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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 DISPOSAL OF SHARES IN BC INVESTMENT GROUP HOLDINGS LIMITED

THE DISPOSAL

The Board is pleased to announce that on 28 February 2025, the Seller (an indirect wholly-owned subsidiary of the Company) and the Purchaser entered into the SSD, pursuant to which the Seller agreed to sell to the Purchaser and the Purchaser agreed to buy the Sale Shares for the Purchase Price free from all security interests with all rights attached or accrued to them on or after the Completion Date.

LISTING RULES IMPLICATIONS

As one or more of the applicable Percentage Ratios of the Disposal exceeds 5% but all of the applicable Percentage Ratios are less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of Listing Rules, 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 28 February 2025, the Seller (an indirect wholly-owned subsidiary of the Company) and the Purchaser entered into the SSD, pursuant to which the Seller agreed to sell to the Purchaser and the Purchaser agreed to buy the Sale Shares for the Purchase Price free from all security interests with all rights attached or accrued to them on or after the Completion Date.

* *For identification purposes only*

THE DISPOSAL

Principal terms of the SSD

Summarised below are the principal terms of the SSD:

Date : 28 February 2025

Parties : (1) the Seller
(2) the Purchaser

Subject matter

On and subject to the terms and conditions of the SSD, the Seller as the registered holder of the Sale Shares agrees to sell to the Purchaser, and the Purchaser agrees to buy from the Seller the Sale Shares, for the Purchase Price free from security interests, with all rights, including dividend and voting rights, attached or accrued to them on or after the Completion Date.

Purchase Price and payment terms

The Purchase Price shall be payable in the following manner:

- (a) A\$106,311,310 (equivalent to approximately HK\$513,484,000), being the Initial Consideration multiplied by the number of Sale Shares, shall be paid by the Purchaser to the Seller at Completion; and
- (b) an amount equivalent to the Per Share Earn-Out Payment multiplied by the number of Sale Shares, shall be paid by the Purchaser to the Seller no later than 20 Business Days following the date upon which the determination of the Per Share Earn-Out Payment becomes final and binding upon the parties pursuant to the terms of the SSD.

Further, the Purchaser shall at Completion pay on behalf of the Target Company to the Seller an amount equal to approximately A\$1,769,071 (equivalent to approximately HK\$8,545,000) in full and final satisfaction of the Target Company's obligation(s) to pay the Seller under certain agreement(s).

Per Share Earn-Out Payment

The "Per Share Earn-Out Payment" shall, subject to the terms of the SSD, be calculated based on the Maximum Per Share Payment Amount multiplied by the Actual Uplift Percentage (provided that if the gross Actual Uplift Percentage is greater than 100%, the Actual Uplift Percentage will be deemed to be 100%) less the Adjustment Amount divided by the total number of shares of the Target Company's share capital as of the date of the SSD.

The Purchase Price (including the Per Share Earn-Out Payment) was determined after arm's length negotiations with reference to, among other things, previous completed transactions where the Purchaser had acquired shares in the Target Company from other shareholders of the Target Company.

Conditions

Completion is conditional upon, amongst others, the following conditions being fulfilled or waived by either the Purchaser or the Seller (as the case may be) in accordance with the SSD (the “**Condition(s)**”):

- (a) all necessary approvals required under certain approval contracts are obtained either without conditions or requirements or with conditions and requirements that are acceptable to the Purchaser, acting reasonably;
- (b) concurrently with or prior to Completion, the R Debentures held by the Seller shall have been redeemed by the R Debenture Issuer in accordance with the terms of the relevant debenture trust deed and memorandum; and
- (c) concurrently with or prior to Completion, all Class S Participating Shares held by the Seller shall have been redeemed by the Class S Issuer in accordance with the terms of the constitution of the Class S Issuer.

Completion

Subject to the satisfaction of the Conditions in accordance with the SSD, Completion will take place on the last Business Day of the calendar month in which the later of the following date falls (i) the date that is 90 days after the date of the SSD; and (ii) the date that is 10 Business Days after the date that all the Conditions have been fulfilled or waived (other than any Conditions that are to be fulfilled concurrently with Completion, it being understood that the occurrence of Completion shall remain subject to the fulfillment or waiver of such Conditions concurrently with Completion), or such other date as agreed in writing by the parties to the SSD.

FINANCIAL INFORMATION OF THE TARGET GROUP

Set out below is the audited consolidated financial information of the Target Group as at and for the two financial years ended 31 March 2023 and 31 March 2024:

	For the year ended	
	31 March 2023 A\$'000	31 March 2024 A\$'000
Net loss before taxation	(8,634)	(3,135)
Net loss after taxation	(8,073)	(2,911)
	As at	
	31 March 2023 A\$'000	31 March 2024 A\$'000
Net assets	93,914	91,263
Total assets	4,639,578	4,736,236

Based on the audited consolidated financial information of the Target Group, the book value of the Target Group as at 31 March 2024 is A\$91,263,000 (equivalent to approximately HK\$440,800,000).

FINANCIAL EFFECT OF THE DISPOSAL

The Directors estimate that upon Completion, the Group is expected to record a gain from the Disposal of approximately HK\$235,031,000, being the Initial Consideration multiplied by the number of Sale Shares less the carrying amount of the Group's interest in the Target Company at Completion and the estimated expenses in relation to the Disposal.

USE OF PROCEEDS

The Directors expect that the net proceeds from the Disposal will be used for the general working capital of the Group.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Directors (including all the independent non-executive Directors) consider that the Disposal will, amongst others, (i) realise the value of Sale Shares; (ii) allow the gain from the Disposal to be crystallised and capital to be recycled; and (iii) increase liquidity and reduce net gearing.

The Directors (including all the independent non-executive Directors) are of the view that the terms of the SSD and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

INFORMATION OF THE TARGET COMPANY

The Target Company is accounted for as a joint venture in the consolidated financial statements of the Group. The Company holds approximately 53.21% interest in the Target Company which is principally engaged in providing domestic mortgages to Australian resident borrowers for properties in Australia and non-resident mortgages for properties in Australia and the United Kingdom. As disclosed in the announcement of the Company dated 28 June 2022, the Seller had granted to each of Mr. Cheong Thard HOONG (“**Mr. HOONG**”, an executive Director with current shareholding interest in the Target Company) and Ms. Wing Kwan Winnie CHIU (“**Ms. CHIU**”, an executive Director with no current shareholding interest in the Target Company) the Purchase Rights to purchase certain shares of the Target Company from the Seller at the purchase price of A\$9.18 per share. Prior to the Seller entering into the SSD, each of Mr. HOONG and Ms. CHIU have both confirmed that they will not exercise their Purchase Rights and that they have no further claims against the Seller and the Company with respect to the Purchase Rights. Accordingly the Seller is entitled to sell all its interest in the Target Company to the Purchaser pursuant to the SSD. After completion of the Disposal, the Company will not hold any shares in the Target Company.

The Company has been informed by Mr. HOONG and Mr. Craig Grenfell WILLIAMS (“**Mr. WILLIAMS**”, an executive Director with current shareholding interest in the Target Company), each an executive Director, that they will also sell all their interests in the Target Company to the Purchaser at the Purchase Price on or around the date of the SSD. Mr. HOONG and Mr. WILLIAMS have both independently confirmed with the Company that their sale of interests in the Target Company to the Purchaser are independent transactions and not inter conditional upon each other or the Disposal. To avoid any perception of conflict of interest, Mr. HOONG and Mr. WILLIAMS have both voluntarily abstained from voting on the board resolutions to approve the Disposal.

INFORMATION ON THE PURCHASER

The Purchaser is a special purpose investment vehicle, the ultimate beneficial owner of which is Perpetual Corporate Trust Limited as custodian for the Perpetual Trust Services Limited as trustee for the MCP Credit Trust (“**MCP Credit Trust**”). The Purchaser is an existing shareholder of the Target Company and currently holds an approximately 29.8% interest in the Target Company. The MCP Credit Trust is an Australian wholesale managed investment scheme managed by Metrics Credit Partners Pty Ltd, a wholly owned subsidiary of Metrics Credit Holdings Pty Ltd (“**Metrics**”).

Metrics is an Australian based alternative asset management firm specialising in direct lending to Australian companies and is an active participant in the Australian private credit market, with assets under management of approximately A\$23 billion, including the MCP Credit Trust, Metrics Master Income Trust (ASX: MXT), the Metrics Income Opportunities Trust (ASX: MOT) and the Metrics Real Estate Multi-Strategy Fund (ASX: MRE), as well as a number of other wholesale funds and an unlisted retail fund.

Metrics is owned 65% by the managing partners of Metrics (in independent equal portions of 16.25%) through their respective controlled entities and 35% by Pinnacle Investment Management Limited, a wholly owned subsidiary of Australian Securities Exchange listed Pinnacle Investment Management Group Limited (ASX: PNI).

To the best knowledge, information and belief of the Directors having made all reasonable enquiry, the Purchaser and the ultimate beneficial owner(s) of the Purchaser are independent third parties independent of the Company and its connected persons (as defined under the Listing Rules).

INFORMATION ON THE SELLER AND THE COMPANY

The Seller is an indirect wholly-owned subsidiary of the Company and is an investment holding 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, gaming and related operations, securities and financial product investments, and provision of mortgage services.

LISTING RULES IMPLICATIONS

As one or more of the applicable Percentage Ratios of the Disposal exceeds 5% but all of the applicable Percentage Ratios are less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of Listing Rules, and is subject to the 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:

“A\$”	Australian dollars, the lawful currency of Australia
“Actual AUM”	the combined value of the assets under management by the Australian Group Entities as of the last day of the Completion Anniversary Month calculated pursuant to the terms of the SSD
“Actual Average NIM Percentage”	the average of (a) the Actual NIM Percentage for the Completion Anniversary Month, (b) Actual NIM Percentage for the calendar month immediately preceding the Completion Anniversary Month and (c) the Actual NIM Percentage for the calendar month that is two calendar months prior to the Completion Anniversary Month
“Actual Gross Margin”	amount equal to (a) the Actual AUM multiplied by (b) the Actual Average NIM Percentage
“Actual Monthly NIM”	means, for any calendar month, (a) the combined interest income (including bank interest) of the Australian Group Entities for such calendar month less (b) the combined interest expense (plus other line fees) of the Australian Group Entities for such calendar month, as calculated pursuant to the terms of the SSD
“Actual NIM Percentage”	means, for any calendar month, the amount, expressed as a percentage, equal to (a) the Actual Monthly NIM for such calendar month divided by (b) the average combined value of the assets under management by the Australian Group Entities for such calendar month multiplied by (c) a fraction, the numerator of which is 365 and the denominator of which is the numbers of days in such calendar month
“Actual Uplift Amount”	the amount equal to the Actual Gross Margin less the budgeted gross margin (calculated pursuant to the terms of the SSD); provided that if the Actual Gross Margin is equal to or less than the budgeted gross margin, then the Actual Uplift Amount shall be deemed to be zero

“Actual Uplift Percentage”	the amount, expressed as a percentage, equal to (a) the Actual Uplift Amount divided by (b) the budgeted uplift amount (calculated pursuant to the terms of the SSD)
“Adjustment Amount”	an amount, converted from GBP to A\$ pursuant to the terms of the SSD, equal to the amount of liquidation loss plus the amount of unrealized loss on any applicable loan less the amount (if any) recovered upon enforcement of, or under any insurance policy in respect of, any applicable loan
“Australian Group Entities”	BC Investment Group Australia Pty Ltd (a direct wholly-owned subsidiary of the Target Company) and its direct or indirect subsidiaries and directly or indirectly controlled special purpose vehicles, in each case from time to time
“Board”	board of Directors
“Business Day”	a day that is not a Saturday, Sunday, public holiday or bank holiday in New South Wales, Australia or Hong Kong
“Class S Issuer”	BC International Credit Fund VCC, a variable capital company incorporated in the Republic of Singapore and an indirect wholly-owned subsidiary of the Target Company
“Class S Participating Shares”	Class S participating shares in the Class S Issuer in respect of BC UK Credit Fund, and as at the date of the SSD, the Class S Participating Shares held by the Seller amounted to approximately GBP2,290,000 (equivalent to approximately HK\$22,373,000)
“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 Disposal in accordance with the terms of the SSD
“Completion Anniversary Month”	the calendar month in which the first anniversary of Completion occurs
“Completion Date”	the date on which Completion shall take place
“Condition(s)”	has the meaning given to it under the paragraph headed “Conditions” in this announcement
“Director(s)”	the director(s) of the Company

“Disposal”	the sale of the Sale Shares by the Seller to the Purchaser pursuant to the SSD
“GBP”	Great British Pound, the lawful currency of the United Kingdom
“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
“independent third party(ies)”	person(s) or a company(ies) who or which, as far as the Directors are aware after having made all reasonable enquiries, is/are not a connected person(s) of the Company within the meaning of the Listing Rules
“Initial Consideration”	A\$8.75 per Sale Share
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maximum Per Share Payment Amount”	A\$0.43
“Per Share Earn-Out Payment”	has the meaning given to it under the paragraph “Per Share Earn-Out Payment” in this announcement
“Percentage Ratios”	have the meaning ascribed to such term in Rule 14.07 of the Listing Rules
“Purchase Price”	the Initial Consideration plus the Per Share Earn-Out Payment
“Purchase Rights”	the right granted by the Seller to each of Mr. Cheong Thard HOONG and Ms. Wing Kwan Winnie CHIU to purchase the shares of the Target Company as described in the Company’s announcement dated 28 June 2022
“Purchaser”	BCSIHC Pty Ltd (as trustee for the BCSIHC Trust), a company incorporated in Australia with limited liability
“R Debenture Issuer”	BC Capital Pty Ltd, a company incorporated in Australia with limited liability and is an indirect wholly-owned subsidiary of the Target Company

“R Debentures”	Class R Debentures issued pursuant to the relevant trust deed and memorandum, and as at the date of the SSD, the R Debentures held by the Seller amounted to approximately A\$8,290,992 (equivalent to approximately HK\$40,045,000)
“Sale Share(s)”	12,149,864 shares of the Target Company, which represents approximately 53.21% of the issued share capital of the Target Company
“Seller”	FEC Capital Limited, a business company incorporated in the British Virgin Islands with limited liability and is an indirect wholly-owned subsidiary of the Company
“Shareholder(s)”	holder(s) of the ordinary share(s) of the Company
“SSD”	the share sale deed entered into between the Seller and the Purchaser in relation to the sale and purchase of the Sale Shares dated 28 February 2025
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	BC Investment Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability
“Target Group”	collectively, the Target Company and its subsidiaries
“%”	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\$ to HK\$4.83 and conversion of GBP to HK\$ is based on the exchange rate of GBP to HK\$9.77. No representation is made that any amounts in A\$ or GBP have been or could be converted at the above rate or any other rates.

By order of the Board
Far East Consortium International Limited
Wai Hung Boswell CHEUNG
Company Secretary

Hong Kong, 28 February 2025

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