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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 IN RELATION TO ACQUISITION OF LAND USE RIGHTS IN SHANGHAI

ACQUISITION OF LAND USE RIGHTS

The Board is pleased to announce that, on 18 December 2018, the Transferee, a non wholly owned subsidiary of the Company, succeeded in the bid of the Land Use Rights of the Land offered for sale by Shanghai Baoshan District Planning and Land Bureau at the Bidding for RMB402,420,000 (equivalent to HK\$456,344,280).

LISTING RULES IMPLICATIONS

As one or more of the applicable Percentage Ratios in respect of the Acquisition exceeds 5% but all of the applicable Percentage Ratios are less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that, on 18 December 2018, the Transferee, a non wholly owned subsidiary of the Company, succeeded in the bid of the Land Use Rights of the Land offered for sale by Shanghai Baoshan District Planning and Land Bureau at the Bidding for RMB402,420,000 (equivalent to HK\$456,344,280).

* *For identification purposes only*

On 18 December 2018, the Transferee entered into:

- (i) the Transaction Confirmation with Shanghai Land Exchange Centre; and
- (ii) the Land Use Rights Grant Contract with Shanghai Baoshan District Planning and Land Bureau.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, each of Shanghai Baoshan District Planning and Land Bureau and Shanghai Land Exchange Centre and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

DETAILS OF THE LAND

Name:	Land parcel no. E1B-01, W12-1601, Qilian Community, Baoshan District, Shanghai (寶山區祁連社區W12-1601編製單元E1B-01地塊)
Location:	11011 Street, 0003 Neighbourhood, P1 Parcel of land: located east to Qiuyi Road, south to Wenyi Road, west to Tanghan Road, north to Tangqi Road (11011街道0003街坊P1宗地:四至範圍東至秋藝路,南至文怡路,西至塘涵路,北至塘祁路)
Site area:	29,611.7 sq.m.
Building restrictions:	(i) plot ratio: 1.8 (ii) height limit of 50 metres
Permitted use and terms of grant:	leased residential (租賃住房) usage with a term of 70 years

CONSIDERATION

The Consideration, being the acquisition costs of the Land Use Rights of the Land, is RMB402,420,000 (equivalent to HK\$456,344,280). In accordance with the terms of the Land Use Rights Grant Contract, the Transferee should pay the deposit equivalent to 20% of the Consideration within five working days after the date of the Land Use Rights Grant Contract, and should pay the balance of the Consideration in one lump sum within 30 working days after the date of the Land Use Rights Grant Contract.

The Consideration will be funded by the Group's internal resources.

The Land Use Rights of the Land was granted through the listing-for-sale process which was organized and implemented by Shanghai Land Exchange Centre and the Consideration was determined on the basis of the highest bidding price.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Land is located in a prime residential location in Shanghai and is a part of California Garden, a premier township development which the Group has been developing over a number of years. The Company intends to develop the Land into residential properties which will be leased out for recurring income purpose.

The Acquisition will provide the Group an opportunity to enter the rapidly growing residential rental market in Shanghai at a relatively low level of land cost. The Group will be able to benefit from the attractive rental yield which will add diversify to the Group's recurring cash flow streams.

The Board believes that the terms of the Acquisition are fair and reasonable and in the interests of the Company and its shareholders as a whole.

INFORMATION ON THE TRANSFEREE AND THE GROUP

The Transferee is a non wholly owned subsidiary of the Company and engaged in property investment and development. As at the date of this announcement, the Transferee was owned as to 98.2% indirectly by the Company.

The Company is an investment holding company and the principal activities of the Group are property development, property investment, hotel operations and management, car park operations and facilities management, securities and financial product investment and gaming operations.

LISTING RULES IMPLICATIONS

As one or more of the applicable Percentage Ratios in respect of the Acquisition exceeds 5% but all of the applicable Percentage Ratios are less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Acquisition”	the acquisition of Land Use Rights of the Land by the Transferee through the Bidding
“Bidding”	the process held by Shanghai Land Exchange Centre at which the Land Use Rights of the Land was offered for listing-for-sale
“Board”	board of Directors

“Company”	Far East Consortium International Limited (遠東發展有限公司*), 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)
“Consideration”	the acquisition costs of the Land Use Rights of the Land, i.e. RMB402,420,000 (equivalent to HK\$456,344,280)
“Director(s)”	the directors 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 PRC
“Land”	Land parcel no. E1B-01 situated at W12-1601, Qilian Community, Baoshan District, Shanghai, the PRC (寶山區祁連社區W12-1601編製單元E1B-01地塊)
“Land Use Rights”	State-owned construction land use rights
“Land Use Rights Grant Contract”	上海市國有建設用地使用權出讓合同 (Shanghai State-Owned Construction Land Use Rights Grant Contract) dated 18 December 2018 entered into between Shanghai Baoshan District Planning and Land Bureau and the Transferee in relation to the Acquisition
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Percentage Ratios”	have the meaning ascribed to such term in Rule 14.07 of the Listing Rules
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Baoshan District Planning and Land Bureau”	上海市寶山區規劃和土地管理局, a government body in the PRC responsible for, among other things, the land management of Baoshan District, Shanghai, the PRC

“Shanghai Land Exchange Centre”	上海市土地交易事務中心, a public body in the PRC, responsible for, among other things, the transaction of Land Use Rights in Shanghai, and which was appointed by Shanghai Baoshan District Planning and Land Bureau to offer the Land Use Rights of the Land for sale
“sq.m.”	square metre, unit of area
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction Confirmation”	the transaction confirmation dated 18 December 2018 entered into between Shanghai Land Exchange Centre and the Transferee confirming the successful bidding at the Bidding
“Transferee”	Shanghai Chingchu Property Development Co., Ltd. (上海錦秋房地產有限公司), a company established in the PRC with limited liability and a non wholly owned subsidiary of the Company
“%”	per cent.

For the purpose of this announcement and for illustration purpose only, conversion of HK\$ to RMB is based on the exchange rate of RMB1.00 = HK1.134. No representation is made that any amounts in RMB have been or could be converted at the above rate or any other rates.

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

Hong Kong, 18 December 2018

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; and three independent non-executive directors, namely Mr. Kwok Wai CHAN, Mr. Peter Man Kong WONG and Mr. Kwong Siu LAM.