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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)

DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF PROPERTY IN AUSTRALIA

On 24 November 2008, the Purchaser and the Vendor entered into the Sale Contract, pursuant to which, the Purchaser has agreed to purchase and the Vendor has agreed to sell the Property at the Consideration of A\$33.1 million (equivalent to approximately HK\$165.2 million) payable in cash. The Property consists of (i) the land of a plot of land located in 613-649 Lonsdale Street, Melbourne, Victoria, Australia, with a site area of 9,195 s.q.m.; and (ii) any improvements situated on such plot of land.

The Property is one of the few remaining large sites in the central business district of Melbourne. The Purchaser intends to develop buildings on the Property with apartments in excess of 1,000 units in four stages. The Property is situated at the west end of the city in close proximity to a major railway station and in the area which is undergoing a revitalization as more people now choose to live in the inner city. The previous owners of the Property had done a substantial amount of demolition and clean-up on the Property. The Property is currently a vacant site.

The Board considers that the Sale Contract is on normal commercial terms and the terms of which are fair and reasonable. The Board further considers that the entering into of the Sale Contract is in the interests of the Company and the Shareholders as a whole.

The Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. A circular containing, among other things, further information on the Acquisition will be sent to the Shareholders as soon as practicable in accordance with the Listing Rules.

THE SALE CONTRACT

Date: 24 November 2008

Parties:

Purchaser: Far East Consortium (Australia) Pty Ltd., an indirect wholly-owned subsidiary of the Company. Its principal business activity is property development.

Vendor: Soldis Capital Pty Ltd.

To the best of the knowledge, information and belief of the Board and having made all reasonable enquiries, the Vendor is an investment holding company, and the Vendor and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Assets to be acquired:

The Property consists of (i) the land of a plot of land located in 613-649 Lonsdale Street, Melbourne, Victoria, Australia, with a site area of 9,195 s.q.m.; and (ii) any improvements situated on such plot of land.

Consideration:

The Consideration of A\$33.1 million (equivalent to approximately HK\$165.2 million) will be payable in cash in the following manner:

- (i) as to A\$5.2 million (equivalent to approximately HK\$26.0 million) has been paid on the date of the Sale Contract as deposit (the “Deposit”); and
- (ii) as to A\$27.9 million (equivalent to approximately HK\$139.2 million) payable on or before the date of Completion.

Currently, the Property is pledged to Charub Pty Limited, an independent third party to the Company, for a loan (the “Loan”). Subject to the approval by Charub Pty Limited, the Purchaser or its nominee may substitute the Vendor as the borrower. If so, the Consideration shall be reduced by the corresponding amount of the Loan being assigned. The Vendor warrants to the Purchaser that the principle of the Loan will not exceed A\$6.2 million (equivalent to approximately HK\$30.9 million) as at the date of Completion and there is no arrears in payment of interests.

The Vendor agrees that in the event that the Sale Contract is terminated by the Purchaser (other than as a result of a breach of the Sale Contract by the Purchaser), the Vendor must refund to the Purchaser on demand the Deposit and other amounts expended by the Purchaser on the Property from the date of the Sale Contract to the date of Completion.

The Consideration is determined after arm's length negotiation with reference to (i) prevailing market value of similar properties in Melbourne; (ii) premier location of the Property; and (iii) prospect of property market in Melbourne.

The Consideration and the related costs are proposed to be financed entirely by the internal resources of the Group.

Condition precedent:

The date of Completion of the Sale Contract is 27 February 2009, conditional on Charub Pty Limited agreeing to substitute the Purchaser and/or its nominee as borrower under the Loan and further agreeing to extend the date of repayment from 20 April 2009 for a period of at least three additional months and at most six additional months to any date between 20 July 2009 and 21 October 2009 (the "Condition").

If the Condition cannot be fulfilled by 27 February 2009, then the date of Completion shall be extended to 20 April 2009 provided that the Purchaser shall be liable for and making all interests payments due and payable under the Loan from the date of the Sale Contract to the date of Completion. The Completion shall take place on 20 April 2009 in any event notwithstanding that the Condition cannot be fulfilled. The Purchaser shall not be liable for any mortgage repayments.

INFORMATION ON THE PROPERTY

The Property is located in 613-649 Lonsdale Street, Melbourne, Victoria, Australia and is known as "The Former Spencer Street Power Station". The Property is one of the few remaining large sites in the central business district of Melbourne and is situated at the west end of the city in close proximity to a major railway station.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The principal activities of the Group are property development and investment, hotel operations and treasury management.

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The Board considers that the Sale Contract is on normal commercial terms and the terms of which are fair and reasonable. The Board further considers that the entering into of the Sale Contract is in the interests of the Company and the Shareholders as a whole.

GENERAL

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DEFINITIONS

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

“Acquisition”	the acquisition by the Purchaser for the Property pursuant to the Sale Contract
“A\$”	Australian dollar, the lawful currency of Australia
“Board”	the board of Directors
“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
“connected persons”	has the meaning as defined in the Listing Rules
“Completion”	completion of the Acquisition
“Consideration”	the total consideration of A\$33.1 million (equivalent to approximately HK\$165.2 million) payable by the Purchaser for the Acquisition pursuant to the Sale Contract
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency in Hong Kong
“Property”	collectively (i) the land of a plot of land located in 613-649 Lonsdale Street, Melbourne, Victoria, Australia, with a site area of 9,195 s.q.m.; and (ii) any improvements situated on such plot of land.
“Purchaser”	Far East Consortium (Australia) Pty Ltd., a company incorporated in Australia and an indirect wholly-owned subsidiary of the Company

“Sale Contract”	the sale contract entered into between the Purchaser and the Vendor in relation to the Acquisition
“Shareholders”	holders of the ordinary shares of HK\$0.10 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“s.q.m.”	square meter(s)
“Vendor”	Soldis Capital Pty Ltd.

By Order of the Board
FAR EAST CONSORTIUM INTERNATIONAL LIMITED
Bill Kwai Pui Mok
Chief Financial Officer and Company Secretary

Hong Kong, 10 December 2008

For illustration purposes, an exchange rate of A\$1.00 = HK\$4.99 has been adopted

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.

* *For identification purposes only*