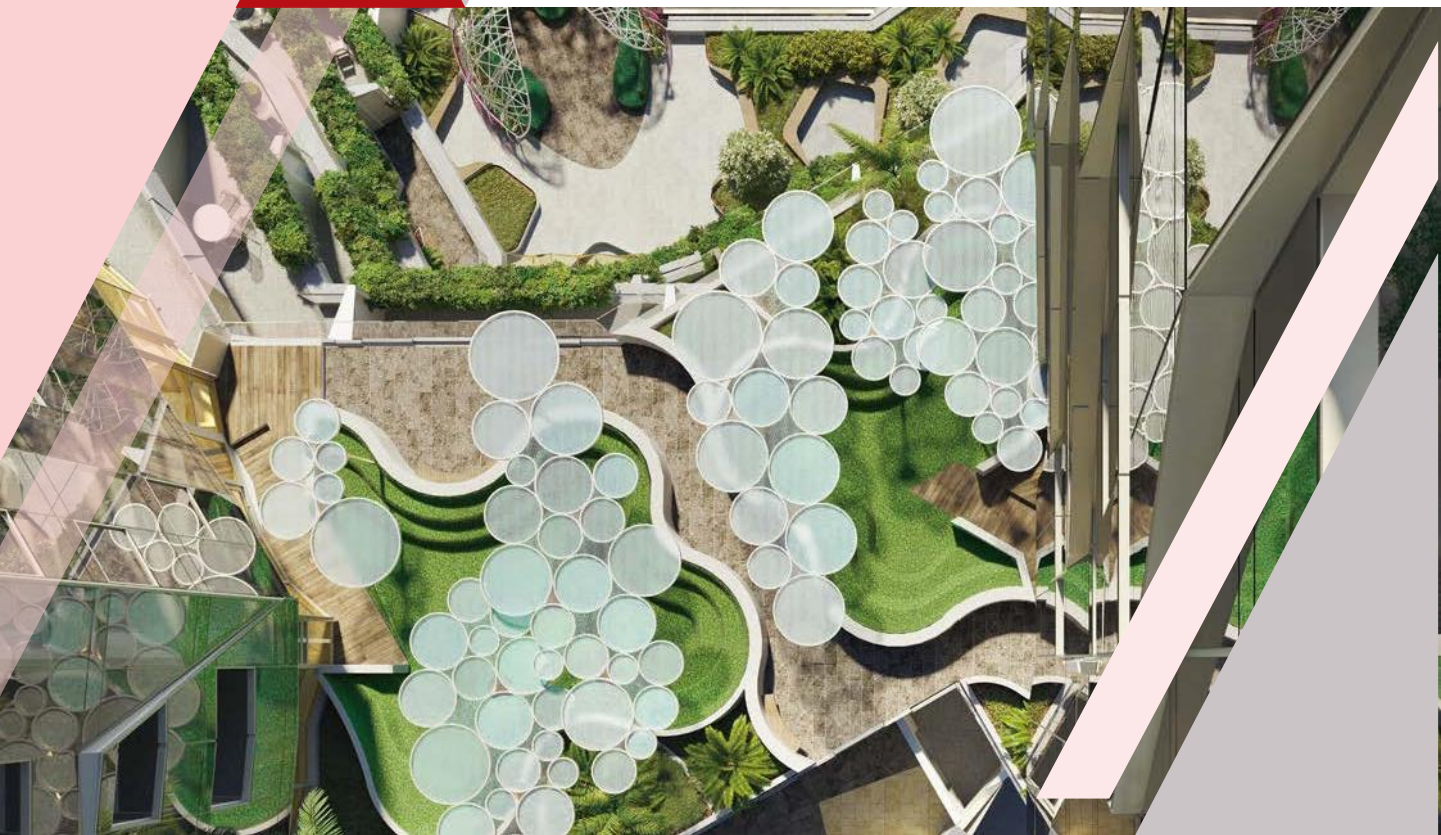


Sustainable Finance Framework

November 2021



Introduction

Far East Consortium International Limited (“FEC”, or “the Company”, together with its subsidiaries, the “Group”, HKSE: 35) is a leading regional conglomerate with property development and investment, hotel operations and management, car park operations and facilities management, securities and financial product investment and gaming operations in Mainland China, Hong Kong, Malaysia, Singapore, Australia, New Zealand, the United Kingdom and Continental Europe.

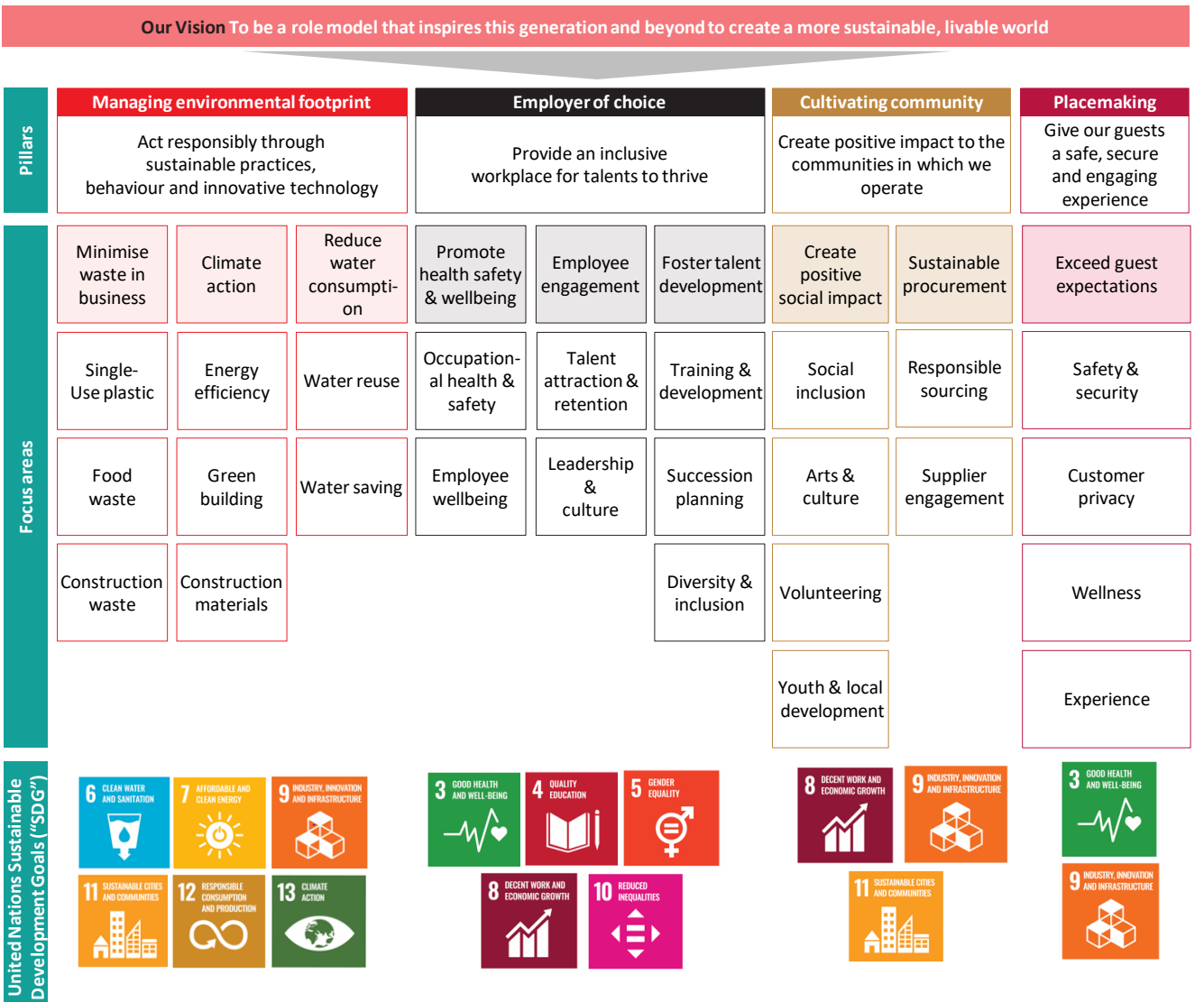
The Group was listed on the main board of the Hong Kong Stock Exchange in 1972. With over 50 years of experience operating in Asia Pacific, it has been recognised as one of the region's leading property developers. We are committed to creating sustainable, long-term values and delivering consistent returns by focusing on our core businesses, while generating a steady cash flow from a balanced portfolio of businesses.

Sustainability Vision, Strategy and Initiatives

FEC’s sustainability strategy outlines its approach to become an industry leader for sustainability and building a sustainable future by actively engaging in areas where we can make the most meaningful economic, social and environmental impacts.

Our sustainability strategy is centered on four pillars that will form the foundational approach of the Group going forward as we navigate through the most pressing current and emerging issues, while continue to provide top notch services and products to our customers.

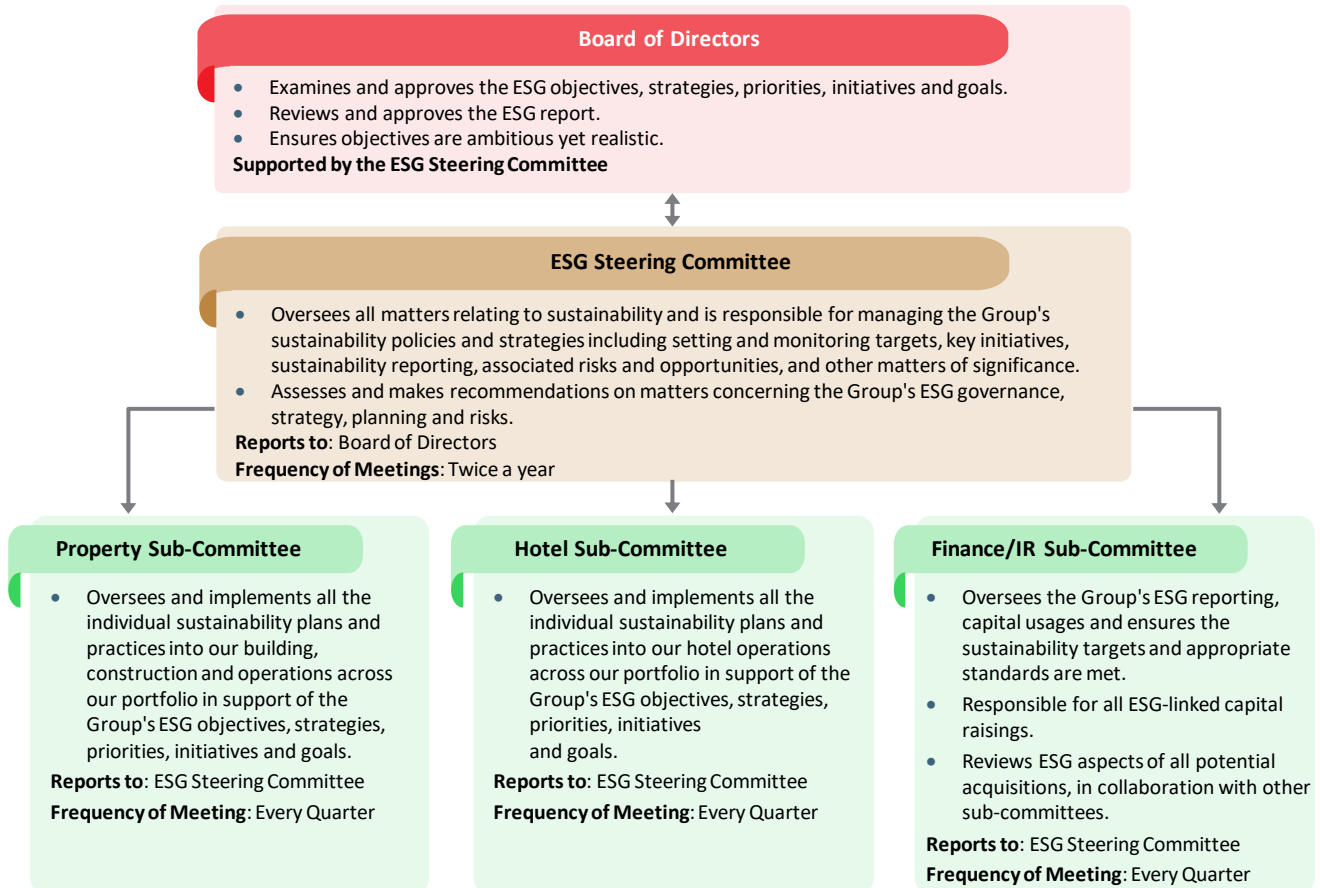
To guide corporate action towards our strategy holistically, we have developed the following sustainability strategy with certain focus areas for different business divisions to follow.



Sustainability Governance

FEC understands that sustainability governance is the foundation for our sustainability strategy. As a socially responsible corporate, the Group strives to create economic, environmental and social values for our stakeholders. We firmly believe that sound sustainability governance is instrumental to setting the sustainability direction and strategies for both our employees and business partners.

The Environmental, Social and Governance (“ESG”) Steering Committee has been established to clearly define the accountability and leadership in this regard. Under the delegation of the Board, the ESG Steering Committee is responsible for facilitating ESG execution, such as the implementation of ESG policies, ESG performance evaluation, stakeholder engagement as well as ESG performance disclosure.



The ESG Steering Committee comprises the senior executives from Property Development, Hotel as well as finance executives working at the headquarters. This broad-based involvement ensures that the wider interests of the Company in the development of ESG strategies are adequately represented. The ESG Steering Committee reports to the Board, who is ultimately responsible for the oversight of the Group’s ESG policies, initiatives and performance.

Sustainability Recognition

FEC has been recognized internationally by a number of awards, including the Gold Award from The Asset ESG Corporate Awards 2019 and 2020, the Platinum Award from The Asset ESG Corporate Awards 2018 as well as The ESG Grand Award (Small Cap), The Best ESG (E), The Best ESG (S) and The Best ESG (G) from the Hong Kong Investor Relations Association 7th IR Awards.



Gold Award - The Asset ESG Corporate Awards 2020
 Gold Award - The Asset ESG Corporate Awards 2019
 Platinum Award - The Asset ESG Corporate Awards 2018

FEC's Sustainable Finance Framework

FEC's Sustainable Finance Framework ("SFF" or the "Framework") has been developed to demonstrate how FEC and its group entities intend to enter Sustainable Financing Transactions ("SFTs") to fund projects that will deliver environmental and social benefits which will support FEC's sustainability strategy and vision.

SFTs will include dated, perpetual or convertible bonds, loans and other forms of debt financing with proceeds intended to be deployed towards Eligible Green and Social Projects as defined in this Framework.

- With respect to dated and perpetual bonds, bonds issued under this Framework will be aligned with International Capital Market Association ("ICMA") principles: the 2021 Green Bond Principles ("GBP"), 2021 Social Bond Principles ("SBP") and 2021 Sustainability Bond Guidelines ("SBG") or as they may subsequently be amended; and
- With respect to loans, loans issued under this Framework will be aligned with LMA, APLMA and LSTA principles: the 2021 Green Loan Principles ("GLP"), the 2021 Social Loan Principles ("SLP") or as they may subsequently be amended. Should the loans be used for projects that deliver green and/or social benefits, the loans will be labelled as "Sustainability Loans".

SFF is prepared in alignment with the requirements of the ICMA which covers the 4 sections of 1) Use of Proceeds, 2) Project Evaluation and Selection, 3) Management of Proceeds and, 4) Reporting. SFTs completed by FEC under the Framework will be in compliance with the 4 sections covered within the Framework.

The SFF will be in force as long as there are existing SFTs. FEC may update this SFF and commits that any new versions will keep or improve the current level of transparency and reporting.

1) Use of Proceeds

The proceeds of each SFTs will be used exclusively for financing and/or re-financing of existing Eligible Green and Social Project Categories ("Eligible Project Categories"), in whole or in part, including the acquisition, construction, development or re-development of such projects that provide clear environmental and sustainability benefits explicitly recognized by GBP, SBP, SBG, and GLP.

- The proceeds of a Green Bond or Loan issued under this Framework will be applied to projects that fall under the Eligible Green Project Categories set out in Section 1A) below; and
- The proceeds of a Sustainability Bond or Loan issued under this Framework will be applied to both Eligible Green Project Categories set out in Section 1A), and Eligible Social Project Categories set out in Section 1B) below.















Eligible Project Categories may include projects FEC made during 3 years prior to the issuance or signing date of the respective SFTs and during the life of the SFTs.

FEC commits that proceeds raised from SFTs will not go towards financing or refinancing activities relating to the below:

- Fossil fuel and clean coal
- Nuclear-related assets
- Alcohol
- Armament
- Mining
- Gaming










FEC's Sustainable Finance Framework

1A) Eligible Green Project Categories

Qualified Project Categories	Description of Eligible Green Projects	Examples for FEC	Environmental and Social Benefits	Alignment with SDGs
Green Buildings	<ul style="list-style-type: none"> Acquisition, construction or renovation of existing and new commercial and residential buildings certified in accordance with any one of the following selected certification systems ("Green building certification"): <ul style="list-style-type: none"> Chinese Green Building Label (GBL): 2 Stars or above Hong Kong BEAM Plus: Gold or above US Leadership in Energy and Environmental Design (LEED): Gold or above Singapore BCA Green Mark Rating: Gold or above Building Research Establishment Environmental Assessment Method BREEAM: Excellent or above Any other green building label with equivalent standards 	<ul style="list-style-type: none"> Astoria Crest (Hong Kong): Gold BEAM Plus Kai Tak Commercial Plot (Hong Kong) : Gold BEAM Plus Oakwood Premier AMTD (Singapore) : Gold Green Mark Level Dorsett Hotel at Hornsey Town Hall: Excellent BREEAM Dorsett Hotel at Consort Place: Excellent BREEAM QWB Residential Tower 4 6 (Australia): 6 stars West Side (Australia): 5 stars The Star Residence (Australia): 5 stars The Monument Melbourne (Australia): 5 stars Elizabeth Quay Apartments (Australia): 5 stars 	<ul style="list-style-type: none"> Reduce energy consumption Encourage the adoption of good social (e.g. health and well-being) and environmental practices Demonstrate FEC's commitment to sustainability which can be effectively communicated to its end-customers 	 
Energy Efficiency	<ul style="list-style-type: none"> Investments in facilities and technology to achieve at least a 10% improvement in energy efficiency 	<ul style="list-style-type: none"> Introduction of LED lights Increasing the heating, ventilation, and air conditioning ("HVAC") energy efficiency 	<ul style="list-style-type: none"> Improve energy efficiency and reducing energy consumption, which is reflected through energy-efficient design and technology development and management 	
Renewable Energy	<ul style="list-style-type: none"> Installation of renewable energy systems and associated infrastructure 	<ul style="list-style-type: none"> Installation of solar panels and solar power systems 	<ul style="list-style-type: none"> Generating renewable energy and reducing GHG emissions 	   
Pollution Prevention and Control	<ul style="list-style-type: none"> Installation of recycling facilities in buildings Installation of equipment to reduce environmental pollution (e.g. air, water) during construction and/or building operation Investments in waste reducing infrastructures and mechanisms 	<ul style="list-style-type: none"> Installation of recycling facilities in hotels, car parks and offices Application of wastewater treatment systems at construction sites to handle wastewater prior to discharge Reuse or recycle a minimum of 90% of all construction waste generated on-site Implementing the Considerate Constructor Scheme and setting up of "waste collection stops" to minimise waste generation 	<ul style="list-style-type: none"> Reducing waste water and hazardous materials Pollution prevention 	   
Clean Transportation	<ul style="list-style-type: none"> Investment in new energy vehicle (NEV) and related infrastructures 	<ul style="list-style-type: none"> Installation of electric vehicle charging stations and construction of dedicated parking spaces for electric vehicles Replacement of existing company-owned vehicles with NEVs 	<ul style="list-style-type: none"> Preventing pollution and reducing GHG emissions 	
Climate Change Adaptation	<ul style="list-style-type: none"> Projects that will support climate change adaption in accordance with a recognized standard or solutions to address the impacts of climate change 	<ul style="list-style-type: none"> Obtain EarthCheck certificates for our hotel portfolio to enhance guest experience while minimising negative environmental impacts 	<ul style="list-style-type: none"> Reducing GHG emissions and improving air quality 	 

FEC's Sustainable Finance Framework

1B) Eligible Social Project Categories

Qualified Project Categories	Description of Eligible Social Projects	Targeted Population ¹	Examples for FEC	Environmental and Social Benefits	Alignment with SDGs
Affordable Housing	<ul style="list-style-type: none"> Investments and expenditures in projects that provide affordable housing for the general public and vulnerable groups² in accordance with local government and regulatory definitions 	<ul style="list-style-type: none"> Populations that is eligible for affordable housing as defined by the local authority 	<ul style="list-style-type: none"> Affordable housing projects in UK 	<ul style="list-style-type: none"> Improving quality of life and independence for vulnerable groups and underprivileged populations 	 
Access to Essential Services	<ul style="list-style-type: none"> Projects that expand access to education and skills development including but not limited to education initiatives Projects that expand access to health care and/or improve health outcomes, including but not limited to development of healthcare facilities 	<ul style="list-style-type: none"> Vulnerable youth / physically, mentally, or socially disadvantaged persons 	<ul style="list-style-type: none"> Annual sponsorship to secondary schools, technical schools and universities in Hong Kong (e.g. Dorsett Young Entrepreneur Scholarship) Partner with East End Community Foundation ("EECF") and work alongside EECF throughout the construction of the development, to alleviating poverty in London's most deprived boroughs 	<ul style="list-style-type: none"> Improving quality of life and independence for vulnerable groups and underprivileged populations 	  
Pandemic Response	<ul style="list-style-type: none"> Projects that are related to aiding prevention and alleviating impact of the pandemic 	<ul style="list-style-type: none"> Populations who are exposed to pandemic impacts 	<ul style="list-style-type: none"> Installation of disinfectants and anti-epidemic sprayers within hotel areas Partnered with Ecolab to equip with their Disinfectant Cleaner 2.0 for hotel properties to clean and disinfect the air conditioning system 	<ul style="list-style-type: none"> Mitigating the social impacts from pandemic and minimize risk of disease spreading 	
Socioeconomic Advancement and Empowerment	<ul style="list-style-type: none"> Investments in projects to support socio-economic advancement and employment generation 	<ul style="list-style-type: none"> Elderly and middle-aged persons; Disabled persons 	<ul style="list-style-type: none"> Rehiring retired elderly and middle-aged employees who are willing to re-enter the workforce Act as a Disability Confidence Employer³ Partner with NGOs such as the S.K.H. St Christopher's Home (https://www.skhsch.org.hk/en/about/brief/) and offer internship opportunities to underprivileged group. The beneficiaries from the program can gain tangible skills and valuable work experience 	<ul style="list-style-type: none"> Creating employment opportunities for vulnerable groups 	  

1. The Target Population will be the exclusive recipients / beneficiaries of the proceeds applied towards specific social projects

2. Vulnerable groups are physically, mentally, or socially disadvantaged persons who may be unable to meet their basic needs and may therefore require specific assistance

3. Disability Confidence Employer is nominated by the UK government to support disabled talents. FEC has become a Disability Confident Employer in Manchester since Nov 2020, and we ensure that the Company is open to all disabilities and supporting people through equal opportunities, training and employment.

2) Project Evaluation and Selection

The Eligible Projects are identified and selected via a process that involves participants from various functional areas. The ESG Steering Committee will be defining overall ESG strategies and initiatives approved by the Board of Directors. In addition to the ESG Steering Committee, the Property Sub-Committee, the Hotel Sub-Committee and the Finance/IR Sub-Committee (the "Sub-Committees") will source, review and select Eligible Projects according to the industry standard and the criteria outlined above. Shortlisted project will be presented to the ESG Steering Committee for selection.

The Sub-Committees will also identify potential material environmental and social risks associated with the Eligible Projects. If there is a risk identified, it will be reviewed and escalated on an ad-hoc basis to the ESG Steering Committee. The Sub-Committees will assess the materiality of the risk and propose the way-forward to the ESG Steering Committee for final evaluation and decision making. The ESG Steering Committee, working with recommendations of the Sub-committees, may decide to remediate a certain risk or abandon the project if the risk is judged as too high.

The Sub-Committees will review the list of eligible projects regularly. When a project ceases to be eligible, it will be removed and replaced as soon as practicable. New project could be in a different category depending on prevailing Eligible Projects in the pipeline.

FEC's Sustainable Finance Framework

3) Management of Proceeds

FEC commits to allocating proceeds of each SFT to Eligible Projects on a timely basis. The proceeds of each SFT will be deposited in the general funding accounts and will be earmarked to Eligible Projects.

FEC has robust internal procedures and will maintain a register to keep track of the use of proceeds for each SFT. The register will contain the following information including:

(A) Type of Funding Transaction: key information including, issuer/borrower entity, transaction date, tranche(s) information, principal amount of proceeds, repayment or amortisation profile, maturity date, and interest or coupon (and in the case of bonds, the ISIN number)

(B) Allocation of Use of Proceeds: Information including:

- Name and description of Eligible Projects to which the proceeds of the SFT have been allocated in accordance with this Framework
- Amount of SFT proceeds allocated to each project
- The remaining balance of unallocated proceeds
- Other relevant information such as information of temporary investment for unallocated proceeds

FEC commits to allocating proceeds raised from each SFT within 24 months of issuance.

Any balance of issuance proceeds which is not yet allocated to Eligible Projects will be held in accordance with FEC's normal liquidity management policy. Unallocated proceeds may be invested in cash or equivalents, short term deposits or money market funds. FEC commits not to invest any unallocated proceeds to projects or activities in fossil fuel and clean coal, nuclear-related assets, alcohol, armament, mining or gaming.

In case of divestments or if an Eligible Project no longer meets the Eligible Criteria, the funds will be reallocated to another Eligible Project as soon as practicable.

Additionally, if any material and critical controversies emerge in relation to a specific project, FEC commits to substitute that project with an alternative Eligible Project.

FEC aims to maintain a substantial buffer of Eligible Projects which ensure that if an Eligible Project in a SFT is sold or becomes ineligible, there will be an appropriate replacement.

The management of proceeds, including any unused proceeds, will be disclosed at least annually in the Company's sustainability report and / or relevant sections in the annual report.

4) Reporting

FEC will provide information on the allocation of the net proceeds of SFT on FEC's website and in FEC's Corporate Responsibility Reports. Such information will be provided on an annual basis until all the net proceeds have been allocated. FEC will also refer to and adopt the guidance and impact reporting templates provided in *the Harmonized Framework for Impact Reporting* where possible, practicable and feasible.

There will be an internal tracking mechanism with allocation and impact reporting. External party will be engaged for an external review of the internal tracking method and the allocation and impact reporting.

The information will include the following details:

4A) Allocation Reporting

FEC will provide below information for the net proceeds of all SFTs during the period:

i. Type of Funding Transaction: key information including, issuer/borrower entity, transaction date, tranche(s) information, principal amount of proceeds, repayment or amortisation profile, maturity date, and interest or coupon (and in the case of bonds, the ISIN number)

FEC's Sustainable Finance Framework

ii. Allocation of Use of Proceeds:

- Name and description of Eligible Projects to which the proceeds of the SFT have been allocated in accordance with this Framework
- Aggregate amount of SFT proceeds allocated to each project
- Share of financing vs. refinancing

iii. Unallocated Proceeds:

- The remaining balance of SFT proceeds

4B) Impact Reporting

Where possible, FEC will report on the actual environmental and social impacts (where relevant) resulting from Eligible Projects.

Subject to the nature of Eligible Projects and availability of information, FEC aims to include, but not limited to, the following Impact Indicators.

FEC will endeavor to disclose the key underlying methodology and assumptions used to calculate the quantitative performance measures where possible, practicable and feasible.

Eligible Green Project Categories	Impact Indicators
Green Buildings	<ul style="list-style-type: none"> • Number and level of Certification achieved • Building energy intensity (kWh/ m2) • Building energy consumption (kWh)
Energy Efficiency	<ul style="list-style-type: none"> • Amount of energy saved (kWh)
Renewable Energy	<ul style="list-style-type: none"> • Amount of renewable energy generated (kWh) • Number of solar lights and panels installed
Pollution Prevention and Control	<ul style="list-style-type: none"> • Amount of wastewater reused (m³) • Amount of waste reduced (tonnes)
Clean Transportation	<ul style="list-style-type: none"> • Number of new energy vehicle (NEV) purchase and / or replaced • Number of electric vehicle charging stations installed
Climate Change Adaptation	<ul style="list-style-type: none"> • CO₂ (or other GHG) emissions reduced (tonnes of CO₂e)

Eligible Social Project Categories	Impact Indicators
Affordable Housing	<ul style="list-style-type: none"> • Number of affordable housing units constructed • Rental costs / purchase prices compared to private market
Access to Essential Services	<ul style="list-style-type: none"> • Amount of sponsorship in education and career advancement programmes
Pandemic Response	<ul style="list-style-type: none"> • Number of sanitation and infection preventative services and equipment
Socioeconomic Advancement and Empowerment	<ul style="list-style-type: none"> • Number of elderly and middle-aged employees hired • Number of employees with disabilities hired

External Review

FEC has engaged an external review of this SFF from an independent party, S&P Global Ratings, to provide a Second Party Opinion. S&P Global Ratings reviewed the SFF for its alignment with GBP, SBP, SBG and GLP. The objective of the Second Party Opinion is to provide investors with an independent assessment.

The Second Party Opinion, as well as the Sustainable Finance Framework hereof, will be published and will make available at <https://www.fecil.com.hk/>