



(Incorporated in the Cayman Islands with limited liability)

Website: <http://www.fecil.com.hk>

(Stock code : 35.HK)

## **FEC JOINTLY ACQUIRES OAKWOOD PREMIER OUE SINGAPORE HOTEL AND THE PROPERTY LOT WITH AMTD**

(18 September 2019 - Hong Kong) **Far East Consortium International Limited** (“FEC” or the “Company”, together with its subsidiaries, the “Group”; SEHK: 35) is pleased to announce that, through its indirect wholly-owned subsidiary Dorsett Hospitality International Limited (“Dorsett”), it has formed joint ventures with AMTD to purchase an existing hotel in Singapore.

The hotel is currently operated as “Oakwood Premier OUE Singapore” which forms part of OUE Downtown, a newly refurbished mixed-use development comprising two high-rise towers with offices and a retail mall apart from the Hotel. The Hotel, which was opened in June 2017, has a total of 268 rooms, 2 dining facilities and other amenities with total gross floor area of 25,054 square metres and strata title area of 23,234 square metres.

Located in the heart of Singapore’s vibrant central business district, the Hotel enjoys excellent access to a myriad of commercial, leisure and retail attractions and is within walking distance to three Mass Rapid Transit (MRT) stations (Tanjong Pagar, Raffles Place and Downtown) as well as the upcoming Shenton Way and Prince Edward Road MRT stations. Future Singaporean government initiatives, including the CBD Incentive Scheme and Greater Southern Waterfront, will further reinforce this area as a vibrant commercial and lifestyle destination.

Two joint ventures have been formed to purchase, on the one hand, the hotel property, and the plant and equipment, on the other, the embedded business. The joint ventures will be held in a ratio of 49% by Dorsett and 51% by AMTD. The Group’s total capital commitment in the acquisition is S\$141,610,000 (equivalent to approximately HK\$807,177,000), being the Group’s 49% share of the total consideration.

The Group has been seeking to build a stronger presence in Singapore, a city that enjoys world class infrastructure, excellent flight connectivity, popular leisure attractions and a stable economy. The Group already operates a very successful hotel in Singapore, Dorsett Singapore, and leveraging on Dorsett's established operation platform, the remaining short tenure of the existing third-party management contract offers an opportunity for Dorsett to further expand its presence and enhance its brand equity in Singapore. The Group also believes that the acquisitions allow it to take advantage of the solid business environment in that market and to further diversify its hotel portfolio.

The partnership with AMTD in the acquisitions, with whom the Group enjoys a strong and mutually beneficial long-term relationship, is a strategic move to identify long-term partner for future projects as well as an effective way to minimise the capital outlay and optimise its overall investment returns.

**Winnie Chiu, JP, President & Executive Director of Dorsett Hospitality International** said, "The acquisition of Oakwood Premier OUE Singapore is an important step in the expansion of the Group's hotel business segment. While the acquisitions bring to the Group immediate cash returns from its existing business, it also has strong potential in the short term as it continues its repositioning. Earlier this year, the property was granted the license to be operated as a hotel, offering short stay accommodation which is typically a more profitable segment of the hospitality market. In the medium term, we believe that through some light asset enhancement, the hotel could be remodeled to offer additional hotel rooms and deliver higher revenues per square foot."

"It's the first step in a new and exciting partnership in hotel property investments with AMTD, one of our strong partners in the capital markets. We hope that this transaction will be a successful model on which to build on a diversified and profitable hotel portfolio for both parties." She emphasized.

On the Acquisition, **Mr. Chris HOONG, Managing Director of FEC** said: "We consider the total consideration to be attractive, given its location, quality and potential. We believe that the Singapore market is very attractive and deem that the operational performance of this hotel can be enhanced in the short term and the medium term. Adding a second hotel in Singapore will also allow us to solidify our platform and extract synergies. This acquisition will start contributing right away, immediately increase our geographical diversification and fits our 'Asian Wallet strategy'."

Please refer to the Group's SEHK announcement for more details on the structure of

the acquisitions.

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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, car park operations and facilities management, securities and financial product investment and gaming operations. The Group adopts the diversified regional strategy and the “Asian Wallet” strategy with business covering Hong Kong, Mainland China, Australia, New Zealand, Malaysia, Singapore, the United Kingdom and other European countries.

**FEC official website:**

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