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FAR EAST CONSORTIUM INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

Website: <http://www.fecil.com.hk>

(Stock Code: 35)

ANNOUNCEMENT DISCLOSEABLE TRANSACTION INVOLVING SALE OF THE PROPERTY

THE SALE

The Boards of Far East Consortium International Limited (“Company”) wish to announce that on 16 March 2012, each of the Vendors respectively entered into 2 options to purchase (“2 Options to Purchase”) with the Purchaser, an independent third party, whereby the Vendors have agreed to grant the Purchaser an option to purchase the Property 1 and Property 2 for the consideration of SG\$16,900,000.00 (equivalent to approximately HK\$103,549,680.00) and SG\$36,475,000.00 (equivalent to approximately HK\$223,489,620.00) respectively, totaling SG\$53,375,000.00 (equivalent to approximately HK\$327,039,300.00) (“Sale”). An option fee (“Option Fee”) equivalent to 1% of the consideration was paid by the Purchaser in respect of the 2 Options to Purchase.

LISTING RULES IMPLICATIONS

The Vendors are indirect wholly-owned subsidiaries of the Company and one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Sale are greater than 5% but less than 25% for the Company, the grant of the 2 Options to Purchase constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

On 16 March 2012, each of the Vendors respectively entered into 2 options to purchase (“2 Options to Purchase”) with the Purchaser, an independent third party, whereby the Vendors have agreed to grant the Purchaser 2 options to purchase in respect of Property 1 and Property 2 simultaneously at the consideration of SG\$16,900,000.00 (equivalent to approximately HK\$103,549,680.00) for Property 1 and SG\$36,475,000.00 (equivalent to approximately

HK\$223,489,620.00) for Property 2, totaling SG\$53,375,000.00 (equivalent to approximately HK\$327,039,300.00).

The Vendors, namely Tang City Parkway Pte Limited and Tang Strategic Investment Pte Limited, are indirect wholly-owned subsidiaries of the Company.

Tang City Parkway Pte Limited is the registered owner of 17 Strata Units at 1 Marine Road Parade Central, Parkway Centre, namely units numbers: – #02-05, #07-01, #07-02, #07-04, #07-05, #07-06, #08-01, #08-02, #08-03, #09-04, #09-05, #09-06, #13-01, #13-02, #13-04, #13-05 and #13-06, Singapore 449408 (“Property 1”).

Tang Strategic Investment Pte Limited is the registered owner of 34 Strata Units at 1 Marine Road Parade Central, Parkway Centre, namely units numbers: – #03-01, #03-02, #03-03, #03-04, #03-05, #03-06, #03-07, #03-08, #03-09, #04-03, #04-04, #04-05, #04-06, #04-07/7A, #04-08, #04-09, #05-01, #05-02, #05-03, #05-04, #05-05, #05-06, #05-07, #05-08, #05-09, #06-01, #06-02, #06-03, #06-04, #06-05 #06-06, #06-07, #06-08, and #06-09, Singapore 449408 (“Property 2”).

Summarized below are the principal common terms of the 2 Options to Purchase.

2 OPTIONS TO PURCHASE

Date

16 March 2012

Parties

- Vendors:
1. Tang City Parkway Pte Limited, a indirect wholly-owned subsidiary of the Company (for Property 1); and
 2. Tang Strategic Investment Pte Limited, a indirect wholly-owned subsidiary of the Company (Property 2).

Purchaser: Parkway Investment Holdings Pte. Limited. To the best of the knowledge, information and belief of the Company’s Directors having made all reasonable enquiry, the Purchaser and the ultimate beneficial owner(s) of the Purchaser are third parties independent of the Company and its subsidiaries.

Asset to be sold

Property 1

17 Strata Units at 1 Marine Road Parade Central, Parkway Centre, namely units numbers: – #02-05, #07-01, #07-02, #07-04, #07-05, #07-06, #08-01, #08-02, #08-03, #09-04, #09-05, #09-06, #13-01, #13-02, #13-04, #13-05 and #13-06, Singapore 449408.

Property 2

34 Strata Units at 1 Marine Road Parade Central, Parkway Centre, namely units numbers: – #03-01, #03-02, #03-03, #03-04, #03-05, #03-06, #03-07, #03-08, #03-09, #04-03, #04-04, #04-05, #04-06, #04-07/7A, #04-08, #04-09, #05-01, #05-02, #05-03, #05-04, #05-05, #05-06, #05-07, #05-08, #05-09, #06-01, #06-02, #06-03, #06-04, #06-05 #06-06, #06-07, #06-08, and #06-09, Singapore 449408.

Consideration

The Consideration for Property 1 and Property 2 are respectively in the sums of SG\$16,900,000.00 (equivalent to approximately HK\$103,549,680.00) and SG\$36,475,000.00 (equivalent to approximately HK\$223,489,620.00) (exclusive of Goods and Services Tax payable thereon).

The 2 Options to Purchase may be exercised at any time on or before 4:00 p.m. on 30th March 2012 by the Purchaser by signing the portion of the 2 Options to Purchase marked “Acceptance Copy” and delivering the same duly signed to the Vendor’s Solicitors, Lee & Lee together with a cheque for the amount being the 5% deposit (“Deposit”) less the 1 % Option Fee (“Option Fee”) paid. The Deposit shall be held by the Vendor’s solicitors as stakeholders pending completion of the sale and purchase therein.

The 2 Options to Purchase and the Acceptance Copy signed by the Purchaser shall constitute a binding contract for the sale and purchase of the Property 1 and Property 2 between the Vendors and the Purchaser.

If the 2 Options to Purchase are not exercise in the manner provided above it shall expire and be of no further effect whatever and the Option Fee shall be forfeited by the Vendors absolutely.

Special Conditions of the 2 Options to Purchase

- (1) The sale and purchase of the said Property 1 and Property 2 shall be completed and the balance of the purchase price shall be paid at the office of Lee & Lee on the date Twelve (12) weeks from the date of exercise of the Option (“Completion”). On Completion, the vendor shall execute a valid assurance in favour of the Purchaser to be prepared by and at the expenses of the Purchaser.
- (2) The Property 1 and Property 2 are sold subject to existing tenancies. In the event that any of the tenancies is terminated for any reason whatsoever at any time on or before completion, the Property 1 and Property 2 shall be sold with vacant possession in respect of that leased premises which is part of the said Property 1 and Property 2. For the avoidance of doubt, any termination of any of the tenancies by any of the tenants shall not affect the sale and purchase herein in any way whatsoever.

- (3) Stamp duty on the 2 Options to Purchase shall be borne solely by the Purchaser.
- (4) The Purchaser is purchasing the Property 1 and Property 2 simultaneously in similar terms and conditions under the 2 Options to Purchase.
- (5) The Property 1 and Property 2 are sold on an “en bloc” basis (which means it must complete all units at one time). It was agreed that the Purchaser shall exercise the option to purchase Property 1 subject to the exercise of the option to purchase Property 2, and not otherwise. It was also agreed that the Vendors shall not be obliged to complete the sale of the Property 1 and /or Property 2 if the Purchasers does not complete the purchase of the Property 1 and Property 2 simultaneously.
- (6) The Purchaser shall pay all Goods and Services Tax, if any, which may be payable in respect of the purchase price of the Property 1 and Property 2 under Goods and Services Tax Act (Cap. 117A), Laws of Singapore, on completion or on such earlier date as required by the Comptroller of Goods and Services Tax. This provision shall not merge in the assurance of the property to the Purchaser on completion of this sale or upon registration of such assurance.

The Consideration of Property 1 and Property 2 were arrived at after arm’s length negotiations between the Vendors and the Purchaser with the Vendors taking reference to a valuation report dated 19 October 2011 prepared by Jones Lang Lasalle, an independent professional property valuer, showing the estimated market value as of 30th September 2011 of the Property 1 being SG\$16,550,000.00 (equivalent to approximately HK\$101,405,160.00) and Property 2 being SG\$35,550,000.00 (equivalent to approximately HK\$217,821,960.00).

Completion

Completion shall take place in the manner as provided in Special Conditions of the 2 Options to Purchase as set out herein above.

INFORMATION ON THE COMPANY AND THE PURCHASER

The principal business activities of the Company comprise property development and investment, hotel operation, car park operation and treasury management. The Purchaser is a subsidiary of a private real estate investment group with principal activities in properties investment and finance.

FINANCIAL INFORMATION ON THE PROPERTY

The profits before tax attributable to the Property 1 for the years ended 31 March 2011 and 31 March 2010 were SG\$2,538,954.00 (equivalent to approximately HK\$15,556,679.00) and SG\$1,834,799.00 (equivalent to approximately HK\$11,242,180.00) respectively.

The profits before tax attributable to the Property 2 for the years ended 31 March 2011 and 31 March 2010 were SG\$6,784,715.00 (equivalent to approximately HK\$41,571,306.00) and SG\$5,298,181.00 (equivalent to approximately HK\$32,463,015.00) respectively.

The aggregate book value of the Property 1 and Property 2 was SG\$24,732,651.00 (equivalent to approximately HK\$151,541,899.00).

The valuation as at 30 September 2011 of the Property 1 was SG\$16,550,000.00 (equivalent to approximately HK\$101,405,160.00) and Property 2 was SG\$35,550,000.00 (equivalent to approximately HK\$217,821,960.00) pursuant to the valuation report dated 19 October 2011 of Jones Lang Lasalle, an independent professional property valuer.

REASONS FOR AND BENEFIT OF THE SALE

The Company Directors consider the Sale would provide a good opportunity for the Group to monetarise one of its investment properties, realise shareholders' value created by the Group since its acquisition of the Property in about 2003, as well as reduce the Group's total bank borrowings by repaying the Property's mortgage. The Sale would also provide additional cash flows to the Group to enable it to redeploy its resources to other value-accretive investment opportunities. The Directors consider that the Company would in turn benefit from the Sale.

The Directors are of the view that the terms of the 2 Options to Purchase are on normal commercial terms which are fair and reasonable and the entering into Option to Purchase is in the interests of the Group and their respective shareholders as a whole.

USE OF PROCEEDS

The Directors expect that the net proceeds from the Sale after repaying the mortgage of Property 1 and Property 2 will be retained as capital for future value-accretive investment opportunities of the Group.

LISTING RULES IMPLICATIONS

The Vendors are indirect wholly-owned subsidiaries of the Company and one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Sale are greater than 5% but less than 25% for the Company and is therefore 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 when used herein:

“Board”	board of directors of the Company;
“Completion”	the completion of the sale and purchase of the Property 1 and Property 2 under the 2 Options to Purchase;
“Company”	Far East Consortium International Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange;

“Consideration”	the consideration of SG\$16,900,000.00 (equivalent to approximately HK\$103,549,680.00) and SG\$36,475,000.00 (equivalent to approximately HK\$223,489,620.00) for Property 1 and Property 2 respectively, totaling SG\$53,375,000.00 (equivalent to approximately HK\$327,039,300.00), payable by the Purchaser to the Vendors for the Sale;
“Deposit”	5% of the Consideration payable by the Purchaser;
“Directors”	the directors of the Company;
“Group”	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;
“Option Fee”	1% of the Consideration payable by the Purchaser;
“2 Options to Purchase”	the 2 Options to Purchase both dated 16 March 2012 and entered into between the Purchaser and the Vendors in relation to the respective sale of Property 1 and Property 2 simultaneously;
“Property 1”	17 Strata Units at 1 Marine Road Parade Central, Parkway Centre, namely units numbers: – #02-05, #07-01, #07-02, #07-04, #07-05, #07-06, #08-01, #08-02, #08-03, #09-04, #09-05, #09-06, #13-01, #13-02, #13-04, #13-05 and #13-06, Singapore 449408;
“Property 2”	34 Strata Units at 1 Marine Road Parade Central, Parkway Centre, namely units numbers: – #03-01, #03-02, #03-03, #03-04, #03-05, #03-06, #03-07, #03-08, #03-09, #04-03, #04-04, #04-05, #04-06, #04-07/7A, #04-08, #04-09, #05-01, #05-02, #05-03, #05-04, #05-05, #05-06, #05-07, #05-08, #05-09, #06-01, #06-02, #06-03, #06-04, #06-05 #06-06, #06-07, #06-08, and #06-09, Singapore 449408;
“Purchaser”	Parkway Investment Holdings Pte. Limited, a company incorporated in Singapore with limited liability;

“Sale”	the sale of the Property 1 and Property 2 by the Vendors to the Purchaser simultaneously pursuant to the 2 Options to Purchase;
“SG\$”	Singapore dollars, the lawful currency of Singapore;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Vendors”	Tang City Parkway Pte Limited and Tang Strategic Investment Pte Limited; and
“%”	per cent.

Unless otherwise specified, amounts in this announcement denominated in SG\$ have been translated for the purpose of illustration only into Hong Kong dollars at the rate of SG\$1.00: HK\$6.1272. No representation is made that any amounts can be or could have been converted at the relevant dates at the above rate or any other rates at all.

By order of the Board of
Far East Consortium International Limited
Cheung Wai Hung Boswell
Chief Financial Officer and Company Secretary

Hong Kong, 16 March 2012

As at the date of this announcement, the Board comprises three Executive Directors, namely Tan Sri Dato’ David CHIU, Mr. Dennis CHIU and Mr. Craig Grenfell WILLIAMS; one Non- Executive Director, namely Mr. Daniel Tat Jung CHIU; 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.