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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)

CONNECTED TRANSACTIONS IN RELATION TO THE GRANT OF PURCHASE RIGHTS

The Board is pleased to announce that on 28 June 2022, FEC Capital, an indirect wholly owned subsidiary of the Company, has granted the Purchase Rights to Mr. HOONG and Ms. CHIU, whereby FEC Capital shall transfer 457,502 BC Shares and 114,376 BC Shares held by FEC Capital, representing approximately 2% and 0.5% of the total BC Shares in issue as at the date of this announcement respectively, to Mr. HOONG and Ms. CHIU respectively, upon the exercise of the Purchase Rights subject to and in accordance with the terms and conditions of the Purchase Rights.

LISTING RULES IMPLICATIONS

Mr. HOONG and Ms. CHIU, both being executive Directors, are connected persons of the Company under the Listing Rules. Accordingly, the grant of the Purchase Rights and the transfer of the relevant BC Shares to Mr. HOONG and Ms. CHIU constitute connected transactions for the Company under Chapter 14A of the Listing Rules. As one or more of the applicable Percentage Ratios are more than 0.1% but less than 5%, the grant of the Purchase Rights and the transfer of the relevant BC Shares to Mr. HOONG and Ms. CHIU upon the exercise of the Purchase Rights constitute connected transactions for the Company and are subject to reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

* *For identification purposes only*

INTRODUCTION

The Board is pleased to announce that on 28 June 2022, FEC Capital, an indirect wholly owned subsidiary of the Company, has granted the Purchase Rights to Mr. HOONG and Ms. CHIU, whereby FEC Capital shall transfer 457,502 BC Shares and 114,376 BC Shares held by FEC Capital, representing approximately 2% and 0.5% of the total BC Shares in issue as at the date of this announcement respectively, to Mr. HOONG and Ms. CHIU respectively, upon the exercise of the Purchase Rights subject to and in accordance with the terms and conditions thereunder. Further details of the Purchase Rights are set out below.

THE PURCHASE RIGHTS

Date of grant:	28 June 2022.
Parties:	FEC Capital Mr. HOONG Ms. CHIU
Number of BC Shares to be transferred by FEC Capital upon the exercise of the Purchase Rights:	457,502 BC Shares to be transferred to Mr. HOONG, representing approximately 2% of the total BC Shares in issue as at the date hereof. 114,376 BC Shares to be transferred to Ms. CHIU, representing approximately 0.5% of the total BC Shares in issue as at the date hereof.
Purchase Price:	The Purchase Price for each BC Share to be transferred under the Purchase Rights is A\$9.18 per BC Share, which was determined with reference to the net asset value per BC Share of approximately A\$4.77 based on the unaudited financial information of BC Group as at 31 March 2022, and the consideration at which BC Shares were issued by BC Group to its shareholders on 17 September 2021 which is identical to the Purchase Price.
Conditions to the exercise of Purchase Rights:	The Purchase Rights may only be exercised after (i) the completion of the initial public offering of the BC Shares and commencement of trading on a recognized stock exchange; or (ii) the completion of a trade sale of the BC Group.

Purchase period: The Purchase Rights are exercisable within a period of three years from the earlier of: (i) the date of completion of the initial public offering of the BC Shares and commencement of trading on a recognized stock exchange; or (ii) the date of completion of a trade sale of the BC Group. The Purchase Rights may be exercised in respect of all or any part(s) of the BC Shares in relation thereto at any time during such period. Any Purchase Right not exercised within such 3-year period shall lapse and shall not be capable of being exercised thereafter.

FINANCIAL INFORMATION OF BC GROUP

The following are the financial information of BC Group as at and for the two financial years ended 31 March 2021 and 31 March 2022, and are extracted from the audited consolidated account and unaudited consolidated account of BC Group and its subsidiaries, respectively:

	For the year ended 31 March 2022 (unaudited) (A\$'000)	For the year ended 31 March 2021 (audited) (A\$'000)
Net profit before taxation and extraordinary items	674	8,019
Net profit after taxation and extraordinary items	725	6,136
	As at 31 March 2022 (unaudited) (A\$'000)	As at 31 March 2021 (audited) (A\$'000)
Net assets	109,170	66,853
Total assets	2,877,020	1,325,282

FINANCIAL EFFECT OF THE PURCHASE RIGHTS AND THE TRANSFER OF THE RELEVANT BC SHARES

The total consideration for the transfer of the relevant BC Shares, based on a total of 571,878 BC Shares multiplied by the Purchase Price, is expected to be approximately A\$5,249,840 (equivalent to approximately HK\$28,611,600). The Group is expected to record a gain of approximately A\$3,900,000 (equivalent to approximately HK\$21,255,000) upon the exercise of the Purchase Rights and the transfer of the relevant BC Shares, based on the relevant consideration less the carrying value of the relevant BC Shares in the audited financial statement of the Group as at 31 March 2022 and the estimated expenses. After the exercise of the Purchase Right, FEC Capital will hold approximately 50.61% of the total BC Shares in issue on the basis of a total of 12,149,864 BC Shares currently held by FEC Capital and assuming that there are no other changes to the issued share capital of the BC Group. On such basis, BC Group will remain a non-wholly owned subsidiary of the Company after the transfer of the relevant BC Shares upon the exercise of the Purchase Rights.

USE OF PROCEEDS

The Directors expect that the proceeds from the exercise of the Purchase Rights will be used as general working capital of the Group.

REASONS FOR AND BENEFITS OF THE GRANT OF THE PURCHASE RIGHTS

The Remuneration Committee (comprising a majority of the independent non-executive Directors) has approved the grant of the Purchase Rights to Mr. HOONG and Ms. CHIU in recognition of their contribution to the BC Group in leading a strong management team to drive the growth of its business and for providing strategic direction and being actively involved in the business of the BC Group in the past years. To encourage Mr. HOONG and Ms. CHIU to continue to develop and grow the BC Group's business and assist the Group in realizing the potential of the BC Group, the Purchase Rights are granted on the condition that they could only be exercised after the completion of the initial public offering of the BC Shares and commencement of trading on a recognized stock exchange or a trade sale of the BC Group. As Tan Sri Dato' David CHIU is an associate of Ms. CHIU (being the father of Ms. CHIU and an executive Director), Tan Sri Dato' David CHIU had abstained from voting on the Remuneration Committee's resolutions approving the grant of the Purchase Right to Ms. CHIU.

Mr. HOONG and Ms. CHIU are executive Directors. Accordingly, Mr. HOONG had abstained from voting on the relevant board resolution approving the grant of the Purchase Right to him, and Tan Sri Dato' David CHIU, Mr. Dennis CHIU (being the uncle of Ms. CHIU and an executive Director), and Ms. CHIU had abstained from voting on the board resolutions to approve the grant of the Purchase Right to Ms. CHIU.

The Directors are of the view that the value of the economic interest granted to Mr. HOONG and Ms. CHIU in relation to the Purchase Rights is commensurate with the services provided by them to the BC Group and the potential benefits to the Group will far exceed such value in the event that they could achieve a successful separate listing of the BC Group or realization of the Group's investments in the BC Group, and that the terms of the Purchase Rights are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Company has no current plans to dispose of or seek a separate listing of the BC Group, and will comply with all applicable Listing Rules requirements if it shall decide to do so in the future.

INFORMATION ON MR. HOONG, MS. CHIU, BC GROUP, FEC CAPITAL AND THE GROUP

Mr. HOONG is an executive Director, a director of FEC Capital, a director of BC Group and the chairman of the board of directors of BC Group. Mr. HOONG holds 792,383 BC Shares, representing 3.46% of the total BC Shares in issue as at the date of this announcement.

Ms. CHIU is an executive Director and a director of FEC Capital, and does not hold any BC Shares as at the date of this announcement.

BC Group is an indirect non-wholly owned subsidiary of the Company. BC Group and its subsidiaries are principally engaged in providing first mortgage loan solutions to resident and non-resident individuals in the Australian and United Kingdom residential real estate market and is involved in asset management business.

FEC Capital is an indirect wholly owned subsidiary of the Company and is principally engaged in investment holding. As at the date of this announcement, FEC Capital owns 12,149,864 BC Shares, representing approximately 53.11% of the total BC Shares in issue as at the date of this announcement.

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

Mr. HOONG and Ms. CHIU, both being executive Directors, are connected persons of the Company under the Listing Rules. Accordingly, the grant of the Purchase Rights and the transfer of the relevant BC Shares to Mr. HOONG and Ms. CHIU constitute connected transactions for the Company under Chapter 14A of the Listing Rules. As one or more of the applicable Percentage Ratios are more than 0.1% but less than 5%, the grant of the Purchase Rights and the transfer of the relevant BC Shares to Mr. HOONG and Ms. CHIU upon the exercise of the Purchase Rights constitute connected transactions for the Company and are subject to reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“A\$”	Australian Dollars, being the lawful currency of Australia
“associate(s)”	has the meaning as ascribed under the Listing Rules
“BC Group”	BC Investment Group Holdings Limited (formerly known as BC Group Holdings Limited), a company incorporated in the Cayman Islands with limited liability

“BC Share(s)”	the ordinary share(s) in the issued share capital of BC Group
“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)
“connected person(s)”	has the meaning as ascribed under the Listing Rules
“Director(s)”	the directors of the Company
“FEC Capital”	FEC Capital Limited, a company incorporated in the British Virgin Islands with limited liability, an indirect wholly owned subsidiary 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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. HOONG”	Mr. Cheong Thard HOONG, an executive Director
“Ms. CHIU”	Ms. Wing Kwan Winnie CHIU, an executive Director
“Percentage Ratios”	have the meaning ascribed to such term in Rule 14.07 of the Listing Rules
“Purchase Price”	A\$9.18 per BC Share payable to FEC Capital upon the exercise of the Purchase Right
“Purchase Right(s)”	the right granted by FEC Capital to each of Mr. HOONG and Ms. CHIU to purchase BC Shares as described in this announcement
“Remuneration Committee”	the remuneration committee of the board of Directors
“Shareholder(s)”	holder(s) of the ordinary share(s) of the Company

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“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it in Rule 1.01 of the Listing Rules
“%”	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\$1.00=HK\$5.45. 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
Wai Hung Boswell CHEUNG
Company Secretary

Hong Kong, 28 June 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.