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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)**

### **DISCLOSEABLE TRANSACTION INVOLVING DISPOSAL OF PROPERTIES IN THE UNITED KINGDOM**

#### **THE DISPOSAL**

The Board wishes to announce that on 14 May 2024, the Seller and the Buyer entered into the SPA whereby the Seller has agreed to sell, and the Buyer has agreed to purchase the Properties for £17,244,930 (equivalent to approximately HK\$168,655,000) plus VAT.

#### **LISTING RULES IMPLICATIONS**

As one or more of the applicable Percentage Ratios for the Disposal exceeds 5% but all of the applicable Percentage Ratios are less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

#### **INTRODUCTION**

The Board wishes to announce that on 14 May 2024, the Seller and the Buyer entered into the SPA whereby the Seller has agreed to sell, and the Buyer has agreed to purchase the Properties for £17,244,930 (equivalent to approximately HK\$168,655,000) plus VAT.

\* *For identification purposes only*

## **THE SPA**

The principal terms of the SPA are set out as follows:

### **Date**

14 May 2024

### **Parties**

- (1) the Seller
- (2) the Buyer

### **Subject matter**

Subject to the terms and conditions of the SPA, the Seller has agreed to sell the Properties to the Buyer, and the Buyer has agreed to purchase the Properties from the Seller.

### **Consideration**

The Consideration for the Disposal shall be payable in the following manner:

- (a) the First Deposit has been paid by the Buyer to the Seller's solicitors as agent for the Seller on the date of the SPA;
- (b) the Second Deposit shall be paid by the Buyer to the Seller's solicitors as agent for the Seller by 5pm (UK time) on 12 June 2024;
- (c) the Deposits shall be released to the Seller with accrued interest on Completion; and
- (d) the balance, being the Consideration (less the Deposits), shall be paid to the Seller on Completion.

The Consideration was determined after arm's length negotiations with reference to, among other things, the location of the Properties, prevailing market conditions, and comparable price of similar properties in the vicinity of the Properties.

### **Completion**

Completion is expected to take place on the Completion Date.

## **FINANCIAL EFFECT OF THE DISPOSAL**

The book value of the Properties attributable to the Group at Completion is £17,000,000 (equivalent to approximately HK\$166,260,000). The market value of the Properties is estimated to be £17,000,000 (equivalent to approximately HK\$166,260,000) based on an independent valuation report with its valuation date as at 31 March 2023, adopting, amongst others, a valuation methodology that applies a multiplier/yield to the sustainable net profit generated from the Properties.

The Directors estimate that upon Completion, the Group is expected to record a gain from the Disposal of approximately £220,000 (equivalent to approximately HK\$2,152,000), being the Consideration less the book value of the Properties attributable to the Group at Completion and the estimated expenses in relation to the Disposal.

## **USE OF PROCEEDS**

The Directors expect that the net proceeds from the Disposal will be used for the general working capital of the Group.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

The Directors consider that the Disposal will, amongst others, (i) realise the value of the Properties, (ii) allow the gain from the Disposal to be crystallised and capital to be recycled, and (iii) increase liquidity and reduce net gearing.

The Directors are of the view that the terms of the Disposal, and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

## **INFORMATION ON THE PROPERTIES**

Property 1 is a freehold land situated in Boundary Farm, Styal Road, Manchester (M22 5YA) registered with title absolute at HM Land Registry under title number CH159342. Property 2 is a freehold land situated on the North side of Moss Lane, Styal registered with title absolute at HM Land Registry under title number CH339689. The Properties are currently known as “Boundary Farm Car Park”.

## **INFORMATION ON THE SELLER, THE COMPANY AND THE GROUP**

The Seller is an indirect non-wholly-owned subsidiary of the Company and engaged in car park operations and facilities management. It is the legal and beneficial owner of the Properties.

The Company is an investment holding company and the principal activities of the Group are property development, property investment, hotel operations and management, car park operations and facilities management, gaming and related operations, securities and financial product investments, and provision of mortgage services.

## **INFORMATION ON THE BUYER**

The Buyer is Boundary Park Holdings Ltd, and is principally engaged in the buying and selling of own real estate. Mrs Sylvia Ellis is the sole shareholder and the ultimate beneficial owner of the Buyer.

To the best knowledge, information and belief of the Directors having made all reasonable enquiry, the Buyer and the ultimate beneficial owner(s) of the Buyer are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable Percentage Ratios for the Disposal exceeds 5% but all of the applicable Percentage Ratios are less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Board”	board of Directors
“Buyer”	Boundary Park Holdings Ltd, a private limited company incorporated in the United Kingdom
“Company”	Far East Consortium International Limited (遠東發展有限公司*), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 35)
“Completion”	completion of the Disposal
“Completion Date”	the date of Completion, being the earlier of (a) 12 August 2024, (b) the date 10 working days after the Buyer serves notice to complete on the Seller provided that the Completion Date cannot be earlier than 12 June 2024 and (c) such other date as the parties to the SPA may agree

“Consideration”	£17,244,930 (equivalent to approximately HK\$168,655,000) plus VAT
“Deposits”	the First Deposit and Second Deposit
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Properties by the Seller to the Buyer pursuant to the SPA
“First Deposit”	£250,000 (equivalent to approximately HK\$2,445,000) plus VAT
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Percentage Ratios”	have the meaning ascribed to such term in Rule 14.07 of the Listing Rules
“Properties”	Property 1 and Property 2
“Property 1”	the freehold land being Boundary Farm, Styal Road, Manchester (M22 5YA) registered with title absolute at HM Land Registry under title number CH159342
“Property 2”	the freehold land being land on the North side of Moss Lane, Styal registered with title absolute at HM Land Registry under title number CH339689
“Second Deposit”	£458,333.33 (equivalent to approximately HK\$4,483,000) plus VAT
“Seller”	Boundary Farm Car Park Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect non-wholly-owned subsidiary of the Company
“Shareholder(s)”	holder(s) of the ordinary share(s) of the Company
“SPA”	the sale and purchase agreement entered into between the Seller and the Buyer in respect of the Disposal
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“UK”	the United Kingdom
“VAT”	United Kingdom Value Added Tax and any other tax imposed in substitution for it
“%”	per cent.
“£”	Great British Pound, the lawful currency of the United Kingdom

*For the purpose of this announcement and for illustration purpose only, conversion of £ to HK\$ is based on the exchange rate of £ to HK\$9.78. No representation is made that any amounts in £ have been or could be converted at the above rate or any other rates.*

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

Hong Kong, 14 May 2024

*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.*