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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 THE ACQUISITION OF PROPERTY IN MELBOURNE CBD

The Board is pleased to announce that on 5 April 2019, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Contract of Sale with the Vendor for acquisition of the Property at the Consideration.

As one or more of the applicable Percentage Ratios in respect of the Acquisition exceed 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 the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 5 April 2019, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Contract of Sale with the Vendor for acquisition of the Property at the Consideration.

* *For identification purposes only*

DETAILS OF THE ACQUISITION

Date of the Contract of Sale

5 April 2019

Parties

- (1) the Purchaser; and
- (2) the Vendor.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, as at the date of this announcement, the Vendor and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Payment of the Consideration

The Consideration is payable by the Purchaser in the following manner:

- (a) 10% of the Consideration was paid on the date of the Contract of Sale; and
- (b) 90% of the Consideration is payable on the date of Completion.

Completion

Completion is expected to take place before 31 December 2019.

Completion is subject to the Vendor providing vacant possession of the Property on or before 31 May 2019 and certain other obligations the Vendor has to fulfill.

CONSIDERATION

The Board considers that the Consideration of A\$90,000,000 (equivalent to approximately HK\$504,000,000) (exclusive of GST) is fair and reasonable having taken into account the potential development value, location of the Property and prevailing market conditions.

The Group intends to fund the Acquisition from the Group's internal resources.

INFORMATION ON THE PROPERTY

The Property is located in the Melbourne CBD nearby the West Side Place development of the Group. The Property currently has approval to be redeveloped into a residential project with total GFA of approximately 940,000 square feet.

INFORMATION ON THE PURCHASER AND THE VENDOR

The Purchaser is an indirect wholly-owned subsidiary of the Company.

The Purchaser is a special purpose vehicle solely used for the Acquisition and the redevelopment of the Property.

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 investments and gaming operations.

The Vendor is the owner of the Property and its principal business activity is to hold and manage the Property.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Acquisition is consistent with the Group's regionalisation strategy and allows the Group to replenish its landbank in Melbourne, having pre-sold the majority of its available residential units at West Side Place, which is a mixed-use development by the Group featuring four residential towers and two hotels.

The Group intends to redevelop the Property, which is situated in a prime residential location in the Melbourne CBD close to public transport and other key amenities, into a residential tower.

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.

LISTING RULES IMPLICATIONS

As one or more of the applicable Percentage Ratios in respect of the Acquisition exceed 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 the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following terms have the meanings set out below, unless the context requires otherwise:

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|---------------------|---|
| “A\$” | Australian dollar, the lawful currency of Australia |
| “Acquisition” | the acquisition of the Property by the Purchaser |
| “Board” | the board of Directors |
| “CBD” | central business district |
| “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) |
| “Completion” | completion of the Acquisition |
| “Contract of Sale” | the Contract of Sale dated 5 April 2019 entered into between the Purchaser and the Vendor in respect of the Acquisition |
| “Consideration” | an amount of A\$90,000,000 (equivalent to approximately HK\$504,000,000), which is exclusive of GST |
| “Directors” | the directors of the Company |
| “GFA” | Gross Floor Area |
| “GST” | GST within the meaning of the GST Law and includes penalties and interest |
| “GST Law” | has the meaning ascribed to such term in the A New Tax System (Goods and Services Tax) Act 1999 (Cth) (as amended) of Australia |
| “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 |
| “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 |

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| “Property” | a land parcel situated in the CBD of Melbourne, the capital city of the state of Victoria in Australia, together with all buildings and structures erected thereon |
| “Purchaser” | FEC Dev1 2019 Pty Ltd, a company incorporated in Australia with limited liability, an indirect wholly-owned subsidiary of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Vendor” | a company incorporated in Australia with limited liability and is the owner of the Property |
| “%” | per cent |

For the purpose of this announcement and for illustration purpose only, conversion of A\$ to HK\$ is based on the exchange rate of A\$1 to HK\$5.60. No representation is made that any amounts in A\$ 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, 7 April 2019

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 two independent non-executive directors, namely Mr. Kwok Wai CHAN and Mr. Kwong Siu LAM.