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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)

Heads of Terms in relation to the Proposed Sale of a Hotel in Hong Kong

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and Part XIVA of the SFO.

The Board is pleased to announce that on 12 January 2017 (after trading hours), the Seller and the Manager entered into HOTs with the Purchaser in relation to the Proposed Sale of the Hotel involving the sale of Sale Share and the assignment of Sale Loan, and subsequent management of the Hotel by the Manager.

Shareholders and potential investors of the Company should note that as of the date of this announcement, the terms and conditions of the Proposed Sale are still being negotiated and no legally binding agreement has been entered into. The Proposed Sale may or may not proceed, shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company. If the transactions contemplated under the HOTs materialise, they may constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules and further announcement(s) may be made by the Company in compliance with the Listing Rules accordingly.

This announcement is made by Far East Consortium International Limited (the “Company”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (the “SFO”).

* For identification purposes only

The board of directors (the “Board”) of the Company is pleased to announce that on 12 January 2017 (after trading hours), Dorsett Hospitality International Limited (the “Seller”) and Dorsett Hospitality International Services Limited (the “Manager”), both of them are wholly-owned subsidiaries of the Company, entered into heads of terms (the “HOTs”) with Golden Wheel Jasper Company Limited (the “Purchaser”), an independent third party of the Company, in which the Seller intends to sell and the Purchaser intends to purchase, the entire interests in Double Advance Group Limited (“DAGL”), comprising (a) the entire issued share capital (the “Sale Share”) in DAGL and (b) shareholder’s loan (the “Sale Loan”) owing by DAGL to the Seller (the “Proposed Sale”), and subsequent management of Silka West Kowloon, Hong Kong (the “Hotel”) by the Manager. The Hotel is owned by DAGL and located on the property known as No. 48 Anchor Street, Kowloon, Hong Kong.

Pursuant to the HOTs, completion of the Proposed Sale, assignment of the Sale Loan and entry into the hotel management agreement (the “Completion”) shall take place simultaneously. Completion will be conditional, among others, upon approval being obtained from the shareholders of Golden Wheel Tiandi Holdings Company Limited (Stock code: 1232), being the holding company of the Purchaser.

The parties have agreed to an exclusivity period up to and including 28 February 2017 (“Exclusivity Period”). During the Exclusivity Period, the Seller will not enter or agree to enter into any agreements with any person (other than the Purchaser and its affiliates) for sale, transfer or other disposal of the Sale Share or the Hotel (or any part of it) for the Purchaser to conduct due diligence review.

Shareholders and potential investors of the Company should note that as of the date of this announcement, the terms and conditions of the Proposed Sale are still being negotiated and no legally binding agreement has been entered into. The Proposed Sale may or may not proceed, shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company. If the transactions contemplated under the HOTs materialise, they may constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules and further announcement(s) may be made by the Company in compliance with the Listing Rules accordingly.

By order of the Board of
Far East Consortium International Limited
Tak Shing CHOI
Company Secretary

Hong Kong, 12 January 2017

As at the date of this announcement, the Board comprises four executive directors namely, Tan Sri Dato’ David CHIU, Mr. Cheong Thard HOONG, Mr. Dennis CHIU and Mr. Craig Grenfell WILLIAMS; one non-executive director, Mr. Chi Hing CHAN; and three independent non-executive directors, namely Mr. Kwok Wai CHAN, Mr. Peter Man Kong WONG and Mr. Kwong Siu LAM.

This announcement was originally prepared in English and was subsequently translated into Chinese. In the event of any inconsistency between the two texts, the English text of this announcement shall prevail over the Chinese text.