



(Incorporated in the Cayman Islands with Limited Liability)
Website: <http://www.fecil.com.hk>
(Stock code: 35.HK)

FEC to Sell Dorsett City London Hotel

(15 June, 2021 - Hong Kong) **Far East Consortium International Limited** (“FEC” or the “Group”; SEHK: 35) is pleased to announce that on 15 June 2021, Mazuma Holdings Limited and Dorsett Hospitality (UK) Ltd (the “Sellers”), being wholly-owned subsidiaries of the Group, entered into a Sale and Purchase Agreement with Aldgate Hotel Bidco Limited, a subsidiary of certain affiliates of Highgate Hotels, L.P. and Cerberus Capital Management, L.P., whereby the Sellers have agreed to sell Dorsett City London Hotel (the “Hotel”), which is located at 9-13 Aldgate High Street in London, United Kingdom at an aggregate consideration of £115 million, through the disposal of their respective equity interests in Elite Region Limited and Dorsett City London Limited (“DCLL”) (the “Sale”). Upon completion, the Group is expected to record a gain from the Sale of approximately £50 million .

On completion, DHI Hotel Management UK Ltd (the “Manager”), a wholly-owned subsidiary of the Group, will enter into a hotel management agreement (the “Hotel Management Agreement”) with DCLL, pursuant to which the Manager shall provide hotel management services in relation to the management and operation of the Hotel.

The Sale and the Hotel Management Agreement provides a good opportunity for the Group to, amongst others; (i) realise the value of the Hotel, (ii) allow the gain from the Sale to be crystallised and the capital to be recycled, (iii) increase liquidity and reduce net gearing, and (iv) provide the Group with an income stream from the management fee upon the stabilization of the hospitality sector post COVID-19. The net proceeds from the Sale will be used for the Group’s general working capital.

The Group is optimistic about the long term prospects of the hotel business and will continue to develop new hotels in different countries. The Group will also continue to explore monetization of other hotels, especially in locations where land is well priced and easily available.

As at 30 September 2020, the Group operated 31 hotels with approximately 8,100 rooms, located in Hong Kong, Mainland China, the United Kingdom, Australia, Singapore, Malaysia,

Germany, Austria and Czech Republic and has 13 hotels in the development pipeline, of which one is RitzCarlton hotel in Melbourne. When all the hotels in the pipeline become operational, the Group will own 44 hotels operating approximately 11,350 rooms.

For further details regarding the Sale, please refer to FEC's Hong Kong Stock Exchange announcement published on 15 June 2021.

Mr. Chris HOONG, Managing Director of FEC said :“The Sale is a good example of our proven track record of successfully monetizing our hotel assets, and is consistent with the Group's strategy. We also have demonstrated FEC's ability to develop and operate hotels across the Globe. The Sale again highlights the tremendous value hidden in our portfolio. We look forward to exploring new opportunities to deploy capital at attractive rates of return.”



Photo caption: FEC to Sell Dorsett City London Hotel

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About Far East Consortium International Limited

Far East Consortium International Limited has been listed on The Stock Exchange of Hong Kong Limited since 1972 (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:

www.fecil.com.hk

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