



FAR EAST CONSORTIUM INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

SUPPLEMENTAL AGREEMENT TO THE CONNECTED TRANSACTION

On 27 March 2001, the Company, through its wholly owned subsidiary, the Purchaser has entered into a 2nd supplemental agreement with Yoshiya to revise certain terms of the Agreement in relation to, inter alia, the acquisition of the Sale Shares and the Sale Loans by the Company.

Unless otherwise defined, terms used herein shall have the same meanings as those used in the Announcement made by the Company on 14 December 2000 in relation to, inter alia, the acquisition of the Sale Shares and the Sale Loans by the Company as well as the Undertaking.

2ND SUPPLEMENTAL AGREEMENT

On 27 March 2001, a 2nd supplemental agreement (the "2nd Supplemental Agreement") has been entered into between Yoshiya International Corporation, Limited ("Yoshiya") and the Purchaser, in relation to, inter alia:

- (i) The Consideration for the Sale Shares and Sale Loans of HK\$120,000,000 shall be payable in cash by three installments in the following manner:
 - a. the first installment of HK\$12,000,000 shall be payable on the Completion Date;
 - b. the second installment of HK\$48,000,000 shall be paid on the expiry of a three month period from the Completion Date or the date of completion of the agreement entered into by Yoshiya as purchaser and China Rich Holdings Limited as vendor on 6 December 2000 as amended (the "Evergreen Agreement"), whichever is the earlier; and
 - c. the third installment of HK\$60,000,000 shall be paid on the expiry of a six month period from the Completion Date or the date of completion of the Evergreen Agreement, whichever is the earlier;
- (ii) In order to secure the payment of the balance of the Consideration by the Purchaser after Completion, the Purchaser undertakes to:
 - a. procure the Company to enter into a corporate guarantee in favour of Yoshiya to secure the performance of the Purchaser in respect of the payment of the balance of the Consideration after Completion.
 - b. execute a share pledge and a loan assignment in favour of Yoshiya whereby the Purchaser shall pledge the Sale Shares and assign the Sale Loans to Yoshiya to secure the performance of the Purchaser in respect of the payment of the balance of the Consideration after Completion.
- (iii) Completion of the sale and purchase of the Sale Shares and the Sale Loans under the 2nd Supplemental Agreement is conditional upon the fulfillment of the following conditions ("Conditions") on or before 28 April 2001 or such other date as the parties may agree in writing:
 - (a) the shareholders of Yoshiya (save for such connected persons as defined in the Listing Rules) shall have passed an ordinary resolution in a general meeting approving the Agreement (as supplemented by the 2nd Supplemental Agreement) and the transactions contemplated thereunder;
 - (b) if required, the shareholders of the Company (save for such connected persons as defined in the Listing Rules) shall have passed an ordinary resolution in a general meeting approving the Agreement (as supplemented by the 2nd Supplemental Agreement) and the transactions contemplated thereunder; and
 - (c) other shareholders of the Sale Company shall have not exercised their rights to purchase the Sale Shares and the Sale Loans in accordance with the Shareholders Agreement.

In the event that the Conditions not being fulfilled on or before 28 April 2001 or such other date as the parties may agree, the sale and purchase of the Sale Shares and the Sale Loans and the 2nd Supplemental Agreement shall become null and void and of no further force and effect and none of the parties hereto shall have any claims against any other of them save for antecedent breach.

Save for the amendments in the 2nd Supplemental Agreement, other terms and conditions contained in the Agreement shall remain in full force and effect.

GENERAL

The Agreement as supplemented by the 2nd Supplemental Agreement is subject to the Company's independent shareholders approval at the extraordinary general meeting (the "EGM") and Mr. David Chiu together with his associates will abstain from voting to approve the Agreement as supplemented by the 2nd Supplemental Agreement at the EGM.

An independent financial adviser will be appointed to give an opinion as to whether the terms of the Agreement as supplemented by the 2nd Supplemental Agreement are fair and reasonable so far as the independent shareholders of the Company are concerned.

A circular containing further details of the Agreement as supplemented by the 2nd Supplemental Agreement, recommendation of independent board committee of the Company, the advice of the independent financial advisor to the independent board committee of Company on the Agreement as supplemented by the 2nd Supplemental Agreement will be despatched to the shareholders of the Company together with a notice of the EGM as soon as possible.

The Directors believe that the execution of the 2nd Supplemental Agreement will have no adverse financial impact on the Company.

By Order of the Board of
FAR EAST CONSORTIUM INTERNATIONAL LIMITED
David Chiu
Deputy Chairman