

ECHO

ASX ANNOUNCEMENT

21 July 2015

DESTINATION BRISBANE CONSORTIUM PROPOSAL SELECTED BY QUEENSLAND GOVERNMENT AS PREFERRED TENDERER FOR QUEEN'S WHARF BRISBANE

Echo Entertainment Group Limited (**Echo**) has welcomed the Queensland Government's announcement of 20 July 2015 to progress the Destination Brisbane Consortium's proposal for the delivery of its vision for Queen's Wharf Brisbane.

Echo has partnered with pre-eminent Hong Kong-based organisations Chow Tai Fook Enterprises Limited (**CTF**) and Far East Consortium (Australia) Pty Limited (**FEC Australia**), a wholly owned subsidiary of Far East Consortium International Limited (**FEC**), to form the DBC joint venture for the Queen's Wharf Brisbane Project.

Destination Brisbane Consortium is now continuing to work with the Queensland Government to finalise the relevant project documents.

Proposal Summary/Highlights

Queen's Wharf Brisbane Precinct Development

Destination Brisbane Consortium's proposal includes a range of tourism infrastructure and residential developments, including:

- An iconic world class Integrated Resort and entertainment precinct with over 1,100 new premium hotel rooms and feature Sky Deck
- A residential precinct of approximately 2,000 apartments
- Public infrastructure, including a bridge, and development of public area spaces largely along Brisbane's riverfront
- Investments in improved transport and connectivity solutions for the City of Brisbane

Economic Contributions

Destination Brisbane Consortium's proposal also delivers to the State of Queensland:

- Creation of around 2,000 jobs during construction
- Creation of more than 8,000 jobs in Queensland once Queen's Wharf Brisbane is fully operational
- \$1.69 billion projected annual increase in Queensland tourism
- \$4 billion projected boost to Gross State Product
- 1.39 million additional tourist visitors estimated per annum

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Echo Entertainment Group Chairman, John O'Neill AO, said: "I would like to thank the Queensland Government and welcome this exciting partnership to develop and operate arguably the most significant new placemaking project in the history of the Brisbane CBD. This project is potentially transformational for both Brisbane and Echo Entertainment.

"Our commitment to South East Queensland is evident in the scale and quality of what we're proposing, including the relocation of our headquarters to Brisbane at the appropriate time. This is also the most significant investment ever undertaken by an existing casino licence holder in Australia and follows major redevelopment programs announced and underway on the Gold Coast and completed in Sydney."

Echo Managing Director & CEO, Matt Bekier, said: "We are also delighted the Queensland Government shares our vision to develop Queen's Wharf Brisbane into the best Integrated Resort in Australia, and one for which Brisbane will be globally recognised. It will be an asset for this state that will compete with anything in Macau, Singapore or other destinations around the world. We look forward to progressing a development of which the people of Brisbane will be immensely proud, and that will deliver substantial economic and other benefits for Queensland.

"I would like to thank everyone who assisted during the preparation of the original submission and throughout the bid process to ensure ours was the proposal of choice. It was a stellar team performance, involving hundreds of people. From employees across the Echo Group to advisors, consultants and experts from a wide range of industry sectors and our partners in Destination Brisbane Consortium, it was a combined effort of remarkable proportions."

Destination Brisbane Consortium's vision for Brisbane

The Destination Brisbane Consortium (**DBC**) proposal is designed to deliver a whole of precinct solution that will offer the very best for Queenslanders and millions of visitors from around Australia and the world. The partners within DBC bring an extensive set of relevant, complementary capabilities to this opportunity – combining deep local affinity with the best of global capabilities and networks.

DBC's vision for Queen's Wharf Brisbane is to design, build and manage, with excellence and in a powerful, enduring partnership with the Queensland Government and the full range of stakeholders, a place for which Brisbane will be renowned, and of which its people will be immensely proud.

A summary of the plans submitted to the Queensland Government by DBC can be accessed at www.DestinationBrisbaneConsortium.com.au. The plans align with the Queensland Government's vision for a revitalised Queen's Wharf precinct and include the following elements:

- A new Integrated Resort and entertainment precinct adjacent to the CBD and riverfront, connected to South Bank
- More than 1,100 new premium hotel rooms to operate under five new brands to Brisbane, including The Ritz-Carlton and Rosewood Hotels & Resorts
- The iconic signature "Arc" building, including a spectacular feature Sky Deck, with restaurants and bars fully accessible to the public
- Fifty restaurants and bars, from hatted fine dining to pop-up cafes
- Enhancement of the Brisbane riverfront and public parklands in the precinct, including an Indigenous heritage walk and a new pedestrian and cycle bridge to South Bank to improve the connectivity and amenity along the waterfront
- Transforming the Treasury Casino and beneath Queens Park into premium retail that will connect the CBD and Queen Street Mall through to the Queen's Wharf precinct
- World class gaming facilities
- Significant event space in the precinct with three major event spaces having capacity to cater to up to 60,000 people
- Tourism attractions including a light and water river show.
- More than 5,000 car parking spaces, with more than 3,500 available for the Integrated Resort, to make the precinct fully accessible to local visitors

DBC's proposal also includes building Australia's first world-leading Tourism and Hospitality School on the Gold Coast, to transform the capability of Queensland's hospitality sector over the next ten years.

Additionally, under DBC's proposal, Echo's headquarters will be moved to Queensland.

The DBC proposal has a wide range of economic benefits and implications for the Government's stated target of doubling overnight visitor expenditure to \$30 billion by 2020, including:

- Creation of around 2,000 jobs during construction
- Creation of more than 8,000 Queensland jobs once Queen's Wharf Brisbane is fully operational
- \$1.69 billion projected annual increase in Queensland tourism
- \$4 billion projected boost to Gross State Product
- 1.39 million additional tourist visitors estimated per annum

Partners with proven retail and tourism expertise

DBC brings together Echo's extensive Queensland and broader Australian experience in operating integrated resorts with CTF and FEC's international hospitality operations, mixed use development expertise and strong links into Chinese and other Asian markets.

DBC's combined businesses will give Queensland potential tourism opportunities and insights into consumer behaviours via:

- 1.7 million premium jewellery customers across China, Hong Kong and Macau, members of Chow Tai Fook Jewellery's VIP program
- Over 4 million loyal customers in China, members of CTF group's New World branded department store's VIP membership program
- 500,000 worldwide members of Diamond Resorts (an affiliate partner for DBC) – all of whom have prepaid their accommodation and are seeking attractive new destinations for holidays
- 38 million-plus global loyalty program members of separate hotel programs owned by The Ritz-Carlton and Dorsett groups
- 275,000 active members of Echo's Absolute Rewards Loyalty Program across Australia, with 42% of these members residing outside Queensland.

David Chiu, Chairman of Far East Consortium International Limited, said: "To be part of the redevelopment of the Brisbane CBD is the most exciting project we are working on in the international arena. FEC currently owns 20 hotels, 6043 operating rooms and 20 actively residential projects worldwide, and has contributed significantly to Melbourne's skyline through 12 landmark urban renewal redevelopments. We are very happy to bring years of experience in international hospitality operation and mixed use development to Brisbane. This will be a transformational project for Brisbane, and combined with the natural beauty of the region, will make Brisbane a 'must go' destination for international travellers."

Henry Cheng, Chairman of Chow Tai Fook Enterprises Limited, said: "CTF has significant investments in countries beyond Greater China. We are excited to bring our many years of global hospitality and iconic project development experience to Brisbane and are confident of helping shape the city into an incredibly vibrant modern metropolis of which the people of Brisbane will be rightfully proud and want to share with the world."

Echo Entertainment's expected investment under the proposal

As announced previously, Echo will contribute fifty per cent of the capital to the development of the Integrated Resort and act as the operator under a long dated casino management agreement. CTF and FEC Australia will each contribute twenty five per cent of the capital to the development of the Integrated Resort and will each contribute fifty per cent of the capital to undertake the residential and related component of the broader Queen's Wharf Brisbane development.

Echo will also retain ownership of the existing Treasury Casino and Hotel buildings under a long-dated lease. These buildings will be repurposed into retail facilities and premium hotel accommodation.

As part of the operating arrangements, Echo will transfer the existing casino operations and business to the new development upon completion and will operate the Integrated Resort in return for a fee. The fee will be determined by the revenue and earnings generated by the Integrated Resort. CTF and FEC will generate referral fees for VIP business directly referred to the facility.

Echo expects to have the capacity to fund the project through existing and new debt facilities and free cash flow generated by the business. Echo is confident, based on the joint venture arrangements entered into, that the returns expected to be generated by the investment will be appropriate to meet the company's return hurdles and will deliver superior value to investors.

The redevelopment of Queen's Wharf Brisbane has the potential to deliver significant and positive change for the people of Brisbane, the Queensland Government and DBC. Echo, along with its partners within DBC, looks forward to progressing the opportunity to deliver on the vision for Queen's Wharf.

While Echo is finalising project documents with the Queensland Government, it is unable to provide further information regarding the proposal at this stage.

For further information contact:

Financial Analysts: Harry Theodore, Head of Strategy, Investor Relations and Group Reporting, 02 9657 8040

Chad Barton, Chief Financial Officer, 02 9657 8025

Media: Peter Jenkins, Head of Media Communications, 0439 015 292

Overview of Chow Tai Fook Enterprises and Far East Consortium

About Chow Tai Fook Enterprises Limited

Chow Tai Fook Enterprises Limited is a Hong Kong based private company controlled by the Cheng Family. The principal activities of the CTF group of companies are investment holding, property, hospitality and consumer and retail businesses.

CTF also is the controlling shareholder of New World Development Company Limited (NWD, HKEx Code:17), a leading Hong Kong based conglomerate listed on the Stock Exchange of Hong Kong with a market capitalisation of approximately A\$15 billion. NWD, through its Hong Kong listed subsidiaries, engages in property, infrastructure and service, department store and hotel businesses. Rosewood Hotel Group, a company to be wholly owned by CTF, manages a portfolio of 55 hotels in 18 countries across 3 different brands.

About Far East Consortium (Australia) Pty Limited

Far East Consortium (Australia) Pty Limited is a subsidiary of Far East Consortium International Limited (HKEx Stock Code: 35). FEC is an international property development company with a strong Australian presence. Founded in 1960, FEC is one of Asia's largest property developers and is a public company listed on the Stock Exchange of Hong Kong.

Since commencing operations in Australia in 1994, the group has contributed significantly to Melbourne's skyline through 12 landmark urban renewal redevelopments. FEC also owns Care Park Group, one of the largest car park operators in Australia, and Dorsett Hospitality Group (HKEx Stock Code: 2266), a hotel group listed on the Stock Exchange of Hong Kong with hotels in mainland China, Hong Kong, Singapore, Malaysia, and the United Kingdom.