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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 DEVELOPMENT RIGHT FOR THE LAND**

#### **THE DEVELOPMENT RIGHT**

The Board is pleased to announce that on 4 August 2022, the Tenderer, an indirect wholly owned subsidiary of the Company, received the Letter from URA confirming that the Tender Offer for the acquisition of the Development Right at the Consideration of HK\$1,240,000,000 has been accepted.

#### **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 the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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

\* *For identification purposes only*

## **The Land and the development plan**

The Land covers a site area of about 1,077.3 sq. m. and is situated at Sung Hing Lane/Kwai Heung Street, Sai Ying Pun, Hong Kong. The Land is to be known as Inland Lot No. 9081. Upon completion, it is planned to provide a total gross floor area of about 8,804 sq. m..

The Government of Hong Kong is now processing the land grant for the Land to be granted to URA. Subject to the final terms of the land grant, the Development shall have a total gross floor area of not less than 5,347 sq. m. and not exceeding the total calculated gross floor area as determined under the land grant, and of which the total gross floor area for private residential purposes shall not be less than 5,088 sq. m. and shall not exceed 8,479 sq. m.. Subject to the final terms of the land grant, the use of the Development is for non-industrial (excluding godown, hotel and petrol filling station) purposes, and of which the use of (i) the lowest three floors (including any basement level or levels) is for non-industrial (excluding godown, hotel and petrol filling station) purposes, (ii) the remaining floors (excluding any basement level or basement levels) above the lowest three floors is for private residential purposes, and (iii) any basement level, whether being one of the lowest three floors or a basement level above the lowest three floors, is for non-industrial (excluding residential, godown, hotel and petrol filling station) purposes.

## **Consideration**

The Consideration of HK\$1,240,000,000 represents the tender price submitted by the Tenderer and the successful tender price for the Development Right under a tender process conducted by URA. In determining the Consideration, the Company has taken into account, amongst others, potential development value, location of the Land and prevailing market conditions.

A deposit of HK\$50,000,000 paid at the time when the Tender Offer was submitted has been applied in part payment of the Consideration, the balance of which shall be paid upon the signing of the Development Agreement, which shall be signed within 21 business days after the date of the Letter.

The Tenderer shall bear and pay all the costs and expenses for the implementation of the Development, except the land premium and administrative fee for the land grant, acquisition, resumption payments and the demolition works subject to the terms of the Development Agreement.

The Company shall also enter into a guarantee, and (together with the Tenderer) a funding agreement, in favour of URA in accordance with the terms of the Development Agreement. The Company intends to fund the Consideration and the future development costs by the Group's internal resources and bank borrowings.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Land is situated in Sai Ying Pun. The Land will serve as a replenishment of the Group's land bank in Hong Kong. The Group intends to develop the Land into a mixed residential and commercial development.

The Acquisition will provide the Group with an opportunity to have a foothold in Sai Ying Pun district which is an area undergoing regeneration and is evolving into a vibrant community with a mixture of residential and commercial surroundings. The Acquisition will also allow the Group to continue diversifying its property development portfolio as well as add to the residential and commercial development pipeline.

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.

## **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, gaming and related operations, securities and financial product investments, and provision of mortgage services.

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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 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:

“Acquisition”	the acquisition of the Development Right
“Board”	board of Directors
“business day(s)”	any day other than Saturdays, Sundays and public holidays and on which banks are open for business in Hong Kong and dealings in Hong Kong dollar are carried on in the Hong Kong interbank market

“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 consideration for the Development Right
“Development”	the development to be erected on the Land
“Development Agreement”	the agreement to be executed between the Tenderer and URA in relation to the Acquisition and the development of the Land
“Development Right”	the right to develop the Land
“Director(s)”	the director(s) 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 People’s Republic of China
“Land”	the land situated at Sung Hing Lane/Kwai Heung Street, Sai Ying Pun, Hong Kong, and to be known as Inland Lot No. 9081
“Letter”	a letter dated 4 August 2022 from URA to the Tenderer accepting the Tender Offer
“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
“Shareholder(s)”	holder(s) of the ordinary share(s) of the Company
“sq. m.”	square metres, unit of area
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tender Offer”	the offer for the Acquisition submitted by the Tenderer under the tender conducted by URA

“Tenderer”	Mega Source Global Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of the Company
“URA”	Urban Renewal Authority, a statutory body established under the Urban Renewal Authority Ordinance (Chapter 563 of the Laws of Hong Kong) for the purpose of carrying out urban renewal and for connected purposes
“%”	per cent.

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

Hong Kong, 4 August 2022

*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.*