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FAR EAST CONSORTIUM INTERNATIONAL LIMITED

(Incorporated in Cayman Islands with limited liability)

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

(Stock Code: 00035)

MAJOR TRANSACTION BY WAY OF SPIN-OFF AND SEPARATE LISTING OF KOSMOPOLITO HOTELS INTERNATIONAL LIMITED AND ITS SUBSIDIARIES ON THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED

PRICE SENSITIVE ANNOUNCEMENT

FINAL OFFER PRICE PER KOSMOPOLITO SHARE

This announcement is made pursuant to Rule 13.09(1) and Chapter 14 of the Listing Rules.

The Company wishes to announce that it has, on 4 October 2010, entered into the International Underwriting Agreement. Ample Bonus also entered into the Stock Borrowing Agreement with Credit Suisse and the Price Determination Agreement with the Joint Global Coordinators and Kosmopolito on the same day.

The Board also wishes to announce that the final offer price per Kosmopolito Share under the Global Offering is HK\$2.20 per Kosmopolito Share (excluding brokerage fee, SFC transaction levy fee and the Stock Exchange trading fee) pursuant to the Price Determination Agreement.

As listing of the Kosmopolito Shares pursuant to the Proposed Spin-off is subject to, among others, the final decision of the Board and the board of directors of Kosmopolito, the Proposed Spin-off may or may not complete. Kosmopolito Shareholders and other investors are reminded to exercise caution when dealing in the securities of the Company.

This announcement is made pursuant to Rule 13.09(1) and Chapter 14 of the Listing Rules.

Reference is made to (a) Far East Consortium International Limited's (the "**Company**") announcement dated 30 June 2010 regarding the possible major transaction in relation to the Proposed Spin-off; (b) the Company's announcement dated 2 September 2010 regarding the possible major transaction in relation to the Proposed Spin-off, the proposed adoption of the Kosmopolito Share Option Scheme and the WPIP; (c) the Company's circular dated 2 September 2010 regarding the possible major transaction in relation to the Proposed Spin-off and the proposed adoption of the Kosmopolito Share Option Scheme; (d) the Company's announcement dated 20 September 2010 regarding the Revised WPIP; and (e) the Company's announcement dated 29 September 2010 regarding the publication of the Prospectus of Kosmopolito, the Preferential Offering, the Over-allotment Option and the Offer Price range. Unless otherwise specified in this announcement, terms as defined in the Company's announcement dated 2 September 2010 shall bear the same meanings when used herein.

INTERNATIONAL UNDERWRITING AGREEMENT

The Board announces that on 4 October 2010, the Company entered into an international underwriting agreement with Ample Bonus, Credit Suisse (Hong Kong) Limited ("**Credit Suisse**"), Morgan Stanley Asia Limited and The Royal Bank of Scotland N.V., Hong Kong Branch (together the "**Joint Global Coordinators**") and the international underwriters ("**International Underwriting Agreement**") relating to the International Offering and the Preferential Offering.

STOCK BORROWING AGREEMENT

The Board wishes also to announce that on 4 October 2010, Ample Bonus entered into the Stock Borrowing Agreement with Credit Suisse, the stabilising manager appointed in connection with the Global Offering, pursuant to which Ample Bonus agreed to lend and Credit Suisse agreed to borrow up to 81,000,000 Kosmopolito Shares, representing up to 15% of the Kosmopolito Shares subject to the Global Offering.

Ample Bonus and Kosmopolito have agreed pursuant to the Price Determination Agreement (as defined below), International Underwriting Agreement, Stock Borrowing Agreement and together with the Hong Kong Underwriting Agreement entered into on 27 September 2010 as stated in the Prospectus, each of Ample Bonus and Kosmopolito has agreed to sell or allot and issue, as the case may be, 270,000,000 Kosmopolito Shares and if the Over-allotment Option is exercised in full, each of Ample Bonus and Kosmopolito will sell or allot and issue up to a further 40,500,000 Kosmopolito Shares.

FINAL OFFER PRICE AND PRICE DETERMINATION AGREEMENT

The Board also wishes to announce that the final offer price per Kosmopolito Share under the Global Offering is HK\$2.20 per Kosmopolito Share (excluding brokerage fee, SFC transaction levy fee and the Stock Exchange trading fee) pursuant to the price determination agreement dated 4 October 2010 entered into between Ample Bonus, Kosmopolito and the Joint Global Coordinators (on behalf of the underwriters) (“**Price Determination Agreement**”).

Based on the final offer price stated in this announcement:–

- (a) assuming that the Over-allotment Option is not exercised at all, the Company’s percentage shareholding in Kosmopolito will, immediately after the completion of the Global Offering, be reduced from 100.0% to approximately 73.0% and the aggregate gross proceeds to each of the Company and Kosmopolito from the sale of Kosmopolito Shares and the allotment and issue of Shares, respectively, will be (before deduction of expenses) approximately HK\$594 million. Based on the final offer price of HK\$2.20 per Kosmopolito Share, the amount of expected gain to the Company resulting from the Proposed Spin-off is estimated to be approximately HK\$450 million assuming the Over-allotment Option is not exercised.
- (b) assuming that the Over-allotment Option is exercised in full, the Company’s percentage shareholding in Kosmopolito will, immediately after the completion of the Global Offering, be reduced from 100.0% to approximately 69.6% and the aggregate gross proceeds to each of the Company and Kosmopolito from the sale of Kosmopolito Shares and the allotment and issue of Shares, respectively, pursuant to such exercise will result in additional proceeds (before deduction of expenses) of approximately HK\$89 million. Based on the final offer price of HK\$2.20 per Kosmopolito Share, the amount of expected gain to the Company resulting from the Proposed Spin-off is estimated to be approximately HK\$510 million assuming the Over-allotment Option is exercised in full.

The actual gain to be recognised by the Company which will be calculated by reference to, amongst other things, the financial position of the Group at the time of completion of the Global Offering, will be recognised as reserve movement in the consolidated financial statements of the Company for the financial year ending 31 March 2011.

Upon completion of the Proposed Spin-off, Kosmopolito will become a 73.0% indirect subsidiary of the Company (with market capitalisation of approximately HK\$4,400 million based on the final offer price of HK\$2.20 per Kosmopolito Share) assuming the Over-allotment Option is not exercised at all. Should the Over-allotment Option be exercised in full, Kosmopolito shall become a 69.6% indirect subsidiary of the Company (with market capitalisation of approximately HK\$4,489 million based on the final offer price of HK\$2.20 per Kosmopolito Share) upon completion of the Proposed Spin-off.

As listing of the Kosmopolito Shares pursuant to the Proposed Spin-off is subject to, among others, the final decision of the Board and the board of directors of the Company, the Proposed Spin-off may or may not complete. Kosmopolito Shareholders and other investors are reminded to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 5 October 2010

As at the date of this announcement, the Board of the Company comprises four executive Directors, namely Mr. Deacon Te Ken Chiu, Tan Sri Dato' David Chiu, Mr. Dennis Chiu, Mr. Craig Grenfell Williams; two non-executive Directors, namely Madam Ching Lan Ju Chiu, 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.