



FAR EAST CONSORTIUM INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

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

(Stock Code: 35)

VERY SUBSTANTIAL DISPOSAL IN RELATION TO THE PROPOSED SPIN-OFF OF HONG KONG HOTEL REAL ESTATE INVESTMENT TRUST ON THE MAIN BOARD OF THE STOCK EXCHANGE

EXECUTION OF THE TRUST DEED AND FORMAL APPLICATION

Financial Adviser to Far East Consortium International Limited



SOMERLEY LIMITED

Independent Financial Adviser to the Independent Board Committee and the Shareholders



KingswayGroup

Kingsway Capital Limited

Reference is made to the circular of the Company dated 18 January 2008 (the “Circular”) in relation to, among other things, the Spin-off and the announcement of the Company dated 4 February 2008 in relation to the results of the EGM. Capitalised terms used herein shall have the same meanings as those defined in the Circular unless the context otherwise requires.

The Board announces that on 20 February 2008, the REIT Manager and the Trustee entered into the Trust Deed for the purpose of constituting and establishing HK Hotel REIT. Further, formal application has been made by the REIT Manager and the Trustee to the Stock Exchange on the date of this announcement.

The Spin-off is dependent on a number of factors and subject to a number of conditions, which may or may not be satisfied. As at the date of this announcement, not all of such conditions have been fulfilled. Thus, there is no assurance that the Spin-off will proceed. Accordingly, Shareholders and/or potential investors of the Company should exercise caution when dealing in the securities of the Company.

On behalf of the Board of
Far East Consortium International Limited
Bill Kwai Pui Mok
Chief Financial Officer and Company Secretary

Hong Kong, 21 February 2008

As at the date of this announcement, the Board comprises four executive directors namely Mr. Deacon Te Ken Chiu, Tan Sri Dato' David Chiu, Mr. Dennis Chiu and Mr. Craig Grenfell Williams; two non-executive directors namely Madam Ching Lan Ju Chiu and Mr. Daniel Tat Jung Chiu; and three independent non-executive directors namely Mr. Jian Yin Jiang, Mr. Kwok Wai Chan and Mr. Peter Man Kong Wong.