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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.\$300,000,000 3.75 PER CENT. NOTES DUE 2021 BY FAR EAST CONSORTIUM INTERNATIONAL LIMITED

under the

U.S.\$1,000,000,000 MEDIUM TERM NOTE PROGRAMME

Reference is made to the announcement of the Issuer dated 26 August 2016 in respect of the proposed issue of U.S. dollar denominated notes under the Medium Term Note Programme.

The Board announces that on 31 August 2016, the Issuer entered into the Subscription Agreement with the Joint Lead Managers, whereby the Issuer agreed to issue, and each of the Joint Lead Managers severally agreed to subscribe and pay for the Notes in an aggregate nominal amount of U.S.\$300,000,000. The Notes will be offered and issued pursuant to a drawdown under the Medium Term Note Programme and are expected to be issued on or about 8 September 2016.

* For identification purposes only

The estimated net proceeds from the issue of the Notes, after deduction of commission and administrative expenses, will approximately be U.S.\$297,000,000 (approximately HK\$2,316,600,000). The Issuer intends to apply the net proceeds from the issue of the Notes for the Group's business development and general corporate purposes.

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 (as defined in the SFO) 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 Issuer are urged to exercise caution when dealing in the securities of the Issuer.

Reference is made to the announcement of the Issuer dated 26 August 2016 regarding the proposed issue of U.S. dollar denominated notes under the Medium Term Note Programme.

The Board announces that on 31 August 2016, the Issuer 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: 31 August 2016

Parties: The Issuer (as issuer of the Notes)
Barclays
Credit Suisse
DBS Bank Ltd.
Deutsche Bank
HSBC
AMTD
Guotai Junan International
Haitong International
OCBC Bank

(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, Barclays, Credit Suisse, DBS Bank Ltd., Deutsche Bank, HSBC, AMTD, Guotai Junan International, Haitong International and OCBC Bank are independent third parties not connected with (i) the Issuer and (ii) connected persons of the Issuer.

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 agreed to subscribe or procure subscribers to subscribe for, the Notes in an aggregate nominal amount of U.S.\$300,000,000.

The Notes will be offered and sold pursuant to a drawdown under the Medium Term Note Programme outside the United States in reliance upon Regulation S of the US 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.

Undertaking

The Issuer has, among other things, undertaken with the Joint Lead Managers that neither it nor any member of the Group nor any person acting on its behalf will issue, sell, offer or agree to sell, grant any option for the sale of, or otherwise dispose of, (i) any other debt securities of the Issuer or (ii) securities of the Issuer that are convertible into, or exchangeable for, the Notes or such other debt securities, in any such case without the prior written consent of the Joint Lead Managers during the period commencing on the date of the Subscription Agreement and ending on the date falling 30 days after the Closing Date.

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 8 September 2016.

PRINCIPAL TERMS OF THE NOTES

Notes offered

U.S.\$300,000,000 aggregate nominal amount of the Notes to be issued under the Medium Term Note Programme.

Issue Price

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

Interest

The Notes will bear interest from and including the date of issue at the rate of 3.75 per cent. per annum payable semi-annually in arrear on 8 March and 8 September in each year.

Maturity Date

8 September 2021

Redemption for Taxation Reasons

At any time the Issuer may, having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with the terms and conditions of the Notes (which notice shall be irrevocable) redeem all, and not some only, of the Notes at 100 per cent. of their nominal amount together with interest accrued to the date fixed for redemption on the redemption date as a result of any change in, or amendment to, the applicable tax laws or regulations of the Cayman Islands or Hong Kong.

Redemption for Change of Control

When a Change of Control occurs with respect to the Issuer, the Noteholder will have the right at such Noteholder's option, to require the Issuer to redeem all or some only of that Noteholder's Notes at 100 per cent. of their nominal amount together with interest accrued to the date fixed for redemption.

Form of the Notes and Denomination

The Notes will be in registered form and in denominations of U.S.\$200,000 each and higher integral multiples of U.S.\$1,000 in excess thereof.

Ranking of the Notes

The Notes (when issued) will constitute direct, unconditional, unsubordinated and (subject to the terms and conditions of the Notes) unsecured obligations of the Issuer and shall at all times rank pari passu and without any preference or priority among themselves. The payment obligations of the Issuer under the Notes will, save for certain exceptions, at all time rank at least equally with all other present and future unsecured and unsubordinated indebtedness of the Issuer.

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 (as defined in the SFO) only.

The Notes are expected to be listed on the Stock Exchange on or about 9 September 2016.

PROPOSED USE OF PROCEEDS

The estimated net proceeds from the issue of the Notes, after deduction of commission and administrative expenses, will approximately be U.S.\$297,000,000 (approximately HK\$2,316,600,000). The Issuer intends to apply the net proceeds from the issue of the Notes for the Group's business development and general corporate purposes.

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 Issuer are advised to exercise caution when dealing in the securities of the Issuer.

TERMS USED IN THIS ANNOUNCEMENT

“AMTD”	AMTD Asset Management Limited
“Barclays”	Barclays Bank PLC
“Board”	the board of Directors
“Change of Control”	occurs when, <ul style="list-style-type: none">(i) any Person or Persons (as defined in the terms and conditions of the Notes) acting together acquires Control of the Issuer if such Person or Persons does not or do not have, and would not be deemed to have, Control of the Issuer on the Closing 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;(ii) the Issuer consolidates with or merges into or sells or transfers all or substantially all of the Issuer’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 Issuer or the successor entity; or(iii) 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 Issuer’s issued share capital.
“Closing Date”	the date (expected to be on or about 8 September 2016 or such other date as the Issuer and the Joint Lead Managers may agree) on which the Notes are issued
“connected persons”	has the meaning ascribed to it under the Rules Governing the Listing of Securities on the Stock Exchange
“Control”	the acquisition or control of more than 50 per cent. of the voting rights of the issued share capital of the Issuer or the right to appoint and/or remove all or the majority of the members of the Board 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

“Credit Suisse”	Credit Suisse Securities (Europe) Limited
“Deutsche Bank”	Deutsche Bank AG, Singapore Branch
“Director(s)”	director(s) of the Issuer
“Group”	the Issuer and its subsidiaries
“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
“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”	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
“Joint Lead Managers”	Barclays, Credit Suisse, DBS Bank Ltd., Deutsche Bank, HSBC, AMTD, Guotai Junan International, Haitong International and OCBC Bank
“Medium Term Note Programme”	the U.S.\$1,000,000,000 medium term note programme established by the Issuer on 25 August 2016
“Noteholder(s)”	holder(s) of the Notes from time to time
“Notes”	the 3.75 per cent. Notes due 2021 in an aggregate nominal amount of U.S.\$300,000,000 proposed to be issued by the Issuer pursuant to a drawdown under the Medium Term Note Programme
“OCBC Bank”	Oversea-Chinese Banking Corporation Limited
“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 and the Joint Lead Managers on 31 August 2016 in connection with the issue by the Issuer of the Notes
“United States” or “US”	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
Tak Shing CHOI
Company Secretary

Hong Kong
1 September 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, namely 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.