

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **FAR EAST CONSORTIUM INTERNATIONAL LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

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

**(Stock Code: 35)**

### **DISCLOSEABLE TRANSACTION INVOLVING SALE OF THE PROPERTY**

#### **THE SALE**

The Board hereby announces that on 24 April 2013, by 2 letters of undertaking both dated 24 April 2013 (“2 Letter of Undertaking”) signed respectively by each of the Vendors, the Vendors accepted the offer of compensation sums under the 2 Collector’s Awards (“2 Collector’s Awards”) as stated in the letters from the Collector of Land Revenue dated 27 March 2013 and 8 April 2013 together with the ex-gratia payments (“Ex-Gratia Payments”) offered therein issued under the Land Acquisition Act of Singapore, by the Collector of Land Revenue of the government of Singapore, an independent third party, whereby the government of Singapore offered to the Vendors a total compensation sums of SG\$75,907,552.57 (equivalent to approximately HK\$474,422,204) for the compulsory acquisition of the Property 1 and SG\$12,992,075.56 (equivalent to approximately HK\$81,200,472) for the compulsory acquisition of the Property 2, totaling SG\$88,899,628.13 (equivalent to approximately HK\$555,622,676) (“Sale”).

#### **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 Sale 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 24 April 2013, by 2 letters of undertaking both dated 24 April 2013 (“2 Letter of Undertaking”) signed respectively by each of the Vendors, the Vendors accepted the offer of compensation sums under the 2 Collector’s Awards (“2 Collector’s Awards”) as stated in the letters from the Collector of Land Revenue dated 27 March 2013 and 8 April 2013 together with the ex-gratia payments (“Ex-Gratia Payments”) offered therein issued under the Land Acquisition Act of Singapore, by the Collector of Land Revenue of the government of Singapore, an independent third party, whereby the government of Singapore offered to the Vendors a total compensation sums of SG\$75,907,552.57 (equivalent to approximately HK\$474,422,204) for the compulsory acquisition of the Property 1 and SG\$12,992,075.56 (equivalent to approximately HK\$81,200,472) for the compulsory acquisition of the Property 2, totaling SG\$88,899,628.13 (equivalent to approximately HK\$555,622,676) (“Sale”).

The Vendors, namely Tang City Holdings Pte. Limited and Tang Development Pte. Limited, are indirect wholly-owned subsidiaries of the Company. Tang City Holdings Pte. Limited is the owner of Strata Lot U865L TS 22 (Pearls Centre) residing on land lot 178W TS 22 Singapore (also known as Pearls Centre Office Podium situated at 100A Eu Tong Sen Street, Singapore 059813) (“Property 1”). Tang Development Pte. Limited is the owner of Strata Lot U871W TS 22 (Pearls Centre) residing on land lot 178W TS 22 Singapore (also known as Pearls Centre Carpark situated at 100 Eu Tong Sen Street, Singapore 059812) (“Property 2”).

Summarized below are the principal terms of the Sale.

### **Date of 2 Letter of Undertaking**

24 April 2013

### **Parties**

- Vendors:
1. Tang City Holdings Pte. Limited, an indirect wholly-owned subsidiary of the Company (for Property 1); and
  2. Tang Development Pte. Limited, an indirect wholly owned subsidiary of the Company (for Property 2).
- Purchaser: The Collector of Land Revenue (“Collector”) of the government of Singapore (“Singapore Government”). To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, the Purchaser is third party independent of the Company and its subsidiaries.

## **Asset to be sold**

### *Property 1*

Strata Lot U865L TS 22 (Pearls Centre) residing on land lot 178W TS 22 Singapore (also known as Pearls Centre Office Podium situated at 100A Eu Tong Sen Street, Singapore 059813).

### *Property 2*

Strata Lot U871W TS 22 (Pearls Centre) residing on land lot 178W TS 22 Singapore (also known as Pearls Centre Carpark situated at 100 Eu Tong Sen Street, Singapore 059812).

## **Consideration**

The Consideration for Property 1 and Property 2 are respectively the compensation sums under the 2 Collector's Awards in the amount of SG\$75,907,552.57 (equivalent to approximately HK\$474,422,204) for the compulsory acquisition of the Property 1 and of SG\$12,992,075.56 (equivalent to approximately HK\$81,200,472) for the compulsory acquisition of the Property 2, totaling SG\$88,899,628.13 (equivalent to approximately HK\$555,622,676).

### *Conditions of the Sale*

- (1) An advance payment amounting to 80% of market value for Property 1 and Property 2 plus full payment for relocation expenses stated in the 2 Collector's Awards will be made upon the surrender of the title deeds for Property 1 and Property 2;
- (2) The balance 20% of market value for Property 1 and Property 2 and the entire sum of the Vendors' share of market value for the common property residing on Land Lot 178W TS 22 will be paid after the delivery of possession of Property 1 and Property 2 to the Singapore Government in August 2014; and
- (3) The Ex-Gratia Payments will be paid to Vendors in full after the Collector's receipt of the Vendors' Subsidiary Strata Certificate of Title and duly executed letter of undertaking by Vendors.

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 market value of Property 1 and Property 2 and the Ex-Gratia Payments offered by the Singapore Government.

## **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 the Collector of Land Revenue of the government of Singapore under the Land Acquisition Act of Singapore.

## **FINANCIAL INFORMATION ON THE PROPERTY**

The profits before tax attributable to the Property 1 for the years ended 31 March 2012 and 31 March 2011 were SG\$2,823,847 (equivalent to approximately HK\$17,649,044) and SG\$7,751,453 (equivalent to approximately HK\$48,446,581) respectively.

The profits before tax attributable to the Property 2 for the years ended 31 March 2012 and 31 March 2011 were SG\$355,289 (equivalent to approximately HK\$2,220,556) and SG\$1,422,075 (equivalent to approximately HK\$8,887,969) respectively.

The aggregate book value of the Property 1 and Property 2 was SG\$47,400,000 (equivalent to approximately HK\$296,250,000) as of 30 September 2012. The valuation as at 31 March 2012 of the Property 1 was SG\$39,000,000 (equivalent to approximately HK\$243,750,000) and Property 2 was SG\$5,400,000 (equivalent to approximately HK\$33,750,000) pursuant to the valuation certificate of Jones Lang Lasalle of 27 June 2012, an independent professional property valuer.

The Group is expected to record a gain from the Sale of approximately SG\$32,938,000 (equivalent to approximately HK\$205,863,000) attributable to the shareholders of the Company, such gain having been arrived at by reference to the terms of the Sale and related costs and expenses which include compensation payable to tenants of Property 1 and Property 2 by the Vendors which is expected to be sufficiently covered by the Ex-Gratia Payments, and the carrying value, namely revalued amount of SG\$47,400,000 (equivalent to approximately HK\$296,250,000), of the Property 1 and Property 2 in the accounts of the Group as at 30 September 2012.

## **REASONS FOR AND BENEFIT OF THE SALE**

The Directors consider the Sale would provide a good opportunity for the Group to monetarise one of its investment properties, realize shareholders' value created by the Group, 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 Sale are on normal terms which are fair and reasonable and the Sale 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, the Sale constitutes a disclosable transaction 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;
“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\$75,907,552.57 (equivalent to approximately HK\$474,422,204) and SG\$12,992,075.56 (equivalent to approximately HK\$81,200,472) for Property 1 and Property 2 respectively, totaling SG\$88,899,628.13 (equivalent to approximately HK\$555,622,676), payable by the Purchaser to the Vendors for the Sale;
“Directors”	the directors of the Company;
“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;
“Property 1”	Strata Lot U865L TS 22 (Pearls Centre) residing on land lot 178W TS 22 Singapore (also known as Pearls Centre Office Podium situated at 100A Eu Tong Sen Street, Singapore 059813);
“Property 2”	Strata Lot U871W TS 22 (Pearls Centre) residing on land lot 178W TS 22 Singapore (also known as Pearls Centre Carpark situated at 100 Eu Tong Sen Street, Singapore 059812);

“Purchaser”	The Collector of Land Revenue of the government of Singapore;
“Sale”	the sale of the Property 1 and Property 2 by the Vendors to the Purchaser;
“SG\$”	Singapore dollars, the lawful currency of Singapore;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Vendors”	Tang City Holdings Pte. Limited and Tang Development 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\$6.25. 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**  
**Boswell Wai Hung CHEUNG**  
*Chief Financial Officer and Company Secretary*

Hong Kong, 24 April 2013

*As at the date of this announcement, the Board comprises five executive directors, namely Tan Sri Dato’ David CHIU, Mr. Cheong Thard HOONG, Mr. Chi Hing CHAN, 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.*