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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)

CONNECTED TRANSACTION INVOLVING THE RITZ CARLTON HOTEL IN MELBOURNE, AUSTRALIA

THE TRANSACTION

The Board wishes to announce that on 1 April 2026 (after trading hours), the Vendors and the Purchaser entered into the SPA, whereby based on the agreed value of the Hotel being A\$233,200,000 which is at a premium over the Market Value of Hotel of A\$233,000,000 as determined by an independent valuation, the Vendors have conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase the Sale Shares, representing 49.9% of the issued shares of the Op Co and 49.9% of the issued shares of the Property Holdco as at the Completion Date, and take assignment of the Sale Loan, at an aggregate consideration of A\$58,183,400 (equivalent to approximately HK\$314,772,000) subject to the terms and conditions of the SPA.

The Consideration of A\$58,183,400 is determined by the parties after arm's length negotiation taking into account, among other things, an agreed value of the Hotel of A\$233,200,000 net of the estimated amount of outstanding bank loan of the Target Group as at Completion, and then multiply such figure by 49.9%. The amount of outstanding bank loan of the Target Group as at Completion is estimated to be A\$116,600,000. Based on the above, the Consideration represents a premium over 49.9% of the Market Value of the Hotel.

The Group is expected to record a gain from the Transaction of approximately A\$18,344,000 (equivalent to approximately HK\$99,241,000), being the Consideration less the aggregate of 49.9% of the estimated book carrying value of the Target Group attributable to the Group at Completion and the estimated expenses in relation to the Transaction.

* *for identification purposes only*

LISTING RULES IMPLICATIONS

The Purchaser is indirectly owned as to 55% by Ms. Jennifer Wendy CHIU, an Executive Director, and as to 45% by Tan Sri Dato' David CHIU, an Executive Director, the Chairman and the Chief Executive Officer of the Company and the ultimate controlling shareholder of the Company. Ms. Jennifer Wendy CHIU is the daughter of Tan Sri Dato' David CHIU. Therefore, the Purchaser is an associate of Ms. Jennifer Wendy CHIU and Tan Sri Dato' David CHIU, and a connected person of the Company under Chapter 14A of the Listing Rules.

An application has been made to the Stock Exchange on the adoption of an alternative size test in respect of the consideration test based on the the total equity of the Company as at 30 September 2025 and the Company has obtained the approval from the Stock Exchange for its application pursuant to Rule 14.20 and Rule 14A.80 of the Listing Rules.

As one or more of the applicable Percentage Ratios for the Transaction exceeds 0.1% but all of the applicable Percentage Ratios are less than 5%, the Transaction constitutes a connected transaction for the Company and is subject to the reporting and announcement requirements but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

The Board wishes to announce that on 1 April 2026 (after trading hours), the Vendors and the Purchaser entered into the SPA, whereby based on the agreed value of the Hotel being A\$233,200,000 which is at a premium over the Market Value of Hotel of A\$233,000,000 as determined by an independent valuation, the Vendors have conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase the Sale Shares, representing 49.9% of the issued shares of the Op Co and 49.9% of the issued shares of the Property Holdco as at the Completion Date, and take assignment of the Sale Loan, at an aggregate consideration of A\$58,183,400 (equivalent to approximately HK\$314,772,000) subject to the terms and conditions of the SPA.

THE SPA

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

Date

1 April 2026 (after trading hours)

Parties

- (1) Vendors
- (2) Purchaser

Subject matters

Subject to the terms and conditions of the SPA, the Vendors shall sell the Sale Shares as the legal and beneficial owners free from all encumbrances and the Purchaser or its nominee shall purchase the Sale Shares together with all rights and benefits attaching or accruing thereto including without limitation, all dividends and distributions declared, made or paid, on or after the Completion Date.

Upon and subject to the terms and conditions of the SPA and the Deeds of Assignment, the Vendors shall assign, and the Purchaser or its nominee shall take assignment of, all benefits and interests of and in the Sale Loan free from all encumbrances and with all rights attached thereto as at Completion.

Consideration

The Consideration payable by the Purchaser to the Vendors for the Sale Shares and the Sale Loan shall be the aggregate sum of A\$58,183,400.

The Consideration of A\$58,183,400 is determined by the parties taking into account, an agreed value of the Hotel of A\$233,200,000 at a premium over the value of the Hotel in existing state as at 16 February 2026 being A\$233,000,000 (the “**Market Value of Hotel**”) as appraised by an independent valuer under the direct comparison approach net of the estimated amount of outstanding bank loan of the Target Group as at Completion, and then multiply such figure by 49.9%. The amount of outstanding bank loan of the Target Group as at Completion is estimated to be A\$116,600,000. The Purchaser and Vendor have also taken into account the following in determining the Consideration: (i) the location of the Hotel which is located at a prime location in Melbourne, Australia; (ii) the commercial and business condition in Australia; and (iii) the opportunity for the Group to realise the value of its assets and generating a gain from the Transaction which is consistent with the Group’s strategy of unlocking development profits from its hotel portfolio, as well as divesting non-core assets. The Consideration represents a premium over 49.9% of the Market Value of the Hotel.

For the purpose of apportionment of the Consideration, (a) the consideration for 49.9% of the outstanding shareholder’s loan extended by FEC Hotel to the Op Co shall be equivalent to the principal amount of 49.9% of the outstanding shareholder’s loan to the Op Co as at Completion (the “**Op Co Loan Consideration**”); (b) the consideration for 49.9% of the issued share capital of the Op Co shall be A\$10,000 (the “**Op Co Shares Consideration**”); (c) the consideration for 49.9% of the outstanding shareholder’s loan extended by FEC DCG to the Property Holdco shall be equivalent to the principal amount of 49.9% of the shareholder’s loan to the Property Holdco as at Completion (the “**Property Holdco Loan Consideration**”); and (d) the consideration for 49.9% of the issued share capital of the Property Holdco shall equal the Consideration less the Op Co Loan Consideration, the Op Co Shares Consideration and the Property Holdco Loan Consideration. The Consideration shall be satisfied by the Purchaser at Completion by procuring Ms. Jennifer Wendy CHIU to set off 55% of the Consideration against an outstanding loan provided by her to a subsidiary of the Company and procuring Tan Sri Dato’ David CHIU to set off 45% of the Consideration against an outstanding loan provided by him to a subsidiary of the Company. In the event that the amount for set-off is insufficient to cover any portion of the Consideration, the Purchaser shall pay to the Vendors any remaining balance of the Consideration in cash at Completion.

The Target Group shall prepare a completion account for the determination of the NAV as at Completion pursuant to the terms of the SPA. NAV refers to the consolidated net asset value of the Target Group as determined in the completion account less the carrying value of the property, plant and equipment in the completion account (where the carrying value of the Hotel is recorded at cost) and adding the agreed value of the Hotel of A\$233,200,000, shareholder loan adjustments to reflect the portion of such loans to be assumed by the Purchaser and deferred tax as a result of any tax arising from timing difference between account and tax treatment.

The Consideration shall be adjusted as follows:

- (a) if the NAV is less than A\$116,600,000, the Consideration shall be decreased by an amount equal to 49.9% of the relevant shortfall of the NAV and such shortfall shall be paid by the Vendors to the Purchaser within 10 business days after determination of the completion account; and
- (b) if the NAV is more than A\$116,600,000, the Consideration shall be increased by an amount equal to 49.9% of the relevant excess (the “NAV Excess”). The NAV Excess shall be satisfied by the Purchaser by procuring Ms. Jennifer Wendy CHIU to set off 55% of such NAV Excess against an outstanding loan provided by her to a subsidiary of the Company and procuring Tan Sri Dato’ David CHIU to set off 45% of such NAV excess against an outstanding loan provided by him to a subsidiary of the Company. In the event that the amount for set-off is insufficient to cover the NAV Excess, the Purchaser shall pay to the Vendors any remaining balance of the NAV Excess in cash within 10 business days after determination of the completion account.

In relation to the valuation of the Hotel conducted by the independent valuer, the following methodologies and assumptions were used and adopted:

Valuation methodologies

The direct comparison approach was adopted by the independent valuer as sufficient, recent comparable evidence was available for the Hotel of similar location, scale and condition. These comparables support market-based adjustments (e.g., location, quality, number of rooms, improvements made, facilities and amenities available), yielding an indicated value that the independent valuer considered the most reliable and representative of market value for the Hotel under current market conditions.

Valuation assumptions

The valuation of the Hotel was made on the assumption that the owner sells the Hotel in the market in their existing state without the benefit of deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to affect the values of such Hotel. In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the Hotel and no allowance has been made for the Hotel to be sold in one lot or to a single purchaser.

Conditions

Completion shall be conditional upon the following conditions having been fulfilled in accordance with the SPA on or before the Longstop Date:

- (a) all necessary consents, confirmations, permits, approvals, licenses, authorisations having been obtained from all relevant governmental authority in Hong Kong and Australia or elsewhere in connection with the transactions contemplated under the SPA (including but not limited to any approval required by the Purchaser from Australian Competition & Consumer Commission for the transactions contemplated under the SPA);
- (b) all necessary consents, confirmations, permits, approvals, licenses, authorisations having been obtained from any third party in connection with the transactions contemplated under the SPA (including but not limited to consent required under the hotel management agreement in respect of the management of the Hotel and consent from the financier in respect of the transactions contemplated under the SPA); and
- (c) the Target Group having completed the Internal Restructuring.

The Vendors and the Purchaser shall use its reasonable endeavours to procure the fulfilment of the conditions in (a) to (c) (to the extent applicable to the Vendors and/or the Purchaser) on or before the Longstop Date.

If any of the conditions above have not been fulfilled on or before the Longstop Date, the SPA shall be terminated.

Completion

If all conditions are fulfilled on or before the Longstop Date, Completion shall take place on the 5th business day after all the conditions have been fulfilled (or such other way and time as may be agreed by the Vendors and the Purchaser in writing) in accordance with the SPA.

Guarantee

The Purchaser unconditionally and irrevocably undertakes to the Vendors that it shall, at Completion, provide a several guarantee to the lender of the existing financing of the Target Group in respect of 49.9% of the obligation of the Target Group (being the interest of the Purchaser to be held in the Target Group) under such financing if it is required by the financier of the Target Group for the relevant financing in accordance with the SPA.

Shareholders' agreements

Pursuant to the SPA, (i) FEC Hotel, the Purchaser and the Op Co will enter into a shareholders' agreement, and (ii) FEC DCG, the Purchaser and the Property Holdco will enter into the shareholders' agreement upon Completion. The principal terms of the shareholders' agreements may cover, among other things, the board composition of the respective companies, restrictions on the transfer of shares including right of first refusal, tag-along right or drag-along right etc.

INFORMATION OF THE TARGET GROUP

The Target Group consists of the Op Co, the Property Holdco and the Property Co.

The Op Co is a company incorporated in Australia, and a direct wholly-owned subsidiary of FEC Hotel as at the date of this announcement. The Op Co is principally engaged in hotel operation.

The Property Holdco is a company incorporated in Australia and a direct wholly-owned subsidiary of FEC DCG as at the date of this announcement. The Property Holdco is principally engaged in investment holding.

The Property Co is a company incorporated in Australia and a direct wholly-owned subsidiary of the Property Holdco as at the date of this announcement. The Property Co is principally engaged in property investment.

Pursuant to the SPA, the Target Group will undergo the Internal Restructuring such that immediately prior to Completion the legal and beneficial ownership of the Hotel will be held by the Property Co.

Set out below is the audited financial information of the Op Co for the two financial years ended 31 March 2024 and 31 March 2025 and unaudited financial information of the Op Co for the six months ended 30 September 2025:

	For the year ended		For the six months ended
	31 March 2024	31 March 2025	30 September 2025
	(audited)	(audited)	(unaudited)
	<i>A\$('000)</i>	<i>A\$('000)</i>	<i>A\$('000)</i>
Net loss before taxation	(2,177)	(4,700)	(291)
Net loss after taxation	(1,521)	(3,290)	(204)
	As at		As at
	31 March 2024	31 March 2025	30 September 2025
	(audited)	(audited)	(unaudited)
	<i>A\$('000)</i>	<i>A\$('000)</i>	<i>A\$('000)</i>
Net liabilities	(6,371)	(9,661)	(9,865)
Total assets	16,642	13,857	15,359

As each of the Property Holdco and the Property Co was newly incorporated on 26 February 2026 and neither company has commenced any business, no financial information of the Property Holdco and the Property Co for the two financial years ended 31 March 2024 and 31 March 2025 and for the six months ended 30 September 2025 is available.

Set out below is the unaudited financial information of the Hotel for the two financial years ended 31 March 2024 and 31 March 2025 and for the six months ended 30 September 2025:

	For the year ended		For the six months ended
	31 March 2024	31 March 2025	30 September 2025
	(unaudited)	(unaudited)	(unaudited)
	<i>A\$('000)</i>	<i>A\$('000)</i>	<i>A\$('000)</i>
Net loss before taxation	(12,334)	(9,939)	(6,067)
Net loss after taxation	(11,678)	(8,529)	(5,980)

Based on the unaudited financial information of the Group, the book value of the Hotel as at 31 March 2025 was approximately A\$218,759,000 and as at 30 September 2025 was approximately A\$215,679,000.

INFORMATION OF THE PURCHASER

The Purchaser is a company incorporated in Singapore and is indirectly owned as to 55% by Ms. Jennifer Wendy CHIU and as to 45% by Tan Sri Dato' David CHIU. It is principally engaged in investment holding.

INFORMATION OF THE GROUP

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, and securities and financial product investments.

FEC Hotel is a company incorporated in Australia and is a wholly-owned subsidiary of the Company. FEC Hotel is principally engaged in investment holding.

FEC DCG is a company incorporated in Singapore and is a wholly-owned subsidiary of the Company. FEC DCG is principally engaged in investment holding.

REASONS AND BENEFITS OF THE TRANSACTION

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

The Directors are of the view that the Transaction is consistent with the Group's strategy of unlocking development profits from its hotel portfolio, as well as divesting non-core assets.

Taking into account the aforementioned and the factors in determining the Consideration as disclosed above, the Directors (including the independent non-executive Directors) are of the view that the terms of the SPA (including the Consideration) are fair and reasonable and on normal commercial terms or better, and the Transaction is in the interests of the Company and its Shareholders as a whole.

FINANCIAL EFFECT OF THE TRANSACTION

The Company estimates that upon Completion, the Group is expected to record a gain from the Transaction of approximately A\$18,344,000 (equivalent to approximately HK\$99,241,000), being the Consideration less the aggregate of 49.9% of the estimated book carrying value of the Target Group attributable to the Group at Completion and the estimated expenses in relation to the Transaction.

Upon Completion, the Op Co and the Property Holdco will be owned as to 49.9% by the Purchaser and 50.1% by the Vendors. The Target Group will cease to be subsidiaries of the Company and will be accounted for as joint ventures of the Company and their financial statements will no longer be consolidated into the Group's financial statements.

The Directors expect that the net proceeds from the Transaction (if any) after setting off the Consideration against the loans from Ms. Jennifer Wendy CHIU and Tan Sri Dato' David CHIU to the Group will be used for the general working capital of the Group.

LISTING RULES IMPLICATIONS

The Purchaser is indirectly owned as to 55% by Ms. Jennifer Wendy CHIU, an Executive Director, and as to 45% by Tan Sri Dato' David CHIU, an Executive Director, the Chairman and the Chief Executive Officer of the Company and the ultimate controlling shareholder of the Company. Ms. Jennifer Wendy CHIU is the daughter of Tan Sri Dato' David CHIU. Therefore, the Purchaser is an associate of Ms. Jennifer Wendy CHIU and Tan Sri Dato' David CHIU, and a connected person of the Company under Chapter 14A of the Listing Rules.

An application has been made to the Stock Exchange on the adoption of an alternative size test in respect of the consideration test based on the total equity of the Company as at 30 September 2025 and the Company has obtained the approval from the Stock Exchange for its application pursuant to Rule 14.20 and Rule 14A.80 of the Listing Rules.

As one or more of the applicable Percentage Ratios for the Transaction exceeds 0.1% but all of the applicable Percentage Ratios are less than 5%, the Transaction constitutes a connected transaction for the Company and is subject to the reporting and announcement requirements but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Tan Sri Dato' David CHIU, Ms. Jennifer Wendy CHIU, Mr. Dennis CHIU (being the brother of Tan Sri Dato' David CHIU, the uncle of Ms. Jennifer Wendy CHIU and an executive Director) and Ms. Wing Kwan Winnie CHIU (being the daughter of Tan Sri Dato' David CHIU, the sister of Ms. Jennifer Wendy CHIU and an executive Director) had abstained from voting on the board resolutions to approve the entering into of the Transaction.

DEFINITIONS

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

“A\$”	Australian dollars, the lawful currency of Australia
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“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 sale and purchase of the Sale Shares and assignment of the Sale Loan pursuant to the terms and conditions of the SPA
“Completion Date”	the 5th business day after all conditions precedent of the SPA having been fulfilled (or such other date as may be agreed between the Vendors and Purchaser in writing)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration payable by the Purchaser for the Sale Shares and the Sale Loan pursuant to the terms and conditions of the SPA
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Deeds of Assignment”	the deeds of assignment in agreed form in respect of the assignment of the Sale Loan at Completion
“Directors”	the directors of the Company
“FEC DCG”	FEC DCG Pte. Ltd., a company incorporated in Singapore and a wholly-owned subsidiary of the Company as at the date of this announcement

“FEC Hotel”	FEC Hotel Operations Holdings (Australia) Pty Ltd, a company incorporated in Australia and a wholly-owned subsidiary of the Company as at the date of this announcement
“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
“Hotel”	the Ritz Carlton, Melbourne, situated at 650 Lonsdale Street, Melbourne, Victoria, Australia, 3000
“Internal Restructuring”	the transfer of legal and beneficial ownership of the Hotel from May21 to the Property Co
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Longstop Date”	30 June 2026 (or such later date as may be agreed between the Vendors and the Purchaser in writing)
“Market Value of Hotel”	has the meaning ascribed to it under the paragraph headed “THE SPA – Consideration” in this announcement
“May21”	May21 Pty Ltd, a company incorporated in Australia and a wholly-owned subsidiary of the Company
“NAV”	the consolidated net asset value of the Target Group as determined in the completion account less the carrying value of the property, plant and equipment in the completion account and adding A\$233,200,000, shareholder loan adjustments and deferred tax
“NAV Excess”	has the meaning ascribed to it under the paragraph headed “The SPA – Consideration”
“Op Co”	FEC Hotel Operations Melbourne WSP Pty Ltd, a company incorporated in Australia and a wholly-owned subsidiary of the Company as at the date of this announcement
“Op Co Loan Consideration”	has the meaning ascribed to it under the paragraph headed “THE SPA – Consideration” in this announcement
“Op Co Shares Consideration”	has the meaning ascribed to it under the paragraph headed “THE SPA – Consideration” in this announcement

“Percentage Ratio(s)”	have the meaning ascribed to such term in Rule 14.07 of the Listing Rules
“Property Co”	RC Melbourne Hotel Pty Ltd, a company incorporated in Australia and a direct wholly-owned subsidiary of the Property Holdco as at the date of this announcement
“Property Holdco”	RC Melbourne Hotel Holdings Pty Ltd, a company incorporated in Australia and a wholly-owned subsidiary of the Company as at the date of this announcement
“Property Holdco Loan Consideration”	has the meaning ascribed to it under the paragraph headed “THE SPA – Consideration” in this announcement
“Purchaser”	Ace Goal Investments Pte. Ltd., a company incorporated in Singapore, which is indirectly owned as to 55% by Ms. Jennifer Wendy CHIU and as to 45% by Tan Sri Dato’ David CHIU
“Sale Loan”	49.9% of the outstanding shareholder’s loan as at the Completion Date, extended by FEC Hotel to the Op Co (if any) and by FEC DCG to the Property Holdco (if any), to be assigned by the Vendors to the Purchaser pursuant to the SPA and the Deeds of Assignment
“Sale Shares”	49.9% of the issued shares of the Op Co and 49.9% of the issued shares of the Property Holdco as at the Completion Date, to be sold by the Vendors to the Purchaser pursuant to the SPA
“Share(s)”	the ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“SPA”	the sale and purchase agreement dated 1 April 2026 entered into between the Vendors and the Purchaser in respect of the Transaction
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Group”	Op Co, the Property Holdco and the Property Co
“Transaction”	the sale of the Sale Shares and the Sale Loan by the Vendors to the Purchaser pursuant to the terms and conditions of the SPA

“Vendors” FEC Hotel and FEC DCG, and each a Vendor

“%” per cent.

For the purpose of this announcement and for illustration purpose only, conversion of A\$ to HK\$ is based on the exchange rate of A\$ to HK\$5.41. No representation is made that any amounts in A\$ 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, 1 April 2026

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.