

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or other registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Far East Consortium International Limited, you should at once hand this circular to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or the transfer was effected for onward transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



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)

**MAJOR TRANSACTION IN RELATION TO
ACQUISITION OF LAND BY PUBLIC TENDER**

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	4
Appendix 1 — Financial Information of the Group	9
Appendix 2 — General Information	12

DEFINITIONS

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

“A\$”	Australian dollar, the lawful currency of Australia
“Acquisition”	the acquisition of the Land under the terms of the Conditions of 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)
“Conditions of Sale”	the agreement and conditions of sale of the Land as set out in the Tender documents
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Land”	a piece of land known as New Kowloon Inland Lot No. 6607, located at Shing Kai Road adjoining Kai Tak Sports Park, Kai Tak, Kowloon, Hong Kong
“Land Premium”	the land premium of HK\$2,445,644,000, being the bidding price submitted by the Tenderer under the Tender and the consideration of the Acquisition
“Lands Department”	the Lands Department of the Government of Hong Kong

DEFINITIONS

“Latest Practicable Date”	16 October 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Letter”	a letter dated 12 August 2019 notifying the acceptance of the Tender from the Lands Department to the Tenderer
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum of Agreement”	the memorandum of agreement dated 9 September 2019 entered into between the Government of Hong Kong and the Tenderer in respect of the Acquisition
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules
“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 circular, excluding Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan Region
“RMB”	Renminbi, the lawful currency of the PRC
“S\$”	Singapore dollars, the lawful currency of the Republic of Singapore
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of the ordinary share(s) of the Company
“sq.m.”	square metre, unit of area
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tender”	the sale of the Land by the Government of Hong Kong by way of public tender
“Tenderer”	Sanon Limited 訊安有限公司, a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of the Company

DEFINITIONS

“US\$” or “USD”	United States dollars, the lawful currency of the United States of America
“%”	per cent

For the purpose of this circular and for illustration purpose only, conversion of US\$ to HK\$ is based on the exchange rate of US\$1 to HK\$7.83. No representation is made that any amounts in US\$ have been or could be converted at the above rate or any other rates.



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)

Executive Directors:

Tan Sri Dato' David CHIU
(Chairman and Chief Executive Officer)
Mr. Cheong Thard HOONG
Mr. Dennis CHIU
Mr. Craig Grenfell WILLIAMS
Ms. Wing Kwan Winnie CHIU

Independent Non-executive Directors:

Mr. Kwok Wai CHAN
Mr. Kwong Siu LAM
Mr. Lai Him Abraham SHEK

Registered Office:

P.O. Box 1043, Whitehall House
238 North Church Street
George Town
Grand Cayman KY1-1102
Cayman Islands

Principal Office:

16th Floor
Far East Consortium Building
121 Des Voeux Road Central
Hong Kong

23 October 2019

To the Shareholders

Dear Sir or Madam,

**MAJOR TRANSACTION IN RELATION TO
ACQUISITION OF LAND BY PUBLIC TENDER**

1. INTRODUCTION

Reference is made to the announcement dated 12 August 2019, in relation to the Letter received from the Lands Department confirming that the Tender by the Tenderer for the Land at the Land Premium of HK\$2,445,644,000 had been accepted.

The Acquisition constitutes a major transaction for the Company under the Listing Rules. The purpose of this circular is to provide you with further details of the Acquisition and general information of the Group.

* For identification purposes only

LETTER FROM THE BOARD

2. THE CONDITIONS OF SALE

Date of the Letter

12 August 2019

The parties

- (1) the Government of Hong Kong; and
- (2) the Tenderer as purchaser.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this circular, the Government of Hong Kong is a third party independent of the Company and its connected persons (as defined in the Listing Rules).

Information of the Land

- Location: New Kowloon Inland Lot No. 6607, located at Shing Kai Road adjoining Kai Tak Sports Park, Kai Tak, Kowloon, Hong Kong
- Site area: Approximately 11,276 sq.m.
- Total gross floor area: Not less than 24,000 sq.m. and not exceeding 32,000 sq.m., provided that:
- (i) the total gross floor area for hotel purpose shall not be less than 14,400 sq.m. and shall not exceed 16,000 sq.m., out of which the total gross floor area for the purposes of ancillary accommodation shall not exceed 6,400 sq.m.;
 - (ii) out of the total gross floor area stipulated in (i) for the purposes of ancillary accommodation, the total gross floor area of retail shops or entertainment facilities or both shall not exceed 1,600 sq.m.; and
 - (iii) the total gross floor area for office purpose shall not be less than 9,600 sq.m.

LETTER FROM THE BOARD

(Ancillary accommodation shall mean retail shops, restaurants, pubs, fast food shops, entertainment facilities, business centres, facilities for fitness, health and sports, function rooms, exhibition facilities, conference and banquet facilities and automatic teller machines.)

Term: 50 years from the date of the Memorandum of Agreement

Permitted use: Non-industrial (excluding residential, godown and petrol filling station but including hotel) purposes

The Memorandum of Agreement in respect of the Acquisition was entered into between the Government of Hong Kong and the Tenderer on 9 September 2019.

Land Premium and the payment terms

The Land Premium is HK\$2,445,644,000. In determining the Land Premium, the Company has taken into account the current conditions and long-term outlook of the Hong Kong commercial property and hotel markets, comparable opportunities and the expected return from the Acquisition. Property development and operation of hotels and hospitality are the principal business of the Group. In view of the vision that Kowloon East is going to be another premier central business district of Hong Kong, the Company is expecting a strong demand for commercial property in the near future within the locality. Upon the completion of Shatin to Central Link, it is anticipated that office decentralisation trend will be further boosted. For hotel markets, the mega infrastructure, including Hong Kong-Zhuhai-Macau Bridge and Guangzhou-Shenzhen-Hong Kong Express Rail Link, provides support for the long-term growth of PRC visitor arrivals. Hence, room rates are expected to have a steady and modest increase in the future. Therefore, the Company is optimistic of the long-term prospect of the Hong Kong commercial property and hotel markets.

The Company has also taken into account the land premiums and unit rates[#] of land tenders by the Government of Hong Kong within the vicinity in the last few years in determining the Land Premium. The Land Premium of HK\$2,445,644,000, which represents a unit rate[#] of approximately HK\$76,426 per sq.m., is within the range of unit rates[#] of the lands being tendered by the Government of Hong Kong within the vicinity in the last few years.

A deposit of HK\$25,000,000 paid at the time when the tender was submitted has been applied in part payment of the Land Premium, the balance of which has been paid on 6 September 2019.

The Land Premium has been funded from the Group's internal resources and bank borrowings.

[#] *The unit rate is calculated by dividing the land premium by the maximum gross floor area of the land.*

LETTER FROM THE BOARD

Other terms

Under the terms of the Conditions of Sale:

- (i) the Tenderer shall develop the Land into building or buildings which shall be completed and made fit for occupation on or before 31 December 2024; and
- (ii) an annual rent of an amount equal to 3% of the rateable value from time to time of the Land shall be charged for a term of 50 years commencing from the date of the Memorandum of Agreement.

3. REASONS FOR AND BENEFITS OF THE ACQUISITION

The Land is located adjacent to the Kai Tak Sports Park, at a prime location of Kai Tak which is a new development area of Hong Kong. The Land will benefit from existing and ongoing infrastructure investments, as well as the large development pipeline in the area. The Group intends to develop the Land into a mixed-used development comprising a hotel, adding further to the Group's hotel portfolio in Hong Kong, and office and commercial areas which will be leased out for recurring income purpose or sold.

The Acquisition will provide the Group an opportunity to have a foothold in a prime area of the Kai Tak district which is undergoing transformational changes and will be developed into a vibrant business district. The Group will be able to benefit from the rental income which will add to the Group's recurring cash flow streams.

The Board considers that the Acquisition is in the Group's ordinary and usual course of business, and that the terms of the Acquisition are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

4. FINANCIAL EFFECTS OF THE ACQUISITION

The financial effects to the Group upon completion of the Acquisition are (a) an increase in assets of approximately HK\$2,446 million; (b) an increase in liabilities of approximately HK\$978 million; and (c) an insignificant immediate effect on the earnings of the Group.

5. INFORMATION ON THE TENDERER AND THE GROUP

The Tenderer is an indirect wholly-owned subsidiary of the Company and is engaged in property development.

The Company is an investment holding company and the principal business 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.

LETTER FROM THE BOARD

6. LISTING RULES IMPLICATIONS

As one or more of the applicable Percentage Ratios in respect of the Acquisition exceeds 25% but all of the applicable Percentage Ratios are less than 100%, the Acquisition constitutes a major transaction for the Company. As the Group's principal business activities include property development, the Company is regarded as a "Qualified Issuer" and the Acquisition is regarded as a "Qualified Property Acquisition" under Rule 14.04(10B) and (10C) of the Listing Rules. Accordingly, the Acquisition is subject to reporting and announcement requirements but is exempt from the Shareholders' approval requirement pursuant to Rule 14.33A of the Listing Rules.

7. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully
By Order of the Board
Far East Consortium International Limited
Wai Hung Boswell CHEUNG
Company Secretary

1. FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the Group for each of the three years ended 31 March 2017, 2018 and 2019 are disclosed in the annual reports of the Company which are available on the Company's website at www.fecil.com.hk and the website of the Stock Exchange at www.hkexnews.hk:

- (a) annual report of the Company for the year ended 31 March 2017 (pages 122 to 213). Please see below link to such annual report: <https://www1.hkexnews.hk/listedco/listconews/sehk/2017/0710/ltn20170710291.pdf>
- (b) annual report of the Company for the year ended 31 March 2018 (pages 142 to 237). Please see below link to such annual report: <https://www1.hkexnews.hk/listedco/listconews/sehk/2018/0724/ltn20180724425.pdf>
- (c) annual report of the Company for the year ended 31 March 2019 (pages 151 to 267). Please see below link to such annual report: <https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0730/ltn20190730736.pdf>

2. STATEMENT OF INDEBTEDNESS

Borrowings

At the close of business on 31 August 2019, being the latest practicable date for the purpose of determining this indebtedness of the Group prior to the printing of this circular, the Group had total borrowings with carrying amount of approximately HK\$22,134,000,000 of which HK\$15,049,000,000 are secured borrowings, details of which are as follows:

- (i) notes of the Group with the aggregate carrying amount of HK\$3,508,000,000 (the aggregate principal amount of US\$450,000,000 (equivalent to HK\$3,524,000,000)) which were unsecured and unguaranteed;
- (ii) bank and other borrowings of the Group with the aggregate carrying amount of approximately HK\$18,186,000,000 (the aggregate principal amount of approximately HK\$18,214,000,000), of which HK\$3,149,000,000 (the corresponding principal amount of approximately HK\$3,160,000,000) were unsecured, and HK\$15,037,000,000 (the corresponding principal amount of approximately HK\$15,054,000,000) were secured by the Group's properties, bank deposits, investment securities and equity interests in subsidiaries. Amongst these bank and other borrowings, borrowings with the aggregate carrying amount of HK\$16,777,000,000 (the corresponding aggregate principal amount of HK\$16,806,000,000) were guaranteed; and the remaining borrowings with the aggregate

carrying amount of HK\$1,409,000,000 (the corresponding aggregate principal amount of HK\$1,409,000,000) were unguaranteed.

The difference between the principal amount and carrying amount of bank and other borrowings is the unamortised transaction costs namely, front-end fee. According to HKFRS 9, transaction costs that are directly attributable to the acquisition or issuance of financial liabilities are deducted from the fair value of the financial liabilities;

- (iii) other liabilities of the Group with the carrying amount of HK\$13,000,000, of which HK\$12,000,000 were secured by the Group's properties and guaranteed, and HK\$1,000,000 were unsecured and unguaranteed;
- (iv) amounts due to shareholders of non-wholly owned subsidiaries of the Group with the carrying amount of HK\$404,000,000, which were unsecured and unguaranteed;
- (v) amounts due to associates of the Group with the carrying amount of HK\$22,000,000 which were unsecured and unguaranteed; and
- (vi) amounts due to a related company of the Group with the carrying amount of HK\$1,000,000 which were unsecured and unguaranteed.

Lease liabilities

As at 31 August 2019, the Group, as a lessee, had outstanding unpaid contractual lease payments which represent undiscounted lease payments in relation to the remaining lease terms of certain lease contracts. The Group has adopted HKFRS 16 – Leases for accounting period beginning on or after 1 April 2019. As at 31 August 2019, the Group had total lease liabilities of approximately HK\$507,000,000 which are secured by deposits and/or equipment and motor vehicles, of which approximately HK\$491,000,000 and HK\$16,000,000 are unguaranteed and guaranteed respectively.

Save as aforesaid or as otherwise mentioned herein and apart from intra-group liabilities and normal accounts payable and bills payable in the ordinary course of business, the Group did not have any outstanding debt securities, term loans, mortgages, charges, debentures, bank loans and overdrafts or other similar indebtedness, liabilities under acceptances (other than normal trade bills), acceptance credits, hire purchase commitments, guarantees or other material contingent liabilities as at the close of business on 31 August 2019.

3. WORKING CAPITAL

The Directors are of the opinion that, in the absence of unforeseeable circumstances, and taking into account of the Group's internal resources, cash flows from operations and the available facilities and the effect of the Acquisition, the Group will have sufficient working capital for its present requirements that is for at least the next 12 months from the date of this circular.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading positions of the Group since 31 March 2019, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Company is an investment holding company and the principal business 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.

For the year ended 31 March 2019, revenue grew year-on-year by 17.3% to HK\$6,842 million as compared with the year ended 31 March 2018, driven primarily by (i) higher revenue from residential sales; (ii) organic growth in hotel revenue; (iii) additional contribution from Trans World Corporation; and (iv) continual expansion of car park operations. Profit attributable to shareholders was therefore increased to HK\$1,714 million. Adjusting for revaluation surplus on hotel assets as at 31 March 2019, net asset value attributable to the Shareholders reached approximately HK\$31,251 million. Net gearing ratio was at a healthy 45.4%.

The Group adopts a diversified regional strategy allowing the Group to take advance of property cycles in different countries and to acquire land at a lower cost from different markets at appropriate timing. As at 31 March 2019, the expected attributable gross development value reached approximately HK\$51,265 million which provides a clear visibility for revenue contribution in the coming years. In addition, there are 15 hotels in development pipeline. The Group expects to further generate stable recurring income when all of the hotels in pipeline are in operation. It is also expected other businesses including car park operations and facilities management and gaming operations continue to be a steadily growing source of recurring cash flow stream to the Group.

Despite the uncertain global economic environment, the Group's diverse portfolio of business serves to mitigate concentration risk and the regionalization and capital reallocation strategy continues to take advantage of the cyclicity in different markets. The Group will closely monitor the global economic developments and continue evaluating new growth opportunities in a prudent approach by allocating capital across different divisions and regions.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

Directors' and chief executive's interests and short positions in the shares, the underlying shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO; or (b) were required, pursuant to Section 352 of the SFO, to be entered into the register referred to therein; or (c) were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange, were as follows:

A. *The Company*

A.1 *Long position in the ordinary shares*

Name of Director	Capacity	Number of ordinary shares interested	Approximate % of the Company's issued share capital ^(iv)
David CHIU	Beneficial owner	18,647,617	0.80%
	Interest of spouse	585,322 ⁽ⁱ⁾	0.03%
	Interest of controlled corporations	1,090,839,657 ⁽ⁱ⁾	46.74%
Cheong Thard HOONG	Beneficial owner	13,234,771	0.57%
	Joint interest	464,754 ⁽ⁱⁱ⁾	0.02%
Dennis CHIU	Beneficial owner	4,040	0.00%
	Interest of controlled corporations	5,754,094 ⁽ⁱⁱⁱ⁾	0.25%
Wing Kwan Winnie CHIU	Beneficial owner	68,045	0.00%

Notes:

- (i) 1,090,823,690 shares were held by Sumptuous Assets Limited, a company controlled by Far East Organization (International) Limited. 15,967 shares were held by Modest Secretarial Services Limited. Far East Organization (International) Limited and Modest Secretarial Services Limited are companies controlled by Tan Sri Dato' David CHIU. 585,322 shares were held by Ms. Nancy NG, spouse of Tan Sri Dato' David CHIU.
- (ii) 464,754 shares were held by Mr. Cheong Thard HOONG jointly with his spouse.
- (iii) 5,754,094 shares were held by Max Chain Holdings Limited, a company controlled by Mr. Dennis CHIU and his brother Mr. Daniel Tat Jung CHIU.
- (iv) The percentage represents the number of ordinary shares interested divided by the Company's issued shares as at the Latest Practicable Date.

A.2 Debentures

As at the Latest Practicable Date, Tan Sri Dato' David CHIU was deemed to have an interest in the 3.75% USD Medium Term Notes 2021 issued by the Company in the principal amount of USD12,000,000 of which USD10,000,000 was held by Tan Sri Dato' David CHIU and USD2,000,000 was held by his spouse, Ms. Nancy NG.

As at the Latest Practicable Date, Mr. Cheong Thard HOONG was deemed to have an interest in the 4.5% USD Medium Term Notes 2023 issued by the Company in the principal amount of USD1,000,000 of which USD300,000 was held by Mr. Cheong Thard HOONG and USD700,000 was held by Mr. Cheong Thard HOONG jointly with his spouse.

As at the Latest Practicable Date, Ms. Wing Kwan Winnie CHIU has an interest in the 4.5% USD Medium Term Notes 2023 issued by the Company in the principal amount of USD400,000.

B. Associated corporations**B.1 Long position in the ordinary shares**

Name of Director	Name of associated corporation	Capacity	Approximate	
			Number of ordinary shares interested	% of the relevant issued share capital
Craig Grenfell WILLIAMS	Care Park Group Pty. Ltd.	Beneficiary of a discretionary trust	825 ⁽ⁱ⁾	8.25% ⁽ⁱⁱ⁾
Cheong Thard HOONG	BC Group Holdings Limited	Beneficial owner	653,429	3.30% ⁽ⁱⁱⁱ⁾
Craig Grenfell WILLIAMS	BC Group Holdings Limited	Beneficial owner	217,810	1.10% ⁽ⁱⁱⁱ⁾

Notes:

- (i) These shares in Care Park Group Pty. Ltd. were held by Chartbridge Pty Ltd in its capacity as the trustee of the Craig Williams Family Trust, and Mr. Craig Grenfell WILLIAMS, as a beneficiary of the Craig Williams Family Trust, was deemed to be interested in these shares.
- (ii) The percentage represents the number of ordinary shares interested divided by the issued shares of Care Park Group Pty. Ltd. as at the Latest Practicable Date.
- (iii) The percentage represents the number of ordinary shares interested divided by the issued shares of BC Group Holdings Limited as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had or is deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO, to be entered into the register referred to therein; or (c) were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

Substantial Shareholders' interests and short positions in shares and underlying shares of the Company

As at the Latest Practicable Date, as recorded in the register of interests in shares or short positions required to be kept under Section 336 of the SFO (other than the interests of Directors and chief executive as set out above) and as far as the Directors are aware, the following persons had interests of 5% or more or short positions in the shares of the Company:

Name of substantial Shareholder	Capacity	Number of ordinary shares interested	Approximate % of the Company's issued share capital ^(iv)
Sumptuous Assets Limited	Beneficial owner	1,090,823,690 ⁽ⁱ⁾ (long position)	46.74%
Deacon Te Ken CHIU	Beneficial owner	13,022,647 (long position)	0.56%
	Interest of controlled corporations	140,942,693 ⁽ⁱⁱ⁾ (long position)	6.04%
	Interest of spouse	1,624,301 ⁽ⁱⁱ⁾ (long position)	0.07%
Value Partners Group Limited	Interest of controlled corporations	139,917,264 ⁽ⁱⁱⁱ⁾ (long position)	6.00%
Value Partners High-Dividend Stocks Fund	Beneficial owner	112,842,788 (long position)	4.84%

Notes:

- (i) The interests of Sumptuous Assets Limited were also disclosed as the interests of Tan Sri Dato' David CHIU in the above paragraph headed "Directors' and chief executive's interests and short positions in the shares, the underlying shares and debentures of the Company and its associated corporations". Tan Sri Dato' David CHIU is a director of Sumptuous Assets Limited.
- (ii) 140,942,693 shares were held by various companies under Mr. Deacon Te Ken CHIU's estate and 1,624,301 shares were held by Mrs. Ching Lan JU CHIU, spouse of Mr. Deacon Te Ken CHIU. Mr. Deacon Te Ken CHIU passed away on 17 March 2015 and his interests in the ordinary shares of the Company forms part of his estate.
- (iii) These shares were held by various companies controlled by Value Partners Group Limited.
- (iv) The percentage represents the number of ordinary shares interested divided by the number of the Company's issued shares as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, the Company has not been notified of any persons (other than the Directors or chief executive of the Company) who had an interest or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

3. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have, since 31 March 2019 (being the date to which the latest published audited financial statements of the Group were made up), been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to the business of the Group.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which does not expire or is not terminable by such member of the Group within one year without payment of compensation (other than statutory compensation).

5. COMPETING INTERESTS OF DIRECTORS

As at the Latest Practicable Date, none of the Directors (not being the independent non-executive Directors) are considered to have interests in the businesses which compete or are likely to compete with the businesses of the Group pursuant to the Listing Rules.

6. LITIGATION

As at the Latest Practicable Date, there was no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

7. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the members of the Group within two years immediately preceding the Latest Practicable Date and which are, or may be, material to the Group:

- (a) the shareholders' agreement dated 18 September 2019 entered into between Dorsett Hospitality International Limited ("Dorsett"), an indirect wholly-owned subsidiary of the Company, AMTD Property Investment Holdings Limited ("AMTD") and Easy Advance Developments Limited ("EADL") in relation to EADL;

- (b) the sale and purchase agreement dated 18 September 2019 entered into between OUE Downtown Pte. Ltd. as the business vendor and DHI Downtown Pte. Ltd., a wholly-owned subsidiary of EADL, as the business purchaser in relation to the acquisition of business and assets of OUE Downtown Pte. Ltd. at a consideration of S\$1,906,000 (with adjustments);
- (c) the shareholders' agreement dated 18 September 2019 entered into between Dorsett, AMTD and Cosmic Gold Limited ("CGL") in relation to CGL;
- (d) the sale and purchase agreement dated 18 September 2019 entered into between Alkas Realty Pte. Ltd., as property vendor, and DHI Holding (S) Pte. Ltd., a wholly-owned subsidiary of CGL as property purchaser in relation to the acquisition of Lot U4627W and Accessory Lot A379V both of Town Subdivision 30 in the Republic of Singapore at a consideration of S\$287,094,000;
- (e) the Memorandum of Agreement;
- (f) the Shanghai state-owned construction land use rights grant contract dated 6 August 2019 entered into between 上海市寶山區規劃和自然資源局 (Shanghai Baoshan District Planning and Natural Resources Bureau*) and 上海錦秋房地產有限公司 (Shanghai Chingchu Property Development Company Limited), a non wholly-owned subsidiary of the Company, in relation to the acquisition of state-owned construction land use rights of a land parcel in Shanghai, PRC, at a consideration of RMB554,690,000;
- (g) the contract of sale dated 5 April 2019 entered into between FEC Dev1 2019 Pty Ltd, an indirect wholly-owned subsidiary of the Company, as the purchaser and Besgate Bourke Street Pty Ltd, as the vendor for the acquisition of a land parcel situated in Melbourne, Australia, together with all buildings and structures erected thereon, at a consideration of A\$90,000,000 (exclusive of goods and services tax);
- (h) the funding commitment agreement dated 21 February 2019 (as amended and supplemented by the first variation deed dated 4 October 2019) entered into between, among others, FEC Capital Limited as one of the financiers and BC Group Holdings Limited ("BC Group") in relation to the provision of debt funding to BC Group (or its affiliates);
- (i) the shareholders' deed dated 21 February 2019 entered into between, among others, BC Group and FEC Capital Limited in relation to the governing of the relationship as shareholders of BC Group;
- (j) the Shanghai state-owned construction land use rights grant contract dated 18 December 2018 entered into between 上海市寶山區規劃和土地管理局 (Shanghai Baoshan District Planning and Land Bureau*) and 上海錦秋房地產有限公司 (Shanghai Chingchu Property Development Company Limited), a

non wholly-owned subsidiary of the Company, in relation to the acquisition of state-owned construction land use rights of a land parcel in Shanghai, PRC, at a consideration of RMB402,420,000;

- (k) the sale and purchase agreement dated 5 June 2018 entered into between Advance Delight Global Limited, an indirect wholly-owned subsidiary of the Company as purchaser and Amber Investment Holding (Cayman) Limited as seller, in relation to the acquisition of the entire issued share capital of, and shareholder's loan extended to, Highest Reach Investments Limited, a company through its subsidiaries owned 34 completed residential units at 21 Anderson Road in the Republic of Singapore, at a consideration of S\$195,000,000 (with adjustments);
- (l) the tender acceptance letter dated 4 April 2018 by the solicitors of the owner(s) of the development known as The Estoril in the Republic of Singapore ("The Estoril") to FEC Properties Pte Ltd, an indirect wholly-owned subsidiary of the Company, in relation to the acquisition of The Estoril, at a tendered price of S\$223,938,000;
- (m) the strategic alliance agreement dated 28 March 2018 entered into between the Company, Chow Tai Fook Enterprises Limited ("CTF"), and The Star Entertainment Group Limited ("The Star") in relation to formation of a strategic alliance;
- (n) the subscription agreement dated 28 March 2018 entered into between the Company, CTF and The Star in relation to the subscription of 45,825,000 fully paid ordinary shares in The Star by the Company at a subscription price of A\$245,163,750;
- (o) the agreement and plan of merger dated 2 March 2018 entered into between the Company, FEC Overseas Investment (UK) Limited ("FEC OIL"), an indirect wholly-owned subsidiary of the Company, FEC Investment (US) Limited, the then wholly-owned subsidiary of FEC OIL, and Trans World Corporation, in relation to the merger of FEC Investment (US) Limited with and into Trans World Corporation at a consideration of not exceeding US\$42,000,000 (subject to adjustments); and
- (p) the tender acceptance letter dated 1 March 2018 by the solicitors of the owner(s) of the development known as Hollandia in the Republic of Singapore (the "Hollandia") to FEC Properties Pte Ltd, an indirect wholly-owned subsidiary of the Company, in relation to the acquisition of Hollandia, at a tendered price of S\$183,383,800.

8. GENERAL

- (a) The company secretary of the Company is Mr. Wai Hung Boswell CHEUNG. Mr. Wai Hung Boswell CHEUNG is a non-practicing member of the Hong Kong Institute of Certified Public Accountants and a qualified accountant of CPA Australia.

- (b) The registered office of the Company is at P.O. Box 1043, Whitehall House, 238 North Church Street, George Town, Grand Cayman KY1-1102, Cayman Islands.
- (c) The head office and principal place of business of the Company in Hong Kong is situated at 16th Floor, Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong.
- (d) The Company's share registrar and transfer office in Hong Kong is Tricor Standard Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the principal place of business of the Company at 16th Floor, Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong for a period of 14 days from the date of this circular:

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports of the Company for the two years ended 31 March 2018 and 2019;
- (c) the material contracts referred to under the section headed "Material Contracts" in this appendix; and
- (d) this circular.