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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)

SUPPLEMENTAL ANNOUNCEMENT DISCLOSEABLE TRANSACTION INVOLVING HOTEL AND TOWN HALL IN THE UNITED KINGDOM

Reference is made to the announcement of Far East Consortium International Limited dated 25 February 2025 (the “**Announcement**”) in relation to a discloseable transaction in respect of the Transaction. This announcement is to provide further information in relation to the Transaction.

Financial Information in relation to the Town Hall Property and the Hotel Property

The Company would like to provide further information that the estimated book carrying value of the Town Hall Property at the Town Hall Completion was £15,952,000, and the estimated book carrying value of the Hotel Property at Hotel Completion was £16,186,000.

As disclosed in the Announcement, on Hotel Completion, the Purchaser shall procure the repayment by Hotel PropCo and/or Hotel OpCo (as the case may be) of the Hotel Intra-Group Loan, whereas, on Town Hall Completion, the Purchaser shall procure the repayment by the Town Hall PropCo or Town Hall OpCo (as the case may be) of the Town Hall Intra-Group Loan. As at the date of the Hotel SPA and the Town Hall SPA, the amount of Hotel Intra-Group Loan was £13,920,798 and the amount of Town Hall Intra-Group Loan was zero. The amounts of such loans will be subject to change and may be different at the Hotel Completion and the Town Hall Completion (as the case may be). As of 25 February 2025, neither the Hotel Property nor the Town Hall Property had been opened to the public.

* *For identification purposes only*

Consideration

As disclosed in the Announcement, the Hotel Seller has agreed to sell, and the Purchaser has agreed to purchase, the Hotel PropCo Share for the Hotel Consideration, being £22,656,000 (equivalent to approximately HK\$221,576,000) plus the net asset value of the Hotel Target Group (excluding the value of the Hotel Property) and the Town Hall Seller has agreed to sell, and the Purchaser has agreed to purchase, the Town Hall PropCo Share for the Town Hall Consideration, being £24,544,000 (equivalent to approximately HK\$240,040,000) plus the net asset value of the Town Hall Target Group (excluding the value of the Town Hall Property). The Board would like to clarify that if the net asset value of Hotel Target Group (excluding the value of the Hotel Property) or Town Hall Target Group (excluding the value of the Town Hall Property) is a negative figure, the negative net asset value would reduce the Hotel Consideration and Town Hall Consideration respectively.

The Board would like to further supplement that the Hotel Consideration of approximately HK\$221.6 million and the Town Hall Consideration of approximately HK\$240.0 million were determined after arm's length negotiation between the Purchaser, the Hotel Seller and Town Hall Seller taking into account the following:

- (a) **Location of the properties:** The Hotel Property and the Town Hall Property are situated in Crouch End Broadway, North London, a unique location of approximately five miles from Central London;
- (b) **Historical significance:** The building which comprises the Town Hall Property and Hotel Property, a prominent Grade II listed historic building constructed in 1935, is one of the earliest and iconic examples of modernist architecture in the United Kingdom;
- (c) **Redevelopment:** The Town Hall Property, the Hotel Property and the neighbourhood have undergone renovation and conversion, transforming into hotel, restaurants, event space and contemporary arts centre;
- (d) **Market conditions:** The commercial and business conditions in the United Kingdom, including the uncertain economic outlook;
- (e) **Values of the Properties:** The book value of the Town Hall Property as at the date of the Town Hall SPA of £13,497,250 and the book value of the Hotel Property as at the date of the Hotel SPA of £13,920,798; and
- (f) **Strategic rationale:** The Transaction represents an opportunity for the Group to realise value of non-core assets of the Group at a premium, generating an aggregate gain of approximately £14,762,000. This aligns with the Group's strategy of unlocking development profits from its hotel portfolio and divesting non-core assets.

The Board after taking a comprehensive review of the aforementioned factors including carrying value of the Hotel Property and the Town Hall Property and the gain made from the Transaction, considers that the Hotel Consideration and the Town Hall Consideration were fair and reasonable in the circumstance and in the interest of the Company and its Shareholders as a whole as the Board believes the Transaction enables the Group to realise its investments in the development and increase liquidity of the Group. Following completion of the Transaction, it is expected that the Hotel Property will be managed by Dorsett Group of the Company and will continue to generate income for the Group.

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

Hong Kong, 9 May 2025

As at the date of this announcement, the Board comprises six executive directors, namely Tan Sri Dato' David CHIU, Mr. Cheong Thard HOONG, Mr. Dennis CHIU, Mr. Craig Grenfell WILLIAMS, Ms. Wing Kwan Winnie CHIU and Ms. Jennifer Wendy CHIU; and three independent non-executive directors, namely Mr. Kwong Siu LAM, Mr. Wai Hon Ambrose LAM and Mr. Lai Him Abraham SHEK.