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Website: <http://www.fecil.com.hk>  
(Stock code : 35.HK)

### **Strategic Alliance with The Star and Chow Tai Fook**

(28 March, 2018 - Hong Kong) Far East Consortium International Limited (“FEC” or the “Group” or the “Company”; SEHK: 35) is pleased to announce that, the Company, Chow Tai Fook Group (“CTF”) and The Star Entertainment Group Limited (“The Star”) entered into an agreement under which the parties will form a strategic alliance to facilitate mutual business growth and enable each party to benefit from each other’s capabilities and scale and to leverage each party’s experience and expertise to assist in the future growth and development of each of the parties’ business, including in respect of the development of and participation in the future developments of The Star and other nominated developments, and the provision of certain marketing services.

As an integral part of the strategic alliance, the parties also entered into a subscription agreement (the “Subscription Agreement”) whereby The Star agrees to issue and allot and the Group and CTF will each subscribe for 45,825,000 fully paid ordinary shares in The Star, which, immediately after the subscription will represent 4.99% (or approximately 9.9% if aggregated) of the total fully paid ordinary shares in The Star. The subscription price to be paid by the Company shall be AU\$245.2 million (equivalent to approximately HK\$1,478.3 million), which is payable by the Company to The Star out of a combination of the Group’s internal resources and external financing in immediately available funds at Completion.

The subscription agreement also contains other terms, which, amongst others, include those in relation to certain top-up rights and director nomination rights (which are subject to certain shareholding thresholds and regulatory approval).

The Group and CTF intend to apply to the regulators in Australia to have the right to increase, in aggregate, the shareholding in The Star to over 10%.

The Star is listed on the ASX under the share code “SGR” and is one of the ASX 100 listed companies. The principal activities of The Star are the management of integrated resorts with gaming, entertainment and hospitality services. The Company has certain joint-venture projects with The Star and CTF in Queen’s Wharf in Brisbane, Sydney and Gold Coast where The Star also owns and operates various world class integrated resorts. The Star currently holds three licences in New South Wales and Queensland.

The transaction will provide the parties with a commercial framework to facilitate future business growth and enable the parties to benefit from each other’s capabilities and scale; and will bring the following strategic benefits to the Group:

- (a) strengthen its already established relationship with The Star;
- (b) forge partnership for potential mixed use property projects in relation to the future developments of The Star and other nominated developments which will be complementary to The Star’s operations and to the Group’s development pipeline in Australia;
- (c) allow the Group to increase its exposure to the Queen’s Wharf development, where the Group already has an equity stake, and benefit from The Star’s future growth;
- (d) benefit from cross-selling through future co-operation with The Star which is synergistic to the gaming platform of the Group following its recent announcement to acquire Trans World Corporation; and
- (e) benefit from cash flow from The Star’s future dividend distribution following its announcement to increase the dividend payout to at least 70% of normalised net profit after tax commencing the financial year of 2018.

**Tan Sri Dato' David Chiu, Chairman of FEC** said: “Strengthening the partnership with The Star and Chow Tai Fook further leverages our considerable complementary capabilities and helps to maximise the long-term value of The Star’s properties in Sydney and South-east Queensland.”

**Mr. Chris HOONG, Managing Director of FEC** said: “This strategic alliance is an advancement of a great partnership and will allow more synergies to be extracted by leveraging the strengths of each party. I am very excited about the significant immediate opportunities that lie ahead of us. For FEC, in addition to being able to benefit from the projects on which the partners are already working together, we will also be able to gain from the growth of The Star going forward.”

**Mr. John O’Neill AO, Chairman of The Star** said: “The Board welcomes FEC and CTF as shareholders in The Star. Our expanded strategic partnership recognises the strength of our relationships built over the last four years and the shared vision of investing in properties with valuable long-term gaming licences in sought after tourist destinations.”

**Mr. Patrick Tsang, Chief Executive Officer at Chow Tai Fook Enterprises Limited,** said: “We welcome this further confirmation of the strength and strategic direction of our relationship with The Star and FEC. This investment in the relationship reflects our confidence in the creation of long-term value in destinations that have significant tourism appeal.”

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#### **About Far East Consortium International Limited**

Far East Consortium International Limited has been listed on the Hong Kong Stock Exchange since 1972 (HKEx stock code: 35.HK). The Group is mainly engaged in property development and investment, hotel operations and management, as well as car park operations and facilities management. The Group adopts diversified regional strategy and the “Chinese Wallet” strategy with business covering Hong Kong, mainland China, Australia, New Zealand, Malaysia, Singapore, the United Kingdom and other European countries.

#### **About The Star Entertainment Group**

The Star is listed on the ASX under the share code “SGR” and is one of the ASX 100 listed companies. The principal activities of The Star are the management of integrated resorts with gaming, entertainment and hospitality services.

#### **About Chow Tai Fook Group**

The Chow Tai Fook Group is controlled by Dato' Dr. Cheng Yu Tung’s family. The Cheng family has a diversified business and investment portfolio extending over Asia, Australia, Europe and The Americas, among which the core activities comprise property development and investment, hospitality services, infrastructure, energy, aircraft leasing, department stores, jewellery and other consumer and retail businesses.

**FEC official website:**

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