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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.\$235,000,000 5.10 PER CENT.
NOTES DUE 2024
ISSUED BY**

FEC FINANCE LIMITED

unconditionally and irrevocably guaranteed by

FAR EAST CONSORTIUM INTERNATIONAL LIMITED

**UNDER THE
U.S.\$2,000,000,000 GUARANTEED MEDIUM TERM NOTE PROGRAMME**

* *For identification purposes only*

This announcement is made pursuant to Rule 13.09(2)(a) of the Listing Rules and the provisions under Part XIVA of the SFO.

The Board announces that on 18 January 2021, the Issuer and the Company (as Guarantor) 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 or procure subscribers to subscribe and pay for, the Notes in an aggregate nominal amount of U.S.\$235,000,000. The Notes will be offered and issued pursuant to a drawdown under the Guaranteed Medium Term Note Programme and are expected to be issued on or about 21 January 2021.

The estimated net proceeds from the issue of the Notes, after deduction of commission and administrative expenses, will approximately be U.S.\$233,750,000 (approximately HK\$1,823,250,000). The Issuer intends to apply the net proceeds from the issue of the Notes for refinancing, business development and general corporate purposes for the Group.

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 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 Company are urged to exercise caution when dealing in the securities of the Company.

The Board announces that on 18 January 2021, the Issuer and the Company (as Guarantor) 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: 18 January 2021

Parties: The Issuer (as issuer of the Notes)
The Company (as Guarantor)
UBS AG Hong Kong Branch
Credit Suisse (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited
Guotai Junan Securities (Hong Kong) Limited (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, the Joint Lead Managers are independent third parties not connected with (i) the Issuer; (ii) the Guarantor; and (iii) their respective connected persons.

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.\$235,000,000.

The Notes will be offered and sold pursuant to a drawdown under the Guaranteed Medium Term Note Programme outside the United States in reliance upon Regulation S of the U.S. Securities Act. None of the Notes will be offered to the public in Hong Kong or elsewhere.

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 21 January 2021.

PRINCIPAL TERMS OF THE NOTES

Notes

U.S.\$235,000,000 aggregate nominal amount of the Notes to be issued under the Guaranteed Medium Term Note Programme.

Ranking of the Notes

The Notes (when issued) will constitute direct, unconditional, unsubordinated and (subject to Condition 4 of the Conditions) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4 of the Conditions, at all times rank at least equally with all other unsecured and unsubordinated indebtedness of the Issuer, present and future.

Guarantee of the Notes

The guarantee by the Guarantor will constitute an unconditional and irrevocable guarantee of the due payment of all sums expressed to be payable by the Issuer under the trust deed and the Notes. The obligations of the Guarantor under the guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4 of the Conditions, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

Issue Price

100.00 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 5.10 per cent. per annum payable semi-annually in arrear on 21 January and 21 July in each year.

Maturity Date

21 January 2024.

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 Event

When a Change of Control Event occurs with respect to the Guarantor, the holder of each Note will have the right at such holder's option, to require the Issuer to redeem all or some only of that holder'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 minimum denominations of U.S.\$200,000 each and integral multiples of U.S.\$1,000 in excess thereof (or its equivalent in other currencies).

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 only.

The Notes are expected to be listed on the Stock Exchange on or about 22 January 2021.

PROPOSED USE OF PROCEEDS

The estimated net proceeds from the issue of the Notes, after deduction of commission and administrative expenses, will be approximately U.S.\$233,750,000 (approximately HK\$1,823,250,000). The Issuer intends to apply the net proceeds from the issue of the Notes for refinancing, business development and general corporate purposes for the Group.

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 Company are urged to exercise caution when dealing in the securities of the Company.

TERMS USED IN THIS ANNOUNCEMENT

“Board”	the board of Directors
“Change of Control Event”	occurs when, <ul style="list-style-type: none">(i) any Person or Persons acting together acquires Control of the Guarantor if such Person or Persons does not or do not have, and would not be deemed to have, Control of the Guarantor on the Issue 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 (the “Permitted Persons”);(ii) the Guarantor consolidates with or merges into or sells or transfers all or substantially all of the Guarantor’s assets to any other Person or Persons (other than the Permitted Persons), unless the consolidation, merger, sale or transfer will not result in such other Person or Persons acquiring Control over the Guarantor or the successor entity;(iii) the Guarantor ceases to directly or indirectly hold or own 100 per cent. of the issued share capital of the Issuer; or(iv) one or more Persons (other than the Permitted Persons) acquires the legal or beneficial ownership of all or substantially all of the Guarantor’s issued share capital
“Company” or “Guarantor”	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
“Conditions”	the terms and conditions of the Notes
“connected persons”	has the meaning ascribed to it under the Listing Rules
“Control”	with respect to any Person:

- (i) the acquisition or control of more than 50 per cent. of the voting rights of the issued share capital of such Person; or
- (ii) the right to appoint and/or remove all or the majority of the members of such Person’s board of directors 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; and
- (iii) “**Person**” includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity) but does not include the Guarantor’s directors or any other governing board and does not include the Guarantor’s wholly-owned direct or indirect Subsidiaries.

“Director(s)”	director(s) of the Guarantor
“Group”	the Issuer, the Guarantor and its subsidiaries
“Guaranteed Medium Term Note Programme”	the U.S.\$2,000,000,000 medium term note programme of the Issuer, unconditionally and irrevocably guaranteed by the Company
“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
“Issue Date”	the date (expected to be on or about 21 January 2021 or such other date as the Issuer, the Guarantor and the Joint Lead Managers may agree) on which the Notes are issued
“Issuer”	FEC Finance Limited, an indirect wholly-owned subsidiary of the Company
“Joint Lead Managers”	UBS AG Hong Kong Branch, Credit Suisse (Hong Kong) Limited, The Hongkong and Shanghai Banking Corporation Limited and Guotai Junan Securities (Hong Kong) Limited
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Noteholder(s)”	holder(s) of the Notes from time to time

“Notes”	the 5.10 per cent. Notes due 2024 in an aggregate nominal amount of U.S.\$235,000,000 proposed to be issued by the Issuer pursuant to a drawdown under the Guaranteed Medium Term Note Programme
“Professional Investors”	has the meaning ascribed to it in Chapter 37 of the Listing Rules
“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, the Company (as Guarantor) and the Joint Lead Managers on 18 January 2021 in connection with the issue by the Issuer of the Notes
“Subsidiary” or “Subsidiaries”	a company the financial statements of which, in accordance with applicable law and generally accepted accounting principles, are or should be consolidated with those of the Issuer or the Guarantor
“United States” or “U.S.”	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
“U.S.\$”	United States dollars, the lawful currency of the United States
“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
Wai Hung Boswell CHEUNG
Company Secretary

Hong Kong

18 January 2021

As at the date of this announcement, the Board comprises five executive directors namely, Tan Sri Dato’ David CHIU, Mr. Cheong Thard HOONG, Mr. Dennis CHIU, Mr. Craig Grenfell WILLIAMS and Ms. Wing Kwan Winnie CHIU; and three independent non-executive directors, namely Mr. Kwok Wai CHAN, Mr. Kwong Siu LAM and Mr. Lai Him Abraham SHEK.