowed by and advanced to City Sight under the Facility Agreement will be applied towards financing firstly the full redemption of the CNY1,000,000,000 5.875 per cent. bonds due on 4 March 2016 of the Company (the “**Bond**”) and then the general working capital requirements of the Company. The Group believes that the refinancing of the Bond will reduce the overall finance costs of the Group substantially.

* *For identification purposes only*

SPECIFIC PERFORMANCE COVENANTS

Pursuant to the Facility Agreement, the following specific performance covenants (the “Covenants”) were imposed on the controlling shareholder of the Company:

- (a) Sumptuous Assets Limited shall own, directly or indirectly, at least 40% of the beneficial interest in the Company, carrying at least 40% of the voting right.
- (b) Chiu Family (as defined in the Facility Agreement) shall own, directly or indirectly, more than 51% of the beneficial interest in Sumptuous Assets Limited, carrying more than 51% of the voting right, free from any security.

A breach of the Covenants will constitute an event of default under the Facility Agreement, pursuant to which the Lenders may, inter alia, cancel the Loan Facility and declare that all sums accrued or outstanding (including accrued interest) under the Facility Agreement shall become immediately due and payable.

As at the date of this announcement, Sumptuous Assets Limited directly owns approximately 45.8% of the total issued share capital of the Company, and Sumptuous Assets Limited is wholly-owned by Tan Sri Dato’ David CHIU.

The Company will make continuing disclosure in its subsequent interim and annual reports pursuant to the requirements of Rule 13.21 of the Listing Rules so long as the abovementioned obligations continue to exist.

By order of the Board of
Far East Consortium International Limited
Tak Shing CHOI
Company Secretary

Hong Kong, 22 February 2016

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