THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Far East Consortium International Limited**, you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

This circular is for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Shares or other securities in the Company.

FAR EAST CONSORTIUM INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)
Website: http://www.fecil.com.hk
(Stock code: 35)

DISCLOSEABLE AND CONNECTED TRANSACTIONS IN RELATION TO THE ACQUISITION OF CAR PARK INTERESTS, PROPOSED CONVERSION OF CONVERTIBLE BONDS, WHITEWASH WAIVER AND PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

Financial adviser to Far East Consortium International Limited

SOMERLEY LIMITED

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders

Access Capital

A letter of recommendation from the Independent Board Committee to the Independent Shareholders and a letter of advice from Access Capital to the Independent Board Committee and the Independent Shareholders regarding the terms of the Care Park Implementation Agreement and the transactions and agreements contemplated thereunder, the terms of the Best Impact Agreement and the transactions contemplated thereunder, and the Whitewash Waiver are set out respectively on pages 44 to 45 and pages 46 to 74 of this circular respectively.

A notice convening the EGM to be held at the Xinhua Room, Mezzanine Floor, Cosmopolitan Hotel, 387-397 Queen's Road East, Wan Chai, Hong Kong on Friday, 19 June 2009 at 3:00 p.m., is set out on pages EGM-1 to EGM-6 of this circular. Whether or not you will be able to attend the EGM, please complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's Hong Kong branch share registrar, Tricor Standard Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the EGM or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting (as the case may be) should you so wish.

3 June 2009

CONTENTS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

"Access Capital"	Access Capital Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders regarding the terms of the Care Park Implementation Agreement and the agreements and transactions contemplated thereunder, the terms of the Best Impact Agreement and the transactions contemplated thereunder, and the Whitewash Waiver, and a corporation licensed under the SFO to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO
"Acquisitions"	the transactions contemplated in each of the Care Park Implementation Agreement and the Best Impact Agreement
"acting in concert"	has the meanings ascribed to it in the Takeovers Code
"Agreements"	the Care Park Implementation Agreement and all agreements referred to or contemplated by the Care Park Implementation Agreement, and the Best Impact Agreement
"Announcement"	the announcement of the Company dated 7 May 2009 regarding, among other things, the Acquisitions, the Proposed Conversion, the Whitewash Waiver and the Capital Increase
"Apexwill"	Apexwill Limited, a company incorporated in the BVI and a wholly owned subsidiary of the Company
"associate(s)"	has the meaning ascribed thereto under the Listing Rules

"Bad Leaver"	a person that has ceased to be employed by Care Park Pty Ltd in circumstances where such person's employment has been validly terminated by Care Park by reason of fraud, gross negligence or wilful misconduct or such person has voluntarily terminated their employment prior to the expiry of any fixed term under their employment contract, except where such voluntary termination has occurred by reason of death, permanent injury or disability of that person or a spouse or child of that person in circumstances where the person leaves to care for that spouse or child; or following action by the employer which constitutes a repudiation of the employment contract
"Belteky Employment Contract"	the proposed employment contract to be entered into between Care Park Pty Ltd, one of the CP Transaction Entitles, and Robert Belteky
"Best Impact"	Best Impact Limited, a company incorporated in the BVI with limited liability and a company wholly owned by Tan Sri Chiu as at the Latest Practicable Date
"Best Impact Agreement"	the conditional agreement dated 7 May 2009 entered into between Apexwill and Tan Sri Chiu in relation to the MC Acquisition
"Best Impact Group"	Best Impact and its subsidiaries
"Best Impact Sale Loan"	loans granted by Tan Sri Chiu to the members of the Best Impact Group that remain outstanding unpaid as at the MC Completion Date and all accrued interest thereon, if any, and all rights and benefits of Tan Sri Chiu relating thereto
"Board"	the board of Directors
"BVI"	the British Virgin Islands
"Capital Increase"	the proposed increase in authorized share capital of the Company from HK$200,000,000 to HK$400,000,000
"Care Park"	Care Park Group Pty Ltd, a company incorporated in Victoria, Australia with limited liabilities and a wholly owned subsidiary of the Group as at the Latest Practicable Date
"Care Park Group"	Care Park and its subsidiaries upon CP Completion

"Care Park Implementation Agreement"	the conditional deed dated 7 May 2009 entered into among Tan Sri Chiu, the Company, Robert Belteky, Craig Williams and Deanne Pointon in relation to, among other things, the CP Reorganisation, the CP Acquisition and the entering into each of the CP Transaction Agreements
"Chartbridge"	Chartbridge Pty Limited, a company incorporated in Australia with limited liability and beneficially wholly owned by Craig Williams, as trustee of the Craig Williams Family Trust
"Chiu CP Share Sale Agreement"	the share sale agreement dated 7 May 2009 entered into among Tan Sri Chiu, Care Park and the FEC Guarantor Companies in relation to the swap of the shares of the CP Transaction Entities held by Tan Sri Chiu with the CP Consideration Shares to be issued by the Company
"Chiu Family"	Tan Sri Chiu and his family members including, amongst others, Mr. Deacon Te Ken Chiu, Mr. Dennis Chiu, Madam Ching Lan Ju Chiu and Mr. Daniel Tat Jung Chiu, all being 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 person"	has the meaning ascribed thereto under the Listing Rules
"Consideration Shares"	CP Consideration Shares and MC Consideration Shares
"Conversion Shares"	77,080,232 Shares to be issued by the Company under the Proposed Conversion
"Convertible Bond"	the zero coupon convertible bond in the principal amount of HK$331,445,000 at the conversion price of HK$4.30 per conversion Share
"CP Acquisition"	the acquisition by FEC Australia from the CP Vendors of their interests in the CP Transaction Entities

"CP Call Options"	the Second Anniversary Call Options, Fourth Anniversary Call Options, Fifth Anniversary Call Options, Exit Call Options and FEC Australia Dispute Put Options and the Change of Control Options (each of them is defined under the section headed "CP Put Options and CP Call Options" in the letter from the Board of this circular)
"CP Cap Amount"	the maximium consideration of A$5.306 million, A$3.470 million and A$1.224 million (equivalent to approximately HK$30.8 million, HK$20.1 million and HK$7.1 million respectively) for all sales to FEC Australia of CP Sales by Warmlink, Chartbridge and Deanne Pointon respectively pursuant to the CP Put Options
"CP Completion"	completion of the transactions and agreements contemplated under the Care Park Implementation Agreement
"CP Completion Date"	date of CP Completion
"CP Consideration"	the consideration of A$29.5 million (equivalent to approximately HK$171.1 million) for the CP Acquisition and the transactions contemplated under the CP Share Swap Agreement, Chiu CP Share Sale Agreement and CP Share Sale Agreement, payable in the manner as described in the section headed "The CP Consideration" in the letter from the Board of this circular
"CP Consideration Shares"	102,328,571 new Shares to be allotted and issued at the Issue Price to satisfy in part of the CP Consideration
"CP Holdings"	Care Park Holdings Pty Ltd, a company incorporated in Victoria, Australia and one of the CP Transaction Entities
"CP New Zealand"	Care Park New Zealand Ltd, a company incorporated in New Zealand and one of the CP Transaction Entities
"CP Properties"	Care Park Properties Pty Ltd, a company incorporated in Victoria, Australia and one of the CP Transaction Entities

"CP Put Options"	the Second Anniversary Put Options, Fourth Anniversary Put Options, Fifth Anniversary Put Options, Exit Put Options and Dispute Put Options (each of them is defined under the section headed "CP Put Options and CP Call Options" in the letter from the Board of this circular)
"CP Reorganisation"	the reorganisation involving, among other things, the swap by Warmlink and Chartbridge of their shares in the CP Transaction Entities for CP Shares under the CP Share Swap Agreement and the swap by Chiu of his shares in the CP Transaction Entities for CP Consideration Shares under the Chiu CP Share Sale Agreement
"CP Shareholders"	the holders of the CP Shares
"CP Shareholders Agreement"	the shareholder agreement dated 7 May 2009 entered into among FEC Australia, Warmlink, Chartbridge and Deanne Pointon (each of them as shareholder of Care Park upon CP Completion) and the FEC Guarantor Companies (as guarantor of FEC Australia)
"CP Shares"	ordinary shares in the issued share capital of Care Park
"CP Share Sale Agreement"	share sale agreement dated 7 May 2009 entered into among Warmlink (as seller), Chartbridge (as seller), FEC Australia (as buyer), Tan Sri Chiu (as warrantor), Deanne Pointon (as warrantor) and the FEC Guarantor Companies (as guarantors of FEC Australia), in relation to the sale of 500 CP Shares held by Warmlink and 500 CP Shares held by Chartbridge to FEC Australia
"CP Share Swap Agreement"	the share swap agreement dated 7 May 2009 entered into among Warmlink, Chartbridge and Care Park in relation to (i) the swap by Warmlink of all of the shares in the CP Transaction Entities held by it for 1,900 CP Shares; and (ii) the swap by Chartbridge of all of the shares in the CP Transaction Entities held by it for 1,425 CP Shares
"CP Termination Agreement"	the termination agreement dated 7 May 2009 entered into among Care Park Pty Ltd and the CP Vendors regarding the termination of the consultancy and other fees paying arrangement between Care Park Pty Ltd (one of the CP Transaction Entities) and the CP Vendors

"CP Transaction Agreements"	collectively, the Chiu CP Share Sale Agreement, the CP Share Swap Agreement, the CP Trustee Sale Agreement, the Pointon Option Agreement, the Pointon Subscription Option Agreement, the CP Share Sale Agreement, the CP Shareholders Agreement, the Belteky Employment Contract and the proposed employment contract to be entered into between Care Park Pty Ltd and Deanne Pointon
"CP Transaction Entities"	each of the entities to be acquired by Care Park on or before CP Completion as set out in the Care Park Implementation Agreement
"CP Trustee Companies"	each of Shepparton Car Park Pty Ltd ACN 079 932 924 (as trustee of Shepparton Car Park Trust), 344 Queen Carpark Pty Ltd ACN 069 163 239 (as trustee of 344 Queen Carpark Trust),19 Bank Street Pty Ltd ACN 063 393 582 (as trustee of 19 Bank Street Trust), Roper Street Carpark Pty Ltd ACN 070 040 069 (as trustee of Roper Street Carpark Unit Trust), Quadrant Plaza Pty Ltd ACN 059 404 045 (as trustee of Quadrant Plaza Unit Trust), 124 York Street Pty Ltd ACN 069 881 447 (as trustee of Launceston York Carpark Trust), 13 Roper St Pty Ltd ACN 069 600 817 (as trustee of KC Roper Street Trust), Roper Debt Pty Ltd ACN 069 881 465 (as trustee of Ficon Roper Street Trust) and 124 York Street Pty Ltd ACN 069 881 447 (as trustee of 94 York Street Trust)
"CP Trustee Sale Agreement"	the share sale agreement dated 7 May 2009 entered into among Tan Sri Chiu, Warmlink, Chartbridge and CP Properties in respect of the transfer by the CP Vendors of all of their shares in the CP Trustee Companies to CP Properties
"CP Vendors"	Tan Sri Chiu, Warmlink and Chartbridge
"Director(s)"	director(s) of the Company

"EGM"	the extraordinary general meeting of the Company to be held to consider and, if thought fit, approve, amongst others, the Care Park Implementation Agreement and the transactions and agreements contemplated thereunder (including the CP Shareholders Agreement which contains the terms of the CP Put Options, and the Belteky Employment Contract), the Best Impact Agreement and the transactions contemplated thereunder, the Whitewash Waiver and the Capital Increase
"Executive"	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
"Fair Market Value"	the value of the CP Shares from time to time as determined by an expert as appointed by the CP Shareholders in accordance with the CP Shareholders Agreement
"FEC Australia"	FEC Care Park Holdings (Australia) Pty Limited, a company incorporated in Victoria, Australia and an indirect wholly owned subsidiary of the Company
"FEC Guarantor Companies"	Far East Consortium (Australia) Pty Limited (acting in its own capacity and as trustee of the 360 St Kilda Road Unit Trust), Royal Domain Towers Pty Limited (acting in its own capacity and as trustee of the 370 St Kilda Road Unit Trust), Far East Rockman Hotels (Australia) Pty Limited and Bradney Proprietary Limited (acting in its own capacity and as trustee of the 265 Exhibition Street Unit Trust), all being indirect wholly owned subsidiaries of the Company and acting as guarantors of FEC Australia in respect of the Chiu CP Share Sale Agreement, the CP Share Sale Agreement and the CP Shareholders Agreement
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China

"Independent Board Committee"	a committee of the Board comprising all of the three independent non-executive Directors, namely Mr. Jian Yin Jiang, Mr. Kwok Wai Chan and Mr. Peter Man Kong Wong, established to advise and give recommendation to the Independent Shareholders regarding the terms of the Care Park Implementation Agreement and the transactions and agreements contemplated thereunder, the terms of the Best Impact Agreement and the transactions contemplated thereunder and the Whitewash Waiver. As the two non-executive Directors, namely Madam Ching Lan Ju Chiu and Mr. Daniel Tat Jung Chiu are parties acting in concert with Tan Sri Chiu, they have been excluded from the Independent Board Committee
"Independent Shareholders"	Shareholders other than (i) the Chiu Family and parties acting in concert with it (including Penta, the presumed concert party of the Chiu Family); (ii) to the extent they hold Shares at the time of the EGM, Warmlink, Chartbridge and Deanne Pointon and their respective associates; (iii) Mr. Cheong Thard Hoong (the managing director of the Company) and parties acting in concert with him; and (iv) those who are involved in, or interested in, the Acquisitions, the Proposed Conversion and/or the Whitewash Waiver
"Independent Third Party"	a third party independent of the Company and its connected persons
"Issue Price"	the issue price of HK$1.40 per Consideration Share
"Latest Practicable Date"	29 May 2009, being the latest practicable date for ascertaining certain information contained in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Malaysia Car Parks"	the car park and other properties to be held by the Best Impact Group before MC Completion
"Mayland"	Malaysia Land Berhad, a company incorporated in accordance with Malaysian Companies Legislation and controlled by Tan Sri Chiu
"Mayland Universal"	Mayland Universal Sdn Bhd., a company incorporated in accordance with Malaysian Companies Legislation and controlled by Tan Sri Chiu

"MC Acquisition"	the acquisition by Apexwill from Tan Sri Chiu of the MC Sale Shares
"MC Completion"	completion of the transactions contemplated under the Best Impact Agreement
"MC Consideration"	the consideration of RM52 million (equivalent to approximately HK$114.4 million) for the MC Acquisition
"MC Consideration Shares"	81,714,285 new Shares to be allotted and issued at the Issue Price to satisfy the MC Consideration
"MC Sale Shares"	one ordinary share of US$1.00 each in Best Impact
"Penta"	Penta Investment Advisers Ltd., a presumed concert party of the Chiu Family and was interested in 469,074,397 Shares, representing approximately 28.92% of the issued share capital of the Company as at the Latest Practicable Date
"Plaza Damas Option Agreement"	the option agreement dated 13 March 2009 entered into between Mayland Universal and Target Term relating to the grant of the right of first refusal by Mayland to Target Term for the purchase of the car parks at Plaza Damas Phase 3
"Pointon Option Agreement"	the option cancellation and new option deed entered into among Deanne Pointon, CP New Zealand, CP Properties, CP Holdings, FEC Australia and Care Park dated 7 May 2009
"Pointon Subscription Option Agreement"	the subscription option agreement to be entered into between Deanne Pointon and Care Park
"PRC"	the People's Republic of China, and for the purposes to this circular only, excludes Hong Kong, Macau Special Administrative Region and Taiwan
"Proposed Conversion"	the proposed conversion in full of the Convertible Bond at the conversion price of HK$4.30 per Conversion Share by Tan Sri Chiu
"Relevant Period"	the period beginning six months prior to the date of the Announcement and ended on the Latest Practicable Date

"Service Agreement"	the conditional agreement dated 13 March 2009 entered into between Target Term and Mayland in relation to car parks planning and management professional services for the operation and management of the Malaysia Car Parks
"SFC"	Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Shareholders"	the holders of the Shares
"Shares"	ordinary shares of HK$0.10 each in the issued share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary"	has the meaning ascribed to it under the Listing Rules
"Sumptuous"	Sumptuous Assets Limited, a company incorporated in the BVI and wholly-owned by Tan Sri Chiu, the sole director of which is Tan Sri Chiu
"Takeovers Code"	the Hong Kong Code on Takeovers and Mergers
"Tan Sri Chiu"	Tan Sri Dato' David Chiu, the Deputy Chairman, Chief Executive Officer and an executive Director of the Company
"Target Term"	Target Term Sdn. Bhd., a limited liability company incorporated in accordance with the Malaysian Companies Legislation and is a wholly owned subsidiary of Best Impact
"Warmlink"	Warmlink Pty Limited, a company incorporated in Australia with limited liability and beneficially wholly owned by Robert Belteky, as trustee of the Belteky Investments Trust
"Whitewash Waiver"	a waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code from the obligation of Tan Sri Chiu to make a mandatory general offer for all the Shares other than those held by Tan Sri Chiu and parties acting in concert with him as a result of the issue of each of the CP Consideration Shares, the MC Consideration Shares and the Conversion Shares

"A$"	Australian Dollars, the lawful currency of Australia
"HK$"	Hong Kong Dollars, the lawful currency of Hong Kong
"RM"	Malaysian Ringgit, the lawful currency of Malaysia
"NZ$"	New Zealand Dollars, the lawful currency of New Zealand
"US$"	United States Dollars, the lawful currency of the United States of America
"%"	per cent.

For illustration purposes only, exchange rates of A$1.00 = HK$5.80, RM1.00 = HK$2.20 and NZ$1.00 = HK$4.44 have been adopted. No representation is made that any amount in such currencies could have been or could be converted at the above rates or at any other rates.

FAR EAST CONSORTIUM INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)
Website: http://www.fecil.com.hk
(Stock code: 35)

Executive Directors:
Mr. Deacon Te Ken Chiu *(Chairman)*
Tan Sri Dato' David Chiu
(Deputy Chairman and Chief Executive Officer)
Mr. Dennis Chiu
Mr. Craig Grenfell Williams

Non-executive Directors:
Madam Ching Lan Ju Chiu
Mr. Daniel Tat Jung Chiu

Independent Non-executive Directors:
Mr. Jian Yin Jiang
Mr. Kwok Wai Chan
Mr. Peter Man Kong Wong

Registered Office:
P.O. Box 1043, Ground Floor
Caledonian House, Mary Street
George Town
Grand Cayman, Cayman Islands
British West Indies

Principal Office:
16/F., Far East Consortium Building
121 Des Voeux Road Central
Hong Kong

3 June 2009

To the Shareholders

Dear Sirs,

DISCLOSEABLE AND CONNECTED TRANSACTIONS IN RELATION TO THE ACQUISITION OF CAR PARK INTERESTS, PROPOSED CONVERSION OF CONVERTIBLE BONDS, WHITEWASH WAIVER AND PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

INTRODUCTION

The Directors announced on 7 May 2009 that the Group is expanding its business into car park operations. Through the Acquisitions, the Group will become one of the largest independent car park operators in the Asia Pacific region with 200 car parks comprising over 42,600 parking bays under its management in strategic locations in Australia, New Zealand and Malaysia, among which 18 car parks comprising over 5,200 parking bays will be owned by the Group.

The purpose of this circular is to provide you with (i) further information on the Care Park Implementation Agreement and the Best Impact Agreement and the respective transactions and agreements contemplated thereunder; (ii) further information on the Proposed Conversion; (iii) further information on the Whitewash Waiver; (iv) further information on the Capital Increase; (v) the recommendation of the Independent Board Committee and advice of Access Capital regarding the terms of the Agreements and the transactions contemplated thereunder and the Whitewash Waiver; (vi) property valuation reports for the Group, the CP Transaction Entities and the Best Impact Group; and (vii) notice of the EGM.

(1) THE CARE PARK IMPLEMENTATION AGREEMENT

Date

7 May 2009

Parties

The Company, Tan Sri Chiu, Robert Belteky, Craig Williams and Deanne Pointon.

Tan Sri Chiu is a Director, Deputy Chairman and Chief Executive Officer of the Company. Craig Williams is a Director. The Directors confirm that to the best of their knowledge, information and belief, and having made all reasonable enquiries, Robert Belteky and Deanne Pointon are third parties independent of the Company and its connected persons.

Subject

The parties to the Care Park Implementation Agreement have procured or will procure (as the case may be) the entering into of the CP Transaction Agreements by the relevant parties on the date of the Care Park Implementation Agreement so that upon CP Completion:

– the CP Transaction Entities will become wholly owned subsidiaries of Care Park (a wholly owned subsidiary of FEC Australia as at the Latest Practicable Date); and

– shares in Care Park will be owned as to 73.75% by FEC Australia (a wholly owned subsidiary of the Company), 14% by Warmlink, 9.25% by Chartbridge and 3% by Deanne Pointon.

Tan Sri Chiu, Warmlink (a company controlled by Robert Belteky and his associates) and Chartbridge (a company controlled by Craig Williams) currently own 65%, 20% and 15% respectively of the CP Transaction Entities. Pursuant to the Care Park Implementation Agreement, Chiu CP Share Sale Agreement, the CP Share Swap Agreement, the CP Share Sale Agreement and the CP Trustee Sale Agreement, Care Park and the CP Transaction Entities will undergo the CP Reorganisation, including, among other things,

1. Care Park will issue additional 6,374 CP Shares to FEC Australia;

2. Tan Sri Chiu will perform his obligations under the Care Park Implementation Agreement, including transferring his interest in each of the CP Transaction Entities to Care Park, and will receive a total of 102,328,571 CP Consideration Shares to be issued by the Company to Tan Sri Chiu or his nominee;

3. Warmlink will perform its obligations under the Care Park Implementation Agreement, including transferring its interest in each of the CP Transaction Entities to Care Park in return for 1,900 CP Shares; and Chartbridge will perform its obligations under the Care Park Implementation Agreement, including transferring its interest in each of the CP Transaction Entities to Care Park in return for 1,425 CP Shares; and

4. each of Warmlink and Chartbridge will sell 500 CP Shares to FEC Australia in return for A$2.0 million (equivalent to approximately HK$11.6 million) each, payable in cash.

As at the Latest Practicable Date, Deanne Pointon had an option to acquire 5% of the enlarged capital of each of CP New Zealand, CP Properties and CP Holdings (the "Existing Pointon Option"). Pursuant to the Pointon Option Agreement, upon CP Completion, Deanne Pointon will cancel the Existing Pointon Option in consideration of (i) FEC Australia paying her A$0.8 million (equivalent to approximately HK$4.6 million); and (ii) Care Park entering into the Pointon Subscription Option Agreement with her, under which, Deanne Pointon will have an option to subscribe up to 3% of the enlarged share capital of Care Park, which is expected to be 300 CP Shares upon exercise. The option pursuant to the Pointon Subscription Option Agreement is expected to be exercised by Deanne Pointon immediately after CP Completion.

Set out below is the shareholding table of Care Park:

	As at the Latest Practicable Date		Upon the completion of the CP Reorganisation		Upon the exercise of the share option pursuant to the Pointon Subscription Option Agreement by Deanne Pointon		Upon the sale of the CP Shares by each of Warmlink and Chartbridge to FEC Australia pursuant to the CP Share Sale Agreement	
FEC Australia	1	100%	6,375	65.72%	6,375	63.75%	7,375	73.75%
Warmlink	–	0%	1,900	19.59%	1,900	19.00%	1,400	14.00%
Chartbridge	–	0%	1,425	14.69%	1,425	14.25%	925	9.25%
Deanne Pointon	–	0%	–	0%	300	3.00%	300	3.00%
	1	100%	9,700	100%	10,000	100%	10,000	100%

The CP Transaction Entities are principally engaged in car park owning, management and operation business in Australia and New Zealand.

The CP Consideration

A$29.5 million (equivalent to approximately HK$171.1 million) in aggregate payable upon CP Completion in the following manner:

1. as to A$4.0 million (equivalent to approximately HK$23.2 million) payable in cash (of which A$2.0 million (equivalent to approximately HK$11.6 million) will be paid to Warmlink for 500 CP Shares and A$2.0 million (equivalent to approximately HK$11.6 million) will be paid to Chartbridge for 500 CP Shares) by FEC Australia under the CP Share Sale Agreement;

2. as to A$0.8 million (equivalent to approximately HK$4.6 million) payable in cash to Deanne Pointon under the Pointon Option Agreement; and

3. as to A$24.7 million (equivalent to approximately HK$143.3 million) to be settled by way of issuance of a total of 102,328,571 CP Consideration Shares by the Company to Tan Sri Chiu or his nominee for Tan Sri Chiu's interests in the CP Transaction Entities and other matters provided under the Chiu CP Share Sale Agreement.

The CP Consideration has been negotiated between the parties to the Care Park Implementation Agreement on an arm's length basis with reference to (i) the unaudited combined net asset value of the Care Park Group as at 31 December 2008 of approximately A$41.6 million (equivalent to approximately HK$241.3 million); (ii) the growth track record of the CP Transaction Entities; (iii) the goodwill of the brand name "Care Park"; (iv) future prospects of the Care Park Group; and (v) the quality of cash flow generated by the Care Park Group.

The CP Vendors have provided warranties that the consolidated net asset value of the Care Park Group will not be less than A$40 million (equivalent to approximately HK$232.0 million) upon CP Completion.

The CP Consideration Shares are intended to be issued to Sumptuous. The cash portion of the CP Consideration and the related costs are proposed to be financed by internal resources of the Group.

Conditions precedent

CP Completion shall be conditional upon the following conditions being fulfilled or waived (as the case may be):

1. obtaining approval of the Foreign Investment Review Board of Australia including (i) FEC Australia, Care Park and CP Properties receiving a written notice under the Foreign Acquisitions and Takeovers Act 1975 (Cth), by or on behalf of the Treasurer of the Commonwealth of Australia stating or to the effect that the Commonwealth Government does not object to the transactions contemplated by the Care Park Implementation Agreement, either unconditionally or on terms that do not impose unduly onerous

obligations on the Company, FEC Australia, Care Park and CP Properties; or (ii) the Treasurer of the Commonwealth of Australia becoming precluded from making an order in relation to the subject matter of the Care Park Implementation Agreement and the transactions contemplated by it under the Foreign Acquisitions and Takeovers Act 1975 (Cth); or (iii) if an interim order is made under the Foreign Acquisitions and Takeovers Act 1975 (Cth) in respect of the transactions contemplated by the Care Park Implementation Agreement, the subsequent period for making a final order prohibiting the transactions contemplated by the Care Park Implementation Agreement elapsing without a final order being made;

2. the CP Vendors and Deanne Pointon obtaining written approval from BOS International Ltd, an independent financer to certain CP Transaction Entities, to the transactions contemplated under the CP Transaction Agreements on terms that are not unduly onerous;

3. the CP Vendors and Deanne Pointon delivering to FEC Australia consents to a change of control of the relevant member of the Care Park Group from counterparties of 90% of the top 30 most profitable car park leases or car park management agreements which have been entered into by the CP Transaction Entitles;

4. the passing of an ordinary resolution by the Independent Shareholders at an extraordinary general meeting by way of poll to approve, confirm and ratify the Care Park Implementation Agreement and the transactions and agreements contemplated thereunder;

5. the passing of an ordinary resolution at a shareholder meeting by the Independent Shareholders to approve the Whitewash Waiver in respect of the CP Acquisition, by way of poll;

6. the Whitewash Waiver in respect of the CP Acquisition being granted by the Executive;

7. the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the CP Consideration Shares;

8. the receipt by FEC Australia of a legal opinion by FEC Australia's solicitors that does not contain any materially adverse matter concerning the encumbrances evident from the public registers of the relevant Land Titles Offices in Australia (or equivalent government agency in each relevant Australian state) in relation to freehold property owned by the CP Transaction Entities, provided that only materially adverse matters that are included in the legal opinion as a result of a change to the facts known to FEC Australia's solicitors or a change to the facts or law known to FEC Australia's solicitors relating to the encumbrances that exist as at the date of the Care Park Implementation Agreement will be considered for the purposes of determining whether or not this condition has been satisfied;

9. during the period from the date of the Care Park Implementation Agreement to the CP Completion Date, no event occurring that would have a material adverse effect on, or there not being in existence on the CP Completion Date any material adverse change in, the financial position and operating performance of Care Park and the CP Transaction Entities (taken as a whole);

10. the signing of the CP Termination Agreement terminating all consultancy and other fee paying arrangements between the CP Vendors and Care Park Pty Ltd;

11. the delivery to FEC Australia of a completion certificate duly executed by each CP Vendor and Deanne Pointon, representing and warranting to FEC Australia that (i) the warranties given by each of them remain true and accurate and not misleading as given as at the date of the Care Park Implementation Agreement and as at the CP Completion Date and as if given at all times between the date of the Care Park Implementation Agreement and the CP Completion Date; and (ii) each of the CP Vendors has performed all of the covenants and agreements required to be performed by them under the respective CP Transaction Agreements on or prior to the CP Completion Date; and

12. FEC Australia delivering a completion certificate to a representative of the CP Vendors and Deanne Pointon, representing and warranting to each of them that the warranties given by Care Park and the FEC Guarantor Companies under the respective CP Transaction Agreements remain true and accurate and not misleading as given as at the date of the Care Park Implementation Agreement and as at the CP Completion Date and as if given at all times between the date of the Care Park Implementation Agreement and the CP Completion Date; and FEC Australia has performed all of the covenants and agreements required to be performed by it under the CP Share Sale Agreement and Care Park has performed all of the covenants and agreements required to be performed by it under the Chiu CP Share Sale Agreement on or prior to the CP Completion Date.

Each of FEC Australia and the CP Vendors are required to use all reasonable endeavours to ensure that the conditions are satisfied as expeditiously as possible and in any event within 90 days of the signing of the Care Park Implementation Agreement. The conditions in paragraphs 1, 4, 5, 6 and 7 must not be waived. The conditions in paragraphs 2, 3, 9, 10, 11 and 12 may only be waived by written agreement between the CP Vendors and the Company. The condition in paragraph 8 may be waived by FEC Australia in its absolute discretion. As at the Latest Practicable Date, the condition in paragraph 10 has been satisfied.

CP Shareholders Agreement

On the same date of the Care Park Implementation Agreement, FEC Australia, Warmlink, Chartbridge and Deanne Pointon (each of them a CP Shareholder upon CP Completion and exercise of the option of the Pointon Subscription Option Agreement), Care Park and the FEC Guarantor Companies (as guarantors of FEC Australia) also entered into the CP Shareholders Agreement.

Board Composition and Shareholdings

Pursuant to the CP Shareholders Agreement, the board of Care Park will comprise five directors, three of whom will be appointed by FEC Australia, one of whom will be appointed by Warmlink and one of whom will be appointed by Chartbridge. If FEC Australia's shareholding is reduced to less than 50% of the issued share capital of Care Park, it will only have the right to appoint two directors of Care Park. If FEC Australia's shareholding is reduced to below 25% of the issued share capital of Care Park, it will only have the right to appoint one director of Care Park. Each CP Shareholder will lose the right to appoint any directors if their respective shareholding is reduced to less than 5% of the issued share capital of Care Park. The Chairman of Care Park will be appointed by FEC Australia and the initial chairman will be Tan Sri Chiu. Care Park will appoint Robert Belteky and Deanne Pointon as the first managing director and the first chief financial officer of Care Park respectively. While each of Robert Belteky and Deanne Pointon is employed, each of them must continue to hold at least 9% and 1.5% of the issued share capital of Care Park respectively. Robert Belteky and Deanne Pointon have solid experience in car parking operating business, and have been the managing director and the chief financial officer of the CP Transaction Entities respectively since the establishment of Care Park Pty Ltd (a wholly owned subsidiary of CP Holdings and one of the key CP Transaction Entities). The Group intends to retain both of them as the management of Care Park for the Care Park Group's future development.

The FEC Guarantor Companies will unconditionally and irrevocably guarantee to each other party on demand, the due and punctual performance of FEC Australia's (or any majority shareholder of Care Park which is another wholly owned subsidiary of the Company) obligations under the CP Shareholders Agreement.

The CP Shareholders Agreement also sets out certain other provisions with respect to the rights of each CP Shareholder:

CP Put Options and CP Call Options

On the second anniversary of CP Completion, each of Warmlink, Chartbridge and Deanne Pointon will have the right to sell up to 25% of the CP Shares held by them as at the CP Completion Date to FEC Australia (the "Second Anniversary Put Options") at their Fair Market Value, whilst FEC Australia will have the right to acquire up to 25% of the CP Shares held by each of Warmlink, Chartbridge and Deanne Pointon as at the CP Completion Date (the "Second Anniversary Call Options") at their Fair Market Value.

On the fourth anniversary of CP Completion, each of Warmlink, Chartbridge and Deanne Pointon will have the right to sell up to 50% of the CP Shares held by them as at the CP Completion Date to FEC Australia (less any shares sold under the Second Anniversary Put Options or Second Anniversary Call Options) (the "Fourth Anniversary Put Options") at their Fair Market Value, whilst FEC Australia will have the right to acquire up to 50% of the CP Shares held by each of Warmlink, Chartbridge and Deanne Pointon as at the CP Completion Date (less any shares sold under the Second Anniversary Put Options or Second Anniversary Call Options) (the "Fourth Anniversary Call Options") at their Fair Market Value.

On the fifth anniversary of CP Completion, Chartbridge will have the right to sell all or some of its CP Shares to FEC Australia (the "Fifth Anniversary Put Options") at their Fair Market Value, whilst FEC Australia will have the right to acquire all or some of the CP Shares held by Chartbridge (the "Fifth Anniversary Call Option") at their Fair Market Value. If FEC Australia exercises the Fifth Anniversary Call Option in respect of Chartbridge, it must exercise the relevant Call Options over Warmlink's and Pointon's CP Shares in the same proportion and on the same basis.

On the date of cessation of Robert Belteky's employment as managing director of Care Park Pty Ltd and Deanne Pointon's employment as chief financial officer of Care Park Pty Ltd respectively, each of them will have an option to sell all or some of their respective interests in the CP Shares to FEC Australia (the "Exit Put Options") for an amount determined in accordance with the CP Shareholders Agreement (which will not exceed their Fair Market Value), whilst FEC Australia will also at that time have the right to acquire all or some of the CP Shares held by Warmlink and Deanne Pointon respectively (the "Exit Call Option") for an amount determined in accordance with the CP Shareholders Agreement (which will not exceed their Fair Market Value).

Each of Warmlink and Deanne Pointon may not exercise its or her respective Second Anniversary Put Option, Fourth Anniversary Put Option or Exit Put Options if Robert Belteky or Deanne Pointon is respectively regarded as a Bad Leaver.

On and from the third anniversary of CP Completion, if certain events of deadlock in board decision making occur between the directors of Care Park and such deadlock is not able to be resolved by the CP Shareholders, each of Warmlink, Chartbridge and Deanne Pointon will have the right to sell all (but not part of) their respective CP Shares to FEC Australia (the "Dispute Put Options") at 50% of their Fair Market Value, whilst FEC Australia will have the right to sell all (but not part of) its CP Shares to Warmlink, Chartbridge and Deanne Pointon respectively (the "FEC Australia Dispute Put Option") at 50% of their Fair Market Value.

If a person other than a member of the Group, who did not previously do so, acquires directly or indirectly (i) shares in FEC Australia conferring 40% or more of the voting or economic interests in FEC Australia; (ii) the power to control the appointment or dismissal of the majority of the FEC Australia's directors; or (iii) the capacity to control the financial and operating policies or the management of FEC Australia ("Change of Control"), each of Warmlink, Chartbridge and Deanne Pointon will have an option to purchase all (but not part only) of the CP Shares held by FEC Australia at their Fair Market Value. However, it will not be a Change of Control of FEC Australia where it is caused by a person, who did not previously do so, acquiring directly or indirectly (i) shares in the Company or its ultimate holding company (as applicable); (ii) the power to control the appointment or dismissal of the majority of directors of the Company or its ultimate holding company (as applicable); or (iii) the capacity to control the financial and operating policies or the management of the Company or its ultimate holding company (as applicable). As the Change of Control is in the control of the Company, the Company will comply with relevant Listing Rules requirement if it takes any steps which will trigger a Change of Control.

If a person, who did not previously do so, acquires directly or indirectly (i) a legal or beneficial interest in shares in Warmlink or Chartbridge conferring 40% or more of the voting or economic interests in Warmlink or Chartbridge; (ii) the power to control the appointment or dismissal of the majority of the Warmlink's or Chartbridge's directors; (iii) the capacity to control the financial and operating policies or the management of Warmlink or Chartbridge; (iv) a distribution from the Warmlink trust or the Chartbridge trust and that person is not Robert Belteky or Craig Williams or their respective immediate family members; or (v) the right to appoint the trustee of the Warmlink trust or the Chartbridge trust, then each other CP Shareholder will have an option to purchase all (but not part only) of the CP Shares held by Warmlink or Chartbridge as applicable (the "Change of Control Options") at their Fair Market Value.

Where a CP Shareholder either (i) materially breaches a material term of the CP Shareholders Agreement; or (ii) is subject to an insolvency event, then each other CP Shareholder will have an option to purchase all (but not part only) of the CP Shares held by that party at their Fair Market Value.

The exercise of the Second Anniversary Put Options, Fourth Anniversary Put Options, Fifth Anniversary Put Options, Exit Put Options and Dispute Put Options by each of Warmlink, Chartbridge and Deanne Pointon (as the case may be) are not at the discretion of FEC Australia and shall be subject to:

– the CP Cap Amount; and

– members of the Care Park Group obtaining any consent or waiver required to avoid a material breach or trigger a material right of the financier under any material loan agreement or associated security document entered into by members of the Care Park Group.

In the event that the amount payable by FEC Australia under the CP Put Options exceeds the CP Cap Amount, the Company will comply with relevant Listing Rules requirements to the extent of any excess over the CP Cap Amount and/or the number of CP Shares to be transferred to FEC Australia pursuant to the relevant put options will be reduced to the extent necessary to ensure that the amount payable by FEC Australia will not exceed the CP Cap Amount.

The Company will comply with the relevant Listing Rules requirements upon the exercise of its Second Anniversary Call Options, Fourth Anniversary Call Options, Fifth Anniversary Call Options, Exit Call Options, FEC Australia Dispute Put Option and the Change of Control Options.

First right of refusal, drag-along right and tag-along right

No CP Shareholder may sell any of its CP Shares to a third party for the first three years from the CP Completion Date. If a CP Shareholder thereafter wishes to sell all or some of its CP Shares, the other CP Shareholders will each have a first right of refusal over the CP Shares. If only one of the other CP Shareholders exercises its right, that CP Shareholder will acquire all of the CP Shares that are available for purchase. If two or all of the CP Shareholders exercise their rights, the CP Shares will be allocated among them in proportion to their then existing shareholdings. The Company will comply with the relevant Listing Rules requirements upon the exercise of the right of first refusal under the CP Shareholders Agreement by FEC Australia.

If FEC Australia wishes to sell all of its CP Shares to a third party, and those CP Shares are not acquired by the other CP Shareholders under their right of first refusal under the CP Shareholders Agreement, FEC Australia will have a right to force other CP Shareholders to sell the CP Shares held by them to the same purchaser on the same terms (the "Drag-along Right").

If FEC Australia wishes to sell all of its CP Shares to a third party and does not exercise its Drag-along Right, the other CP Shareholders will have a "tag-along" right to require FEC Australia to use its best endeavours to ensure its CP Shares are also sold to the purchaser. If a CP Shareholder exercises a tag along right (the "Tagging Shareholder"), FEC Australia will not be permitted to sell its CP Shares to the purchaser unless the Tagging Shareholders' CP Shares are also sold to that purchaser on the same terms.

Business Opportunities

Where a CP Shareholder (the "Referring CP Shareholder") becomes aware of a business opportunity, including but not limited to, the opportunity to own, operate or manage a public commercial car park within Australia and New Zealand (the "Business

Opportunity"), the Referring CP Shareholder must as soon as reasonably practicable provide written notice to Care Park setting out the terms of the Business Opportunity as made available to the Referring CP Shareholder. If Care Park wishes to proceed with the Business Opportunity, the Referring CP Shareholder must use its best endeavors to make the Business Opportunity available to Care Park.

If (i) Care Park elects not to proceed with the Business Opportunity; (ii) Care Park makes no election within 30 days of receipt of the notice from the Referring CP Shareholder in relation to the Business Opportunity indicating whether it wishes to proceed with the Business Opportunity or not; or (iii) the Business Opportunity cannot be made available to Care Park, then the Referring CP Shareholder may proceed with the Business Opportunity but only on terms no more favorable as a whole to the Referring CP Shareholder than those which would have been offered to Care Park.

Notwithstanding the foregoing, where a CP Shareholder or its associates buys or builds a building which contains a public commercial car park within Australia and New Zealand, such CP Shareholder is required to offer Care Park either the right to purchase such car park on arm's length commercial terms; or the right to manage the car park on arm's length commercial terms. The Company will comply with the relevant Listing Rules requirement when such situation arises.

Belteky Employment Contract

On or before CP Completion, as required under the Care Park Implementation Agreement, Care Park Pty Ltd (being one of the CP Transaction Entities) and Robert Belteky will enter into the Belteky Employment Contract.

Pursuant to the Belteky Employment Contract, Robert Belteky will be appointed as the managing director of Care Park Pty Ltd and all its subsidiaries from the CP Completion Date for a period of 10 years (the "Belteky Employment Period"). The Belteky Employment Contract may be terminated by Care Park Pty Ltd without notice during the Belteky Employment Period if Robert Belteky (a) engages in fraud or wilful misconduct; (b) commits a serious and persistent breach of the Belteky Employment Contract; (c) commits an act which is outside the scope of Robert Belteky's employment and which brings Care Park Pty Ltd into disrepute, having regard to the nature of Care Park Pty Ltd's business; (d) is unable to perform the inherent requirements of his position; or (e) is convicted of an offence and punished by imprisonment.

Care Park Pty Ltd will initially pay Robert Belteky a salary of A$300,000 (equivalent to approximately HK$1.7 million) for each year of service and make superannuation contribution on his behalf. The rate of superannuation contribution will be made at a rate not less than 9% (or such other higher percentage that may be prescribed by S.19(2) of the Superannuation Guarantee (Administration) Act 1992 (Cth) of Australia).

Robert Belteky will also be entitled to a first year performance bonus of not more than A$250,000 (equivalent to approximately HK$1.5 million), subject to the performance of the Care Park Group. In the subsequent years during the Belteky Employment Period, subject to meeting performance, and financial and operational targets to be set by the board of directors of Care Park Pty Ltd, Robert Belteky may, at the sole discretion of the board of directors of Care Park Pty Ltd, be entitled to a performance bonus of up to A$100,000 (equivalent to approximately HK$0.6 million) in each subsequent year.

As at the Latest Practicable Date, the Belteky Employment Contract has not been entered into between the parties to the contract.

(2) THE BEST IMPACT AGREEMENT

Date

7 May 2009

Parties

Vendor: Tan Sri Chiu

Purchaser: Apexwill Limited, a wholly owned subsidiary of the Company

Tan Sri Chiu is a Director, Deputy Chairman and Chief Executive Officer of the Company.

Assets to be acquired

The MC Sale Shares, representing the entire issued share capital of Best Impact and the benefits and interests in the Best Impact Sale Loan. As at the Latest Practicable Date, the Best Impact Sale Loan amounted to RM1.61 million (equivalent to approximately HK$3.54 million). The principal assets of Best Impact will be its indirect interests in the Malaysia Car Parks, representing certain car parks located in Malaysia, upon MC Completion.

Consideration

RM52 million (equivalent to approximately HK$114.4 million) payable in full by way of issuance of 81,714,285 MC Consideration Shares by the Company to Tan Sri Chiu or his nominee upon the MC Completion.

The MC Consideration has been agreed between Apexwill and Tan Sri Chiu on arm's length basis with reference to (i) recent transaction prices of car parks in Kuala Lumpur, Malaysia; (ii) the future prospects of the Best Impact Group; and (iii) the quality of cash flow generated by the Malaysia Car Park.

The MC Consideration Shares are intended to be issued to Sumptuous.

Conditions precedent

MC Completion shall be conditional upon the following conditions being fulfilled or waived (as the case may be):

1. the warranties as set out in the Best Impact Agreement remaining true and accurate and not misleading in all material respect at MC Completion as given as of the date of the Best Impact Agreement and as of the MC Completion Date and as if given at all times between the date of the Best Impact Agreement and the MC Completion Date;

2. Apexwill notifying Tan Sri Chiu in writing that it is satisfied upon conducting due diligence on the Best Impact Group as to (i) the respective financial, legal, contractual, taxation and trading positions of each member of the Best Impact Group; and (ii) the title to the Malaysia Car Park;

3. Tan Sri Chiu having performed all of the covenants and agreements required to be performed by him under the Best Impact Agreement on or prior to the MC Completion Date;

4. all necessary consents required to be given by third parties to Tan Sri Chiu for the completion by Tan Sri Chiu of the transactions contemplated under the Best Impact Agreement having been granted (including the Stock Exchange, and relevant governmental or official authorities), and being in full force and effect, for the sale and purchase of the MC Sale Shares and no applicable statute, regulation or decision which would prohibit, restrict or materially delay the sale and purchase of the MC Sale Shares or the operation of the business of any member of the Best Impact Group after MC Completion having been proposed, enacted or taken by any governmental or official authority;

5. no bona fide investigation, action, suit, injunction, order or proceedings being in effect, pending or genuinely threatened as of the MC Completion Date before any court of competent jurisdiction or by any relevant governmental body which seeks to restrain, prohibit, impose limitations or conditions or otherwise challenge the transactions contemplated by the Best Impact Agreement;

6. Tan Sri Chiu having provided evidence satisfactory to Apexwill that the sale and purchase of the Malaysia Car Parks have been completed and Target Term has become the sole and beneficial owner of the Malaysia Car Parks and obtained exclusive vacant possession of the Malaysia Car Parks free of all encumbrances;

7. the receipt by Apexwill of a legal opinion by a firm of qualified lawyers in Malaysia in form and substance satisfactory to Apexwill in relation to the subject matter of the Best Impact Agreement, including, without limitation, the due incorporation, good standing and valid existence of Target Term and Best Impact possess good and marketable beneficial interest to the Malaysia Car Parks and there will be no legal impediment under Malaysian law for Apexwill to acquire the Malaysia Car Parks and operate them as car parks;

8. the receipt by Apexwill of a valuation report in respect of the Malaysia Car Parks prepared by a firm of independent valuers acceptable to Apexwill, and on normal assumptions and bases acceptable to Apexwill, showing that the aggregate market value of the Malaysia Car Parks as at 31 March 2009 is no less than RM52 million (equivalent to approximately HK$114.4 million);

9. during the period from the date of the Best Impact Agreement to the MC Completion Date, there not having occurred any material adverse effect on, or there not being in existence on the MC Completion Date any material adverse change in, the financial position and operating performance of the Best Impact Group as a whole;

10. the passing of an ordinary resolution by the Independent Shareholders at an extraordinary general meeting by way of poll to approve the Best Impact Agreement and the transactions contemplated thereunder;

11. the Stock Exchange granting listing of and permission to deal, in the MC Consideration Shares;

12. the passing of an ordinary resolution by the Independent Shareholders at an extraordinary general meeting by way of poll to approve the Whitewash Waiver in respect of the MC Acquisition;

13. the Whitewash Waiver in respect of the MC Acquisition being granted by the Executive; and

14. if so required, the relevant Malaysian government authorities having approved the transaction under the Best Impact Agreement.

Tan Sri Chiu shall use its best endeavours to procure the fulfilment of the above conditions on or before six months from the date of the Best Impact Agreement (or such later date as may be agreed between Apexwill and Tan Sri Chiu). In the event that any of the above conditions have not been fulfilled (or otherwise waived by Apexwill in writing provided that the conditions 10, 11, 12, 13 and 14 cannot be waived) on or before 6 months from the date of the Best Impact Agreement (or such later date as may be agreed between Apexwill and Tan Sri Chiu), then Apexwill shall not be bound to proceed with the purchase of the MC Sale Shares and the Best Impact Agreement shall cease to be of any effect save in respect of claims arising out of any antecedent breach of the Best Impact Agreement. As at the Latest Practicable Date, the condition in paragraph 8 has been satisfied. The Directors expect Target Terms will become the sole and beneficial owner of the Malaysia Car Parks within four to five months from the date of the Best Impact Agreement.

The Plaza Damas Option Agreement

On 13 March 2009, Mayland Universal entered into the Plaza Damas Option Agreement with Target Term, pursuant to which, Mayland Universal has granted Target Term a right of first refusal in respect of car park bays comprised within Plaza Damas 3, at a price to be determined by Mayland Universal. Target Term is not bounded to acquire the subject car park bays but have the right of first refusal to acquire such car park bays. Target Term has paid RM10 (equivalent to approximately HK$22.0) to Mayland Universal in respect of the Plaza Damas Option Agreement.

The Company will comply with the relevant Listing Rules requirement upon exercise of the right of first refusal under the Plaza Damas Option Agreement.

(3) CONSIDERATION SHARES

The Consideration Shares will be issued at the Issue Price of HK$1.40 per Share and represent:

(i) a premium of approximately 15.7% over the closing price of HK$1.21 per Share as quoted on the Stock Exchange on 6 May 2009, being the last business day prior to the date of the Announcement;

(ii) a premium of approximately 8.5% over the closing price of HK$1.29 per Share as quoted on the Stock Exchange on 7 May 2009, being the date of the Announcement;

(iii) a premium of approximately 27.3% over the average closing price per Share of approximately HK$1.10 for the last ten trading days up to and including 7 May 2009;

(iv) a premium of approximately 41.4% over the average closing price per Share of approximately HK$0.99 for the last thirty trading days up to and including 7 May 2009;

(v) a discount of approximately 21.3% to the closing price of HK$1.78 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and

(vi) a discount of approximately 53.3% to the unaudited consolidated net assets value attributable to equity holders of the Company per Share of approximately HK$3.0 as at 30 September 2008 (calculated based on the equity attributable to equity holders of the Company of approximately HK$4,828,348,000 as at 30 September 2008 and the number of outstanding Shares of 1,607,014,952 as at 30 September 2008, both extracted from the Company's 2008/09 interim report).

When allot and issue, CP Consideration Shares will represent approximately:

(i) 6.31% of the existing issued share capital of the Company;

(ii) 5.93% of the issued share capital of the Company as enlarged by the CP Consideration Shares but prior to the allotment and issue of the MC Consideration Shares and the Conversion Shares;

(iii) 5.67% of the issued share capital of the Company as enlarged by the Consideration Shares but prior to the allotment and issue of the Conversion Shares; and

(iv) 5.43% of the issued share capital of the Company as enlarged by the Consideration Shares and the Conversion Shares.

When allot and issue, the MC Consideration Shares will represent approximately:

(i) 5.04% of the existing issued share capital of the Company;

(ii) 4.80% of the issued share capital of the Company as enlarged by the MC Consideration Shares but prior to the allotment and issue of the CP Consideration Shares and the Conversion Shares;

(iii) 4.52% of the issued share capital of the Company as enlarged by the Consideration Shares but prior to the allotment and issue of the Conversion Shares; and

(iv) 4.34% of the issued share capital of the Company as enlarged by the Consideration Shares and the Conversion Shares.

The Consideration Shares are to be issued by the Company under specific mandates. The Consideration Shares, when fully paid, will rank *pari passu* in all respects with all the Shares in issue on the date of the respective completion. An application will be made to the Stock Exchange by the Company for the listing of, and permission to deal in, the Consideration Shares.

(4) INFORMATION ON THE CARE PARK GROUP

To facilitate the CP Acquisition, Care Park was incorporated on 27 April 2009 to acquire the interests in the CP Transaction Entities. Upon CP Completion, the Care Park Group will be principally engaged in car parking management and operations in Australia and New Zealand. Founded in 1998, Care Park Pty Ltd (which is a wholly owned subsidiary of CP Holdings and one of the key CP Transaction Entities) is one of the major car park management operators in Australia and New Zealand, operating around 200 car parks throughout Australia and New Zealand. Apart from being an operator and manager of car parks, the CP Transaction Entities also have ownership interests in a portfolio of 15 car park properties. The CP Transaction Entities also provide on-street parking management services and cash collections to local authorities in the form of parking enforcement and local law services, parking meter and ticket machines revenue collection and equipment maintenance, covering over 2,000 parking meters.

Set out below are the major car parks to be owned by the Care Park Group upon CP Completion:

Location	Number of bays	Valuation as at 31 March 2009 *A$ million*	*HK$ million equivalent*
11-19 Roper Street, Adelaide, SA, Australia	715	**21.9**	127.0
13-19 Bank Street, Adelaide, SA, 5000, Australia	330	**14.0**	81.2
Northbank Place, Flinders Street, Melbourne, Victoria, Australia (an agreement has been entered into by one of the CP Transaction Entities to acquire such car park. The agreement is expected to be completed by the end of June 2009).	194	**6.2**	36.0
Quadrant Plaza, 94-98 York Street, Tasmania, Australia	370	**4.2**	24.4
344 Queen Street, Brisbane, Qld, Australia	54	**4.1**	23.8

Further details of the car parks to be owned by the Care Park Group upon CP Completion are set out in Appendix II of this circular.

Set out below are the major car parks managed by the Care Park Group:

Location	Number of bays
Victoria Gardens Shopping Centre, Richmond, Australia	3,000
Wellington International Airport, Stewart Duff Drive, Wellington, New Zealand	1,750
Mackay Airport, Boundary Road, Mackay, Australia	1,500
Auckland University, Grafton Road, Auckland, New Zealand	1,200
Courtenay Central, 190 Wakefield Street, Wellington, New Zealand	1,050
333 Exhibition Street, Melbourne, Australia	697

The numbers of car parks managed by the CP Transaction Entities have been increasing rapidly in the past few years. Set out below are the numbers of car parks managed by the CP Transaction Entities for the past three years:

	As at 30 June		
	2008	**2007**	**2006**
the number of car parks managed by the CP Transaction Entities	190	155	129

Set out below is a summary of the audited combined financial results of the CP Transaction Entities (other than CP New Zealand) prepared in accordance with Australian Accounting Standards for each of the two years ended 30 June 2007 and 2008. In assessing the performance of the CP Transaction Entitles, the Shareholders should be aware that (i) the arrangements for the consultancy and guarantee fees will be terminated pursuant to the Termination Agreement upon CP Completion; and (ii) the CP Transaction Entities did not have a single parent entity which has the power to govern the financial and operating policies so as to obtain benefits from the CP Transaction Entities' activities, therefore, the distribution of profits of each of the CP Transaction Entities were based on their respective financial position (instead of financial position on a combined basis), in particular, depreciation and amortisation – property improvement was not recognised in the book of the relevant individual CP Transaction Entities and were treated as distributable profit:

	For the/as at year ended 30 June			
	2008	**2007**	**2008**	**2007**
	A$'000	*A$'000*	***HK$'000 equivalent***	*HK$'000 equivalent*
Revenue	**35,452.7**	31,586.6	**205,625.7**	183,202.3
Profit before income tax, interest, depreciation, and consultancy and guarantee fees	**6,324.1**	5,077.8	**36,679.8**	29,451.2
Interest	**1,752.8**	1,496.9	**10,166.2**	8,682.0
Depreciation and amortisation				
– property improvement	**1,731.7**	1,418.3	**10,043.9**	8,226.1
– furniture, equipment, motor vehicle and others	**519.9**	441.9	**3,015.4**	2,563.0
Consultancy and guarantee fees *(Note 1)*	**1,048.3**	453.8	**6,080.1**	2,632.0
Profit before income tax	**1,271.4**	1,266.9	**7,374.1**	7,348.0
Profit after income tax	**724.9**	760.2	**4,204.4**	4,409.2
Net asset value	**39,667.7**	34,268.0	**230,072.7**	198,754.4
Aggregate financial liabilities less cash	**15,436.7**	15,803.7	**89,532.9**	91,661.5

Set out below is a summary of the audited financial results of CP New Zealand prepared in accordance with generally accepted accounting practice in New Zealand for each of the two years ended 31 March 2007 and 2008 (Note 2):

	For the/as at year ended 31 March			
	2008	2007	**2008**	2007
	NZ$'000	*NZ$'000*	***HK$'000 equivalent***	*HK$'000 equivalent*
Profit before income tax	**186.5**	205.7	**828.1**	913.3
Net profit after income tax	**107.6**	127.8	**477.7**	567.4
Net asset value	**565.4**	457.8	**2,510.4**	2,032.6

Notes:

1. Consultancy and guarantee fees were charged by the CP Vendors or their associates to Care Park Pty Ltd (one of the CP Transaction Entities) during the periods under review for consultancy and guarantee services rendered by the CP Vendors to Care Park Pty Ltd. Pursuant to the CP Termination Agreement, such consultancy and guarantee fees will not be charged by the CP Vendors to Care Park Pty Ltd. upon CP Completion. There were no consultancy and guarantee fees charged by the CP Vendors to CP New Zealand during the periods under review.

2. The auditor of CP New Zealand has issued the auditor's report with a qualified opinion. Set out below is the relevant paragraph as extracted from the auditor's report of CP New Zealand:

   "The Company's reported revenue includes gross revenue from car parks which are subject to a management contract whereby the company effectively acts agents. The associated debtors and creditors, which represent the obligation to pay over the cash collected to the car park owners, are recorded in the Statement of Financial Position at year end. The effect of this treatment is that both the total revenue and total expenditure include this agency revenue and expenditures, whilst the reported net surplus is unaffected. Similarly the debtors and creditors balances include the agency revenue receivable and payable to the car park owners, whilst the reported net asset position remains unaffected. The adopted treatment is a departure from the definitions outlined from revenue and assets and the corresponding expenditure and liabilities in the Statement of Concepts for General Purpose Financial Reporting issued by Institute of Chartered Accountants of New Zealand."

Unaudited combined turnover of the CP Transaction Entities (including CP New Zealand) for the six months ended 31 December 2008 was A$25.3 million (equivalent to approximately HK$146.7 million). Based on (i) the unaudited combined net asset value of the CP Transaction Entities (including CP New Zealand) as at 31 December 2008 of A$41.6 million (equivalent to approximately HK$241.3 million); and (ii) the valuation of the car parks to be owned by the Care Park Group upon CP Completion (other than Northbank Place, Flinders Street, Melbourne, Victoria, Australia ("Northbank Carpark") having the value of A$6.2 million (equivalent to approximately HK$36.0 million)) as at 31 March 2009 of A$57.39 million (equivalent to approximately HK$332.9 million), the unaudited combined net asset value of the CP Transaction Entities adjusted for the valuation of the car parks to be owned by the Care Park Group upon CP Completion (other than Northbank Carpark) amounted to A$41.2 million (equivalent to approximately HK$239.0 million). Northbank Carpark's valuation was not included in the calculation of the adjusted combined net asset value of the CP Transaction Entities as at 31 December 2008, as the acquisition of Northbank Carpark was not completed as at 31 December 2008. An agreement has been entered into by one of the CP Transaction Entities to acquire Northbank Carpark. The agreement is expected to be completed by the end of June 2009.

(5) INFORMATION OF THE BEST IMPACT GROUP

To facilitate the MC Acquisition, Best Impact and Target Term were incorporated on 7 January 2009 and 12 November 2008 respectively. Upon the completion of the acquisition of the Malaysia Car Parks, the Best Impact Group will be principally engaged in investing and operating the Malaysia Car Parks.

Set out below are the details of the Malaysia Car Parks:

Brief details	**Number of bays**	**Valuation as at 31 March 2009** *RM million*	*HK$ million equivalent*
1,688 car parks bays together with 62 units of accessory parcels (car park bays) (a total of 1,750 car park bays) located in Phase 1 and Phase 2, Plaza Damas	1,750	**52.9**	116.4
420 car park bays located within a 7 storey elevated car park area of Windsor and Waldorf Tower Service Apartments, Plaza Damas and Parcel No. B-2-03, (Type C), Storey No. 21, Windsor Tower Service Apartment, Plaza Damas	420	**13.2**	29.0
A total of 64 car park bays located on the 7th floor within a 33 storey Hotel & Serviced Apartments building known as Maytower	64	**1.9**	4.2

Further details of the Malaysia Car Parks are set out in Appendix III of this circular.

Plaza Damas is an integrated commercial development comprising shop-lots, business offices, high-rise condominiums, service apartments and a multi-storey shopping centre (Hartamas Shopping Centre), located in Sri Hartamas, Kuala Lumpur, Malaysia. Windsor and Waldorf Tower are two of the high-rise condominium buildings located within the Plaza Damas. The car parks of Plaza Damas and Windsor and Waldorf Tower can be linked up to create synergies and greater market share in the area. In addition, a newly opened college campus as attached to and a new shopping mall at the opposite of the Plaza Damas are bringing traffic and more business opportunities to the car parks attached to each of Plaza Damas and Windsor and Waldorf Tower. Car parks in Windsor and Waldorf Tower were only in commercial operation since the fourth quarter of 2008. Maytower is a high-rise building comprising office, hotel & service apartments located within the town centre of Kuala Lumpur, Malaysia.

Since the Best Impact Group has not had any operations since its incorporation other than the acquisitions of the Malaysia Car Parks, the Best Impact Group did not prepare financial statements from the date of its incorporation up to the Latest Practicable Date. Save for (i) the deposit of RM1.61 million (equivalent to approximately HK$3.54 million) made by Target Term to companies controlled by Tan Sri Chiu in relation to the acquisition of the Malaysia Car Parks. The remaining consideration in relation to the acquisition of the Malaysia Car Parks will be made by Target Term before the date of MC Completion; and (ii) the shareholder's loan of RM1.61 million (equivalent to approximately HK$3.54 million) granted by Tan Sri Chiu to Target Term to finance the payment of the deposit as mentioned in (i) above, the Best Impact Group did not have any material assets and liabilities as at the Latest Practicable Date.

For illustration purpose only, the unaudited combined total book asset value before revaluation of the Malaysia Car Parks as at 31 December 2008 amounted to approximately RM13.8 million (equivalent to approximately HK$30.4 million) and the unaudited combined car parking revenue of the Malaysia Car Parks for each of the two years ended 31 December 2008 amounted to approximately RM5.0 million (equivalent to approximately HK$11.0 million) each year. As set out in Appendix III to this circular, the valuation of the Malaysia Car Parks was approximately RM68.0 million (equivalent to approximately HK$149.6 million) as at 31 March 2009.

No audited financial statement was prepared by Tan Sri Chiu for the Malaysia Car Parks as they are assets held by several companies controlled by Tan Sri Chiu (the "Tan Sri Chiu Companies") before MC Completion and are not separate legal entities. Tan Sri Chiu Companies hold assets other than the Malaysia Car Parks and they did not prepare separate financial statements for the Malaysia Car Parks as certain expenses, such as repair and maintenance expenses and certain salaries and wages, cannot be separated between the Malaysia Car Parks and other assets held by Tan Sri Chiu Companies. As such, only the net asset value and the turnover attributable to the Malaysia Car Parks, which can be extracted directly from the unaudited management accounts of the Tan Sri Chiu Companies are disclosed in this circular.

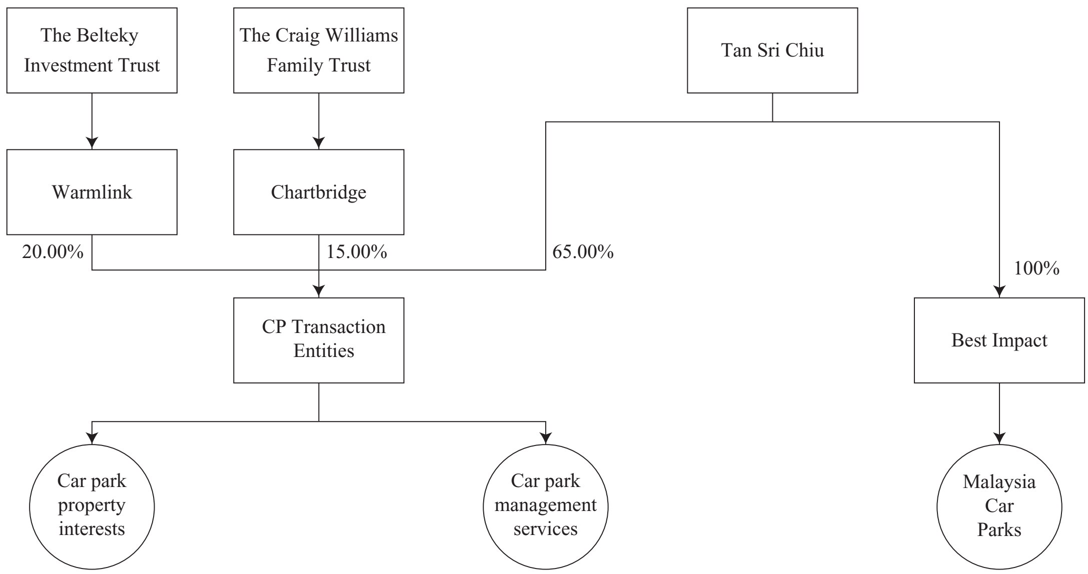
(6) REASONS FOR AND BENEFITS OF THE ACQUISITIONS

The current principal activities of the Group are hotel investment and operations, property development, and property investment and leasing.

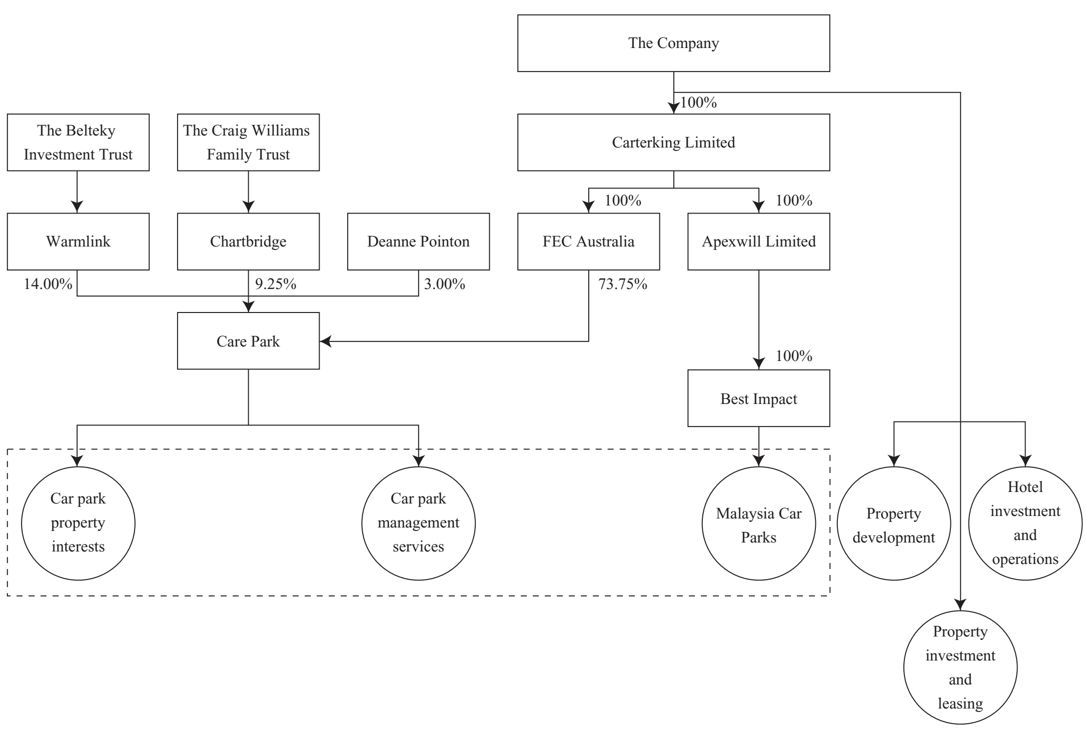
The Group has been considering its strategic initiatives to increase its exposure in the real estate business with stable and recurring cashflow streams. Having considered the nature of the business of the CP Transaction Entities and the Best Impact Group, and their respective prospects and track records, the Board considered that the Acquisitions well fit such objective. The CP Transaction Entities and the Best Impact Group have been generating relatively stable income and cashflow streams. Through the Acquisitions, the Group will become one of the largest independent car park operators in the Asia Pacific region with approximately 200 car parks comprising over 42,600 parking bays under its management in strategic locations in Australia, New Zealand and Malaysia, of which 18 car parks comprising over 5,200 parking bays will be owned by the Group, and provides the Group with a solid platform to build on. The Directors are of the view that the Group will benefit from the strong, stable and recurring cash inflow from the new car parking business, which is diversified from the property based assets the Group has been concentrating on.

Set out below are the simplified structure chart of the Group, the Care Park Group and the Best Impact Group immediately before and after CP Completion and MC Completion:

Immediately before CP Completion and MC Completion



Immediately after CP Completion and MC Completion



The Group also targets to strengthen its new car park operating business upon CP Completion and MC Completion. The Care Park Group will continue to explore new car park management contracts and acquire new car parks in Australia and New Zealand, whilst the Best Impact Group will seek to further enhance its business performance, taking steps such as car parking rates review, to maximise the profits of the Best Impact Group. For instance, the car parking rate of covered car park in Plaza Damas, which contributed substantial portion of profits of the Malaysia Car Parks, increased its car parking rate of the first two hours from RM1.5 per hour (equivalent to approximately HK$3.3) to RM2.0 (equivalent to approximately HK$4.4) with effect from 1 March 2009. The Company is of the view that the profits generated from the Best Impact Group will increase as a result of the change of car parking hourly rate based on the strong demand for car park bays in Plaza Damas. The Service Agreement has been entered into between Target Term and Mayland, a company controlled by Tan Sri Chiu, to facilitate the MC Acquisition. Pursuant to the Service Agreement, the Malaysia Car Parks will be managed by Mayland immediately upon the MC Completion for a transitional period of not longer than one year. The management fee to be charged by Mayland will be at the actual reimbursement basis, and will represent solely the costs to be incurred by Mayland in relation to managing the Malaysia Car Parks for Target Term. On the basis that the total amount to be paid by Target Term pursuant to the Service Agreement will be less than HK$1 million, the transactions contemplated under the Service Agreement are expected to constitute *de minimis* transactions of the Company.

On a longer term basis, in addition to strengthening its operations in Malaysia, Australia and New Zealand, the Group intends to leverage on the expertise of the management of the Care Park Group to expand its presence in car park operations to other countries in Asia. The Directors are of the view that by combining the Care Park Group's expertise in car park management, operation and acquisition, and the Group's knowledge in the Asia property market, the Group can further develop the car park business across Asia.

It is the intention of the Directors that the Group will continue its current businesses. The Directors have no intention to make any major changes to the existing business or continued employment of the employees of the Group or to redeploy the fixed assets of the Group.

The Directors consider that the terms of the Care Park Implementation Agreement and the Best Impact Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

(7) FINANCIAL EFFECTS OF THE ACQUISITIONS ON THE GROUP

Upon CP Completion and MC Completion, the respective financial results of the Care Park Group and the Best Impact Group will be consolidated into the Group's financial statements. The Acquisitions will not have any material impact on the total assets and total liabilities of the Group immediately upon their respective Completion.

(B) PROPOSED CONVERSION OF CONVERTIBLE BONDS

With a view to further enhance the Group's liquidity and capital base, to decrease the Group's gearing ratio and to demonstrate the controlling Shareholder's continuing support, Tan Sri Chiu proposed to convert in full the Convertible Bond in the principal amount of HK$331,445,000 at the conversion price of HK$4.30 per Conversion Share. The Convertible Bond was issued to Tan Sri Chiu in relation to the acquisition of the issued share capital in Jade River Profits Limited and the relating shareholders loan which was announced by the Company in 21 December 2006.

The Conversion Price of HK$4.30 per Share represents:

(i) a premium of approximately 255.4% over the closing price of HK$1.21 per Share as quoted on the Stock Exchange on 6 May 2009, being the last business day prior to the date of the Announcement;

(ii) a premium of approximately 233.3% over the closing price of HK$1.29 per Share as quoted on the Stock Exchange on 7 May 2009, being the date of the Announcement;

(iii) a premium of approximately 291.0% over the average closing price per Share of approximately HK$1.10 for the last ten trading days up to and including 7 May 2009;

(iv) a premium of approximately 334.3% over the average closing price per Share of approximately HK$0.99 for the last thirty trading days up to and including 7 May 2009;

(v) a premium of approximately 141.6% over the closing price of HK$1.78 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and

(vi) a premium of approximately 43.3% over the audited consolidated net assets value attributable to equity holders of the Company per Share of approximately HK$3.0 as at 30 September 2008 (calculated based on the equity attributable to equity holders of the Company of approximately HK$4,828,348,000 as at 30 September 2008 and the number of outstanding Shares of 1,607,014,952 as at 30 September 2008, both extracted from the Company's 2008/09 interim report).

The conversion price of HK$4.30 is significantly higher than the prevailing Share price and should therefore be seen as a further sign of confidence of Tan Sri Chiu to the Company. It should also improve sentiment for the market as it is reassured that the potential overhang of a repayment of approximately HK$331 million in cash has been removed.

Subject to the passing at the EGM by the Independent Shareholders of ordinary resolution to approve the Whitewash Waiver in respect of the Proposed Conversion, Tan Sri Chiu will convert the Convertible Bonds in full.

(C) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

As at the Latest Practicable Date, the authorized share capital of the Company was HK$200,000,000, consisting of 2,000,000,000 Shares, of which 1,622,001,940 Shares had been issued. Pursuant to the Agreements and immediately upon CP Completion, MC Completion and the Proposed Conversion, there will be in aggregate 1,883,125,028 Shares in issue and outstanding. In order to accommodate future expansion of the Group, the Directors propose to increase the authorized share capital of the Company from HK$200,000,000 divided into 2,000,000,000 Shares to HK$400,000,000 divided into 4,000,000,000 Shares. The Capital Increase is conditional upon the passing of an ordinary resolution by the Shareholders at the EGM.

(D) SHAREHOLDING STRUCTURE

Set out below are the shareholding structures of the Company (i) as at the Latest Practicable Date; (ii) immediately upon CP Completion but before MC Completion and the Proposed Conversion; (iii) immediately upon MC Completion but before CP Completion and the Proposed Conversion; (iv) immediately upon the Proposed Conversion but before CP Completion and MC Completion; and (v) immediately upon CP Completion, MC Completion and the Proposed Conversion:

Shareholders	As at the Latest Practicable Date		Immediately upon CP Completion but before MC Completion and the Proposed Conversion		Immediately upon MC Completion but before CP Completion and the Proposed Conversion		Immediately upon the Proposed Conversion but before CP Completion and MC Completion		Immediately upon CP Completion, MC Completion and the Proposed Conversion	
	Shares	*%*	*Shares*	*%*	*Shares*	*%*	*Shares*	*%*	*Shares*	*%*
The Chiu Family and its concert parties										
Sumptuous	367,514,104	22.66%	469,842,675	27.25%	449,228,389	26.37%	444,594,336	26.17%	628,637,192	33.38%
Other Shares held by Tan Sri Chiu	831,472	0.05%	831,472	0.05%	831,472	0.04%	831,472	0.04%	831,472	0.04%
Other members of the Chiu Family	150,576,224	9.28%	150,576,224	8.73%	150,576,224	8.84%	150,576,224	8.86%	150,576,224	8.00%
Sub-total: *(Note 1)*	518,921,800	31.99	621,250,371	36.03	600,636,085	35.26	596,002,032	35.08	780,044,888	41.42
Penta *(Note 2)*	469,074,397	28.92	469,074,397	27.20	469,074,397	27.53	469,074,397	27.61	469,074,397	24.91
Sub-total	987,996,197	60.91	1,090,324,768	63.23	1,069,710,482	62.79	1,065,076,429	62.69	1,249,119,285	66.33
Public Shareholders	634,005,743	39.09	634,005,743	36.77	634,005,743	37.21	634,005,743	37.31	634,005,743	33.67
Total	1,622,001,940	100.00	1,724,330,511	100.00	1,703,716,225	100.00	1,699,082,172	100.00	1,883,125,028	100.00

Notes:

1. Among the 518,921,800 Shares held by the Chiu Family,

   (i) 1,159,567 Shares are held by Chung Kui Associates Ltd, 41,293 Shares are held by Cornhill Enterprises Ltd, 67,317,546 Shares are held by Far East Intercontential Ltd, 14,712,044 Shares are held by Far East International Investment & Finance Ltd, 18,013,326 Shares are held by Goldmate Development Ltd, 75,650 Shares are held by Interhotel Finance NV, 11,689,463

Shares are held by Parma Investment Ltd, 1,984,014 Shares are held by Partner Joy Ltd, 472,868 Shares are held by Shui On Loong Company Development Ltd, 5,135,737 Shares are held by Sonia Development Ltd and 8,496,550 Shares are held by Tenland Investment Ltd, all controlled by Mr. Deacon Te Ken Chiu, the father of Tan Sri Chiu and the Chairman of the Company, and 11,912,255 Shares are held by Mr. Deacon Te Ken Chiu directly;

(ii) 367,514,104 Shares are held by Sumptuous and 11,470 Shares are held by Modest Secretarial Services Limited, both controlled by Tan Sri Chiu and 820,002 Shares are held by Tan Sri Chiu directly;

(iii) 1,303,160 Shares are held by Chiu Capital N.V., a company controlled by Mr. Dennis Chiu, the younger brother of Tan Sri Chiu and an executive Director, and 8,633 Shares are held by Mr. Dennis Chiu directly;

(iv) 3,877,218 Shares are held by First Level Holdings Limited, a company controlled by Mr. Dennis Chiu and Mr. Daniel Tat Jung Chiu, the younger brother of Tan Sri Chiu and a non-executive Director;

(v) 44,561 Shares are held by Mr. Daniel Tat Jung Chiu;

(vi) 1,485,810 Shares are held by Madam Ching Lan Ju Chiu, the mother of Tan Sri Chiu and a non-executive Director;

(vii) 947,541 Shares are held by Mr. Dick Tat Shing Chiu, the elder brother of Tan Sri Chiu;

(viii) 620,410 Shares are held by Mr. Derek Chiu, the younger brother of Tan Sri Chiu;

(ix) 665,914 Shares are held by Ms. Margaret Chiu, the younger sister of Tan Sri Chiu;

(x) 55,664 Shares are held by Mr. Duncan Chiu, the younger brother of Tan Sri Chiu; and

(xi) 557,000 Shares are held by Ms. Nancy Ng, the spouse of Tan Sri Chiu.

2. Penta is a presumed concert party of the Chiu Family. As far as is known by the Directors, Penta is interested in those Shares through certain companies controlled by it, is an investment manager and is beneficially owned by John Zwaanstra.

(E) REGULATORY IMPLICATIONS

Takeovers Code

Application for Whitewash Waiver

As at the Latest Practicable Date, Tan Sri Chiu and parties acting in concert with him hold 518,921,800 Shares, representing approximately 31.99% of the issued share capital of the Company. The Directors will use their best endeavours to ensure the dates of CP Completion, MC Completion and the Proposed Conversion will be as close as practicable and expect that the dates of CP Completion, MC Completion and the Proposed Conversion shall be within three months from each others. Following the allotment and issue of the Consideration Shares and the Proposed Conversion, Tan Sri Chiu and parties acting in concert with him will hold 780,044,888 Shares, representing approximately 41.42% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares and the Conversion Shares. Given that the allotment and issue of each of the CP Consideration Shares, the MC Consideration Shares and the Conversion Shares to Tan Sri Chiu and parties acting in concert with him will have the effect of increasing their holding of voting rights in the Company by more than 2% from the lowest percentage holding in the previous 12 months and thereby exceeding the 2% creeper threshold specified in Rule 26.1(c) of the Takeovers Code, Tan Sri Chiu has made an application to the Executive for the Whitewash Waiver. A composite whitewash waiver application has been made to the Executive by Tan Sri Chiu, but as the CP Acquisition, MC Acquisition and Proposed Conversion are independent transactions and not inter-conditional, whitewash waivers in respect of each transaction have been separately sought. The Executive has indicated that he will grant the Whitewash Waiver subject to, among other things, (i) approval of the Independent Shareholders that Tan Sri Chiu and parties acting in concert with him are not obliged to make any general offer for Shares which would otherwise have to be made under Rule 26 of the Takeovers Code in respect of the Care Park Implementation Agreement and the transactions and agreements contemplated thereunder, the Best Impact Agreement and the transactions contemplated thereunder, and the Proposed Conversion at the EGM where voting on the relevant resolutions shall be by way of poll; (ii) Tan Sri Chiu and parties acting in concert with him not having acquired any Shares in the six-month period prior to the date of the Announcement; and (iii) Tan Sri Chiu and parties acting in concert with him not having any acquisitions or disposals of the Shares between the date of the Announcement and date of CP Completion, date of MC Completion and date of completion of the Proposed Conversion, whichever is later.

Based on notifications received by the Company under the SFO up to the Latest Practicable Date, Penta has declared an interest in 469,074,397 Shares, representing approximately 28.92% of the issued share capital of the Company, and is presumed to be acting in concert with the Chiu Family under class (1) of the definition of acting in concert under the Takeovers Code. On the basis of such notifications, Penta and the Chiu Family in aggregate held approximately 60.91% of the total issued share capital of the Company as at the Latest Practicable Date and will hold approximately 66.33% of the total issued share capital of the Company as enlarged by the issue of the Consideration Shares and the Conversion Shares.

It is one of the conditions of each of the Care Park Implementation Agreement, the Best Impact Agreement and the Proposed Conversion that the Whitewash Waiver in respect of the relevant transaction be granted by the Executive and approved by the Independent Shareholders at the EGM by way of poll. If the Whitewash Waiver is not granted by the Executive or not approved by the Independent Shareholders, each of the Care Park Implementation Agreement, the Best Impact Agreement and the Proposed Conversion will not become unconditional, and each of the CP Acquisition, the MC Acquisition and the Proposed Conversion will not proceed. The CP Acquisition, the MC Acquisition and the Proposed Conversion are independent transactions and are not inter-conditional and so failure to obtain the whitewash waiver for the CP Acquisition, the MC Acquisition and/or Proposed Conversion will not affect the other two transactions.

Each of Tan Sri Chiu and his concert parties (including his family members) have confirmed that he or she has not (i) acquired any Shares or relevant securities (as defined in note 4 to Rule 22 of the Takeovers Code) in the Company during the six months prior to the date of the Announcement; and (ii) acquired or disposed of the Shares or relevant securities (as defined in note 4 to Rule 22 of the Takeovers Code) in the Company between the date of the Announcement and the Latest Practicable Date.

Based on the disclosure of interest notices filed by Penta Asia Long/Short Fund, Ltd. (a company controlled by Penta), it acquired 4,300,000 Shares on 10 November 2008 and disposed of 9,333,000 Shares on 4 February 2009, 18,333,000 Shares on 5 February 2009 and 9,333,000 Shares on 10 February 2009 (collectively the "Transfers"). As clarified by Penta, the Transfers represent transfers of Shares between Penta Long/Short Fund, Ltd and other funds and accounts managed by Penta ("Other Penta Funds"). As the interests in Shares held by each of these Other Penta Funds were less than the level for a notifiable interest, Other Penta Funds did not incur any disclosure obligation as a result of the Transfers. As confirmed by Penta, (i) the Transfers represent transfers of Shares between funds and managed accounts all of which are managed by Penta on a discretionary basis. These Transfers were effected for the purposes of re-balancing the investment portfolio within funds and managed accounts under Penta's discretionary management. These Transfers represent "book entries" within Penta's funds and managed accounts, not involving any trades being crossed or shares bought or sold on the Stock Exchange; and (ii) save for the Transfers, it has not dealt in any Shares or relevant securities (as defined in note 4 to Rule 22 of the Takeovers Code) in the Company during the six months prior to the date of the Announcement.

Each of Robert Belteky, Craig Williams and Deanne Pointon has confirmed that each of them did not directly or indirectly hold any Shares or relevant securities (as defined in note 4 to Rule 22 of the Takeovers Code) in the Company as at the Latest Practicable Date.

Other arrangements

As at the Latest Practicable Date,

(i) there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the Shares and which might be material to the Acquisitions or the Whitewash Waiver or the Proposed Conversion;

(ii) save for the Agreements, there is no other agreement or arrangement to which Tan Sri Chiu or Sumptuous is a party which relates to the circumstances in which he may or may not invoke or seek to invoke a precondition or a condition to the Acquisitions or the Whitewash Waiver or the Proposed Conversion;

(iii) there is no outstanding derivative in respect of relevant securities (as defined in note 4 to Rule 22 of the Takeovers Code) in the Company which has been entered into by Tan Sri Chiu or any person acting in concert with him (including Sumptuous);

(iv) save for the Convertible Bond, neither Tan Sri Chiu nor any parties acting in concert with him (including Sumptuous) holds any convertible securities, warrants or options of the Company;

(v) there are no relevant securities (as defined in note 4 to Rule 22 of the Takeovers Code) in the Company which Tan Sri Chiu or any person acting in concert with him (including Sumptuous), the Company nor any of the Directors has borrowed or lent; and

(vi) save for the shareholding disclosed in the section headed "Shareholding structure" above, the Directors do not have any shareholding in the Company or Sumptuous.

Listing Rules

Based on the consideration of the Acquisitions and the CP Cap Amount with respect to the exercise of the CP Put Options, the Acquisitions constitute discloseable acquisitions for the Company under Chapter 14 of the Listing Rules. Tan Sri Chiu is a Director and substantial Shareholder who, together with his family members held approximately 31.99% of the issued share capital of the Company as at the Latest Practicable Date. Chartbridge (being one of the CP Vendors and party to various CP Transaction Agreements) is wholly owned by Craig Williams who is a Director. Accordingly, each of Tan Sri Chiu and Chartbridge are connected persons of the Company. Further, Robert Belteky (who, with his associates, controls Warmlink being one of the CP Vendors and party to various CP Transaction Agreements) will be appointed as the managing director of Care Park upon CP Completion, and its subsidiaries. Pursuant to Rule 14A.13(1)(b) of the Listing Rules, transactions between Warmlink and Robert Belteky, and the Group will be connected transaction as Warmlink is a substantial shareholder of the CP Transaction Entities prior to CP Completion and Robert Belteky will become a controller of Care Park upon CP Completion. The transactions contemplated under each of the Care Park Implementation Agreement (including the grant and exercise of the CP Put Options) and the Best Impact Agreement (involving Tan Sri Chiu, Craig Williams, Robert Belteky and their respective associates) therefore also constitute connected transactions for the Company under Chapter 14A of the Listing Rules and are subject to the approval of the Independent Shareholders at the EGM by way of poll. The CP Put Options to be granted to Warmlink, Chartbridge and Deanne Pointon are not at the discretion of the Group. As such, pursuant to Rule 14.74(1) of the Listing Rules, on the grant of the CP Put Options, the transaction is classified as if the CP Put Options had been exercised and on the exercise or transfer of the CP Put Options, such exercise or transfer must be announced by the Company as soon as reasonably practicable pursuant to Rule 14.74(2) of the Listing Rules.

Prior to CP Completion, Robert Belteky and his associates (which includes Warmlink) will not be connected persons of the Company. After CP Completion, Robert Belteky, Warmlink and associates will become connected persons of the Company. The exercise of any CP Put Options by either of Chartbridge or Warmlink will therefore constitute a connected transaction. Pursuant to Rule14A.69(1) of the Listing Rules, on the grant of the CP Put Options, the transaction is classified as if the CP Put Options had been exercised and on the expiry, exercise or transfer of the CP Put Options, such expiry, exercise or transfer must be announced by the Company as soon as reasonably practicable pursuant to Rules 14A.69(2) and (3) of the Listing Rules. Independent Shareholders approval will be sought at the EGM for the CP Shareholders Agreement which contains the terms of the grant and exercise of the CP Put Options to Warmlink and Chartbridge (which is subject to the CP Cap Amount) pursuant to Chapter 14A of the Listing Rules.

As the Belteky Employment Contract has a term of more than three years and may require the Group to pay compensation or make other payments equivalent to more than one year's emoluments, Independent Shareholders' approval for the Belteky Employment Contract will be sought in the EGM under Rule 13.68 of the Listing Rules.

The Capital Increase is subject to the Shareholder's approval at the EGM by way of poll.

(F) EXTRAORDINARY GENERAL MEETING

The EGM will be held to consider and, if thought fit, approve, among others, the Care Park Implementation Agreement and the transactions and agreements contemplated thereunder (including the CP Shareholders Agreement which contains the terms of the grant and exercise of the CP Put Options and the Belteky Employment Contract), the Best Impact Agreement and the transactions contemplated thereunder, the Whitewash Waiver and the Capital Increase. Notice of the EGM is set out on pages EGM-1 to EGM-6 of this circular.

The Chiu Family and its concert parties (including Penta (being the presumed concert party of the Chiu Family)) are required to abstain from voting in respect of the resolution to approve the Whitewash Waiver.

Tan Sri Chiu and parties acting in concert with him (including Penta who is a presumed concert party of the Chiu Family), and Warmlink, Chartbridge and Deanne Pointon and their respective associates (to the extent they hold Shares at the time of the EGM), all having interests in the Care Park Implementation Agreement and the transactions and agreements contemplated thereunder (including the grant and exercise of the CP Put Options and the Belteky Employment Contract) different from the Independent Shareholders will abstain from voting in respect of the resolution for approval of the Care Park Implementation Agreement and the transactions and agreements contemplated thereunder (including the grant and exercise of the CP Put Options and the Belteky Employment Contract).

Tan Sri Chiu and parties acting in concert with him (including Penta who is a presumed concert party of the Chiu Family), having interests in the Best Impact Agreement different from the Independent Shareholders will abstain from voting in respect of the resolution for approval of the Best Impact Agreement and the transactions contemplated thereunder.

Mr. Cheong Thard Hoong, the managing director of the Company, and parties acting in concert with him, holding 967,896 Shares as at the Latest Practicable Date, will also abstain from voting as he actively involves in the Acquisitions, the Proposed Conversion and the Whitewash Waiver.

Save as mentioned above, there is no other Shareholder having interests in the Care Park Implementation Agreement and the transactions and agreements contemplated thereunder (including the grant and exercise of the CP Put Options and the Belteky Employment Contract), the Best Impact Agreement and the transactions contemplated thereunder and/or the Whitewash Waiver different from the Independent Shareholders, thus there is no other Shareholder who will abstain from voting in respect of the resolution for approval the Care Park Implementation Agreement and the transactions and agreement contemplated thereunder (including the grant and exercise of the CP Put Options and the Belteky Employment Contract), the Best Impact Agreement and the transactions contemplated thereunder and/or the Whitewash Waiver.

There is no Shareholder having interests in the Capital Increase which are different from other Shareholders, therefore no Shareholder is required to abstain from voting in respect of the proposed resolution for approval of the Capital Increase.

A form of proxy for use at the EGM is enclosed. Whether or not you will be able to attend the EGM, please complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's Hong Kong branch share registrar, Tricor Standard Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the EGM or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting (as the case may be) should you so wish.

(G) RECOMMENDATION AND FURTHER INFORMATION

On the basis of the information set out in this circular, the Directors consider that the passing of the ordinary resolutions for (i) the Care Park Implementation Agreement and the transactions and agreements contemplated thereunder (including the grant and exercise of the CP Put Options and the Belteky Employment Contract); (ii) the Best Impact Agreement and the transactions contemplated thereunder; (iii) the Whitewash Waiver; and (iv) the Capital Increase, are in the interests of the Company and the Shareholders as a whole. As such, the relevant Directors recommend the Shareholders to vote in favor of these resolutions as set out in the notice of the EGM.

The Company has 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. The Independent Board Committee comprising all of the three independent non-executive Directors, namely Mr. Jian Yin Jiang, Mr. Kwok Wai Chan and Mr. Peter Man Kong Wong, has been established to advise and give recommendation to the Independent Shareholders on the Care Park Implementation Agreement and the transactions and agreements contemplated thereunder (including the grant and exercise of the CP Put Options and the Belteky Employment Contract), the Best Impact Agreement and the transactions contemplated thereunder, and the

Whitewash Waiver. Each of Mr. Jian Yin Jiang, Mr. Kwok Wai Chan and Mr. Peter Man Kong Wong has no material interest in the Care Park Implementation Agreement and the transactions and agreements contemplated thereunder (including the grant and exercise of the CP Put Options and the Belteky Employment Contract), the Best Impact Agreement and the transactions contemplated thereunder, the Proposed Conversion and the Whitewash Waiver, therefore, each of them are regarded as eligible to be a member of the Independent Board Committee. As Madam Ching Lan Ju Chiu and Mr. Daniel Tat Jung Chiu are parties acting in concert with Tan Sri Chiu, they have been excluded from the Independent Board Committee. Access Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee in the same regard. The Independent Board Committee has approved the appointment of Access Capital Limited. Your attention is drawn to the letters from the Independent Board Committee and Access Capital respectively as set out in this circular.

Your attention is also drawn to the information set out in the appendices to this circular.

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

The following is the text of the letter of recommendation to the Independent Shareholders from the Independent Board Committee regarding the terms of the Care Park Implementation Agreement and the transactions and agreements contemplated thereunder (including the grant and exercise of the CP Put Options and the Belteky Employment Contract), the terms of the Best Impact Agreement and the transactions contemplated thereunder and the Whitewash Waiver for the purpose of incorporation in this circular.

FAR EAST CONSORTIUM INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)
Website: http://www.fecil.com.hk
(Stock code: 35)

3 June 2009

To the Independent Shareholders

Dear Sirs,

DISCLOSEABLE AND CONNECTED TRANSACTIONS IN RELATION TO THE ACQUISITION OF CAR PARK INTERESTS AND WHITEWASH WAIVER

We refer to the circular dated 3 June 2009 issued by the Company (the "Circular") of which this letter forms part. Terms defined in the Circular shall have the same meanings in this letter unless the context otherwise requires.

We have been appointed as the Independent Board Committee to advise you as to whether, in our opinion, the terms of the Care Park Implementation Agreement and the transactions and agreements contemplated thereunder (including the grant and exercise of the CP Put Options and the Belteky Employment Contract), the terms of the Best Impact Agreement and the transactions contemplated thereunder, and the Whitewash Waiver are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and its Shareholders as a whole. Access Capital Limited has been appointed as the independent financial adviser to advise us and the Independent Shareholders in this respect. Details of its advice, together with the principal factors taken into consideration in arriving at such advice, are set out on pages 46 to 74 to this Circular.

Your attention is drawn to the letter from the Board set out on pages 12 to 43 of the Circular and the additional information set out in the appendices to the Circular.

Having taken into account the terms of the Care Park Implementation Agreement and the transactions and agreements contemplated thereunder (including the grant and exercise of the CP Put Options and the Belteky Employment Contract), the terms of the Best Impact

Agreement and the transactions contemplated thereunder, and the Whitewash Waiver and the advice of Access Capital, we consider that the Care Park Implementation Agreement and the transactions and agreements contemplated thereunder (including the grant and exercise of the CP Put Options and the Belteky Employment Contract), the Best Impact Agreement and the transactions contemplated thereunder, and the Whitewash Waiver are fair and reasonable as far as the Independent Shareholders are concerned and that the entering into of each of the Care Park Implementation Agreement and the transactions and agreements contemplated thereunder (including the grant and exercise of the CP Put Options and the Belteky Employment Contract) and the Best Impact Agreement and the transactions contemplated thereunder, and the Whitewash Waiver is in the interests of the Company and the Shareholders. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Care Park Implementation Agreement and the transactions and the agreements contemplated thereunder (including the grant and exercise of the CP Put Options and the Belteky Employment Contract), the Best Impact Agreement and the transactions contemplated thereunder, and the Whitewash Waiver.

Yours faithfully,
Independent Board Committee of
Far East Consortium International Limited
Mr. Peter Man Kong Wong   Mr. Jian Yin Jiang   Mr. Kwok Wai Chan
Independent Non-executive Directors

The following is the full text of the letter from Access Capital setting out its advice to the Independent Board Committee regarding the terms of the Care Park Implementation Agreement and the transactions and agreements contemplated thereunder (including the grant and exercise of the CP Put Options and the Belteky Employment Contract), the terms of the Best Impact Agreement and the transactions contemplated thereunder and the Whitewash Waiver for the purpose of incorporations in this circular.:

Access Capital

Suite 606, 6th Floor
Bank of America Tower
12 Harcourt Road
Central
Hong Kong

3 June 2009

To the Independent Board Committee and
the Independent Shareholders of Far East Consortium International Limited

Dear Sirs,

**DISCLOSEABLE AND CONNECTED TRANSACTIONS
IN RELATION TO THE ACQUISITIONS OF
CAR PARK INTERESTS,
PROPOSED CONVERSION OF CONVERTIBLE BONDS,
WHITEWASH WAIVER
AND
PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL**

I. INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Acquisitions and the Whitewash Waiver, details of which are set out in the letter from the Board (the "Letter from the Board") contained in the circular dated 3 June 2009 issued by the Company to the Shareholders (the "Circular"), of which this letter forms part. Unless otherwise stated, terms defined in the Circular have the same meanings in this letter.

On 7 May 2009, the Group and other parties entered into, among other things, the Care Park Implementation Agreement and the Best Impact Agreement which are in connection with the Group's proposed acquisition of certain car park business in Malaysia, Australia and New Zealand. As regards the acquisition of the Care Park Group in Australia and New Zealand and in accordance with the terms of the Care Park Implementation Agreement, the aggregate consideration of A$29.5 million (equivalent to approximately HK$171.1 million) will be settled by the Group as to A$4.8 million (equivalent to approximately HK$27.8

million) in cash and as to A$24.7 million (equivalent to approximately HK$143.3 million) by way of issuance of a total of 102,328,571 CP Consideration Shares. As regards the acquisition of Malaysia Car Parks and in accordance with the terms of the Best Impact Agreement, the aggregate consideration of RM52 million (equivalent to approximately HK$114.4 million) will be settled in full by way of issuance of a total of 81,714,285 MC Consideration Shares.

In addition, with a view to further enhance the Group's liquidity and capital base, to decrease the Group's gearing ratio and to demonstrate the controlling Shareholder's continuing support, Tan Sri Chiu (who is a Director and, together with his family members, hold approximately 31.99% of the issued share capital of the Company as at the Latest Practicable Date) has proposed conditionally to convert in full the Convertible Bond in the principal amount of HK$331,445,000 at the conversion price of HK$4.30 per Conversion Share.

Following the allotment and issue of the Consideration Shares and the Proposed Conversion, Tan Sri Chiu and parties acting in concert with him will hold 780,044,888 Shares, representing approximately 41.42% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares and the Conversion Shares. Given that the allotment and issue of each of the CP Consideration Shares, the MC Consideration Shares and the Conversion Shares to Tan Sri Chiu and parties acting in concert with him will have the effect of increasing their holding of voting rights in the Company by more than 2% from the lowest percentage holding in the previous 12 months and thereby exceeding the 2% creeper threshold specified in Rule 26.1(c) of the Takeovers Code, Tan Sri Chiu has made an application to the Executive for the Whitewash Waiver. The Executive has indicated that he will grant the Whitewash Waiver subject to, among other things, (i) approval of the Independent Shareholders that Tan Sri Chiu and parties acting in concert with him are not obliged to make any general offer for Shares which would otherwise have to be made under Rule 26 of the Takeovers Code in respect of the Care Park Implementation Agreement and the transactions and agreements contemplated thereunder, the Best Impact Agreement and the transactions contemplated thereunder, and the Proposed Conversion at the EGM where voting on the relevant resolutions shall be by way of poll; (ii) Tan Sri Chiu and parties acting in concert with him not having acquired any Shares in the six-month period prior to the date of the Announcement; and (iii) Tan Sri Chiu and parties acting in concert with him not having any acquisitions or disposals of the Shares between the date of the Announcement and the date of CP Completion, the date of MC Completion and the date of completion of the Proposed Conversion, whichever is later.

It is one of the conditions of each of the Care Park Implementation Agreement, the Best Impact Agreement and the Proposed Conversion that the Whitewash Waiver be granted by the Executive and approved by the Independent Shareholders at the EGM by way of poll. If the Whitewash Waiver is not granted by the Executive or not approved by the Independent Shareholders, each of the Care Park Implementation Agreement, the Best Impact Agreement and the Proposed Conversion will not become unconditional, and each of the CP Acquisition, the MC Acquisition and the Proposed Conversion will not proceed. The CP Acquisition, the MC Acquisition and the Proposed Conversion are independent transactions and are not inter-conditional.

Based on the consideration of the Acquisitions and the CP Cap Amount with respect to the CP Put Options, the Acquisitions constitute discloseable transaction for the Company under Chapter 14 of the Listing Rules. As each of Tan Sri Chiu (who is a Director and a substantial Shareholder), Craig Williams (who is a Director and the beneficial owner of one of the CP Vendors) and Robert Belteky (who, with his associates, controls one of the CP Vendors and will be appointed as the managing director of Care Park upon CP Completion) is a connected person of the Company, the transactions contemplated under each of the Care Park Implementation Agreement (including the grant and exercise of the CP Put Options) and the Best Impact Agreement also constitute connected transactions for the Company under Chapter 14A of the Listing Rules, which are subject to, among other things, the approval of the Independent Shareholders at the EGM by way of poll under the Listing Rules. In addition, since the Belteky Employment Contract has a term of more than three years and may require the Group to pay compensation or make other payments equivalent to more than one year's emoluments, the Belteky Employment Contract will be subject to the approval of the Independent Shareholders at the EGM under the Listing Rules.

The Independent Board Committee comprising all of the three independent non-executive Directors, namely Mr. Jian Yin Jiang, Mr. Kwok Wai Chan and Mr. Peter Man Kong Wong, has been established to advise and give recommendation to the Independent Shareholders on the Care Park Implementation Agreement and the transactions contemplated thereunder, the Best Impact Agreement and the transactions contemplated thereunder, the Proposed Conversion and the Whitewash Waiver. As the two non-executive Directors, namely, Madam Ching Lan Ju Chiu and Mr. Daniel Tat Jung Chiu, are parties acting in concert with Tan Sri Chiu, they have been excluded from the Independent Board Committee. Each of the independent non-executive Directors, namely, Mr. Jian Yin Jiang, Mr. Kwok Wai Chan and Mr. Peter Man Kong Wong, has confirmed that he does not have any conflict of interest in the Care Park Implementation Agreement, the Best Impact Agreement, the Proposed Conversion and the Whitewash Waiver. Based on such confirmations, we consider that all of them are eligible to be members of the Independent Board Committee to advise the Independent Shareholders in respect of the Care Park Implementation Agreement, the Best Impact Agreement, the Proposed Conversion and the Whitewash Waiver.

The Independent Board Committee has approved our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders and our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders as to (i) whether the Care Park Implementation Agreement and the transactions contemplated thereunder, the Best Impact Agreement and the transactions contemplated thereunder, the Proposed Conversion and the Whitewash Waiver are in the interests of the Company and the Shareholders as a whole; (ii) whether the terms of the Care Park Implementation Agreement, the Best Impact Agreement, the Proposed Conversion and Whitewash Waiver are fair and reasonable; and (iii) how the Independent Shareholders should vote in respect of the resolutions to approve the Care Park Implementation Agreement and the transactions contemplated thereunder, the Best Impact Agreement and the transactions contemplated thereunder, the Proposed Conversion and the Whitewash Waiver at the EGM.

Apart from the normal advisory fee payable to us in connection with our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders, no arrangement exists whereby we shall receive any other fees or benefits from the Company.

II. BASIS AND ASSUMPTIONS OF OUR ADVICE

In formulating our advice, we have relied solely on the statements, information, opinions and representations contained in the Circular and the information and representations provided to us by the Company and/or the Directors. We have assumed that all such statements, information, opinions and representations contained or referred to in the Circular or otherwise provided or made or given by the Company and/or its senior management staff and/or the Directors and for which it is/they are solely responsible were true and accurate and valid at the time they were made and given and continue to be true and valid as at the date of the Circular. We have assumed that all the opinions and representations made or provided by the Directors and/or the senior management staff of the Company contained in the Circular have been reasonably made after due and careful enquiry. We have also sought and obtained confirmation from the Company and/or its senior management staff and/or the Directors that no material facts have been omitted from the information provided and referred to in the Circular.

We consider that we have reviewed all information and documents which are made available to us to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our advice. We have no reason to doubt the truth, accuracy and completeness of the statements, information, opinions and representations provided to us by the Company and/or its senior management staff and/or the Directors and their respective advisers or to believe that material information has been withheld or omitted from the information provided to us or referred to in the aforesaid documents. We have not, however, carried out any independent verification of the information provided, nor have we conducted any independent investigation into the business and affairs of the Company or any of its subsidiaries.

III. PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion regarding the Acquisitions and the Whitewash Waiver, we have taken into consideration the following principal factors and reasons:

1. Background information and reasons for the Acquisitions

The principal activities of the Group are hotel investment and operations, property development, and property investment and leasing and its principal operations are located in Hong Kong, China, South East Asia and Australia. Set out below is a summary of the Group's operating results and financial position extracted from the Company's annual report for the year ended 31 March 2008 (the "Annual Report") and interim report for the six months ended 30 September 2008 (the "Interim Report"):–

	For the year ended 31 March		For the six months ended 30 September	
	2007	**2008**	**2007**	**2008**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	(Audited)	*(Audited)*	*(Unaudited)*	*(Unaudited)*
Turnover				
– Property development and investment	394,217	1,408,583	345,163	507,194
– Hotel operations	410,999	611,789	268,206	318,232
– Financial products investment	60,441	135,912	79,104	33,803
– Other operations	9,519	3,230	286	2,022
	875,176	2,159,514	692,759	861,251
Gross profit	432,747	1,078,824	378,365	428,323
Other income	20,236	42,593	11,396	10,371
Doubtful loan receivable recovered	57,443	–	–	–
Administrative expenses	(294,120)	(266,476)	(122,252)	(127,337)
(Loss) gain on disposal of available-for-sale investments	113,755	(5,660)	40,998	(41,175)
(Decrease) increase in fair value of financial assets	(12,926)	(154,391)	4,146	(97,415)
Decrease (increase) in fair value of financial liabilities	68,839	(25,817)	(67,754)	31,061
Increase (decrease) in fair value of derivative financial instruments	10,402	(139,105)	(221)	(21,650)
Increase (decrease) in fair value of investments held for trading	7,916	(48,061)	35,480	(30,362)
Increase (decrease) in fair value of investment properties	59,841	205,562	4,440	(50,583)
Discount on acquisition of a subsidiary	44,208	66,140	66,140	–
Gain on disposal of a subsidiary	225,200	–	–	–
Share of results of associates	28,970	15,675	7,934	4,895
Share of results of jointly controlled entities	(771)	(2,904)	6,285	(1,452)
Finance costs	(67,917)	(107,984)	(61,137)	(46,613)
Profit before taxation	693,823	658,396	304,262	101,363
Profit for the year/period	536,429	443,380	254,774	38,131

	As at 31 March 2007 HK$'000 (Audited)	As at 31 March 2008 HK$'000 (Audited)	As at 30 September 2008 HK$'000 (Unaudited)
Non-current assets	5,471,929	6,552,457	6,635,270
Current assets	3,240,427	3,033,504	4,159,821
Current liabilities	(3,016,087)	(2,566,861)	(2,208,901)
Non-current liabilities	(1,648,173)	(2,066,956)	(3,713,700)
Net current assets	224,340	466,643	1,950,920
Total equity	4,048,096	4,952,144	4,872,490

For the year ended 31 March 2008, the Group recorded a turnover of approximately HK$2,159.5 million, representing a significant increase of approximately 146.8% from the preceding year's turnover of approximately HK$875.2 million. As explained in the Annual Report, such significant increase in the Group's turnover was mainly due to the increase in property sales during the year. In particular, the Group sold over 80% of the 1,172 residential units in respect of a property development project in Shanghai which was launched during the year. In addition, the Group's turnover in respect of hotel operations also recorded a substantial increase as a result of the strong performance of the hotel sector in general during the year. For the year ended 31 March 2008, the Group recorded a net profit of approximately HK$443.4 million, representing a decrease of approximately 17.3% from the net profit of approximately HK$536.4 million for the financial year 2007. As noted in the Annual Report, although the Group was able to record a significant increase in both turnover and gross profit and a positive increase in the fair value of its investment properties, such positive contributions to profitability have been outweighed by the overall unfavourable fair value adjustments on the Group's financial assets, derivative financial instruments and investments held for trading. As a result, the net results of the Group for 2008 have been significantly narrowed down and even represented a setback from the previous financial year.

For the six months ended 30 September 2008, the Group's unaudited turnover amounted to approximately HK$861.3 million, representing an increase of approximately 24.3% from the unaudited turnover of approximately HK$692.8 million for the corresponding six-month period in 2007. As set out in the Interim Report, the increase in the Group's unaudited turnover for the six-month period was mainly due to the increase in revenue from hotel operations and property sales. During the six months ended 30 September 2008, the Group added two new hotels to its portfolio. With the higher hotel occupancy and average room rate, the Group was able to record an increase of approximately 18.7% in its turnover for hotel operations. As regards the Group's property development and investment business, property sales in respect of the Group's Shanghai property project continued and as at 30 September 2008, over 86% of the resident units launched were sold. During the same period, the Group recorded an unaudited net profit of approximately HK$38.1 million, representing a significant decrease of approximately 85.0% from the unaudited net profit of approximately HK$254.8 million for the six months ended 30 September 2007. As noted in the Interim Report, such significant decrease in the Group's net profit was mainly due to the unfavourable fair value adjustments on financial assets, derivative financial instruments, investments held for trading and investment properties which were recognised in the Company's consolidated income statement.

As at 30 September 2008, the Group had unaudited current assets of approximately HK$4,159.8 million and unaudited current liabilities of approximately HK$2,208.9 million, representing net current assets of approximately HK$1,950.9 million. As at 30 September 2008, the Group had non-current assets of approximately HK$6,635.3 million and non-current liabilities of approximately HK$3,713.7 million. The total borrowings of the Group as at 30 September 2008 were approximately HK$4,617.8 million, of which bank and mortgage loans amounted to approximately HK$4,403.0 million. As at 30 September 2008, the Group had bank balances and cash of approximately HK$1,305.7 million and the equity attributable to equity holders of the Company amounted to approximately HK$4,828.3 million.

As set out in the Letter from the Board, the Group has been considering various strategic initiatives to increase its exposure in the real estate business with a stable and recurring cashflow stream. Having considered the nature of the business of the Care Park Group and the Best Impact Group, as well as their respective prospects and track records, the Board considered that the Acquisitions will fit such objective. Given that the Care Park Group and the Best Impact Group have been generating relatively stable income and cashflow streams, the Group, through the Acquisitions, will become one of the largest independent car park operators in the Asia Pacific region with 200 car parks comprising over 42,600 parking bays under its management in strategic locations in Australia, New Zealand and Malaysia, among which 18 car parks comprising over 5,200 parking bays will be owned by the Group. As such, the Group will benefit from the strong, stable and recurring cash inflows from the new car parking business, which is diversified from the property based assets the Group has been concentrating on.

In addition, the Group also targets to strengthen its new car park operating business following completion of the Acquisitions. In particular, the Care Park Group will continue to explore new car park management contracts and acquire new car parks in Australia and New Zealand, whilst the Best Impact Group will seek to further enhance its business performance, taking steps such as car parking rates review, to maximise the profits of the Best Impact Group. On a longer term basis, in addition to strengthening its operations in Malaysia, Australia and New Zealand, the Group intends to leverage on the expertise of the management of the Care Park Group to expand its presence in car park operations to include other countries in Asia. By combining the Care Park Group's expertise in car park management, operation and acquisition and the Group's knowledge in the Asia property market, the Group is well positioned to develop the car parking business across Asia.

As noted in the Interim Report, one of the priorities of the Group was to enhance its recurring cashflow stream and the Group will consider expanding its operations through acquisitions in addition to the organic build up of its income generating portfolio. In light of the global financial crisis and the slowdown in the worldwide economy, we concur with the Company's view that it is important for the Group to be able to generate stable and recurring cash flow stream so as to maintain a healthy liquidity position. As regards the impact of the recent recessionary environment on the car parking business, we have discussed with the respective management of the Care Park Group and the Best Impact Group and understand that the car parking business is not as vulnerable as other business sectors when the economy is in a downturn. This is because of the fact that, as far as the markets in Malaysia, Australia and New Zealand are concerned, consumption of car parking services is a necessity for the majority of customers who are people commuting to work by car.

For the purpose of assessing the future prospects of the car parking business in Malaysia, Australia and New Zealand, we have attempted to find any statistical information regarding the nature, size or growth of the relevant markets. Due to the fact that there is no specific research in the relevant subject available to the public, we have not been able to identify any such information for our analysis. Nevertheless, given the fact that (i) the Care Park Group and the Malaysia Car Parks have demonstrated a stable track record with recurring cash flow stream; (ii) as far as the markets in Malaysia, Australia and New Zealand are concerned, consumption of car parking services is a necessity for the majority of customers who are people commuting to work by car given the vast area of the regions; and (iii) based on our discussion with the Directors, we understand that the respective business performance of the Care Park Group and the Best Impact Group in the recent period has shown no indication of any deterioration as a result of the current recessionary economy, we are of the view that the car parking business of the Care Park Group and the Best Impact Group are not as vulnerable as other business sectors when the economy is in a downturn and we have no reason to doubt the optimistic view of the Directors about the future prospects of their car parking business (particulars and financial information of the Care Park Group and the Best Impact Group are discussed below). We also consider that the Acquisitions are consistent with the business objectives of the Group and will enhance and strengthen the investment portfolio of the Group. Accordingly, we are of the view that the Acquisitions are in the interests of the Company and the Shareholders as a whole.

2. The CP Acquisition

2.1 The Care Park Implementation Agreement

The principal terms of the Care Park Implementation Agreement have been set out in the Letter from the Board. In particular, pursuant to the Care Park Implementation Agreement, the relevant parties have procured or will procure (as the case may be) the entering into the CP Transaction Agreements by the relevant parties on the date of the Care Park Implementation Agreement so that upon CP Completion:

– the CP Transaction Entities will become wholly-owned subsidiaries of Care Park; and

– shares in Care Park will be owned as to 73.75% by FEC Australia (which is a wholly-owned subsidiary of the Company), 14.00% by Warmlink, 9.25% by Chartbridge and 3.00% by Deanne Pointon.

As at the date of the Care Park Implementation Agreement, Tan Sri Chiu, Warmlink (a company controlled by Robert Belteky and his associates) and Chartbridge (a company controlled by Craig Williams) owned 65%, 20% and 15% of the CP

Transaction Entities, respectively. Pursuant to the Care Park Implementation Agreement, the Chiu CP Share Sale Agreement, the CP Share Swap Agreement, the CP Share Sale Agreement and the CP Trustee Sale Agreement, Care Park and the CP Transaction Entities will undergo the CP Reorganisation, which includes, among other things, the following:

– Care Park will issue additional 6,374 CP Shares to FEC Australia;

– Tan Sri Chiu will perform his obligations under the Care Park Implementation Agreement, including transferring his interest in each of the CP Transaction Entities to Care Park, and will receive a total of 102,328,571 CP Consideration Shares to be issued by the Company to Tan Sri Chiu or his nominee;

– Warmlink will perform its obligations under the Care Park Implementation Agreement, including transferring its interest in each of the CP Transaction Entities to Care Park in return for 1,900 CP Shares; and Chartbridge will perform its obligations under the Care Park Implementation Agreement, including transferring its interest in each of the CP Transaction Entities to Care Park in return for 1,425 CP Shares; and

– each of Warmlink and Chartbridge will sell 500 CP Shares to FEC Australia in return for A$2.0 million (equivalent to approximately HK$11.6 million) each, payable in cash.

As at the date of the Care Park Implementation Agreement, Deanne Pointon had the Existing Pointon Option to acquire 5% of the enlarged share capital of each of CP New Zealand, CP Properties and CP Holdings. Pursuant to the Pointon Option Agreement, Deanne Pointon will cancel the Existing Pointon Option in consideration of (i) FEC Australia paying her A$0.8 million (equivalent to approximately HK$4.6 million); and (ii) Care Park entering into the Pointon Subscription Option Agreement with her, under which, Deanne Pointon will have an option to subscribe up to 3% of the enlarged share capital of Care Park, which is expected to be 300 CP Shares upon exercise. The option pursuant to the Pointon Subscription Option Agreement is expected to be exercised by Deanne Pointon immediately after CP Completion.

In accordance with the terms of the Care Park Implementation Agreement and the CP Transaction Agreements, the CP Consideration (being the consideration of A$29.5 million (equivalent to approximately HK$171.1 million) in aggregate payable by the Company for its effective acquisition, through FEC Australia, of 73.75% interest in Care Park) will be settled upon CP Completion in the following manner:

– as to A$4.0 million (equivalent to approximately HK$23.2 million) payable in cash (of which A$2.0 million (equivalent to approximately HK$11.6 million) will be paid to Warmlink for 500 CP Shares and A$2.0 million (equivalent to approximately HK$11.6 million) will be paid to Chartbridge for 500 CP Shares) by FEC Australia under the CP Share Sale Agreement;

– as to A$0.8 million (equivalent to approximately HK$4.6 million) payable in cash to Deanne Pointon under the Pointon Option Agreement; and

– as to the remaining balance of A$24.7 million (equivalent to approximately HK$143.3 million) to be settled by way of issuance of a total of 102,328,571 CP Consideration Shares by the Company to Tan Sri Chiu or his nominee for Tan Sri Chiu's interests in the CP Transaction Entities and other matters provided under the Chiu CP Share Sale Agreement.

The Company currently proposes that the cash portion of the CP Consideration in the aggregate amount of A$4.8 million (equivalent to approximately HK$27.8 million) and the related costs will be financed by the internal resources of the Group.

As set out in the Letter from the Board, the CP Consideration has been negotiated between the parties to the Care Park Implementation Agreement on an arm's length basis with reference to (i) the unaudited combined net asset value of the Care Park Group as at 31 December 2008 of approximately A$41.6 million (equivalent to approximately HK$241.3 million); (ii) the growth track record of the CP Transaction Entities; (iii) the goodwill of the brand name "Care Park"; (iv) future prospects of the Care Park Group; and (v) the quality of cash flow generated by the Care Park Group.

The CP Vendors have provided warranties that the consolidated net asset value of the Care Park Group will not be less than A$40.0 million (equivalent to approximately HK$232.0 million) upon CP Completion.

2.2 The CP Shareholders Agreement

As set out in the Letter from the Board, on the same date of the Care Park Implementation Agreement, FEC Australia, Warmlink, Chartbridge and Deanne Pointon (each of them a CP Shareholder upon CP Completion and exercise of the option under the Pointon Subscription Option Agreement), Care Park and the FEC Guarantor Companies (as guarantors of FEC Australia) also entered into the CP Shareholders Agreement, pursuant to which the board of Care Park will comprise five directors – three of whom will be appointed by FEC Australia and the remaining two directors will be appointed by Warmlink and Chartbridge, respectively.

In addition, if FEC Australia's shareholding is reduced to less than 50% of the issued share capital of Care Park, it will only have the right to appoint two directors of Care Park. If FEC Australia's shareholding is reduced to below 25% of the issued share capital of Care Park, it will only have the right to appoint one director of Care Park. Each CP Shareholder will lose the right to appoint any directors if their respective shareholding is reduced to less than 5% of the issued share capital of Care Park. The Chairman of Care Park will be appointed by FEC Australia and the initial Chairman will be Tan Sri Chiu. Care Park will appoint Robert Belteky and Deanne Pointon as the first managing director and the first chief financial officer of Care Park respectively. In accordance with the terms of the CP Shareholders Agreement, as long as Robert

Belteky and Deanne Pointon remain to be employees of the Care Park Group, they are required to hold at least 9% and 1.5% of the issued share capital of Care Park, respectively.

For the purpose of safeguarding the rights of the CP Shareholders, the CP Shareholders Agreement also stipulates provisions regarding certain put and call options that the relevant CP Shareholders may have on their respective holdings of the CP Shares. Details of each of CP Put Options and CP Call Options have been set out in the Letter from the Board. In summary, such CP Put Options and CP Call Options are proposed to provide exit opportunities to the CP Shareholders in certain events including but not limited to (i) the relevant CP Shareholders wish to sell some or all of their CP Shares during certain anniversary intervals following CP Completion; (ii) there is cessation of employment of certain key senior management of the Care Park Group in the future; (iii) there are certain changes in the control of the board of directors of or voting rights in the respective CP Shareholders; or (iv) if any CP Shareholders materially breach a material term of the CP Shareholder Agreement.

It should be noted that each of Warmlink and Deanne Pointon may not exercise its or her respective Second Anniversary Put Option, Fourth Anniversary Put Option or Exit Put Options if Robert Belteky or Deanne Pointon is respectively regarded as a Bad Leaver. In addition, on and from the third anniversary of CP Completion, if certain events of deadlock with respect to board decision making occur between the directors of Care Park and such deadlock can not be resolved by the CP Shareholders, each of Warmlink, Chartbridge and Deanne Pointon may be able to exercise the Dispute Put Options to sell all (but not part of) their respective CP Shares to FEC Australia at 50% of their Fair Market Value, whilst FEC Australia may be able to exercise the FEC Australia Dispute Put Option to sell all (but not part of) its CP Shares to Warmlink, Chartbridge and Deanne Pointon respectively at 50% of their Fair Market Value.

As set out in the Letter from the Board, if a person other than a member of the Group, who did not previously do so, acquires directly or indirectly (i) shares in FEC Australia conferring 40% or more of the voting or economic interests in FEC Australia; (ii) the power to control the appointment or dismissal of the majority of the FEC Australia's directors; or (iii) the capacity to control the financial and operating policies or the management of FEC Australia, each of Warmlink, Chartbridge and Deanne Pointon will have an option to purchase all (but not part only) of the CP Shares held by FEC Australia at their Fair Market Value. On the other hand, if a person, who did not previously do so, acquires directly or indirectly (i) a legal or beneficial interest in shares in Warmlink or Chartbridge conferring 40% or more of the voting or economic interests in Warmlink or Chartbridge; (ii) the power to control the appointment or dismissal of the majority of the Warmlink's or Chartbridge's directors; (iii) the capacity to control the financial and operating policies or the management of Warmlink or Chartbridge; (iv) a distribution from the Warmlink trust or the Chartbridge trust and that person is not Robert Belteky or Craig Williams or their respective immediate family members; or (v) the right to appoint the trustee of the Warmlink trust or the Chartbridge trust, then each other CP Shareholder may be able to exercise the Change of Control Options to purchase all (but not part only) of the CP Shares held by Warmlink or Chartbridge as applicable at their Fair Market Value.

As noted in the Letter from the Board, the consideration for the sale and purchase of the CP Shares arising from the exercise of the CP Put Options or CP Call Options pursuant to the CP Shareholders Agreement will be equal to the Fair Market Value, i.e. the value of the CP Shares from time to time as determined by an expert as appointed by the CP Shareholders in accordance with the CP Shareholders Agreement. In addition, the exercise of the Second Anniversary Put Options, Fourth Anniversary Put Options, Fifth Anniversary Put Options, Exit Put Options and Dispute Put Options by each of Warmlink, Chartbridge and Deanne Pointon (as the case may be) are not at the discretion of FEC Australia and shall be subject to the CP Cap Amount (i.e. a cap on consideration of A$5.306 million, A$3.470 million and A$1.224 million (equivalent to approximately HK$30.8 million, HK$20.1 million and HK$7.1 million respectively) for all sales to FEC Australia of CP Shares by Warmlink, Chartbridge and Deanne Pointon respectively pursuant to the CP Put Options).

In the event that the amount payable by FEC Australia under the CP Put Options exceeds the CP Cap Amount, the Company will comply with the relevant Listing Rules requirement to the extent of any excess over the CP Cap Amount and/or the number of CP Shares to be transferred to FEC Australia pursuant to the relevant put options will be reduced to the extent necessary to ensure that the amount payable by FEC Australia will not exceed the CP Cap Amount. On the other hand, the Company will comply with the relevant Listing Rules requirements upon the exercise of its Second Anniversary Call Options, Fourth Anniversary Call Options, Fifth Anniversary Call Options, Exit Call Options, FEC Australia Dispute Put Option and the Change of Control Options.

Furthermore, pursuant to the CP Shareholders Agreement, no CP Shareholder may sell any of its CP Shares to a third party for the first three years from the CP Completion Date. If a CP Shareholder thereafter wishes to sell all or some of its CP Shares, the other CP Shareholders will each have a first right of refusal over the CP Shares. If only one of the other CP Shareholders exercises its right, that CP Shareholder will acquire all of the CP Shares that are available for purchase. If two or all of the CP Shareholders exercise their rights, the CP Shares will be allocated among them in proportion to their then existing shareholdings. The Company will comply with the relevant Listing Rules requirements upon the exercise of the right of first refusal under the CP Shareholders Agreement by FEC Australia.

If FEC Australia wishes to sell all of its CP Shares to a third party, and those CP Shares are not acquired by the other CP Shareholders under their right of first refusal under the CP Shareholders Agreement, FEC Australia will have a right to force other CP Shareholders to sell the CP Shares held by them to the same purchaser on the same terms (i.e. the Drag-along Right). If FEC Australia wishes to sell all of its CP Shares to a third party and does not exercise its Drag-along Right, the other CP Shareholders will have a tag-along right to require FEC Australia to use its best endeavours to ensure its CP Shares are also sold to the purchaser. If a CP Shareholder, as the Tagging Shareholder, exercises a tag-along right, FEC Australia will not be permitted to sell its CP Shares to the purchaser unless the Tagging Shareholders' CP Shares are also sold to that purchaser on the same terms.

Having regard to the majority position of FEC Australia in Care Park after the CP Completion and its long-term intention in relation to its investment in Care Park, we are satisfied that the initial three years sales restriction of the CP Shares to a third party, the Dispute Put Options and the FEC Australia Dispute Put Option, the CP Put Options and CP Call Options at the stipulated anniversary intervals would help to align the interests of all the CP Shareholders to grow the business and profitability of Care Park, thus maximising the Fair Market Value as the ultimate exit benchmark. In addition, the Drag-along Right and tag-along right also give FEC Australia the comfort that it can procure the sale of the entire share capital of Care Park should the appropriate opportunity presents itself in future, and yet provide the equal opportunity for the other CP Shareholders to exit on the same terms. Accordingly, we are of the view that the CP Shareholder Agreement is in the interests of the Company and the Shareholders as a whole and its terms are fair and reasonable.

Given the fact that the consideration for the sale and purchase of the CP Shares arising from the exercise of the CP Put Options or CP Call Options pursuant to the CP Shareholders Agreement will be equal to the Fair Market Value, we are of the view that the presence of the CP Put Options and CP Call Options in the CP Shareholders Agreement shall not have any potential adverse impact on the interests of the Company and the Shareholders as a whole.

2.3 Belteky Employment Contract

Pursuant to the Care Park Implementation Agreement, Care Park Pty Ltd (being one of the CP Transaction Entities) and Robert Belteky will enter into the Belteky Employment Contract on or before the CP Completion. Pursuant to the Belteky Employment Contract, Robert Belteky will be appointed as the managing director of Care Park and all its subsidiaries for the Belteky Employment Period (i.e. a period of 10 years commencing from the CP Completion Date). The Belteky Employment Contract may be terminated by the Company without notice during the Belteky Employment Period if Robert Belteky (i) engages in fraud or wilful misconduct; (ii) commits a serious and persistent breach of the Belteky Employment Contract; (iii) commits an act which is outside the scope of his employment and which brings Care Park Pty Ltd into disrepute, having regard to the nature of Care Park Pty Ltd's business; (iv) is unable to perform the inherent requirements of his position; or (v) is convicted of an offence punishable by imprisonment.

Care Park Pty Ltd will initially pay Robert Belteky a salary of A$300,000 (equivalent to approximately HK$1.7 million) for each year of service and make superannuation contribution on his behalf. The rate of superannuation contribution will be made at a rate not less than 9% (or such other higher percentage that may be prescribed by S.19(2) of the Superannuation Guarantee (Administration) Act 1992 (Cth) of Australia). Robert Belteky will also be entitled to a first year performance bonus of not more than A$250,000 (equivalent to approximately HK$1.5 million), subject to the performance of the Care Park Group. In the subsequent years during the Belteky Employment Period, subject to meeting performance, and financial and operational targets to be set by the board of directors of Care Park Pty Ltd, Robert Belteky may, at the sole discretion of the board of directors of Care Park Pty Ltd, be entitled to a performance bonus of up to A$100,000 (equivalent to approximately HK$0.6 million) in each subsequent year.

Based on our discussion with the management of the Company, we understand that Robert Belteky has been the managing director of the CP Transaction Entities since the establishment of Care Park Pty Ltd in 1998 and has solid experience in car parking operating business. Given the expertise of Robert Belteky in the car parking operating business and for the purposes of avoiding any disturbance to the continuing management and operations of the Care Park Group following CP Completion, we are of the view that it is in the interests of the Company and the Shareholders as a whole to retain Robert Belteky as a member of the key senior management of the Care Park Group. It should be noted that while the Belteky Employment Period will last for 10 years from the CP Completion Date, the Company still has the right to terminate the employment of Robert Belteky in accordance with the terms of the Belteky Employment Contract if there are certain circumstances which might affect the suitability of him acting as the managing director of the Care Park Group.

As mentioned above, the Group intends to leverage on the expertise of the management of the Care Park Group to expand its presence in car park operations to include other countries in Asia. Given the fact that such expansion plan may take considerable time and substantial management resources to be implemented, we also consider that it is in the interests of the Company and the Shareholders as a whole to ensure that the key senior management of the existing Care Park Group, such as Robert Belteky, will continue to serve the Cark Park Group on a long term basis. Accordingly, we are of the view that the Belteky Employment Period is fair and reasonable.

As regards the initial salary of A$300,000 (equivalent to approximately HK$1.5 million) for each year of service, we understand from the management of the Company that such proposed salary is comparable to the existing salary entitled by Robert Belteky as the managing director of Care Park Pty Ltd at present. Accordingly, we consider such proposed salary under the Belteky Employment Contract to be fair and reasonable. As regards the first year's performance bonus of not more than A$250,000 (equivalent to approximately HK$1.5 million) and the subsequent years' performance bonus of up to A$100,000 (equivalent to approximately HK$0.6 million) in each subsequent year, we note that, in any event, any such performance bonuses will be subject to the performance of the Care Park Group and the financial and operational targets to be set by the board of directors of Care Park Pty Ltd. As such, we consider that the proposed bonus entitlements under the Belteky Employment Contract will serve as an important incentive for Robert Belteky to continue his contributions to the Care Park Group for sustaining the profitability and development growth in the future. Accordingly, we are also of the view that such proposed performance bonuses under the Belteky Employment Contract are fair and reasonable.

2.4 Information on the Care Park Group

As set out in the Letter from the Board, Care Park was incorporated on 27 April 2009 to acquire the interests in the CP Transaction Entities and upon CP Completion, the Care Park Group will be principally engaged in car parking management and operations in Australia and New Zealand. Care Park Pty Ltd (one of the key CP Transaction Entities) was found in 1998 and is currently one of the major car park management operators in Australia and New Zealand, operating around 200 car parks throughout Australia and New Zealand. Apart from being an operator and manager of car parks, the CP Transaction Entities also have ownership interests in a portfolio of 15 car park properties. The CP Transaction Entities also provide on-street parking management services and cash collections to local authorities in the form of parking enforcement and local law services, parking meter and ticket machines revenue collection and equipment maintenance, covering over 2,000 parking meters.

Set out below are the major car parks to be owned by the Care Park Group upon CP Completion:

Location	**Number of bays**
11-19 Roper Street, Adelaide, SA, Australia	715
13-19 Bank Street, Adelaide, SA, 5000, Australia	330
Northbank Place, Flinders Street, Melbourne, Victoria, Australia (Note)	194
Quadrant Plaza, 94-98 York Street, Tasmania, Australia	370
344 Queen Street, Brisbane, Qld, Australia	54

Note: An agreement has been entered into by one of the CP Transaction Entities to acquire such car park and the agreement is expected to be completed by the end of June 2009.

Set out below are the major car parks managed by the Care Park Group:

Location	**Number of bays**
Victoria Gardens Shopping Centre, Richmond, Australia	3,000
Wellington International Airport, Stewart Duff Drive, Wellington, New Zealand	1,750
Mackay Airport, Boundary Road, Mackay, Australia	1,500
Auckland University, Grafton Road, Auckland, New Zealand	1,200
Courtenay Central, 190 Wakefield Street, Wellington, New Zealand	1,050
333 Exhibition Street, Melbourne, Australia	697

Set out below is a summary of the audited combined financial results of the CP Transaction Entities (other than CP New Zealand) prepared in accordance with Australian Accounting Standards for each of the two years ended 30 June 2007 and 2008:

	For the/as at year ended 30 June	
	2008	**2007**
	A$'000 (HK$'000 equivalent)	*A$'000 (HK$'000 equivalent)*
Revenue	35,452.7 (205,625.7)	31,586.6 (183.202.3)
Profit before income tax, interest, depreciation, and consultancy and guarantee fees	6,324.1 (36,679.8)	5,077.8 (29,451.2)
Interest	1,752.8 (10,166.2)	1,496.9 (8,682.0)
Depreciation and amortisation	2,251.6 (13,059.3)	1,860.2 (10,789.1)
Consultancy and guarantee fees *(Note 1)*	1,048.3 (6,080.1)	453.8 (2,632.0)
Profit after income tax	724.9 (4,204.4)	760.2 (4,409.2)
Net asset value	39,667.7 (230,072.7)	34,268.0 (198,754.4)

Set out below is a summary of the audited financial results of CP New Zealand prepared in accordance with generally accepted accounting practice in New Zealand for each of the two years ended 31 March 2007 and 2008 *(Note 2)*:

	For the/as at year ended 31 March	
	2008	**2007**
	NZ$'000 (HK$'000 equivalent)	*NZ$'000 (HK$'000 equivalent)*
Profit before income	186.5 (828.1)	205.7 (913.3)
Net profit after income tax	107.6 (477.7)	127.8 (567.4)
Net asset value	565.4 (2,510.4)	457.8 (2,032.6)

Notes:

1. Consultancy and guarantee fees were charged by the CP Vendors or their associates to Care Park Pty Ltd (one of the CP Transaction Entities) during the periods under review for consultancy and guarantee services rendered by the CP Vendors to Care Park Pty Ltd. Pursuant to the CP Termination Agreement, such consultancy and guarantee fees will not be charged by the CP Vendors to Care Park Pty Ltd upon CP Completion. There were no consultancy and guarantee fees charged by the CP Vendors to CP New Zealand during the periods under review.

2. The auditor of CP New Zealand has issued the auditor's report with a qualified opinion. Set out below is the relevant paragraph as extracted from the auditor's report of CP New Zealand: "The Company's reported revenue includes gross revenue from car parks which are subject to a management contract whereby the company effectively acts as agents. The associated debtors and creditors, which represent the obligation to pay over the cash collected to the car park owners, are recorded in the Statement of Financial Position at year end. The effect of this treatment is that both the total revenue and total expenditure include this agency revenue and expenditures, whilst the reported net surplus is unaffected. Similarly the debtors and creditors balances include the agency revenue receivable and payable to the car park owners, whilst the

> reported net asset position remains unaffected. The adopted treatment is a departure from the definitions outlined from revenue and assets and the corresponding expenditure and liabilities in the Statement of Concepts for General Purpose Financial Reporting issued by Institute of Chartered Accountants of New Zealand."

As set out in the Letter from the Board, in assessing the performance of the CP Transaction Entities, the Shareholders should be aware that (i) the arrangements for the consultancy and guarantee fees will be terminated pursuant to the Termination Agreement upon CP Completion; and (ii) the CP Transaction Entities did not have a single parent entity which has the power to govern the financial and operating policies so as to obtain benefits from the CP Transaction Entities' activities, therefore, the distribution of profits of each of the CP Transaction Entities were based on their respective financial position (instead of financial position on a combined basis), in particular, depreciation and amortisation – property improvement were not recognised in the book of the relevant individual CP Transaction Entities and were treated as distributable profit.

In this connection, we have discussed with the management of the Care Park Group and noted that the net profit of the CP Transaction Entities (other than CP New Zealand) for the past two financial years were arrived at after charge of certain consultancy and guarantee fees by the CP Vendors. Pursuant to the CP Termination Agreement, such consultancy and guarantee fees will not be charged by the CP Vendors to Care Park Pty Ltd upon CP Completion. We understand from the management of the Care Park Group that regardless of whether or not Care Park Pty Ltd may require such services from the CP Vendors following CP Completion, the CP Vendors have decided that they will no longer charge Care Park Pty Ltd any more such consultancy and guarantee fees following CP Completion even though, if so required, they may continue to provide such services to Care Park Pty Ltd. Furthermore, we understand that Care Park Pty Ltd has no intention to engage others to provide such similar consultancy and guarantee services following CP Completion. Given the possible reduction in the expenses of the CP Transaction Entities following CP Completion, we are of the view that such arrangement under the CP Termination Agreement is in the interests of the Company and the Shareholders as a whole.

As regards the fact that the CP Transaction Entities did not have a single parent entity which has the power to govern the financial and operating policies, we understand from the management of the Care Park Group that certain CP Transaction Entities are trusts rather than companies. Trusts are not required to prepare financial statements in accordance with Australian Accounting Standards. Each individual property owning trust has chosen under the relevant accounting standards to treat the property it owns as an investment. Accordingly, the separate accounts of each trust do not recognise non-cash expenses such as depreciation or amortisation on property improvement. If the trusts were to be combined, this treatment would not be available under applicable accounting standards, so that depreciation and amortisation would have to be recognised. Therefore the individual trusts may have higher distributable profits than if they had been combined. We have based our view, however, on the audited financial statements of the CP Transaction Entities which have been prepared on a combined basis. Accordingly, we do not consider the fact that the CP Transaction Entities did not have a single parent entity to be an adverse factor in assessing the financial performance of the CP Transaction Entities. In addition, the fact that the CP Transaction Entities did not have a single parent entity will have no adverse implication in any operating or financial aspects following CP Completion.

Furthermore, due to the fact that certain accounting treatment of CP New Zealand (under which its total revenue and total expenditure have included agency revenue and agency expenditures, respectively, and its debtors and creditors balances have included agency revenue receivable from and agency revenue payable to the car park owners) represents a departure from the definitions outlined from revenue and assets and the corresponding expenditure and liabilities in the Statement of Concepts for General Purpose Financial Reporting issued by Institute of Chartered Accountants of New Zealand, the auditor of CP New Zealand has issued the auditor's report with a qualified opinion. Based on our review of the financial statements and further discussion with the management of the Care Park Group, we understand that such qualified opinion related only to the classification and presentation of certain items (i.e. total revenue, total expenditure, debtors and creditors) in the financial statements which did not affect the reported net earning figure or net asset position. Accordingly, we do not consider such qualified opinion to be a material factor in assessing the financial performance of CP New Zealand or to have any implication on the operating or financial aspect of CP New Zealand following CP Completion. In addition, based on our discussion with the Directors, we understand that the aforesaid accounting treatment of CP New Zealand will be corrected following CP Completion so that the auditor's report on the financial statements of CP New Zealand in the future will not be qualified in such respect.

2.5 Valuation of the Care Park Group

As mentioned above, the CP Consideration of A$29.5 million to be payable by the Company for its effective acquisition of 73.75% interest in Care Park has been negotiated between the parties to the Care Park Implementation Agreement on an arm's length basis with reference to (i) the unaudited combined net asset value of the Care Park Group as at 31 December 2008 of approximately A$41.6 million (equivalent to approximately HK$241.3 million); (ii) the growth track record of the CP Transaction Entities; (iii) the goodwill of the brand name "Care Park"; (iv) future prospects of the Care Park Group; and (v) the quality of cash flow generated by the Care Park Group.

For the purpose of assessing the fairness and reasonableness of the CP Consideration, we have attempted to compare the CP Consideration with the consideration for other similar transactions involving sale and purchase of interests in car park business in Australia or New Zealand in terms of price/earnings multiple which is one of the most commonly used references for valuing companies with profitable operating results and stable track record. However, since all the transactions we have identified in the relevant markets in recent years were conducted by parties which are not listed companies and the exact terms of the transactions were therefore not disclosed to the public, we have not been able to evaluate the CP Consideration in such respect.

Nevertheless, given the fact that the CP Transaction Entities were profitable in both financial years 2007 and 2008, and that property interests represent a significant portion of the assets of the Care Park Group, we consider it also relevant and appropriate to analyse the value of the Care Park Group in terms of its net asset value. As mentioned above, the unaudited combined net asset value of the Care Park Group as at 31 December 2008 amounted to approximately A$41.6 million. In this connection, the CP Consideration of A$29.5 million would represent a modest discount of approximately 3.8% to the proportional share of such unaudited combined net asset value of the Care Park Group as at 31 December 2008. On the other hand, the use of the unaudited combined net asset value of the CP Transaction Entities adjusted for the valuation of the car parks to be owned by the Care Park Group upon CP Completion of approximately A$41.2 million as at 31 March 2009 would not affect our analysis given the fact that such unaudited combined net asset value amounted to approximately A$41.2 million, which is not materially different from the unaudited combined net asset value of approximately A$41.6 million as at 31 December 2008 used in our analysis. It should also be noted that pursuant to the Care Park Implementation Agreement, the CP Vendors have provided warranties that the consolidated net asset value of the Care Park Group will not be less than A$40.0 million upon CP Completion. On such basis, the CP Consideration of A$29.5 million would have been equal to the proportional share of the warranted consolidated net asset value of the Care Park Group upon CP Completion.

In view of the basis for the CP Consideration as discussed above, it should be noted that the market value of the property interests of the Care Park Group as at 31 March 2009 (i.e. the car parks and certain building properties owned by it in Australia), on which the unaudited net asset values of the Care Park Group is largely based, is the dominant factor in assessing the fairness and reasonableness of the CP Consideration. We understand from the Company that the relevant market value of the properties of the Care Park Group has been arrived at on the basis of the valuation carried out by Urbis Valuations Pty Ltd (the "CP Valuer") and set out in the valuation report contained in Appendix II to the Circular (the "CP Valuation Report"). In this connection, we have discussed with the CP Valuer and note from the CP Valuation Report that the CP Valuer has adopted the direct comparison method in assessing the market value of each property and has counter checked such valuation by the income approach. Applying these methodologies to each property, we understand that the CP Valuer has referred to recent market transactions for comparable properties and has then made adjustments as appropriate to reflect the differences as appropriate in factors such as date of sale, location, property quality, competitive positioning, length of ground lease or building leases as appropriate and any other factors considered appropriate in arriving at market value. As regards the income approach to counter check the valuation under the direct comparison method, we understand from the CP Valuer that such approach is based upon the application of a yield (capitalisation rate) to the net income from the property at the date of valuation and such net income is supported by rental levels paid on other comparable properties.

Based on our discussion with the CP Valuer, we consider that the methodologies applied by the CP Valuer are consistent with market practice and the underlying basis for valuation of the Property (i.e. the direct comparison method) is fair and reasonable.

Accordingly, we are of the view that the CP Consideration of A$29.5 million, which represents a modest discount of approximately 3.8% to the proportional share of the unaudited combined net asset value of the Care Park Group as at 31 December 2008, is fair and reasonable. As the CP Vendors have warranted that the consolidated net asset value of the Care Park Group upon CP Completion will not be less than A$40.0 million (the proportional share of 73.75% of which is equal to A$29.5 million), we are of the view that there is sufficient assurance under the Care Park Implementation Agreement to safeguard the interest of the Company against any material deterioration of the net asset value of the Care Park Group at the time of Completion. Given the existing financial position of the Group and the portion of the CP Consideration to be settled in cash, we consider that the Group will have sufficient financial resources to meet its financial requirement under the Care Park Implementation Agreement (our evaluation of the issue price for the CP Consideration Shares is set out in the section headed "4. Consideration Shares" below).

2.6 The CP Cap Amount

As mentioned above, the exercise of the Second Anniversary Put Options, Fourth Anniversary Put Options, Fifth Anniversary Put Options, Exit Put Options and Dispute Put Options by each of Warmlink, Chartbridge and Deanne Pointon (as the case may be) are not at the discretion of FEC Australia and shall be subject to the CP Cap Amount (i.e. a cap on consideration of A$5.306 million, A$3.470 million and A$1.224 million (equivalent to approximately HK$30.8 million, HK$20.1 million and HK$7.1 million respectively) for all sales to FEC Australia of CP Shares by Warmlink, Chartbridge and Deanne Pointon respectively pursuant to the CP Put Options). In accordance with the relevant requirements of the Listing Rules, on the grant of the CP Put Options, the transaction is classified as if the CP Put Options had been exercised. Accordingly, the CP Shareholders Agreement which contains, among other things, the terms of the grant and exercise of the CP Put Options to Warmlink and Chartbridge (which is subject to the CP Cap Amount) is subject to the approval of the Independent Shareholders at the EGM under Chapter 14A of the Listing Rules.

Based on our discussion with the management of the Company, we note that the CP Cap Amount in the aggregate amount of A$10.0 million (being the sum of all the caps on consideration for such sales of CP Shares by Warmlink, Chartbridge and Deanne Pointon as a whole) has been determined by the relevant parties with reference to the CP Consideration of A$29.5 million, which represents the acquisition by FEC Australia of 73.75% interest in the Care Park Group. Pursuant to the terms of the CP Put Options, each of Warmlink, Chartbridge and Deanne Pointon may be able to dispose of all of their interests in Care Park to FEC Australia, representing in aggregate the remaining interest of 26.25% in Care Park not owned by FEC Australia.

As mentioned above, we are of the view that the CP Consideration of A$29.5 million, which represents the acquisition of 73.75% in Care Park, is fair and reasonable on the grounds that the Care Park Group had the unaudited combined net asset value of approximately A$41.6 million as at 31 December 2008. On the same basis, we are also of the view that the CP Amount in the aggregate amount of A$10.0 million, which represents a slight discount of approximately 8.4% to the proportional share of 26.25% of the net asset value of the Care Park Group as at 31 December 2008, is fair and reasonable.

In summary, having considered that (i) the car parking business as operated by the Care Park Group has demonstrated a stable track record with recurring cash flow stream; (ii) as far as the markets in Australia are concerned, the area of the regions is so vast that consumption of car parking services in these markets is a necessity for the majority of customers who are people commuting to work by car; and (iii) based on our discussion with the Directors, we understand that the business performance of the Care Park Group in the recent period has shown no indication of any deterioration as a result of the current recessionary economy, we are of the view that the car parking business of the Care Park Group is therefore not as vulnerable as other business sectors during economic downturns. As such, we therefore concur with the Board's optimistic assessment on the future prospects of the car parking business of the Care Park Group. In view of the prevailing market conditions and the uncertainty as to the timing of any future and sustainable recovery of the global economy, we consider that it is strategically important for the Group to reduce its reliance on existing property development and investment businesses, and to balance its business portfolio by acquiring businesses capable of generating stable and recurring cash flow streams and to maintain a healthy liquidity position. Accordingly, we are of the view that the CP Acquisition is in the interests of the Company and the Shareholders as a whole.

3. The MC Acquisition

3.1 The Best Impact Agreement

The principal terms of the Best Impact Agreement have been set out in the Letter from the Board. In summary, Apexwill (which is a wholly-owned subsidiary of the Company) entered into the Best Impact Agreement with Tan Sri Chiu on 7 May 2009, pursuant to which Apexwill has conditionally agreed to acquire and Tan Sri Chiu has conditionally agreed to (i) sell the MC Sale Shares (representing the entire issued share capital of Best Impact); and (ii) sell and assign the benefits and interests in the Best Impact Sale Loan, for an aggregate consideration of RM52.0 million (equivalent to approximately HK$114.4 million), which shall be payable in full by way of issuance of 81,714,285 MC Consideration Shares by the Company to Tan Sri Chiu or its nominee upon MC Completion.

As set out in the Letter from the Board, the MC Consideration has been agreed between Apexwill and Tan Sri Chiu on arm's length basis with reference to (i) recent transaction prices of car parks in Kuala Lumpur, Malaysia; (ii) the future prospects of the Best Impact Group; and (iii) the quality of cash flow generated by the Malaysia Car Park.

As set out in the Letter from the Board, the MC Completion is subject to certain conditions being fulfilled or waived and such conditions, including, but not limited to, the receipt by Apexwill of a valuation report in respect of the Malaysia Car Parks prepared by a firm of independent valuers acceptable to Apexwill, showing that the aggregate market value of the Malaysia Car Parks as at 31 March 2009 is no less than RM52 million (equivalent to approximately HK$114.4 million).

3.2 Information on the Best Impact Group

As set out in the Letter from the Board, Best Impact and Target Term were incorporated on 7 January 2009 and 12 November 2008, respectively, and upon the completion of the acquisition of the Malaysia Car Parks, the Best Impact Group will be principally engaged in investing and operating the Malaysia Car Parks.

Set out below are the details of the Malaysia Car Parks:

Location	**Number of bays**
1,688 car parks bays together with 62 units of accessory parcels (car park bays) (a total of 1,750 car park bays) located in Phase 1 and Phase 2, Plaza Damas	1,750
420 car park bays located within a 7 storey elevated car park area of Windsor and Waldorf Tower Service Apartments, Plaza Damas and Parcel No. B-2-03, (Type C), Storey No. 21, Windsor Tower Service Apartment, Plaza Damas	420
A total of 64 car park bays located on the 7th floor 64 within a thirty 33 storey Hotel & Serviced Apartments building known as Maytower	64

As set out in the Letter from the Board, Plaza Damas is an integrated commercial development comprising shop-lots, business offices, high-rise condominiums, service apartments and a multi-storey shopping centre (Hartamas Shopping Centre), located in Sri Hartamas, Kuala Lumpur, Malaysia. Windsor and Waldorf Tower are two of the high-rise condominium buildings located within the Plaza Damas. The car parks of Plaza Damas and Windsor and Waldorf Tower can be linked up to create synergies and greater market share in the area. In addition, a newly opened college campus as attached to and a new shopping mall at the opposite of the Plaza Damas are bringing traffic and more business opportunities to the car parks attached to each of Plaza Damas and Windsor and Waldorf Tower. Car parks in Windsor and Waldorf Tower were only in commercial operation since the fourth quarter of 2008. Maytower is a high-rise building comprising office, hotel & service apartments located within the town centre of Kuala Lumpur, Malaysia.

Other than the acquisition of the Malaysia Car Parks, the Best Impact Group has not had any operations and has not yet prepared any financial statements. As set out in the Letter from the Board, the unaudited combined total book asset value before revaluation of the Malaysia Car Parks as at 31 December 2008 amounted to approximately RM13.8 million (equivalent to approximately HK$30.4 million) and the unaudited combined car parking revenue of the Malaysia Car Parks for each of the two years ended 31 December 2008 amounted to approximately RM5.0 million (equivalent to approximately HK$11.0 million) each year.

3.3 Valuation of the Best Impact Group

For the purpose of assessing the reasonableness and fairness of the MC Consideration of RM52.0 million (equivalent to approximately HK$114.4 million), we have discussed with the Directors the recent transaction prices of car parks in Kuala Lumpur and have sought to compare the MC Consideration with consideration for such similar transactions involving sale and purchase of interests in car park business in Kuala Lumpur. However, based on our discussion with the Directors as well as the information we found that is available to the public, all the transactions we have identified in recent years were those involving the sale and purchase of one parking bay only or the sale and purchase of parking bay together with residential unit as a package and the range of the relevant considerations vary significantly. Given the fact that there is a total of 2,234 parking bays under the MC Acquisition, we do not consider such information which is in respect of the acquisition of individual car parking bay to be sufficient for the purpose of our analysis. Accordingly, similar to the case of the CP Acquisition as discussed above, we have focused on the valuation of the property interests of the Best Impact Group (i.e. the Malaysia Car Parks) which represent principally the entire asset base of the Best Impact Group to analyse the reasonableness and fairness of the MC Consideration.

We note that the relevant market value of the Malaysia Car Parks has been arrived at on the basis of the valuation carried out by Raine & Horne International Zaki + Partners Sdn. Bhd. (the "MC Valuer") and set out in the valuation report contained in Appendix III to the Circular (the "MC Valuation Report"). In this connection, we have discussed with the MC Valuer and note from the MC Valuation Report that the MC Valuer has adopted the comparison method of valuation as its main approach. In particular, such comparison method of valuation seeks to determine the value of the properties being valued by comparing and adopting as a yardstick recent transactions and sale evidences involving other similar properties in the vicinity, and due considerations are given for such factors including location, plot size, improvements made if any, surrounding developments, facilities and amenities available.

Based on our discussion with the MC Valuer, we consider that the methodology of and the underlying basis (i.e. the comparison approach) for the MC Valuation are fair and reasonable. Accordingly, we are of the view that the MC Consideration is fair and reasonable. In addition, given that the MC Consideration will be fully settled by the issuance of the MC Consideration Shares (our evaluation of the issue price for the MC Consideration Shares is set out in the section headed "4. Consideration Shares" below), we do not consider the Best Impact Acquisition to have any material impact on the working capital position of the Group upon MC Completion.

In summary, in view of the fact that the Malaysia Car Parks have recorded profitable results for the past two financial years and similar to the case of the CP Acquisition, we are of the view that the MC Acquisition is in line with the strategic direction of the Group to seek diversification from its existing property development and investment businesses and to balance the Group's business portfolio with businesses that can generate stable and recurring cash flow stream. In addition, as far as the Malaysia Car Parks are concerned, the majority of customers are people commuting to work or school by car and, as advised by the Directors, the car parks located in Plaza Damas is the largest car park in the area with 1,750 parking bays and has a dominant position. People who travel to the area have little choices but to park in Plaza Damas. Accordingly, the Directors therefore take comfort that the car parking business of the Malaysia Car Parks is therefore not as vulnerable as other business sectors during the economic downturn. In this connection, we have discussed with the Directors and understand that despite the recent recessionary economic climate, the business of the Malaysia Car Parks has continued to operate well and in particular, its revenue has in fact increased in the first quarter of 2009 following the rates increase introduced recently. As such, we are of the view that the future prospects of the car parking business of the Best Impact Group is optisimistic. Accordingly, we are of the view that the MC Acquisition is in the interests of the Company and the Shareholders as a whole.

4. Consideration Shares

As set out in the Letter from the Board, the Consideration Shares will be issued at the Issue Price of HK$1.40 per Share and represent:

(i) a premium of approximately 15.7% over the closing price of HK$1.21 per Share as quoted on the Stock Exchange on 6 May 2009, being the last business day prior to the date of the Announcement;

(ii) a premium of approximately 8.5% over the closing price of HK$1.29 per Share as quoted on the Stock Exchange on 7 May 2009, being the date of the Announcement;

(iii) a premium of approximately 27.3% over the average closing price per Share of approximately HK$1.10 for the last ten trading days up to and including 7 May 2009;

(iv) a premium of approximately 41.4% over the average closing price per Share of approximately HK$0.99 for the last thirty trading days up to and including 7 May 2009;

(v) a discount of approximately 21.3% to the closing price of HK$1.78 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and

(vi) a discount of approximately 53.3% to the unaudited consolidated net assets value attributable to equity holders of the Company per Share of approximately HK$3.0 as at 30 September 2008 (calculated based on the equity attributable to equity holders of the Company of approximately HK$4,828,348,000 as at 30 September 2008 and the number of outstanding Shares of 1,607,014,952 as at 30 September 2008, both extracted from the Company's 2008/09 interim report).

When allot and issue, CP Consideration Shares will represent approximately:

(i) 6.31% of the existing issued share capital of the Company;

(ii) 5.93% of the issued share capital of the Company as enlarged by the CP Consideration Shares but prior to the allotment and issue of the MC Consideration Shares and the Conversion Shares;

(iii) 5.67% of the issued share capital of the Company as enlarged by the Consideration Shares but prior to the allotment and issue of the Conversion Shares; and

(iv) 5.43% of the issued share capital of the Company as enlarged by the Consideration Shares and the Conversion Shares.

When allot and issue, the MC Consideration Shares will represent approximately:

(i) 5.04% of the existing issued share capital of the Company;

(ii) 4.80% of the issued share capital of the Company as enlarged by the MC Consideration Shares but prior to the allotment and issue of the CP Consideration Shares and the Conversion Shares;

(iii) 4.52% of the issued share capital of the Company as enlarged by the Consideration Shares but prior to the allotment and issue of the Conversion Shares; and

(iv) 4.34% of the issued share capital of the Company as enlarged by the Consideration Shares and the Conversion Shares. The Consideration Shares are to be issued by the Company under specific mandates.

The Consideration Shares, when fully paid, will rank pari passu in all respects with all the Shares in issue on the date of the respective completion.

In order to assess the fairness and reasonableness of the Issue Price, we have attempted to compare the Issue Price with the issue price of shares under other similar transactions that were carried out by companies listed on the Stock Exchange with underlying businesses and market capitalisation similar to that of the Company. However, we have not been able to identify any of such transactions.

In general, although the Issue Price represents a discount to the net asset value per Share, we consider that the Issue Price, which represents a premium over both the closing price as at the last trading day and the average closing price for the last 10 trading days, are in the interests of the Company and the Shareholders as a whole. As discussed above, we are of the view that both the CP Acquisition and MC Acquisition are in the interests of the Company and the Shareholders as a whole. Given that the Issue Price is one of the terms of the Acquisitions and the fact that despite the discount as represented by the Issue Price over the net asset value per Share, the Issue Price is still substantially over both the closing price as at the last trading day and the average closing price for the last 10 trading days, we are, on balance, of the view that the Issue Price is fair and reasonable.

5. Proposed conversion of the Convertible Bonds

As set out in the Letter from the Board, with a view to further enhance the Group's liquidity and capital base, to decrease the Group's gearing ratio and to demonstrate the controlling Shareholder's continuing support, Tan Sri Chiu proposed to convert in full the Convertible Bond in the principal amount of HK$331,445,000 at the conversion price of HK$4.30 per Conversion Share. The Conversion Price of HK$4.30 per Share represents:

(i) a premium of approximately 255.4% over the closing price of HK$1.21 per Share as quoted on the Stock Exchange on 6 May 2009, being the last business day prior to the date of the Announcement;

(ii) a premium of approximately 233.3% over the closing price of HK$1.29 per Share as quoted on the Stock Exchange on 7 May 2009, being the date of the Announcement;

(iii) a premium of approximately 291.0% over the average closing price per Share of approximately HK$1.10 for the last ten trading days up to and including 7 May 2009;

(iv) a premium of approximately 334.3% over the average closing price per Share of approximately HK$0.99 for the last thirty trading days up to and including 7 May 2009;

(v) a premium of approximately 141.6% over the closing price of HK$1.78 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and

(vi) a premium of approximately 43.3% over the audited consolidated net assets value attributable to equity holders of the Company per Share of approximately HK$3.0 as at 30 September 2008 (calculated based on the equity attributable to equity holders of the Company of approximately HK$4,828,348,000 as at 30 September 2008 and the number of outstanding Shares of 1,607,014,952 as at 30 September 2008, both extracted from the Company's interim report 2008/09).

As set out in the Letter from the Board, subject to the passing at the EGM by the Independent Shareholders of ordinary resolution to approve the Whitewash Waiver in respect of the Proposed Conversion, Tan Sri Chiu will convert the Convertible Bonds in full.

Given that the Conversion Price of HK$4.30 is significantly higher than the prevailing Share prices as well as the audited consolidated net assets value attributable to equity holders of the Company per Share of approximately HK$3.0 as at 30 September 2008, the

Proposed Conversion is expected to enhance the net asset value of the Company on a per Share basis. As mentioned above, there would be a dilution effect in the net asset value per Share arising from the issue of the Consideration Shares at the Issue Price of HK$1.40 which represents a discount to the audited consolidated net assets value per Share attributable to equity holders of the Company as at 30 September 2008. On the assumption that the Proposed Conversion, the CP Completion and the MC Completion will be implemented successfully as a whole, the dilution effect in the net asset value per Share arising from the issue of the Consideration Shares will be substantially compensated by the Proposed Conversion. In addition, the Proposed Conversion is also expected to reduce the Group's gearing position given that a substantial amount of debts will be converted from liability to equity.

Given the above analysis, we are of the view that the Proposed Conversion is in the interests of the Company and the Shareholders as a whole and that the Conversion Price is fair and reasonable.

6. Dilution effect of the Acquisitions and the Proposed Conversion

As at the Latest Practicable Date, the Independent Shareholders were interested in approximately 39.09% of the issued share capital of the Company. If the Acquisitions are approved and becomes unconditional, the Company will issue 184,042,856 Consideration Shares to the CP Vendors and Tan Sri Chiu, representing approximately 11.35% of the existing issued share capital of the Company and approximately 10.19% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares but before any conversion of the Convertible Bonds. On the other hand, if the Proposed Conversion is approved and becomes unconditional, the Company will issue 77,080,232 Conversion Shares to Tan Sri Chiu, representing approximately 4.75% of the existing issued share capital of the Company and approximately 4.54% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares but before any issue of the Consideration Shares.

Assuming that the CP Acquisition, the MC Acquisition and the Proposed Conversion are all approved and become unconditional, the aggregate shareholding interests of the Independent Shareholders in the Company will be reduced to approximately 33.67%, representing a dilution of approximately 13.87% from their existing holdings of approximately 39.09%. Having considered (i) the Acquisitions represent an opportunity for the Company to expand its business into car park operations and (ii) the Issue Price for the Consideration Shares and the Conversion Price for the conversion of the Convertible Bonds are both fair and reasonable having taken into account the current market prices of the Shares, we are of the view that the dilution on the shareholding interests of the Independent Shareholders in the Company is acceptable.

IV. THE WHITEWASH WAIVER

Upon CP Completion and MC Completion and following the allotment and issue of 184,042,856 Consideration Shares in full, and the Proposed Conversion with the allotment and issue of 77,080,232 Conversion Shares in full, Tan Sri Chiu and parties acting in concert with him will hold 780,044,888 Shares, representing approximately 41.42% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares and the Conversion Shares. In accordance with Rule 26.1 of the Takeovers Code, since the allotment and issue of each of the CP Consideration Shares, the MC Consideration Shares and the Conversion Shares to Tan Sri Chiu and parties acting in concert with him will have the effect of increasing their holding of voting rights in the Company by more than 2% from the lowest percentage holding of them in the previous 12 months and thereby exceeding the 2% creeper threshold, Tan Sri Chiu and parties acting in concert with him are obliged to make a mandatory offer for all of the issued Shares and all other securities of the Company in issue which are not already owned or agreed to be acquired by Tan Sri Chiu and parties acting in concert with him.

An application has been made by Tan Sri Chiu to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Executive has indicated that subject to the approval by the Independent Shareholders by way of poll at the EGM, he will waive the obligation for the Tan Sri Chiu and parties acting in concert with him to make a general offer. As set out in the Letter from the Board, it is one of the conditions of each of the Care Park Implementation Agreement, the Best Impact Agreement and the Proposed Conversion that the Whitewash Waiver be granted by the Executive and approved by the Independent Shareholders at the EGM by way of poll. If the Whitewash Waiver is not granted by the Executive or not approved by the Independent Shareholders, the Care Park Implementation Agreement, the Best Impact Agreement and the Proposed Conversion will not become unconditional, and the CP Acquisition, the MC Acquisition and the Proposed Conversion will not proceed. In addition, each of the CP Acquisition, the MC Acquisition and the Proposed Conversion are independent transactions and are not inter-conditional.

Based on our analysis of the terms of the Acquisitions and the Proposed Conversion as set out above, we consider that the Acquisitions and the Proposed Conversion are in the interests of the Company and the Shareholders as a whole and their terms are fair and reasonable. If the Whitewash Waiver is not granted by the Executive or if the Whitewash Waiver is not approved by the Independent Shareholders, the Acquisitions will be terminated in accordance with the terms and the Proposed Conversion will not be proceeded. As such, the Company will lose the opportunity to expand its business into car park operations and to reduce the Group's gearing position so as to enhance its liquidity and capital base. Accordingly, we are of the view that for the purposes of implementing the Acquisitions and the Proposed Conversion as discussed above, the grant of the Whitewash Waiver is in the interests of the Company and the Shareholders as a whole and is fair and reasonable.

V. RECOMMENDATION

In formulating our recommendation to the Independent Board Committee and the Independent Shareholders, we have considered the above principal factors and reasons, in particular, the following:

- the Acquisitions conform with the Group's stated objectives to increase its exposure in the real estate business with a stable and recurring cash inflow stream;

- each of the CP Consideration and MC Consideration is fair and reasonable having taken into account the respective expected net asset value of the Care Park Group and the Best Impact Group upon CP Completion and MC Completion and the independent valuation of the property interests of both the Care Park Group and the Best Impact Group;

- the Issue Price, while representing a discount to the net asset value per Share, is substantially above the closing price as at the last trading day and the average closing price for the last 10 trading days, which is fair and reasonable; and

- the Conversion Price, which is substantially higher than the prevailing Share prices as well as the audited consolidated net assets value attributable to equity holders of the Company per Share as at 30 September 2008, is fair and reasonable.

Having considered the above principal factors and reasons, we are of the opinion that (i) the Care Park Implementation Agreement and the transactions contemplated thereunder, the Best Impact Agreement and the transactions contemplated thereunder, the Proposed Conversion, and the Whitewash Waiver are in the interests of the Company and the Shareholders as a whole and (ii) the respective terms of the Care Park Implementation Agreement, the Best Impact Agreement, the Proposed Conversion and Whitewash Waiver are fair and reasonable. Therefore, we would advise the Independent Board Committees and the Independent Shareholders that the Independent Shareholders should vote for the relevant resolutions to approve each of the Care Park Implementation Agreement, the Best Impact Agreement, the Proposed Conversion and the Whitewash Waiver at the EGM.

Yours faithfully,
For and on behalf of
Access Capital Limited
Ambrose Lam **Jimmy Chung**
Principal Director *Principal Director*

1. SUMMARY OF FINANCIAL INFORMATION

The following is a summary of the consolidated financial information of the Group for each of the three years ended 31 March 2006, 2007 and 2008 and for the six months ended 30 September 2008, as extracted from the relevant annual reports and interim report of the Company.

	For the six months ended 30 September	For the year ended 31 March		
	2008	2008	2007	2006
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
RESULTS				
Revenue	861,251	2,159,514	875,176	684,144
Profit Before taxation	101,363	658,396	693,823	418,078
Taxation	(63,232)	(215,056)	(157,394)	(85,867)
Profit for the year	38,131	443,380	536,429	332,211
Earnings per share	2.2 cents	28 cents	37 cents	24 cents
Dividend paid				
Interim	–	80,293	58,196	42,926
Final	–	126,496	86,533	70,929
Total	–	206,789	144,729	113,855
Dividend proposed				
Interim	16,213	80,293	58,196	42,926
Final	–	161,176	126,496	86,533
Total	16,213	241,469	184,692	129,459
Dividends per share				
Interim	1 cent	5 cents	4 cents	3 cents
Final	N/A	10 cents	8 cents	6 cents

	As at 30 September 2008 HK$'000	As at 31 March 2008 HK$'000	2007 HK$'000	2006 HK$'000
ASSETS AND LIABILITIES				
Total assets	10,795,091	9,585,961	8,712,356	7,140,308
Total liabilities	(5,922,601)	(4,633,817)	(4,664,260)	(3,568,525)
	4,872,490	4,952,144	4,048,096	3,571,783
Minority interests	(44,142)	(39,467)	(26,148)	(27,250)
Shareholders' funds	4,828,348	4,912,677	4,021,948	3,544,533

Notes:

1. There were no exceptional items or extraordinary items in each of the three financial years ended 31 March 2006, 2007 and 2008 and the six months ended 30 September 2008.

2. No qualified opinion has been issued by the Company's auditors, Deloitte Touche Tohmatsu, in respect of the financial statements for each of the three financial years ended 31 March 2006, 2007 and 2008.

3. Interim dividend for the six months ended 30 September 2008 was paid on 27 February 2009.

2. LATEST PUBLISHED FINANCIAL STATEMENTS

Set out below are the latest published unaudited consolidated financial statements of the Group for the six months ended 30 September 2008 and audited consolidated financial statements of the Group for the year ended 31 March 2008, together with the accompanying notes relating thereto and the comparative figures for the six months ended 30 September 2007 and the year ended 31 March 2008 as extracted from the interim report of the Company for the six months ended 30 September 2008 and the annual report of the Company for the year ended 31 March 2008 respectively. References to page numbers in this section are to the page numbers of such interim report and annual report of the Company.

(A) UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2008

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2008

		Six months ended	
	NOTES	**30.9.2008**	**30.9.2007**
		(unaudited)	**(audited)**
		HK$'000	*HK$'000*
Revenue	*3*	861,251	692,759
Depreciation and amortisation		(30,649)	(30,685)
Other cost of sales and services		(402,279)	(283,709)
Gross profit		428,323	378,365
Other income		10,371	11,396
Administrative expenses		(127,337)	(122,252)
(Loss) gain on disposal of available-for-sale investments		(41,175)	40,998
(Decrease) increase in fair value of financial assets at fair value through profit or loss	*10*	(97,415)	4,146
Decrease (increase) in fair value of financial liabilities at fair value through profit or loss	*14*	31,061	(67,754)
Decrease in fair value of derivative financial instruments	*11*	21,650	221
(Decrease) increase in fair value of investments held for trading		(30,362)	35,480
(Decrease) increase in fair value of investment properties		(50,583)	4,440
Discount on acquisition of a subsidiary	*22*	–	66,140
Share of results of associates		4,895	7,934
Share of results of jointly controlled entities		(1,452)	6,285
Finance costs		(46,613)	(61,137)

	NOTES	Six months ended 30.9.2008 (unaudited) HK$'000	30.9.2007 (audited) HK$'000
Profit before taxation		101,363	304,262
Income tax expense	4	(63,232)	(49,488)
Profit for the period	5	38,131	254,774
Attributable to:			
Equity holders of the Company		34,809	255,199
Minority interests		3,322	(425)
		38,131	254,774
Dividends	6	–	126,496
Earnings per share	7		
Basic		2.2 cents	16.9 cents
Diluted		0.2 cents	16.8 cents

CONDENSED CONSOLIDATED BALANCE SHEET
At 30 September 2008

	NOTES	**30.9.2008 (unaudited)** *HK$'000*	**31.3.2008 (audited)** *HK$'000*
Non-current assets			
Investment properties	*8*	1,787,938	1,936,939
Property, plant and equipment	*8*	2,631,090	2,598,266
Prepaid lease payments	*8*	1,364,495	1,115,311
Interests in associates		170,014	170,675
Interests in jointly controlled entities		69,490	70,942
Available-for-sale investments	*9*	99,676	93,802
Financial assets designated at fair value through profit or loss	*10*	96,268	264,384
Deposit for acquisition of hotel properties		203,730	97,249
Amounts due from associates		90,069	82,221
Amount due from an investee company		119,995	119,995
Amount due from a minority shareholder		563	563
Loans receivable, secured		1,942	2,110
		6,635,270	6,552,457
Current assets			
Inventories		2,299	1,805
Completed properties for sale		560,060	759,407
Properties under development for sale		1,497,108	1,201,666
Available-for-sale investments	*9*	33,661	72,101
Investments held for trading		42,336	71,277
Financial assets designated at fair value through profit or loss	*10*	60,106	166,103
Loans receivable, secured		59,330	1,154
Debtors, deposits and prepayments	*12*	201,857	167,580
Prepaid lease payments	*8*	21,263	20,141
Amount due from a jointly controlled entity		14,092	13,135
Amounts due from associates		4,252	407
Amount due from a related company		4,531	4,773
Amount due from a minority shareholder		1,452	107
Tax recoverable		11,023	1,889
Pledged bank deposits		182,021	107,339
Deposits with financial institutions		158,682	36,296
Bank balances and cash		1,305,748	408,324
		4,159,821	3,033,504

	NOTES	**30.9.2008 (unaudited)** *HK$'000*	**31.3.2008 (audited)** *HK$'000*
Current liabilities			
Creditors and accruals	*13*	262,377	279,855
Customers' deposits received		131,798	349,050
Amounts due to directors		2,559	3,352
Amounts due to related companies		44,361	43,548
Amounts due to associates		14,773	13,760
Amounts due to minority shareholders		28,935	29,665
Financial liabilities designated at fair value through profit or loss	*14*	370,232	430,123
Derivative financial instruments	*11*	22,317	141,038
Tax payable		186,416	256,747
Obligations under finance leases		2,275	1,247
Bank and other borrowings, secured	*15*	1,142,858	1,018,476
		2,208,901	2,566,861
Net current assets		1,950,920	466,643
Total assets less current liabilities		8,586,190	7,019,100
Capital and reserves			
Share capital	*16*	160,701	161,941
Share premium		2,018,083	2,042,873
Reserves		2,649,564	2,707,863
Equity attributable to equity holders of the Company		4,828,348	4,912,677
Minority interests		44,142	39,467
Total equity		4,872,490	4,952,144
Non-current liabilities			
Amounts due to a minority shareholder		20,794	22,277
Amount due to a jointly controlled entity		12,552	12,552
Deferred taxation		204,870	221,395
Obligations under finance leases		574	574
Bank and other borrowings, secured	*15*	3,474,910	1,810,158
		3,713,700	2,066,956
		8,586,190	7,019,100

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2008

	Attributable to equity holders of the Company												
	Share capital	Share premium	Capital redemption reserve	Assets revaluation reserve	Special reserve	Other reserve	Exchange reserve	Investment revaluation reserve	Share options reserve	Retained profits	Total	Minority interests	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2007 (audited)	146,761	1,509,561	253	7,228	869,357	169,352	(40,159)	(225)	1,464	1,358,356	4,021,948	26,148	4,048,096
Revaluation increase	–	–	–	–	–	–	–	39,360	–	–	39,360	–	39,360
Exchange difference on translation of foreign operations	–	–	–	–	–	–	36,365	–	–	–	36,365	1,868	38,233
Net income recognised directly in equity	–	–	–	–	–	–	36,365	39,360	–	–	75,725	1,868	77,593
Transfer to profit or loss on disposal on available-for-sale investments	–	–	–	–	–	–	–	(40,998)	–	–	(40,998)	–	(40,998)
Profit (loss) for the period	–	–	–	–	–	–	–	–	–	255,199	255,199	(425)	254,774
Total recognised income and expense for the period	–	–	–	–	–	–	36,365	(1,638)	–	255,199	289,926	1,443	291,369
Share issued pursuant to scrip dividend scheme	1,868	58,054	–	–	–	–	–	–	–	–	59,922	–	59,922
Shares issued upon exercise of share options	130	2,568	–	–	–	–	–	–	–	–	2,698	–	2,698
Shares issued upon conversion of convertible bonds	11,229	402,866	–	–	–	–	–	–	–	–	414,095	–	414,095
Recognition of the equity-settled share based payments	–	–	–	–	–	–	–	–	486	–	486	–	486
Dividends paid	–	–	–	–	–	–	–	–	–	(126,496)	(126,496)	–	(126,496)
At 30 September 2007 (audited)	159,988	1,973,049	253	7,228	869,357	169,352	(3,794)	(1,863)	1,950	1,487,059	4,662,579	27,591	4,690,170
Revaluation decrease	–	–	–	–	–	–	–	(51,159)	–	–	(51,159)	–	(51,159)
Exchange difference on translation of foreign operations	–	–	–	–	–	–	118,584	–	–	–	118,584	976	119,560
Net income (expense) recognised directly in equity	–	–	–	–	–	–	118,584	(51,159)	–	–	67,425	976	68,401
Transfer to profit or loss on disposal on available-for-sale investments	–	–	–	–	–	–	–	13,107	–	–	13,107	–	13,107
Profit for the year	–	–	–	–	–	–	–	–	–	177,706	177,706	10,900	188,606
Total recognised income and expense for the year	–	–	–	–	–	–	118,584	(38,052)	–	177,706	258,238	11,876	270,114
Share issued pursuant to scrip dividend scheme	1,289	50,686	–	–	–	–	–	–	–	–	51,975	–	51,975
Shares issued on exercise of share options	765	16,870	–	–	–	–	–	–	–	–	17,635	–	17,635
Shares issued on conversion of convertible bonds	499	19,436	–	–	–	–	–	–	–	–	19,935	–	19,935
Share issue expenses	–	(64)	–	–	–	–	–	–	–	–	(64)	–	(64)
Repurchase of own shares	(600)	(17,104)	–	–	–	–	–	–	–	–	(17,704)	–	(17,704)
Recognition of the equity-settled share based payments	–	–	–	–	–	–	–	–	376	–	376	–	376
Dividends paid	–	–	–	–	–	–	–	–	–	(80,293)	(80,293)	–	(80,293)

	Attributable to equity holders of the Company												
	Share capital	Share premium	Capital redemption reserve	Assets revaluation reserve	Special reserve	Other reserve	Exchange reserve	Investment revaluation reserve	Share options reserve	Retained profits	Total	Minority interests	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 31 March 2008 (audited)	161,941	2,042,873	253	7,228	869,357	169,352	114,790	(39,915)	2,326	1,584,472	4,912,677	39,467	4,952,144
Revaluation decrease	–	–	–	–	–	–	–	(66,949)	–	–	(66,949)	–	(66,949)
Exchange difference on translation of foreign operations	–	–	–	–	–	–	(67,600)	–	–	–	(67,600)	1,353	(66,247)
Net loss recognised directly in equity	–	–	–	–	–	–	(67,600)	(66,949)	–	–	(134,549)	1,353	(133,196)
Transfer to profit or loss on disposal of available-for-sale investments	–	–	–	–	–	–	–	41,175	–	–	41,175	–	41,175
Profit (loss) for the period	–	–	–	–	–	–	–	–	–	34,809	34,809	3,322	38,131
Total recognised income and expense for the period	–	–	–	–	–	–	(67,600)	(25,774)	–	34,809	(58,565)	4,675	(53,890)
Repurchase of own shares	(1,240)	(24,790)	–	–	–	–	–	–	–	–	(26,030)	–	(26,030)
Recognition of the equity-settled share based payments	–	–	–	–	–	–	–	–	266	–	266	–	266
At 30 September 2008 (unaudited)	160,701	2,018,083	253	7,228	869,357	169,352	47,190	(65,689)	2,592	1,619,281	4,828,348	44,142	4,872,490

Special reserve of the Group represented the difference between the nominal value of the share capital issued by the Company and the aggregate of the share capital and the share premium of the subsidiaries acquired pursuant to the group reorganisation in 1991.

Other reserve of the Group represented share premium attributable to subsidiaries pursuant to the group reorganisation in 1991.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 September 2008

	Note	**Six months ended 30.9.2008 (unaudited)** *HK$'000*	**30.9.2007 (audited)** *HK$'000*
Net cash (used in) from operating activities		(219,200)	624,323
Net cash used in investing activities			
Purchase of property, plant and equipment		(59,405)	(31,274)
Purchase of subsidiaries, net of bank balances and cash equivalents acquired	22	–	(70,099)
Purchase of investment properties		(3,062)	–
Proceeds from disposal of property, plant and equipment		43	178
Proceeds from disposal of investment properties		88,000	–
Purchase of available-for-sale investments		(543,515)	(957,035)
Proceeds from disposal of available-for-sale investments		509,132	1,143,639
Increase in prepaid lease payments		(260,446)	(130,405)
Deposit paid on acquisition of properties		(130,280)	(429,218)
(Increase) decrease in pledged bank deposits		(74,682)	39,630
Dividend received from associates		5,556	8,386
Increase in deposit with financial institutions		(122,386)	(53,663)
Dividend received from listed investments		3,488	2,311
Interest received		3,634	4,393
Advance to minority shareholders		(1,345)	–
		(585,268)	(473,157)
Net cash from (used in) financing activities			
Proceeds from issue of shares, net of issue expenses		–	2,942
Repurchase of own shares		(26,030)	–
Repurchase of convertible bonds		(28,830)	–
New bank and other borrowings raised		3,237,876	5,245,373
Repayment of bank and other borrowings		(1,407,850)	(5,152,960)
Repayment of obligations under finance leases		(1,172)	(339)
Repayment to a director		(793)	(4,531)
Advance from (repayment to) related companies		1,055	(14,852)
Repayment to minority shareholders		(2,213)	(13,484)
Dividends paid		–	(66,574)
Interest paid		(68,976)	(76,351)
		1,703,067	(80,776)

	Note	Six months ended 30.9.2008 (unaudited) HK$'000	30.9.2007 (audited) HK$'000
Net increase in cash and cash equivalents		898,599	70,390
Cash and cash equivalents at beginning of the period		408,324	257,442
Effect of foreign exchange rate changes		(1,175)	6,493
Cash and cash equivalents at end of the period		1,305,748	334,325
Analysis of the balances of cash and cash equivalents			
Bank balances and cash		1,305,748	334,511
Bank overdrafts		–	(186)
		1,305,748	334,325

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six months ended 30 September 2008

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange") and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for investment properties and certain financial instruments, which are measured at fair values.

The accounting policies used in the condensed financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2008.

In the current interim period, the Group has applied, for the first time, the following amendments, new interpretations ("new Interpretations") issued by the HKICPA, which are effective for the Group's financial year beginning on 1 April 2008.

HKAS 39 & HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC)-Int 12	Service Concession Arrangements
HK(IFRIC)-Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of these new Interpretations had no material effect on the results or financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been recognised.

The Group has not early applied the following new or revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs[1]
HKAS 1 (Revised)	Presentation of Financial Statements[2]
HKAS 23 (Revised)	Borrowing Costs[2]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[3]
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[2]
HKAS 39 (Amendments)	Eligible Hedged Items[3]
HKFRS 1& HKAS 27 (Amendment)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate[2]
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations[2]
HKFRS 3 (Revised)	Business Combinations[3]
HKFRS 8	Operating Segments[2]
HK(IFRIC)-Int 13	Customer Loyalty Programmes[4]
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate[2]
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation[5]

[1] Effective for annual periods beginning on or after 1 January 2009 except the amendments to HKFRS 5, effective for annual periods beginning on or after 1 July 2009

[2] Effective for annual periods beginning on or after 1 January 2009

[3] Effective for annual periods beginning on or after 1 July 2009

[4] Effective for annual periods beginning on or after 1 July 2008

[5] Effective for annual periods beginning on or after 1 October 2008

The adoption of HKAS 1 results in change in a presentation of primary statements of financial statements and HKFRS 8 results in a change in the basis of reporting of segment information. The adoption of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions. The directors of the Company anticipate that the application of the other new or revised standards, amendments or interpretation will have no material impact on the results and the financial position of the Group.

3. TURNOVER AND SEGMENT INFORMATION

Business segments

For management purposes, the Group is currently organised into three major operating divisions-property development and investment, hotel operations, and financial products investment. These divisions are the basis on which the Group reports its primary segment information. Other operations include sale of boiler products and interest income from deposits and loan receivables.

Principal activities are as follows:

Property development and investment	–	properties development, letting and sale
Hotel operations	–	hotel operations and management
Financial products investments	–	investment and trading in securities

Six months ended 30 September 2008

	Property development and investment *HK$'000*	Hotel operations *HK$'000*	Financial products investments *HK$'000*	Other operations *HK$'000*	Eliminations *HK$'000*	Consolidated *HK$'000*
REVENUE						
External sales	507,194	318,232	33,803	2,022	–	861,251
Inter-segment sales	19,612	–	–	–	(19,612)	–
Total revenue	526,806	318,232	33,803	2,022	(19,612)	861,251

Inter-segment sales are charged at mutually agreed price.

RESULTS						
Segment results	137,935	106,437	(107,759)	(962)		135,651
Unallocated corporate expenses						(22,179)
Decrease in fair value of financial liabilities designated at fair value through profit or loss	–	–	31,061	–		31,061
Share of results of associates	2,882	–	–	2,013		4,895
Share of results of jointly controlled entities	–	–	–	(1,452)		(1,452)
Finance costs						(46,613)
Profit before taxation						101,363
Income tax expenses						(63,232)
Profit for the period						38,131

Six months ended 30 September 2007

	Property development and investment	Hotel operations	Financial products investments	Other operations	Eliminations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
REVENUE						
External sales	345,163	268,206	79,104	286	–	692,759
Inter-segment sales	14,618	–	–	–	(14,618)	–
Total revenue	359,781	268,206	79,104	286	(14,618)	692,759

Inter-segment sales are charged at mutually agreed price.

	Property development and investment	Hotel operations	Financial products investments	Other operations	Eliminations	Consolidated
RESULTS						
Segment results	114,699	102,377	163,028	806		380,910
Unallocated corporate expenses						(28,116)
Discount on acquisition of a subsidiary	–	66,140	–	–		66,140
Increase in fair value of financial liabilities designated at fair value through profit or loss	–	–	(67,754)	–		(67,754)
Share of results of associates	7,889	–	–	45		7,934
Share of results of jointly controlled entities	–	–	–	6,285		6,285
Finance costs						(61,137)
Profit before taxation						304,262
Income tax expenses						(49,488)
Profit for the period						254,774

4. INCOME TAX EXPENSE

	Six months ended 30.9.2008 HK$'000	Six months ended 30.9.2007 HK$'000
The income tax expense comprises:		
Current period:		
Hong Kong	11,270	36,804
PRC Enterprises Income Tax	67,767	1,317
Other jurisdictions	11	208
	79,048	38,329
Underprovision in prior periods:		
Hong Kong	708	3,410
Other jurisdictions	–	1,835
	708	5,245
Deferred taxation		
Current period	(4,250)	5,914
Attributable to a change in tax rate	(12,274)	–
	(16,524)	5,914
	63,232	49,488

Hong Kong Profits Tax, PRC Enterprises Income Tax and taxation arising in other jurisdictions are recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which includes the reduction in corporate profit tax rate by 1% to 16.5% effective from the year of assessment 2008-2009. The effect of such decrease has been reflected in measuring the current and deferred tax for the six months ended 30 September 2008.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions. The tax charge for the year includes land appreciation tax of HK$39,066,000 (six months ended 30.9.2007: Nil).

On 16 March 2007, the PRC government promulgated the Law of the People's Republic of China on Enterprise Income Tax (the "New Law") by Order No. 63. On 6 December 2007, the State Council of the PRC issued Implementation Regulations of the New Law. The New Law and Implementation Regulations will change the tax rate from 33% to 25% from 1 January 2008.

5. PROFIT FOR THE PERIOD

	Six months ended 30.9.2008 *HK$'000*	Six months ended 30.9.2007 *HK$'000*
Profit for the period has been arrived at after charging (crediting):		
Amortisation of investment in a jointly controlled entity (included in share of results of jointly controlled entities)	1,452	1,452
Amortisation of prepaid lease payments	5,870	5,162
Allowance for loans receivable	–	3,900
Allowance for bad and doubtful debts	4,630	3,071
Depreciation on property, plant and equipment	28,259	27,625
Share of taxation of associates (included in share of results of associates)	(37)	427
Dividend income from listed investments	(3,488)	(2,311)
Bank interest income	(3,634)	(4,393)

6. DIVIDENDS

A final dividend of HK$8 cents per share for the year ended 31 March 2007 amounting to HK$126,496,000 was paid to the shareholders during the six months ended 30 September 2007.

Subsequent to 30 September 2008, the directors declared an interim dividend of HK1 cent (30 September 2007: HK5 cents) per share payable to the shareholders of the Company whose names appear in the Register of Members on 12 January 2009.

Shareholders have an option to receive new shares of the Company in lien of cash for the interim dividend declared for the period and the final dividend paid during the period.

7. EARNINGS PER SHARE

The calculation of the basis and diluted earnings per share attributable to the equity holders of the Company is based on the following data:

	Six months ended 30.9.2008 *HK$'000*	Six months ended 30.9.2007 *HK$'000*
Earnings:		
Earnings for the purpose of basic earnings per share	34,809	255,199
Effect of convertible bonds – decrease in fair value of financial liabilities designated as at fair value through profit or loss	(31,061)	–
Earnings for the purpose of diluted earnings per share	3,748	255,199

	Six months ended	
	30.9.2008	**30.9.2007**
	'000	*'000*
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,613,961	1,505,868
Effect of dilutive potential ordinary shares		
– convertible bonds	134,312	–
– share options	–	9,228
Weighted average number of ordinary shares for the purpose of diluted earnings per share	1,748,273	1,515,096

The computation of diluted earnings per share for the six months ended 30 September 2008 does not assume the conversion of outstanding share options, since the exercise price of the Company's option was higher than the average market price for shares for the period.

The computation of diluted earnings per share for the six months ended 30 September 2007 does not assume the conversion of convertible bonds, since their conversion would result in an increase in earnings per share for the prior period.

8. MOVEMENTS IN INVESTMENT PROPERTIES, PROPERTY, PLANT AND EQUIPMENT AND PREPAID LEASE PAYMENTS

The investment properties with a fair value of HK$88,000,000 was disposed of during the period.

The Group acquired certain investment properties, property, plant and machinery and prepaid lease payments amounting to HK$3,062,000, HK$100,377,000 and HK$260,446,000 (six months ended 30.9.2007: Nil, HK$161,624,000 and HK$130,405,000) respectively.

The fair value of the investment properties in Hong Kong, the PRC, Malaysia, Singapore and Australia at 30 September 2008 and 31 March 2008 have been arrived at on the basis of a valuation carried out on that date by DTZ Debenham Tie Leung Limited, Raine & Horne International Zaki + Partners Sdn. Bhd. and Jones Lang LaSalle Property Consultants Pte Ltd., independent qualified professional valuers not connected with the Group, respectively. DTZ Debenham Tie Leung Limited, is member of the Hong Kong Institute of Surveyors ("HKIS") and Raine & Horne International Zaki + Partners Sdn. Bhd. and Jones Lang LaSalle Property Consultants Pte Ltd. are members of Royal Institution of Chartered Surveyors. The valuation was arrived at by reference to market evidence of transaction prices for similar properties.

9. AVAILABLE-FOR-SALE INVESTMENTS

	30.9.2008	31.3.2008
	HK$'000	*HK$'000*
Listed equity securities:		
Hong Kong	54,287	40,089
Overseas	325	29,271
	54,612	69,360
Unlisted securities:		
Equity securities	33,718	26
Debt securities with fixed interest rates	11,346	24,416
Investment funds	33,661	72,101
	78,725	96,543
	133,337	165,903
Analysed for reporting purposes as:		
Non-current assets	99,676	93,802
Current assets	33,661	72,101
	133,337	165,903

Available-for-sale investments are stated at fair value, except that the unlisted equity securities are measured at cost less impairment where applicable as the directors are of the opinion that their fair values cannot be measured reliably.

The fair value of the listed equity securities are determined based on the quoted market bid prices available on the relevant stock exchange. The fair value of the debt securities are determined in accordance with generally accepted pricing models based on discounted cash flow. The fair value of the investment funds are determined with reference to the value of the underlying assets of the funds.

The fair value of available-for-sale investments have decreased by HK$66,949,000 which is debited to the investment revaluation reserve (six months ended 30.9.2007: increased by HK$39,360,000 and credited to the investment revaluation reserve).

10. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

The amount represents unlisted equity-linked notes of aggregate principal amount of HK$210,833,000 (31.3.2008: HK$536,438,000) with fixed coupon interest rates and remaining time to maturity ranging from six months to two years. The notes contain terms enabling the issuers either to deliver the underlying equity securities on maturity if the market prices of underlying securities are lower than their respective predetermined reference prices or cash settlement of the principal and interest if market price of the underlying securities are higher than their respective predetermined reference prices.

The equity linked notes which contain a host contract and an embedded derivative are designated as financial assets at fair value through profit or loss and are measured at fair value. They are classified into current and non-current based on the maturity date of the respective notes.

During the year, the Group took delivery of the listed equity securities on maturity of certain notes. The Group also requested for early termination of certain notes by net cash settlement based on the fair values of the respective notes at the date of termination. The loss in fair value arising on notes either matured or terminated in the current period amounts to HK$48,028,000 (six months ended 30.9.2007: HK$13,879,000).

The fair values of the equity-linked notes are determined based on valuation provided by the issuers, and are determined using generally accepted pricing models based on discounted cashflow using prices or rates from observable current market transactions. The loss in fair value of the outstanding contracts at 30 September 2008 amounting to HK$49,387,000 (six months ended 30.9.2007: gain of HK$18,025,000) is debited to the condensed consolidated income statement.

11. DERIVATIVE FINANCIAL INSTRUMENTS

The amount represents forward contracts to purchase certain listed equity securities with contracted amount of HK$56,011,000 (31.3.2008: HK$627,208,000) with remaining time to maturity ranging from one to three months. The Group has an obligation under the contracts to purchase the designated securities at a series of predetermined reference prices on specified dates with intervals of weekly or monthly up to December 2008. The contracts will be terminated if the market prices of the underlying securities are higher than their respective predetermined strike prices.

During the period, the Group took delivery of the listed equity securities as required. The Group also requested for early termination of certain contracts by cash settlement which was determined based on the then market value of the underlying securities and the quantity of securities obligated to purchase over the remaining time to maturity.

The fair value of the contracts are based on valuation provided by the counterparty and are determined using option pricing model. The gain in fair values of these contracts amounting to HK$21,650,000 (six months ended 30.9.2007: HK$221,000) was credited to the condensed consolidated income statement.

12. DEBTORS, DEPOSITS AND PREPAYMENTS

The debtors, deposits and prepayments include trade debtors of approximately HK$37,234,000 (31.3.2008: HK$49,202,000). The Group allows an average credit period of 60 days to its trade customers.

The following is an aged analysis of trade debtors, based on the invoice date, at the balance sheet dates:

	30.9.2008	**31.3.2008**
	HK$'000	*HK$'000*
0-60 days	30,108	42,069
61-90 days	4,059	1,454
Over 90 days	3,067	5,679
	37,234	49,202

13. CREDITORS AND ACCRUALS

The creditors and accruals included trade creditors of HK$111,691,000 (31.3.2008: HK$131,144,000).

The following is an aged analysis of trade creditors at the balance sheet dates:

	30.9.2008	**31.3.2008**
	HK$'000	*HK$'000*
0-60 days	40,604	21,804
61-90 days	414	670
Over 90 days	70,673	108,670
	111,691	131,144

14. FINANCIAL LIABILITIES DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30.9.2008	**31.3.2008**
	HK$'000	*HK$'000*
Convertible bond listed in Hong Kong denominated in:		
– Hong Kong dollars *(note i)*	368,324	428,175
– United States dollars *(note ii)*	1,908	1,948
	370,232	430,123

(i) On 10 December 2004, the Company issued zero coupon convertible bonds with a principal amount of HK$754,000,000 (the "HK$ Bonds") maturing on 10 December 2009. The holders of the HK$ Bonds are entitled to convert the HK$ Bonds into ordinary shares of the Company at an initial conversion price of HK$4.10 (subsequently adjusted to HK$2.96 and subsequent to the balance sheet date at 30 September 2008 from HK$2.96 to HK$2.81) per share, during the period from 11 January 2007 to 10 November 2009, or to require the Company to redeem all or some of the HK$ Bonds on 10 December 2008 at 104.58% of their principal amount. The Company may redeem in full the remaining HK$ Bonds on or at any time after 10 June 2007 and prior to 10 December 2009, subject to certain conditions. Unless previously redeemed, converted or purchased and cancelled, the HK$ Bonds will be redeemed at 111.84% of their principal amount and on maturity.

At 30 September 2008, HK$364,680,000 (31.3.2008: HK$394,680,000) of the principal amount of HK$ Bonds was outstanding. During the period, the Company repurchased HK$30,000,000 HK$ Bonds at a price of HK$28,830,000 but no conversion rights were exercised by the holders of the HK$ Bonds.

(ii) On 13 April 2004, the Company issued zero coupon convertible bonds with a principal amount of US$66,989,000 (the "US$ Bonds") and maturing on 13 April 2009. The holders of the US$ Bonds are entitled to convert the US$ Bonds into ordinary shares of the Company at an initial conversion price of HK$2.25 (subsequently adjusted to HK$2.00 and subsequent to the balance sheet date at 30 September 2008 from HK$2.00 to HK$1.899) per share during the period from 13 May 2004 to 14 March 2009, or to require the Company to redeem in full the US$ Bonds on 13 April 2007 at 102.01% of their principal amount. The Company may redeem in full the remaining US$ Bonds, on or at any time after 13 April 2007 and prior to 13 April 2009, subject to certain conditions. Unless previously redeemed, converted or purchased and cancelled, the US$ Bonds will be redeemed at 105.10% of their principal amount on maturity.

During the period ended 30 September 2008, no conversion rights were exercised by the holders of the US$ Bonds.

The fair values of convertible bonds which contain a liability component and an embedded conversion option are determined based on the respective fair value of the components. The fair value of the liability component is determined based on discounted cash flow using the Company's current borrowing rate and the fair value of conversion options is based on the black-scholes model.

The change in the fair value of convertible bonds includes the effects of the decrease in fair value of the liability component which is affected by the market interest rate, credit spread of the Group and the time to maturity and decrease in the fair value of the conversion option. The decrease in fair value of HK$ Bonds and US$ Bonds during the period amounting to HK$31,021,000 and HK$40,000 was recognised in condensed consolidated income statement.

15. BANK AND OTHER BORROWINGS

	30.9.2008	31.3.2008
	HK$'000	*HK$'000*
The borrowings comprise:		
Bank loans	4,001,456	2,467,647
Mortgage loans	401,546	208,283
Other loans	276,983	152,704
	4,679,985	2,828,634
Less: front-end fee	(62,217)	–
	4,617,768	2,828,634
Analysed for reporting purposes as:		
Non-current liabilities	3,474,910	1,810,158
Current liabilities	1,142,858	1,018,476
	4,617,768	2,828,634

During the period, the Group obtained new bank loans and other loans of approximately HK$3,108,946,000 (six months ended 30.9.2007: HK$554,767,000) and HK$128,930,000 (six months ended 30.9.2007: HK$4,690,606,000) respectively and repaid bank loans and other loans of approximately HK$1,403,199,000 (six months ended 30.9.2007: HK$561,996,000) and HK$4,651,000 (six months ended 30.9.2007: HK$4,590,964,000) respectively.

The Group's bank loans and mortgage loans are secured, with repayment terms ranging from one to eight years and bear interest at floating rates. The range of effective interest rates for the year on the Group's bank borrowings are 2% to 5.25% (2007: 3% to 7.25%). Other loans are secured, repayable on demand and bear floating interest rate range from 1.07% to 8.25% (2007: 1.07% to 10.75%) per annum.

16. SHARE CAPITAL

	Number of ordinary shares of HK$0.1 each	Share capital *HK$'000*
Authorised	2,000,000,000	200,000
Issued and fully paid:		
At 1 April 2007	1,467,608,319	146,761
Issue of shares in lien of cash dividends at HK$3.21	18,677,554	1,868
Issue of shares on conversion of convertible bonds at HK$2.96	112,286,644	11,229
Issue of shares on exercise of share options at HK$2.075	1,300,000	130
At 30 September 2007	1,599,872,517	159,988
Issue of shares in lien of cash dividends at HK$4.03	12,889,436	1,289
Issue of shares on conversion of convertible bonds at HK$2.96	4,999,999	499
Issue of shares on exercise of share options at HK$3.29	7,650,000	765
Repurchase of shares	(6,000,000)	(600)
At 31 March 2008	1,619,411,952	161,941
Repurchase of shares	(12,397,000)	(1,240)
At 30 September 2008	1,607,014,952	160,701

During the period, 30 September 2008, the Company via its subsidiary repurchased certain of its own shares as follows:

Month of repurchase	No. of ordinary share of HK$0.01 each *HK$*	Price per share Highest *HK$*	Price per share Lowest *HK$*	Aggregate consideration paid *HK$*
April 2008	1,825,000	3.00	2.72	5,178,000
May 2008	904,000	2.80	2.62	2,468,000
June 2008	600,000	2.58	2.55	1,536,000
July 2008	4,320,000	2.00	1.82	8,460,000
August 2008	3,748,000	1.90	1.70	6,906,000
September 2008	1,000,000	1.51	1.43	1,482,000

The above share were cancelled upon repurchase and, accordingly the issued share capital of the Company was reduced by the nominal value of these shares and the premium paid on repurchase was charged to share premium.

17. SHARE OPTIONS

The Company has a share option scheme, with share options granted on 21 October 2004 at an initial exercise price at HK$2.075 per share and on 25 August 2006 at an initial exercise price at HK$3.290 per share, subject to vesting periods ranging from 21 October 2004 to 31 December 2008 and 25 August 2006 to 31 December 2009 respectively. The movement of the number of share options under a share option scheme for eligible employees of the Group during the current period are as follows:

	30.9.2008	**31.3.2008**
	'000	*'000*
At beginning of the period	18,550	27,500
Exercised during the period	–	(8,950)
Forfeited during the period	(400)	–
At end of the period	18,150	18,550

The estimated fair value of the options granted determined at the date of grant using the Binominal model was approximately HK$2,961,000. The Group recognised a total share option expense of approximately HK$266,000 (six months period ended 30 September 2007: HK$486,000) during the period.

18. PLEDGE OF ASSETS

At the balance sheet date, the Group had pledged the following assets:

(a) The Group's completed properties for sale, investment properties, property, plant and equipment and prepaid lease payments with an aggregate carrying amount of approximately HK$5,460,403,000 (31.3.2008: HK$4,989,610,000), bank deposits with an carrying amount of approximately HK$182,021,000 (31.3.2008: HK$107,339,000) and available-for-sales investments with an carrying amount of Nil (31.3.2008: HK$764,000), were pledged to Group's bankers and loan creditors to secure banking and loan facilities granted to the Group to the extent of approximately HK$5,253,948,000 (31.3.2008: HK$3,626,111,000) of which HK$4,403,002,000 (31.3.2008: HK$2,675,930,000) were utilised.

(b) The Group's investments held for trading, available-for-sale investments and derivative financial instruments, and deposits with financial institutions with an aggregate carrying amount of approximately HK$256,184,000 (31.3.2008: HK$192,598,000) were pledged to the Group's financial institutions to secure margin trading facilities granted to the Group in respect of securities transactions to the extent of approximately HK$677,852,000 (31.3.2008: HK$732,771,000), of which HK$276,983,000 (31.3.2008: HK$152,704,000) were utilised.

19. CONTINGENT LIABILITIES

The Group has given guarantee in respect of mortgage loans provided to the home buyers of a property project in the PRC amounting to HK$153,207,000 (31.3.2008: HK$354,419,000). The director considered that the fair values of the guarantee at their initial recognition are insignificant because of the short maturity periods of the loan and low default rates of mortgage loans.

20. COMMITMENTS

	30.9.2008	31.3.2008
	HK$'000	*HK$'000*
Capital expenditure contracted but not provided for in the condensed consolidated financial statements in respect of:		
Hotel properties and hotel properties under development	714,686	611,695
Others	965	14,164
	715,651	625,859
Capital expenditure authorised but not contracted for in respect of:		
Hotel properties	90,000	73,636
	805,651	699,495
Expenditure contracted but not provided for in the condensed consolidated financial statements in respect of properties for sales	665,493	719,850

21. RELATED PARTIES TRANSACTIONS

During the period, the Group entered into the following significant transactions with related parties:

		Six months ended	
Related party	**Nature of transaction**	**30.9.2008**	**30.9.2007**
		HK$'000	*HK$'000*
Associates	Building management fee expenses	2,616	1,950
Jointly controlled entities	Rental income	1,200	1,200

These transactions have been entered into on terms agreed by parties concerned.

Details of the balances with related parties as at the balance sheet date are set out in the condensed consolidated balance sheet and relevant notes to the condensed consolidated financial statements.

The remuneration of directors and other members of key management during the year was as follows:

	Six months ended	
	30.9.2008	**30.9.2007**
	HK$'000	*HK$'000*
Short-term benefits	5,884	5,693
Post-employment benefits	36	176
	5,920	5,869

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

22. ACQUISITION OF A SUBSIDIARY

On 26 September 2007, the Group acquired the entire issued share capital of Merlin Labuan Sdn Bhd ("MLSB") which is engaged in hotel operation, at a consideration of HK$72,960,000, together with the assignment of the shareholders' loans at its carrying amount, pursuant to the Novation Agreement dated 26 September 2007. The fair value of net assets acquired were as follows:

	Carrying amount	Fair value adjustment	Fair value
	HK$'000	*HK$'000*	*HK$'000*
Net assets acquired:			
Property, plant and equipment	108,528	–	108,528
Prepaid lease payments	12,403	15,869	28,272
Inventories	445	–	445
Debtors, deposits and prepayments	3,578	–	3,578
Bank balances and cash	2,861	–	2,861
Creditors and accruals	(4,584)	–	(4,584)
Shareholders' loans	(321,239)	–	(321,239)
	(198,008)	15,869	(182,139)
Assignment of shareholders' loans			321,239
			139,100
Discount on acquisition recognised in the consolidated income statement			(66,140)
Consideration satisfied by cash			72,960
Net cash outflow arising on acquisition:			
Cash consideration			(72,960)
Bank balances and cash acquired			2,861
			(70,099)

The acquisitions have been accounted for using the purchase method.

The discount arising on acquisitions represents excess of acquirer's interest in the net fair value of assets attributable by the bargain purchase with the shareholders of the acquiree.

23. POST BALANCE SHEET EVENT

1) On 1 October 2008, the Group acquired certain subsidiaries incorporated in Malaysia with principal activities of hotel operation from a director. The consideration was satisfied by the issue of the zero coupon convertible bond (the "New Bonds") with a principal amount of HK$331,445,000 and maturing five years after the date of issue. The holders of the New Bonds are entitled to convert the bonds into ordinary shares of the Company at an initial conversion price of HK$4.3 per share (subject to adjustment) until maturity. The outstanding New Bonds will be redeemed at 100% of the principal amount on maturing.

   The seller is in the process of finalising the financial information of the subsidiaries and is impracticable to disclose their financial information and their impacts on the Company.

2) In November 2008, the Group acquired certain lands in Australia at a consideration of approximately A$33,100,000 (equivalent to HK$165,200,000). The lands are intended to hold for sales after completion of development.

3) Subsequent to the period end, the Company repurchased a total of HK$278,000,000 in principal amount of the HK$ Bonds at prices ranging from 88.83% to 96.10% giving a total consideration of HK$222,440,900.

4) Due to the recent global financial crisis, foreign currencies in particular, the Australia dollars and the value of the Group's financial instruments have decreased substantially subsequent to balance sheet date. Should the Group's derivative and non-derivative financial assets and liabilities at 30 September 2008 not been disposed of as at 30 November 2008, the latest practicable date prior to approval of the condensed consolidated financial statements, the profits and net assets of the Group would have been decreased by approximately HK$18,000,000 and HK$29,000,000 respectively, and the Group's net assets would have been decreased by approximately HK$51,000,000 due to the fluctuation of Australia dollars.

(B) AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2008

	Notes	2008 HK$'000	2007 HK$'000
Revenue	7	2,159,514	875,176
Depreciation on hotel properties and equipment		(52,548)	(30,045)
Other cost of sales		(1,028,142)	(412,384)
Gross profit		1,078,824	432,747
Other income		42,593	20,236
Doubtful loan receivable recovered	45(b)	–	57,443
Administrative expenses		(266,476)	(294,120)
(Loss) gain on disposal of available-for-sale investments		(5,660)	113,755
Decrease in fair value of financial assets at fair value through profit or loss		(154,391)	(12,926)
(Increase) decrease in fair value of financial liabilities at fair value through profit or loss		(25,817)	68,839
Changes in fair value of derivative financial instruments		(139,105)	10,402
(Decrease) increase in fair value of investments held for trading		(48,061)	7,916
Increase in fair value of investment properties	15	205,562	59,841
Discount on acquisition	45	66,140	44,208
Gain on disposal of a subsidiary	46	–	225,200
Share of results of associates		15,675	28,970
Share of results of jointly controlled entities		(2,904)	(771)
Finance costs	9	(107,984)	(67,917)
Profit before taxation		658,396	693,823
Taxation	10	(215,016)	(157,394)
Profit for the year	11	443,380	536,429

	Notes	2008 HK$'000	2007 HK$'000
Attributable to:			
– Equity holders of the Company		432,905	538,955
– Minority interests		10,475	(2,526)
		443,380	536,429
Dividends	13		
– Interim, paid		80,293	58,196
– Final, paid		126,496	86,533
		206,789	144,729
		HK cents	HK cents
Earnings per share	14		
– Basic		27.8	37.2
– Diluted		26.4	27.6

CONSOLIDATED BALANCE SHEET
At 31 March 2008

	Notes	2008 HK$'000	2007 HK$'000
Non-current assets			
Investment properties	15	1,936,939	1,371,722
Property, plant and equipment	16	2,598,266	2,040,663
Prepaid lease payments	17	1,115,311	680,236
Interests in associates	18	170,675	165,094
Interests in jointly controlled entities	19	70,942	73,846
Available-for-sale investments	20	93,802	245,289
Financial assets as at fair value through profit or loss	22	264,384	673,188
Deposit for acquisition of hotel properties		97,249	12,146
Amounts due from associates	23	82,221	78,542
Amount due from an investee company	24	119,995	119,995
Amount due from a minority shareholder	25	563	563
Loans receivable	26	2,110	7,480
Pledged bank deposits	32, 48	–	3,165
		6,552,457	5,471,929
Current assets			
Inventories	27	1,805	1,269
Completed properties for sale		912,618	710,922
Properties under development for sale	28	1,048,455	1,428,063
Available-for-sale investments	20	72,101	171,615
Investments held for trading	21	71,277	50,764
Financial assets designated as at fair value through profit or loss	22	166,103	180,825
Derivative financial instruments	29	–	2,411
Loans receivable	26	1,154	1,022
Debtors, deposits and prepayments	30	167,687	138,266
Prepaid lease payments	17	20,141	11,904
Amount due from a jointly controlled entity	31	13,135	12,270
Amounts due from associates	23	407	2,331
Amount due from a related company	31	4,773	–
Taxation recoverable		1,889	11,194
Pledged bank deposits	32, 48	107,339	98,656
Deposits with financial institutions	32	36,296	154,891
Bank balances and cash	32	408,324	264,024
		3,033,504	3,240,427

	Notes	2008 HK$'000	2007 HK$'000
Current liabilities			
Creditors and accruals	33	279,855	401,153
Customers' deposits received		349,050	171,785
Amounts due to directors	34	3,352	7,070
Amounts due to related companies	35	43,548	162,867
Amounts due to associates	36	13,760	11,885
Amounts due to minority shareholders	36	29,665	28,763
Financial liabilities designated as at fair value through profit or loss	37	430,123	838,336
Derivative financial instruments	29	141,038	1,925
Taxation payable		256,747	151,730
Obligations under finance leases	38	1,247	766
Bank and other borrowings, secured	39	1,018,476	1,233,225
Bank overdrafts, secured		–	6,582
		2,566,861	3,016,087
Net current assets		466,643	224,340
		7,019,100	5,696,269
Capital and reserves			
Share capital	40	161,941	146,761
Reserves		4,750,736	3,875,187
Equity attributable to equity holders of the Company		4,912,677	4,021,948
Minority interests		39,467	26,148
Total equity		4,952,144	4,048,096
Non-current liabilities			
Amount due to a minority shareholder	42	22,277	43,079
Amount due to a jointly controlled entity	42	12,552	12,552
Deferred taxation	43	221,395	188,206
Obligations under finance leases	38	574	1,070
Bank and other borrowings, secured	39	1,810,158	1,403,266
		2,066,956	1,648,173
		7,019,100	5,696,269

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2008

	Attributable to equity holders of the Company												
	Share capital	Share premium	Capital redemption reserve	Assets revaluation reserve	Special reserve	Other reserve	Exchange reserve	Investment revaluation reserve	Share options reserve	Retained profits	Total	Minority interests	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'00*	*HK$'0000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2006	144,108	1,431,501	253	7,228	869,357	169,352	(124,230)	82,834	–	964,130	3,544,533	27,250	3,571,783
Revaluation increase	–	–	–	–	–	–	–	173,249	–	–	173,249	–	173,249
Exchange difference on translation of foreign operations	–	–	–	–	–	–	84,071	–	–	–	84,071	1,424	85,495
Net income (expense) recognised directly in equity	–	–	–	–	–	–	84,071	173,249	–	–	257,320	1,424	258,744
Transfer to profit or loss on disposal on available-for-sale investments	–	–	–	–	–	–	–	(256,308)	–	–	(256,308)	–	(256,308)
Profit (loss) for the year	–	–	–	–	–	–	–	–	–	538,955	538,955	(2,526)	536,429
Total recognised income and expense for the year	–	–	–	–	–	–	84,071	(83,059)	–	538,955	539,967	(1,102)	538,865
Shares issued pursuant to scrip dividend scheme	2,002	65,180	–	–	–	–	–	–	–	–	67,182	–	67,182
Shares issued upon exercise of share options	278	5,491	–	–	–	–	–	–	–	–	5,769	–	5,769
Shares issued upon conversion of convertible bonds	373	7,420	–	–	–	–	–	–	–	–	7,793	–	7,793
Shares issue expenses	–	(31)	–	–	–	–	–	–	–	–	(31)	–	(31)
Recognition of the equity-settled share based payments	–	–	–	–	–	–	–	–	1,464	–	1,464	–	1,464
Dividends paid	–	–	–	–	–	–	–	–	–	(144,729)	(144,729)	–	(144,729)

	Attributable to equity holders of the Company												
	Share capital	Share premium	Capital redemption reserve	Assets revaluation reserve	Special reserve	Other reserve	Exchange reserve	Investment revaluation reserve	Share options reserve	Retained profits	Total	Minority interests	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'00*	*HK$'0000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 31 March 2007	146,761	1,509,561	253	7,228	869,357	169,352	(40,159)	(225)	1,464	1,358,356	4,021,948	26,148	4,048,096
Revaluation decrease	–	–	–	–	–	–	–	(45,350)	–	–	(45,350)	–	(45,350)
Exchange difference on translation of foreign operations	–	–	–	–	–	–	154,949	–	–	–	154,949	2,844	157,793
Net income (expense) recognised directly in equity	–	–	–	–	–	–	154,949	(45,350)	–	–	109,599	2,844	112,443
Transfer to profit or loss on disposal of available-for-sale investments	–	–	–	–	–	–	–	5,660	–	–	5,660	–	5,660
Profit (loss) for the year	–	–	–	–	–	–	–	–	–	432,905	432,905	10,475	443,380
Total recognised income and expense for the year	–	–	–	–	–	–	154,949	(39,690)	–	432,905	548,164	13,319	561,483
Shares issued pursuant to scrip dividend scheme	3,157	108,740	–	–	–	–	–	–	–	–	111,897	–	111,897
Shares issued upon exercise of share options	895	19,438	–	–	–	–	–	–	–	–	20,333	–	20,333
Shares issued upon conversion of convertible bonds	11,728	422,302	–	–	–	–	–	–	–	–	434,030	–	434,030
Shares issue expenses	–	(64)	–	–	–	–	–	–	–	–	(64)	–	(64)
Repurchase of own shares	(600)	(17,104)	–	–	–	–	–	–	–	–	(17,704)	–	(17,704)
Recognition of the equity-settled share based payments	–	–	–	–	–	–	–	–	862	–	862	–	862
Dividends paid	–	–	–	–	–	–	–	–	–	(206,789)	(206,789)	–	(206,789)
At 31 March 2008	161,941	2,042,873	253	7,228	869,357	169,352	114,790	(39,915)	2,326	1,584,472	4,912,677	39,467	4,952,144

Special reserve of the Group represented the difference between the nominal value of the share capital issued by the Company and the aggregate of the share capital and the share premium of the subsidiaries acquired pursuant to the group reorganisation in 1991.

Other reserve of the Group represented share premium attributable to subsidiaries pursuant to the group reorganisation in 1991.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2008

	Notes	2008 HK$'000	2007 HK$'000
Operating activities			
Profit before taxation		658,396	693,823
Adjustments for:			
Share of results of jointly controlled entities		2,904	771
Share of results of associates		(15,675)	(28,970)
Depreciation		59,091	35,884
Dividend from listed investments		(4,061)	(4,307)
Interest income		(7,093)	(4,645)
Interest expenses		107,984	72,007
Allowance for bad and doubtful debts		3,460	36,193
Allowance for loans receivable		3,900	3,088
Allowance for amount due from an associate		–	51,923
Increase in fair value of investment properties		(205,562)	(59,841)
Loss (gain) on disposal of available-for-sales investments		5,660	(113,755)
Doubtful loan receivable recovered		–	(57,443)
Increase (decrease) in fair value of financial liabilities through profit or loss		25,817	(68,839)
Gain on disposal of a subsidiary	46	–	(225,200)
Discount on acquisitions	45	(66,140)	(44,208)
Recognition of share-based payments		862	1,464
Amortisation of prepaid lease payments		11,893	6,609
(Gain) loss on disposal of property, plant and equipment		(31)	16
Effect on foreign exchange		–	(24,113)
Operating cash flows before movements in working capital		581,405	270,457
Decrease (increase) in completed properties for sale		720,866	(399,814)
(Increase) decrease in properties under development for sale		(373,587)	342,807
(Increase) decrease in debtors, deposits and prepayments		(11,614)	82,968
Increase in investments held for trading		(20,513)	(43,040)
Decrease (increase) in financial assets designated as at fair value through profit or loss		423,526	(582,533)
Decrease (increase) in derivative financial instruments		141,524	(58,718)
Decrease (increase) in loans receivable		1,338	(62,978)
(Increase) decrease in inventories		(91)	1,016

	Notes	2008 HK$'000	2007 HK$'000
(Decrease) Increase in amounts due from associates		(1,755)	200
Increase in amount due from jointly controlled entities		(865)	(2,618)
(Decrease) increase in creditors and accruals		(125,882)	175,233
Increase in customers' deposits received		177,265	151,201
Increase in amount due to a jointly controlled entity		–	1,751
Decrease (increase) in amounts due to associates		1,875	(11,594)
Cash used in operations		1,513,492	(135,662)
Hong Kong Profits Tax paid		(50,469)	(14,783)
Tax paid for other jurisdictions		(27,940)	(4,289)
Net cash from (used in) operating activities		1,435,083	(154,734)
Investing activities			
Purchase of property, plant and equipment		(446,338)	(163,326)
Purchase of subsidiaries, net of bank balances and cash equivalents acquired	*45(a)*	(70,099)	(252,478)
Purchase of businesses, net of bank balances and cash acquired	*45(b)*	–	555
Purchase of investment properties		(309,709)	–
Proceeds from disposal of a subsidiary, net of bank balances and cash disposed	*46*	–	294,834
Proceeds from disposal of property, plant and equipment		470	130
Purchase of available-for-sale investments		(1,430,013)	(609,297)
Proceeds from disposal of available-for-sale investments		1,635,664	855,824
Increase in prepaid lease payments		(425,770)	(194,871)
Deposit paid on acquisition of a property		(97,249)	(12,146)
Increase in pledged bank deposits		(5,518)	(46,718)
Decrease (increase) in deposits with financial institutions		118,595	(123,891)
Dividend received from associates		10,094	5,570
Dividend received from listed investments		4,061	4,307
Bank interest received		7,093	4,645
(Advance to) repayment from a minority shareholder		(19,900)	8,276
Net cash used in investing activities		(1,028,619)	(228,586)

	Notes	2008 HK$'000	2007 HK$'000
Financing activities			
Proceeds from issue of shares, net of issue expenses		20,269	5,738
Repurchase of own shares		(17,704)	–
New bank and other borrowings raised		972,645	1,489,354
Repayments of bank and other borrowings		(873,208)	(887,261)
Repayments of obligations under finance leases		(563)	(362)
Repayment to a director		(3,718)	(5,398)
Advance to a related company		(4,773)	–
(Repayment to) advance from a related company		(119,319)	117,610
Dividends paid		(94,891)	(77,547)
Interest paid		(142,214)	(120,723)
Net cash (used in) from financing activities		(263,476)	521,411
Net increase in cash and cash equivalents		142,988	138,091
Cash and cash equivalents brought forward		257,442	114,296
Effect of foreign exchange rate changes		7,894	5,055
Cash and cash equivalents carried forward		408,324	257,442
Analysis of the balances of cash and cash equivalents			
Bank balances and cash		408,324	264,024
Bank overdrafts		–	(6,582)
		408,324	257,442

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2008

1. GENERAL

The Company is a public limited company incorporated in the Cayman Islands with its shares listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the registered office and principal place of business of the Company are disclosed in the corporate information to the annual report.

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

The consolidated financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied, for the first time, the following new standard, amendments to Hong Kong Accounting Standards ("HKAS"), Hong Kong Financial Reporting Standard ("HKFRS") and interpretations ("HK(IFRIC)-Int") (new "HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are effective for the Group's financial year beginning 1 April 2007.

HKAS 1 (Amendment)	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC)-Int 8	Scope of HKFRS 2
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment
HK(IFRIC)-Int 11	HKFRS 2: Group and Treasury Share Transactions

The adoption of the new HKFRSs has the following impact:

– The impact of application of HKFRS 7 "Financial Instruments: Disclosures" has been to expand the disclosures provided in the consolidated financial statements regarding the Group's financial instruments, especially on the sensitivity analysis to market risk.

– The impact of application of HKAS 1 (Amendment) "Capital Disclosures" has been to disclose information regarding its objectives, policies and processes for managing capital.

The application of the remaining new HKFRSs has had no material effect on how the results and financial position of the Group for the current or prior accounting periods are prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early adopted the following new and revised standards, amendments or interpretations that have been issued but are not yet effective. The directors of the Company are in the process of assessing the potential impact and so far concluded that the application of these standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

HKAS 1 (Revised)	Presentation of Financial Statements[1]
HKAS 23 (Revised)	Borrowing Costs[1]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[2]
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[1]
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations[1]
HKFRS 3 (Revised)	Business Combinations[2]
HKFRS 8	Operating Segments[1]
HK(IFRIC)-Int 12	Service Concession Arrangements[3]
HK(IFRIC)-Int 13	Customer Loyalty Programmes[4]
HK(IFRIC)-Int 14	HKAS 19-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction[3]

[1] Effective for annual periods beginning on or after 1 January 2009

[2] Effective for annual periods beginning on or after 1 July 2009

[3] Effective for annual periods beginning on or after 1 January 2008

[4] Effective for annual periods beginning on or after 1 July 2008

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values, as explained in the accounting policies set as below.

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements included applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance. The principal accounting policies adopted are as follows:

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company, its subsidiaries. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefit from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses have been eliminated on consolidation.

Minority interests in the net assets of consolidated subsidiaries are presented separately from the Group's equity therein. Minority interests in the net assets consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

Business combinations

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities are recognised at their fair values at the acquisition date.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of business, net of discounts and sales related taxes.

Revenue from sale of properties in the ordinary course of business is recognised when all of the following criteria are met:

- the significant risks and rewards of ownership of the properties are transferred to buyers neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the properties are retained;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from sale of properties in the ordinary course of business is recognised upon the execution of a binding sales agreement and transfer of the legal title or upon the issuance of an occupation permit/ completion certificate by the relevant authority, whichever is the later.

Sales of goods are recognised when goods are delivered and title has passed.

Revenue from hotel operations is recognised when the relevant services are provided.

Rental income from properties under operating leases is recognised on an straight-line basis over the periods of the respective tenancies.

Building management fee income is recognised when the relevant services are provided.

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Dividend income from investments is recognised when the Group's rights to receive payment have been established.

Investment properties

Investment properties are properties held to earn rentals and/or capital appreciation.

On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured using the fair value model. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated income statement in the year in which the item is derecognised.

Transfer from investment property to property, plant and equipment will be made when there is a change in use, evidenced by commencement of owner occupation. Property interests held under operating lease previously classified as an investment property is accounted for as if it were a finance lease and measured under the fair value model. The Group shall continue to account for the lease as a finance lease, even if subsequent event changes the nature of the property interest so that it is no longer classified as investment property.

Property, plant and equipment

Property, plant and equipment other than buildings under development are stated at cost less accumulated depreciation and accumulated impairment loss.

Depreciation is provided to write off the cost of items of property, plant and equipment other than buildings under development over their estimated useful lives and after taking into account of their estimated residual value, items of property, plant and equipment other than properties under development using the straight-line method.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the terms of the leases.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated income statement in the year in which the item is derecognised.

When an item of property, plant and equipment is transferred to investment property carried at fair value, if the carrying amount is decreased as a result of a revaluation at the date of transfer, any resulting decrease in the carrying amount of the property is recognised in profit or loss. If the carrying amount is increased, to the extent that the increase reverses a previous impairment loss for that property, the increase is recognised in profit or loss. The amount recognised in profit or loss does not exceed the amount needed to restore the carrying amount to the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised. Any remaining part of the increase is credited directly to equity (assets revaluation reserve). On subsequent disposal of the investment property, the revaluation surplus included in equity may be transferred to accumulated profits. The transfer from revaluation surplus to accumulated profits is not made through profit or loss.

Buildings under development for own use

Buildings under development held for own use are stated at cost less any impairment loss recognised. Cost comprises development costs including attributable interest and professional charges capitalised during the development period.

No depreciation is provided in respect of buildings under development held for own use. Depreciation of building commences when they are available for use (i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by management).

When the building on the leasehold land is in the course of development for production, rental or for administrative purposes, the leasehold land component is amortised on a straight-line basis over the lease term. The amortisation charge for the leasehold land is included as part of costs of buildings under construction during the construction period.

Owner-occupied leasehold interest in land

When a building is in the course of development for production, rental or for administrative purposes, the leasehold land upon which the building is situated is classified as a prepaid lease payment and amortised over a straight-line basis over the lease term.

Interests in associates

An associate is an entity over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the profit or loss and of changes in equity of the associate, less any identified impairment loss. When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment.

Where a group entity transacts with an associate of the Group, unrealised profits and losses are eliminated to the extent of the Group's interest in the associate, except to the extent that unrealised losses provided evidence of an impairment of the asset transferred, in which case, the full amount of losses is recognised.

Interests in jointly controlled entities

Joint venture arrangements which involve the establishment of a separate entity in which each venturer has joint control over the economic activity of the entity are referred to as jointly controlled entities.

The results and assets and liabilities of jointly controlled entities are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, investments in jointly controlled entities are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the profit or loss and of changes in equity of the jointly controlled entities, less any identified impairment loss. When the Group's share of losses of a jointly controlled entity equals or exceeds its interest in that jointly controlled entity (which includes any long-term interests that, in substance, form part of the Group's net investment in the jointly controlled entity), the Group discontinues recognising its share of further losses. The investment cost is amortised over the period of the joint venture agreement. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that jointly controlled entity.

When a group entity transacts with a jointly controlled entity of the Group, unrealised profits and losses are eliminated to the extent of the Group's interest in the jointly controlled entity, except to the extent that unrealised losses provide evidence of an impairment of the asset transferred, in which case, the full amount of losses is recognised.

Investments in jointly controlled assets

When a group company undertakes its activities under joint venture arrangements directly, constituted as jointly controlled assets, the Group's share of jointly controlled assets and share of any liabilities incurred jointly with other venturers are recognised in the consolidated financial statements and classified according to their nature. Expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis.

Income from the sale or use of the Group's share of the output of jointly controlled assets, together with its share of joint venture expenses, are recognised when it is probable that the economic benefits associated with the transaction will flow to/from the Group.

Impairment of tangible assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss are recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as profit or loss immediately.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average cost method.

Completed properties for sale

Completed properties for sale are stated at the lower of cost and net realisable value. Net realisable value is determined by reference to estimated sale proceeds less estimated selling expenses.

Properties under development for sale

Properties under development for sale are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

The cost of properties under development for sale includes land cost, construction cost, borrowing costs capitalised and other direct development expenditure.

Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Group's financial assets are classified into financial assets at fair value through profits or loss ("FVTPL"), available-for-sale investments and loans and receivables. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount of the financial assets at initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets designated as at FVTPL, of which interest income is included in net gains or losses.

Loans and receivables

Loans and receivables (including amounts due from associates, a jointly controlled entity, an investee company and a minority shareholder, loan receivable, debtors and deposit with banks or investment banks) are carried at amortised cost using the effective interest method, less any identified impairment losses. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial assets at fair value through profit or loss ("FVTPL")

Financial assets at fair value through profit or loss has two subcategories, including financial assets held for trading and those designated at fair value through profit or loss on initial recognition.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition, if it forms part of a contract containing one or more embedded derivatives, HKAS 39 permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

At each balance sheet date subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise. The net fair value gain or loss recognised in profit or loss excludes any interest earned on the financial assets.

Available-for-sale investments

Available-for-sale financial assets are non-derivatives that are either designated or not classified as any of the other categories (set out above). At each balance sheet date subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Changes in fair value are recognised in equity, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognised in equity is removed from equity and recognised in profit or loss. Any impairment losses on available-for-sale financial assets are recognised in profit or loss. Impairment losses on available-for-sale equity investments will not reverse in subsequent periods. For available-for-sale debt investments, impairment losses are subsequently reversed if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses at each balance sheet date subsequent to initial recognition. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired. The amount of the impairment loss is measured as the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses will not reverse in subsequent periods.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

For an available-for-sale equity investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, an impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables and amounts due from subsidiaries, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When such receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Impairment losses on available-for-sale equity investments will not be reversed in profit or loss in subsequent periods. Any increase in fair value subsequent to impairment loss is recognised directly in equity.

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. The Group's financial liabilities are generally classified into financial liabilities at FVTPL and other financial liabilities.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying financial liability at initial recognition.

Interest expense is recognised on an effective interest basis other than those financial liabilities designated as at FVTPL, of which the interest expense is included in net gains or losses.

Financial liabilities at fair value through profit or loss

Conversion option of convertible bonds issued by the Group which is settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of equity instruments is a conversion option derivative which is not closely related to the liability component of the convertible bonds. The Group has designated the instruments in the entity as financial liabilities carried at fair value through profit or loss as the instrument embedded derivatives that are not closely related to the host debt contracts. On initial recognition and in subsequent periods, the convertible bonds are measured at fair value with changes in fair value recognised directly in profit or loss in the period in which they arise.

Other financial liabilities

Other financial liabilities (including creditors, amounts due to directors, related companies, associates, minority shareholders and a jointly controlled entity and bank and other borrowings) are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Derivative financial instruments

Derivatives (including embedded derivatives separately accounted for from the non-derivative host contracts) are deemed as held-for-trading financial assets or financial liabilities, unless they qualify and are designated as effective hedging instruments. For derivatives that are deemed as held for trading, changes in fair values of such derivatives are recognised in profit or loss for the period in which they arise.

Financial guarantee issued

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. A financial guarantee contract issued by the Group and not designated as at fair value through profit or loss is recognised initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount determined in accordance with HKAS 37 Provisions, Contingent Liabilities and Contingent Assets; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with HKAS 18 Revenue.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised directly in equity is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income under operating leases is recognised in the consolidated income statement on a straight-line basis over the term of the relevant lease.

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

Leasehold land and building

The land and building elements of a lease of land and building are considered separately for the purpose of lease classification, unless the lease payments cannot be allocated reliably between the land and building elements, in which case, the entire lease is generally treated as a finance lease and accounted for as property, plant and equipment. To the extent the allocation of the lease payments can be made reliably, leasehold interests in land are accounted for as operating leases.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in its functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which cases, the exchange differences are also recognised directly in equity.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Company (i.e. Hong Kong dollars) at the rate of exchange prevailing at the balance sheet date, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised as a separate component of equity (the exchange reserve). Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

Taxation

Taxation represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's current tax liabilities are measured using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on interests in subsidiaries, associates and jointly controlled entities, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalisation.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

Retirement benefits schemes

Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered service entitling them to the contributions.

Equity-settled share-based payment transactions

Share options granted to employees after 7 November 2002 and vested on or after 1 April 2005

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share options reserve).

At each balance sheet date, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with a corresponding adjustment to share options reserve.

At the time when the share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained profits.

Share options granted to employees on or before 7 November 2002, or granted after 7 November 2002 and vested before 1 April 2005.

The financial impact of share options granted is not recorded in the consolidated financial statements until such time as the options are exercised, and no charge is recognised in the consolidated income statement in respect of the value of options granted. Upon the exercise of the share options, the resulting shares issued are recorded as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded as share premium. Options which lapse or are cancelled prior to their exercise date are deleted from the register of outstanding options.

Scrip dividends

Dividends paid in form of shares are accounted for in the consolidated financial statements under the reinvestment method. The amount subscribed for the shares is equal to the cash value of the dividend. Any excess of the scrip amount over the nominal value of the shares is taken into the share premium account.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of giving rise to a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Estimated allowances for bad and doubtful debts

The Group makes allowances for bad and doubtful debts when there is objective evidence that debtors balances are impaired. The balances of the debtors are based on the present value of estimated future cash flows discounted at the effective rate computed at initial recognition. The directors exercised a considerable amount of judgement in assessing the ultimate realisation of these receivables including the current creditworthiness and the past collection history of each customer. If the financial credit of customers of the Group were to deteriorate, resulting in an impairment of their activity to make payments and therefore affect the estimated future cash flow, additional allowance may be required.

Taxation

The realisability of the deferred tax assets mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. The directors of the Company determine the deferred tax assets based on the enacted or substantially enacted tax rates and laws and the best knowledge of profit projections of the Group for coming years during which the deferred tax assets are expected to be utilised. The directors of the Company will review the assumptions and profit projections by respective balance sheet dates. In cases where the actual future profits generated are more or less than expected, an additional recognition or a reversal of deferred tax assets may arise, which would be recognised in the income statement for the period in which such a recognition or reversal takes place.

5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes the bank and other borrowings disclosed in note 39 and equity attributable to equity holders of the Company, comprising issued share capital, reserves and retained earnings as disclosed in consolidated statement of changes in equity.

The management of the Group review the capital structure periodically. As part of this review, the management of the Group consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

There are no changes on the Group's approach to capital management during the year.

6. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The Group's major financial instruments include debtors, loans receivables, investments held for trading, available-for-sale investments, financial assets designated as at fair value through profit or loss, derivative financial instruments, amounts due from a minority shareholder, a jointly controlled entity, an investee company, related company, associates, deposits with banks or other financial institutions, creditors, amounts due to directors, related companies, associates, a jointly controlled entity and minority shareholders, financial liabilities designated as at fair value through profit or loss and bank and other borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

a. Categories of financial instruments

	At 31 March 2008	2007
	HK$'000	*HK$'000*
Financial assets		
Fair value through profit or loss		
Held for trading investments	71,277	50,764
Designated as fair value through profit or loss	430,487	854,013
Derivative financial instruments classified as held for trading	–	2,411
Available-for-sale investments	165,903	416,904
Loans and receivables (including cash and cash equivalents)	890,890	874,621
Financial liabilities		
Amortised cost	3,228,351	3,306,529
Fair value through profit or loss		
Designated as fair value through profit or loss	430,123	838,336
Derivative financial instruments classified as held for trading	141,038	1,925

Capital risk

It is the Group's policy to maintain a strong capital base so as to safeguard the Group's ability to continue as a going concern and to sustain future development of the Group's business. The Group defines the owner's equity as the capital of the Group.

The Group actively and regularly reviews and manages its capital structure and makes adjustments to the capital structure in light of changes in economic conditions.

The Group's overall strategy remains unchanged over the years.

Interest rate risk

The Group is exposed to cash flow interest rate risk primarily to the Group's floating rate loans receivable, other bank deposits and borrowings. The Group does not have an interest rate hedging policy. However, the management monitors the related cash flow interest rate risk exposure closely and will consider hedging significant cash flow interest rate risk exposure should the need arise. The fair value interest rate risk on bank deposits is insignificant as the fixed deposits are short term.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for the floating rate loans receivable, other bank deposits and borrowings. The analysis is prepared assuming that the relevant assets and liabilities outstanding at the balance sheet date was outstanding for the whole year. A 200 basis point increase or decrease is used for the following sensitivity analysis.

If interest rates had been increased/decreased by 200 basis points and all other variables were held constant, the Group's profit after taxation would decrease/increase by approximately HK$35,070,000 (2007: HK$29,026,000) and the interest capitalised in the Group's properties under development for sales, buildings under development and hotel properties under development would increase/decrease by approximately HK$13,600,000 (2007: HK$21,233,000).

In management's opinion, the sensitivity analysis is unrepresentative of the interest rate risk as the year end exposure does not reflect the exposure during the year.

Foreign currency risk

The group undertakes certain transactions denominated in foreign currencies, hence exposure to exchange rate fluctuation arises. The Group's convertible notes also expose to such foreign currency risk. The Group currently does not use any derivatives contract to hedge against its exposure to currency risk. The Group manages its foreign currency risk by closely monitoring the movement of the foreign currency rates.

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities excluding the financial instruments at the respective balance sheet dates are as follow:

	At 31 March	
	2008	**2007**
	HK$'000	*HK$'000*
Assets		
United States Dollars	171,049	241,635
Renminbi	4,985	1,010
Japanese Yen	2,986	2,412
Australian Dollar	646	58
Euro	296	45
Singapore Dollars	11	39
Liabilities		
United States Dollars	74,221	378,954
Japanese Yen	–	54,185
British Pounds	–	7,642
Singapore Dollars	–	2,669
Denmark Dollars	–	2,445
Euro	11,573	3,178

Foreign currency sensitivity analysis

The group entities have deposits with financial institutions and financial liabilities designated as at fair value through profit or loss which are denominated in foreign currency which are different from Hong Kong dollar, the functional currency of the certain group entities and the Group is exposed to foreign currency risk due to the change in Hong Kong dollar.

The following table details the Group's sensitivity to a 10% increase and decrease in the HKD against the relevant foreign currencies, while all other variables are held constant. Since Hong Kong dollars are pegged to US dollars under the Linked Exchange Rate System, the management does not expected significant foreign currency exposure in relation to the exchange rate fluctuation between Hong Kong dollars and US dollars. The Group mainly exposes to the currencies other than US dollars. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding monetary items denominated in foreign currency (other than US dollars) and adjusts their translation at the year/period end for a 10% change in foreign currency rates.

In management's opinion, the sensitivity analysis in unrepresentative of the foreign currency risk as the year end exposure does not reflect the exposure during the year.

Increase (decrease) in profit for the year

	At 31 March	
	2008	**2007**
	HK$'000	*HK$'000*
– if HKD weakens against foreign currencies	(265)	(6,656)
– if HKD strengthens against foreign currencies	265	6,656

Other price risk

The Group is exposed to equity price risk because the Group's available-for-sale investments, financial assets designated as at fair value through profit or loss, investments held for trading, derivative financial instruments and financial liabilities designated as at fair value through profit or loss are stated at fair value. Details of the above financial assets and liabilities are set out in respective notes.

In particular, the Group is exposed to market price risk arising from changes in the Company's own share price in relation to conversion options embedded in convertible bonds set out in note 37.

The following tables show the sensitivity to equity price risk on the available-for-sale investments and investments held for trading under HKAS 39 at each balance sheet date while all other variables were held constant. Sensitivity rate of 5% represents management's assessment of the reasonably possible change in equity price shares price.

Available-for-sale investments

Increase (decrease) in other component of equity

	At 31 March	
	2008	**2007**
	HK$'000	*HK$'000*
– as a result of increase in equity price	8,295	20,845
– as a result of decrease in equity price	(8,295)	(20,845)

Investments held for trading

Increase (decrease) in profit for the year

	At 31 March	
	2008	**2007**
	HK$'000	*HK$'000*
– as a result of increase in equity price	3,564	2,538
– as a result of decrease in equity price	(3,564)	(2,538)

The following tables show the sensitivity to exposure to changes in fair value of the financial assets designated as at fair value through profit or loss and derivative financial instruments (asset) under HKAS 39 at each balance sheet date. Sensitivity rate of 5% represents management's assessment of the reasonably possible change in fair value.

Increase (decrease) in profit for the year

	At 31 March	
	2008	**2007**
	HK$'000	*HK$'000*
– as a result of increase in fair value	21,524	42,821
– as a result of decrease in fair value	(21,524)	(42,821)

The following tables show the sensitivity to exposure to changes in fair value of the financial liabilities at fair value through profit or loss and derivative financial instruments (liability) under HKAS 39 at each balance sheet date. Sensitivity rate of 5% represents management's assessment of the reasonably possible change in fair value.

Increase (decrease) in profit for the year

	At 31 March 2008 HK$'000	At 31 March 2007 HK$'000
– as a result of increase in fair value	(28,558)	(42,013)
– as a result of decrease in fair value	28,558	42,013

Credit risk management

At each balance date, the Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations in relation to each class of recognised financial assets as stated in the consolidated balance sheets and the amount of contingent liabilities as disclosed in Note 51. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers. The Group reviews the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk for bank deposits and deposits with investment banks is limited because the counterparties are banks or financial institutions with high credit ratings.

Liquidity risk

The Group's liquidity position and its compliance with lending covenants is monitored closely by the management of the Company, to ensure that it maintain sufficient reserve of cash and adequate committed line of funding from major financial institutions to meet its liquidity requirement in the short and longer term. The Group finances its working capital requirements through a combination of funds generated from operations and bank and other borrowings.

The following table details the Group's contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

	Weighted average effective interest rate %	0-180 days HK$'000	181-365 days HK$'000	One to three years HK$'000	Over three years HK$'000	Total HK$'000	Carrying amount HK$'000
At 31 March 2008							
Non-interest bearing	N/A	283,551	81,337	12,552	–	377,440	377,440
Fixed interest rate instruments	6.8	785	785	3,141	26,465	31,176	22,277
Variable interest rate instruments	3.15	799,240	308,330	965,084	1,070,377	3,143,031	2,828,634
Obligation under finance lease	4.7	369	957	437	154	1,917	1,821
Financial liabilities at fair value through profit or loss	N/A	–	–	443,460	–	443,460	430,123
Derivative financial instruments	N/A	26,566	600,642	–	–	627,208	141,038
		1,110,511	992,051	1,424,674	1,096,996	4,624,232	3,801,333

	Weighted average effective interest rate	0-180 days	181-365 days	One to three years	Over three years	Total	Carrying amount
	%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 31 March 2007							
Non-interest bearing	N/A	542,789	65,036	12,552	–	620,377	620,377
Fixed interest rate instruments	7.05	1,519	1,519	6,074	54,215	63,327	43,079
Variable interest rate instruments	6.2	666,478	835,699	644,082	887,552	3,033,811	2,643,073
Obligation under finance lease	4.7	539	328	1,141	–	2,008	1,836
Financial liabilities at fair value through profit or loss	N/A	–	–	843,274	–	843,274	838,336
Derivative financial instruments	N/A	1,925	–	–	–	1,925	1,925
		1,213,250	902,582	1,507,123	941,767	4,564,722	4,148,626

b. Fair value of financial instruments

The fair values of financial assets and financial liabilities are determined as follows:

– the fair value of listed available-for-sale investments with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices.

– the fair value of financial assets and liabilities designated at fair value through profit or loss are determined with reference to quoted market bid and ask prices respectively.

– the fair value of derivative financial instruments are determined in accordance with generally accepted pricing models based on data obtained in current market.

– the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

7. REVENUE

Revenue represents the aggregate amount of proceeds from sale of properties, gross rental and management fee income, income from hotel operations, hotel loan interest income, interest income from financial instruments and less returns and discounts, during the year and are set out as follows:

	2008	2007
	HK$'000	*HK$'000*
Sale of properties	1,333,679	334,902
Rental income and management fee income	74,904	59,315
Hotel operations	611,789	347,419
Hotel loan interest income	–	63,580
Interest income from financial instruments	135,912	60,441
Other operations	3,230	9,519
	2,159,514	875,176

8. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

For management purposes, the Group is currently organised into four operating divisions-property development and investment, hotel operations and loan financing, and treasury management. These divisions are the basis on which the Group reports its primary segment information. Other operations mainly include sale of boiler products and other interest income.

Principal activities are as follows:

Property development and investment	–	properties development, letting and sale
Hotel operations	–	hotel operations and management
Treasury management	–	investment and trading in securities
Loan financing	–	loan financing for hotel operations which ceased in 2007

2008

	Property development and investment	Hotel operations	Treasury management	Other operations	Eliminations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
REVENUE						
External sales	1,408,583	611,789	135,912	3,230	–	2,159,514
Inter-segment sales	32,636	–	–	–	(32,636)	–
Total revenue	1,441,219	611,789	135,912	3,230	(32,636)	2,159,514
Inter-segment sales are charged at prevailing market rates.						
RESULTS						
Segment results	672,616	254,601	(180,875)	(33,056)	–	713,286
Discount on acquisition	–	66,140	–	–	–	66,140
Increase in fair value of financial liabilities at fair value through profit or loss						(25,817)
Share of results of associates	11,675	–	–	4,000	–	15,675
Share of result of a jointly controlled entity	–	–	–	(2,904)	–	(2,904)
Finance costs						(107,984)
Profit before taxation						658,396
Taxation						(215,016)
Profit for the year						443,380

	Property development and investment HK$'000	Hotel operations HK$'000	Treasury management HK$'000	Other operations HK$'000	Consolidated HK$'000
BALANCE SHEET					
ASSETS					
Segment assets	4,248,632	4,083,051	741,360	132,050	9,205,093
Interests in associates	43,613	–	–	127,062	170,675
Interests in jointly controlled entities	–	–	–	70,942	70,942
Amounts due from associates	60,712	–	–	21,916	82,628
Amount due from a jointly controlled entity	–	–	–	13,135	13,135
Taxation recoverable					1,889
Unallocated corporate assets					41,599
Consolidated total assets					9,585,961
LIABILITIES					
Segment liabilities	560,944	98,229	146,623	18,255	824,051
Amounts due to associates	13,760	–	–	–	13,760
Amount due to a jointly controlled entity	–	–	–	12,552	12,552
Borrowings					3,260,578
Taxation payable					256,747
Deferred taxation					221,395
Unallocated corporate liabilities					44,734
Consolidated total liabilities					4,633,817
OTHER INFORMATION					
Allowance for bad and doubtful debts	–	3,460	–	–	3,460
Allowance for loans receivables	–	–	–	3,900	3,900
Capital additions	501,985	838,550	–	–	1,340,535
Depreciation and amortisation	5,270	65,714	–	–	70,984
Decrease in fair value of financial assets at fair value through profit or loss	–	–	154,391	–	154,391
Decrease in fair value in derivative financial instruments	–	–	139,105	–	139,105
Decrease in fair value of investments held for trading	–	–	48,061	–	48,061
Increase in fair value of investment properties	205,562	–	–	–	205,562

2007

	Property development and investment	Hotel Operations	Hotel Loan financing	Treasury management	Other operations	Eliminations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
REVENUE							
External sales	394,217	347,419	63,580	60,441	9,519	–	875,176
Inter-segment sales	29,237	654	88,490	–	–	(118,381)	–
Total revenue	423,454	348,073	152,070	60,441	9,519	(118,381)	875,176
Inter-segment sales are charged at prevailing market rates.							
RESULTS							
Segment results	79,999	202,912	59,377	182,956	(129,950)		395,294
Discount on acquisitions	–	44,208	–	–	–		44,208
Decrease in fair value of financial liabilities at fair value through profit or loss							68,839
Gain on disposal of a subsidiary	–	–	–	–	225,200		225,200
Share of results of associates	26,475	–	–	–	2,495		28,970
Share of results of jointly controlled entities	–	–	–	–	(771)		(771)
Finance costs							(67,917)
Profit before taxation							693,823
Taxation							(157,394)
Profit for the year							536,429

	Property development and investment	Hotel		Treasury management	Other operations	Consolidated
		Operations	Loan financing			
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
BALANCE SHEET						
ASSETS						
Segment assets	3,914,257	2,631,717	–	1,543,112	174,071	8,263,157
Interests in associates	31,864	–	–	–	133,230	165,094
Interests in jointly controlled entities	–	–	–	–	73,846	73,846
Amounts due from associates	160	–	–	–	80,713	80,873
Amount due from a jointly controlled entity	–	–	–	–	12,270	12,270
Taxation recoverable						11,194
Unallocated corporate assets						105,922
Consolidated total assets						8,712,356
LIABILITIES						
Segment liabilities	602,033	41,519	–	112,935	15,438	771,925
Amounts due to associates	11,787	–	–	–	98	11,885
Amounts due to jointly controlled entity	–	–	–	–	12,552	12,552
Borrowings						3,483,245
Taxation payable						151,730
Deferred taxation						188,206
Unallocated corporate liabilities						44,717
Consolidated total liabilities						4,664,260
OTHER INFORMATION						
Allowance for bad and doubtful debt	–	–	–	–	36,193	36,193
Allowance for loans receivables	–	–	–	–	3,088	3,088
Allowance for amount due from an associate	–	–	–	–	51,923	51,923
Capital additions	71,649	1,076,393	–	–	–	1,148,042
Depreciation and amortisation	5,899	36,442	–	152	–	42,493
Doubtful loan receivable recovered	–	–	–	57,443	–	57,443
Decrease in fair value of financial assets at fair value through profit or loss	–	–	–	12,926	–	12,926
Decrease in fair value in derivative financial instruments	–	–	–	10,402	–	10,402
Decrease in fair value of investments held for trading	–	–	–	7,916	–	7,916
Increase in fair value of investment properties	59,841	–	–	–	–	59,841

Geographic segments

A geographical analysis of the Group's revenue by geographical location of market is as follows:

	2008	2007
	HK$'000	*HK$'000*
Other regions in the People's Republic of China ("PRC")	882,547	50,211
Hong Kong	722,021	456,753
Australia	331,196	302,167
Malaysia	205,502	50,703
Singapore	18,248	15,342
	2,159,514	875,176

The following is an analysis of the carrying amount of segment assets and capital additions by geographical area in which the assets are located:

	Carrying amount of segment assets		Capital additions	
	2008	2007	2008	2007
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Hong Kong	4,997,329	5,333,212	386,507	721,211
Other regions in the PRC	2,489,458	1,629,578	806,421	599
Malaysia	982,206	723,874	146,847	301,299
Australia	514,279	558,846	677	53
Singapore	444,044	305,228	4	7
United States of America ("USA")	140,912	141,431	–	–
Others	17,733	20,187	79	4,199
	9,585,961	8,712,356	1,340,535	1,027,368

9. FINANCE COSTS

	2008	2007
	HK$'000	*HK$'000*
Interest on:		
Bank loans and overdrafts		
– wholly repayable within five years	79,552	29,917
– not wholly repayable within five years	40,188	71,296
Other loans		
– wholly repayable within five years	21,937	18,071
– not wholly repayable within five years	266	1,416
Finance leases	66	23
Others	205	113
Total interest costs	142,214	120,836
Less: Amounts capitalised in respect of:		
– properties under development for sale	(25,006)	(41,763)
– buildings under development	(1,609)	–
– hotel properties under development	(7,615)	(6,953)
	107,984	72,120
Analysed into:		
Amount included in cost of sales	–	4,203
Amount included in finance costs	107,984	67,917
	107,984	72,120

10. TAXATION

	2008	2007
	HK$'000	*HK$'000*
The taxation charges comprises:		
Current year:		
Hong Kong	29,764	64,473
Other jurisdictions	166,074	10,110
	195,838	74,583
Prior years (over) underprovision:		
Hong Kong	(7,590)	15,183
Other jurisdictions	(6,421)	46,317
	(14,011)	61,500
Deferred taxation *(note 43)*	33,189	21,311
	215,016	157,394

Hong Kong Profits Tax is calculated at 17.5% of the estimated assessable profit for the year. Taxation arising in other regions in the PRC or other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

Included in taxation is an amount provided by the Group in respect of Land Appreciation Tax ("LAT") of HK$83,733,000 (2007: HK$60,000,000). The State Administration of Taxation ("SAT") of the PRC issued Guoshuifa [2006] No.187 dated 28 December 2006, which has become effective from 1 February 2007, announcing its intention to strengthen the mechanism for collection of LAT on property developers, and authorising the local tax bureaux to issue detailed implementation rules and procedures appropriate to local environment. In order to minimise the uncertainties in the accounts due to exposure to the additional LAT liabilities, the Group has provided for LAT fully in accordance with the requirements of SAT even though detailed implementation rules and procedures are not issued by the relevant local tax bureau.

On 16 March 2007, the PRC promulgated the Law of the People's Republic of China on Enterprise Income Tax (the "New Law") by Order No.63 of the President of the People's Republic of China. On 6 December 2007, the State Council of the PRC issued Implementation Regulations of the New Law. The New Law and Implementation Regulations will generally change the enterprise income tax rate from 33% to 25% for certain subsidiaries from 1 January 2008. The deferred tax balance has been adjusted to reflect the tax rates that are expected to apply to the respective periods when the asset is realised or the liability is settled.

The taxation charge for the year can be reconciled to profit before taxation per the consolidated income statement as follows:

	Hong Kong	**Other regions in the PRC**	**Malaysia**	**Australia**	**Others**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
2008						
Profit (loss) before taxation	(30,504)	380,491	105,218	88,762	114,429	658,396
Applicable income tax rate	17.5%	33%	27%	30%		
Tax at the applicable income tax rate	(5,338)	125,562	28,409	26,629	20,602	195,864
Tax effect of expenses not deductible for tax purpose	27,413	3,178	2,481	3,873	259	37,204
Tax effect of income not taxable for tax purpose	(2,022)	(4,182)	(18,696)	(22,251)	(207)	(47,358)
LAT	–	83,733	–	–	–	83,733
Tax effect of LAT	–	(27,632)	–	–	–	(27,632)
Tax effect of tax losses not recognised	29,152	245	–	–	–	29,397
Utilisation of tax loss not previously recognised	(6,800)	(10,930)	(11,890)	(8,251)	–	(37,871)
Tax effect of share of results of associates	(2,743)	–	–	–	–	(2,743)
(Over) underprovision in prior years	(7,590)	(5,720)	37	–	(738)	(14,011)
Others	895	(1,800)	(158)	–	(504)	(1,567)
Taxation charge for the year	32,967	162,454	183	–	19,412	215,016

	Hong Kong *HK$'000*	Other regions in the PRC *HK$'000*	Malaysia *HK$'000*	Australia *HK$'000*	Others *HK$'000*	Total *HK$'000*
2007						
Profit (loss) before taxation	705,246	(48,331)	52,913	24,358	(40,363)	693,823
Applicable income tax rate	17.5%	33%	27%	30%		
Tax at the applicable income tax rate	123,418	(15,949)	14,286	7,307	(4,793)	124,269
Tax effect of expenses not deductible for tax purpose	15,852	14,883	1,495	559	10,697	43,486
Tax effect of income not taxable for tax purpose	(68,231)	(548)	(12,099)	(879)	(6,229)	(87,986)
LAT						
– underprovision in prior years	–	50,000	–	–	–	50,000
– provision in current years	–	10,000	–	–	–	10,000
Tax effect of LAT	–	(19,800)	–	–	–	(19,800)
Tax effect of tax losses not recognised	17,729	21,655	15	–	–	39,399
Utilisation of tax loss not previously recognised	(4,770)	–	–	(5,610)	189	(10,191)
Tax effect of share of results of associates	(5,070)	–	–	–	–	(5,070)
Tax effect of change in tax rate	–	–	248	–	–	248
Tax effect of share of results of jointly controlled entity	263	(241)	–	–	–	22
(Over)underprovision in prior years	15,183	5	3	(454)	(3,237)	11,500
Others	2,670	–	20	(1,378)	205	1,517
Taxation charge (credit) for the year	97,044	60,005	3,968	(455)	(3,168)	157,394

Details of the deferred taxation are set out in note 43.

11. PROFIT FOR THE YEAR

	2008	2007
	HK$'000	*HK$'000*
Profit for the year has been arrived at after charging:		
Amortisation of investment in a jointly controlled entity	2,904	2,904
Amortisation of prepaid lease payments	11,893	6,609
Allowance for bad and doubtful debts	3,460	36,193
Allowance for loans receivable	3,900	3,088
Allowance for amount due from an associate	–	51,923
Auditor's remuneration	5,661	4,538
Cost of completed properties for sale recognised as an expense	797,186	290,150
Cost of inventories recognised as an expense	–	5,716
Depreciation:		
Owned assets	58,872	35,665
Assets held under finance leases	219	219
(Gain) loss on disposal of property, plant and equipment	(31)	16
Directors' remuneration and other staff costs	105,378	108,931
Share of taxation of associates (included in share of results of associates)	2,716	69
and after crediting:		
Dividend income from listed investments	4,061	4,307
Bank interest income	7,093	4,645
Net foreign exchange gains	9,650	4,187
Rental income, net of outgoings of HK$16,979,000 (2007: HK$11,908,000)	50,120	40,950

Of the consolidated profit for the year of HK$443,380,000 (2006: HK$536,429,000), a loss of HK$42,329,000 (2006: HK$51,026,000) has been dealt with in the financial statements of the Company.

12. DIRECTORS' AND FIVE HIGHEST PAID EMPLOYEES' REMUNERATION

The emoluments paid or payable to each of the directors of the Company were as follows:

For the year ended 31 March 2008

	Deacon Te Ken Chiu	David Chiu	Craig Grenfell Williams	Dennis Chiu	Ching Lan Ju Chiu	Dick Tat Sang Chiu	Daniel Tat Jung Chiu	David Kwok Kwei Lo	Jian Yin Jiang	Kwok Wai Chan	Peter Man Kong Wong	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Fees	25	25	25	25	25	7	25	38	25	150	137	507
Other emoluments												
Salaries and other benefits	6,828	2,549	3,870	688	650	–	–	–	–	–	–	14,585
Contributions to retirement benefits schemes	–	12	–	50	–	–	–	–	–	–	–	62
Total emoluments	6,853	2,586	3,895	763	675	7	25	38	25	150	137	15,154

For the year ended 31 March 2007

	Deacon Te Ken Chiu	David Chiu	Craig Grenfell Williams	Dennis Chiu	Ching Lan Ju Chiu	Dick Tat Sang Chiu	Daniel Tat Jung Chiu	David Kwok Kwei Lo	Jian Yin Jiang	Kwok Wai Chan	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Fees	25	25	25	25	25	25	25	150	25	150	500
Other emoluments											
Salaries and other benefits	2,055	2,530	1,535	557	520	–	–	–	–	–	7,197
Contributions to retirement benefits schemes	–	12	–	–	–	–	–	–	–	–	12
Total emoluments	2,080	2,567	1,560	582	545	25	25	150	25	150	7,709

No directors waived any emoluments in the year ended 31 March 2008 and 2007.

Of the five individuals with the highest emoluments in the Group, three (2007: three) were directors whose emoluments are included in the disclosures above. The remuneration of the remaining two (2007: two) individuals were as follows:

	2008	2007
	HK$'000	*HK$'000*
Salaries and other benefits	3,310	1,693
Contributions to retirement benefits scheme	24	24
	3,334	1,717

The remuneration of each of the remaining two individuals were more than HK$1,000,000 and less than HK$2,000,000.

During the years ended 31 March 2008 and 2007, no emolument was paid to the directors and the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

13. DIVIDENDS

	2008	2007
	HK$'000	*HK$'000*
Interim for current financial year, paid – HK5 cents (2007: HK4 cents) per share:		
Cash	28,318	30,193
Share alternative under scrip dividend scheme	51,975	28,003
	80,293	58,196
Final, paid for 2007 – HK8 cents (2007: Final, paid for 2006 – HK6 cents) per share:		
Cash	66,573	47,354
Share alternative under scrip dividend scheme	59,923	39,179
	126,496	86,533
	206,789	144,729

The final dividend in respect of 2008 of HK10 cents (2007: HK8 cents) per share has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

14. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the equity holders of the Company is based on the following data:

	2008	**2007**
	HK$'000	*HK$'000*
Earnings:		
Earnings for the purpose of basic earnings per shares	432,905	538,955
Effect of increase (decrease) in fair value of financial liabilities at fair value through profit or loss	25,817	(68,839)
Earnings for the purpose of diluted earnings per share	458,722	470,116

	Number of shares	**Number of shares**
	'000	*'000*
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,555,305	1,450,102
Effect of dilutive potential ordinary shares		
– convertible bonds	173,303	245,051
– share options	9,248	10,433
Weighted average number of ordinary shares for the purpose of diluted earnings per share	1,737,856	1,705,586

15. INVESTMENT PROPERTIES

	HK$'000
FAIR VALUE	
At 1 April 2006	1,297,427
Exchange adjustments	23,240
Transfer to property, plant and equipment	(8,786)
Increase in fair value recognised in the consolidated income statement	59,841
At 31 March 2007	1,371,722
Exchange adjustments	49,946
Additions	309,709
Increase in fair value recognised in the consolidated income statement	205,562
At 31 March 2008	1,936,939

The carrying amount of investment properties comprises:

	2008	2007
	HK$'000	*HK$'000*
Land in Hong Kong:		
Long lease	252,186	204,485
Medium-term lease	857,191	835,746
Land outside Hong Kong:		
Freehold	50,206	45,731
Medium-term lease	341,525	–
Long lease	435,831	285,760
	1,936,939	1,371,722

The fair value of the investment properties in Hong Kong, the PRC, Malaysia and Singapore at 31 March 2008 have been arrived at on the basis of a valuation carried out on that date by DTZ Debenham Tie Leung Limited, Raine & Horne International Zaki + Partners Sdn. Bhd. and Jones Lang LaSalle Property Consultants Pte Ltd., independent qualified professional valuers not connected with the Group, respectively. DTZ Debenham Tie Leung Limited, are members of the Hong Kong Institute of Surveyors ("HKIS") and Raine & Horne International Zaki + Partners Sdn. Bhd. and Jones Lang LaSalle Property Consultants Pte Ltd. are members of Royal Institution of Chartered Surveyors. The valuation was arrived at by reference to market evidence of transaction prices for similar properties.

16. PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Buildings	Buildings under development	Hotel properties	Hotel properties under development	Others	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
COST							
At 1 April 2006	125,596	73,236	19,081	887,872	105,977	75,244	1,287,006
Exchange adjustments	4,148	2,628	–	18,353	–	2,772	27,901
Additions	–	–	67,428	51,166	43,121	9,694	171,409
Acquired through business combinations	53,033	–	–	599,016	–	9,039	661,088
Transfer from investment properties	–	8,786	–	–	–	–	8,786
Reclassification	–	–	–	125,359	(125,359)	–	–
Disposals	–	–	–	–	–	(1,970)	(1,970)
At 31 March 2007	182,777	84,650	86,509	1,681,766	23,739	94,779	2,154,220
Exchange adjustments	5,342	4,307	–	43,856	–	2,346	55,851
Additions	–	–	20,808	90,645	342,293	14,510	468,256
Acquired through business combinations	–	–	–	104,000	–	4,528	108,528
Reclassification	–	–	–	6,281	(6,281)	–	–
Disposals	–	–	–	–	–	(2,955)	(2,955)
At 31 March 2008	188,119	88,957	107,317	1,926,548	359,751	113,208	2,783,900
DEPRECIATION							
At 1 April 2006	–	14,064	–	17,571	–	44,867	76,502
Exchange adjustments	–	749	–	548	–	1,698	2,995
Provided for the year	–	3,287	–	25,546	–	7,051	35,884
Eliminated on disposals	–	–	–	–	–	(1,824)	(1,824)
At 31 March 2007	–	18,100	–	43,665	–	51,792	113,557
Exchange adjustments	–	1,859	–	12,190	–	1,453	15,502
Provided for the year	–	3,418	–	44,239	–	11,434	59,091
Eliminated on disposals	–	–	–	–	–	(2,516)	(2,516)
At 31 March 2008	–	23,377	–	100,094	–	62,163	185,634
CARRYING VALUES							
At 31 March 2008	188,119	65,580	107,317	1,826,454	359,751	51,045	2,598,266
At 31 March 2007	182,777	66,550	86,509	1,638,101	23,739	42,987	2,040,663

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Buildings on	
Freehold land or land held under long lease	2%
Land held under medium-term lease	Shorter of lease terms or 50 years
Hotel properties	Shorter of lease terms or 50 years
Other assets	10%-20%

No depreciation is provided in respect of freehold land, buildings under development and hotel properties under development.

The Group's property interests shown above situated on:

	2008	2007
	HK$'000	*HK$'000*
Land in Hong Kong:		
Long lease	27,273	45,084
Medium-term lease	1,375,546	1,306,416
Land outside Hong Kong:		
Freehold	690,266	586,105
Medium-term lease	454,136	60,071
	2,547,221	1,997,676

Included in the carrying value of others is an amount of HK$2,294,000 (2007: HK$2,584,000) in respect of assets held under finance leases.

17. PREPAID LEASE PAYMENTS

	2008	2007
	HK$'000	*HK$'000*
The Group's prepaid lease payments comprise:		
Leasehold land in Hong Kong:		
Long-term lease	294,556	–
Medium-term lease	666,724	680,842
Leasehold land outside Hong Kong:		
Medium-term lease	174,172	11,298
	1,135,452	692,140
Analysed for reporting purposes as:		
Current asset	20,141	11,904
Non-current asset	1,115,311	680,236
	1,135,452	692,140

18. INTERESTS IN ASSOCIATES

	2008	2007
	HK$'000	*HK$'000*
Unlisted investments, at cost	86,761	86,761
Share of post-acquisition reserves, net of dividends received	83,914	78,333
	170,675	165,094

Details of the Group's principal associates at 31 March 2008 and 2007 are set out in note 57.

Included in the cost of investments in associates is goodwill of HK$10,601,000 (2007: HK$10,601,000 arising on acquisitions of associates in prior years.

The summarised financial information in respect of the Group's associates is set out below:

	At 31 March 2008 HK$'000	At 31 March 2007 HK$'000
Total assets	1,037,876	1,067,163
Total liabilities	(611,639)	(671,236)
	426,237	395,927
Group's share of net assets	117,347	111,766

	Year ended 31 March 2008 HK$'000	Year ended 31 March 2007 HK$'000
Revenue	385,559	404,036
Profit for the year	64,913	95,757
Group's share of results of associates for the year	15,675	28,970

The Group has discontinued recognition of its share of losses of certain associates. The amounts of unrecognised share of those associates, extracted from the relevant management accounts of associates, both for the year and cumulatively, are as follows:

	2008 HK$'000	2007 HK$'000
Unrecognised share of losses of associates for the year	23	23
Accumulated unrecognised share of losses of associates	50,153	50,130

19. INTERESTS IN JOINTLY CONTROLLED ENTITIES

	2008 HK$'000	2007 HK$'000
Unlisted investments, at cost less amortisation	39,256	42,160
Share of post-acquisition reserves net of dividends received	31,686	31,686
	70,942	73,846

Details of the Group's jointly controlled entities at 31 March 2008 and 2007 are as follows:

Name of entity	Country of registration and operations	Proportion of nominal value of registered/ ordinary share capital held by the Group	Principal activities
商丘永遠公路有限公司 Shangqiu Yongyuan Development Company Limited *(note)*	PRC	68%	Operation of highway
Dorvic Hotel F & B Limited	Hong Kong	60%	Restaurant operations

Note: The Group holds the majority of the equity interests in these jointly controlled entities. However, under the respective joint venture agreements, all the operating and financial decisions have to be jointly approved by the Group and the joint venture partners.

Under a joint venture agreement, the Group is required to make 68% of total capital contribution in Shangqiu Yongyuan Development Company Limited, an equity joint venture company in the PRC established for the construction and operation of highway, for a term of 21 years commencing from 31 July 1997. Upon the completion of the construction work, the Group is entitled to 85% of the profits earned until it has recovered dividends to an amount equivalent to all its contributions. Thereafter, the Group is entitled to 25% of the profits whereas the PRC joint venture partner is entitled to the remaining 75% until it has effectively recovered dividends equivalent to all its contributions for the agreed valuation of the relevant highway. The Group's entitlement to a share of profits is then in proportion to its contribution. At the end of the 21 years, the joint venture will be dissolved and the Group's interest in the joint venture will be surrendered to the PRC party for no consideration. Therefore, the investment cost of the interest in the jointly controlled entity of HK$2,904,000 (2007: HK$2,904,000) is amortised over 21 years under the joint venture agreement and the Group did not share of profit of the joint venture project during the year (2007: share of profit of HK$2,133,000).

The summarised financial information in respect of the Group's jointly controlled entities which are accounted for using the equity method is set out below:

	2008 *HK$'000*	**2007** *HK$'000*
Non-current assets	73,543	69,864
Current assets	46,439	42,322
Current liabilities	(7,930)	(20,233)
Revenue	29,441	37,324
Expenses	(22,524)	(35,549)

20. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments as at 31 March 2008 comprise:

	2008	**2007**
	HK$'000	*HK$'000*
Listed equity investments:		
In Hong Kong	40,089	91,834
Overseas	29,271	98,863
	69,360	190,697
Unlisted investments:		
Equity securities *(Note)*	26	26
Debt securities with fixed interest rates	24,416	70,166
Investment funds	72,101	156,015
	96,543	226,207
	165,903	416,904
Analysed for reporting purposes as:		
Non-current assets	93,802	245,289
Current assets	72,101	171,615
	165,903	416,904

The listed equity investments are determined based on the quoted market bid prices available on the relevant exchange. The fair value of the debt securities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis. The interest in investment funds represents units in investment funds managed by investment fund managers. The fair value of the investment funds is based on the valuation provided by the investment fund managers with reference to the underlying assets of the funds.

Note: All available-for-sale investments are stated at fair value, except that the unlisted equity securities were measured at cost as the directors were of the opinion that their fair values cannot be measured reliably.

21. INVESTMENTS HELD FOR TRADING

	2008	**2007**
	HK$'000	*HK$'000*
Listed equity investments at fair value:		
In Hong Kong	58,880	24,428
Overseas	12,397	26,336
	71,277	50,764

The fair value is determined based on the quoted market bid price available on the relevant exchanges.

22. FINANCIAL ASSETS DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS

The amount represents unlisted equity-linked notes held by the Group with fixed coupon rate and fixed maturity period, ranging from six months to two years. As the notes contain terms related to certain underlying equities resulting in embedded derivatives, whose economics risk and characteristics are not closely related to the host debt contract, the notes are designated as financial assets at fair value through profit or loss and are measured at fair value. The fair value of the equity-linked notes are determined based on valuation provided by the counterparty financial institutions, which are determined using generally accepted pricing models based on the discounted cashflow analysis using prices or rates from observable current market transactions as inputs.

Equity-linked notes are classified into the current and non-current portions based on the maturity date of the respective securities stated on the term sheets issued by financial institutions.

23. AMOUNTS DUE FROM ASSOCIATES

	2008	**2007**
	HK$'000	*HK$'000*
Unsecured and interest free advances to associates, net of allowance	82,628	80,873
Less: Amount due within one year shown as current assets	(407)	(2,331)
Amount due after one year	82,221	78,542

The amount is unsecured, interest-free and the repayment is not expected within the next twelve months from the respective balance sheet dates, except for HK$407,000 (2007: HK$2,331,000).

Movement in the allowance for doubtful debt

	2008	**2007**
	HK$'000	*HK$'000*
Balance at beginning of the year	–	16,000
Impairment losses recognised on receivable	–	51,923
Amounts written off as uncollectible	–	(67,923)
Balance at end of the year	–	–

In determining the recoverability of amounts due from associates for the prior financial year, the Group assessed the underlying assets of the associates. As the associates held were not able to generate positive cashflow in the future, and accordingly the impairment loss was recognised.

24. AMOUNT DUE FROM AN INVESTEE COMPANY

The amount is unsecured and interest-free. No repayment will be demanded within next twelve months from the balance sheet date and, accordingly, the amount is shown as non-current.

25. AMOUNT DUE FROM A MINORITY SHAREHOLDER

The amount is unsecured and interest-free. No repayment will be demanded within next twelve months from the balance sheet date and, accordingly, the amount is shown as non-current.

26. LOANS RECEIVABLE

	2008	2007
	HK$'000	*HK$'000*
Secured loans receivable at floating interest rates	3,264	8,502
Less: Amount due within one year shown as current assets	(1,154)	(1,022)
Amount due after one year	2,110	7,480

The loans receivable are secured by certain properties of the borrowers. The effective interest rate for both years on the Group's loans receivable is 6.59% (2007: 7.75%).

Aging of loans receivable that are past due but not impaired

	2008	2007
	HK$'000	*HK$'000*
31-60 days	39	79
61-90 days	34	33
> 90 days	3,147	1,850
	3,220	1,962

Movement in the allowance for doubtful debt

	2008	2007
	HK$'000	*HK$'000*
Balance at beginning of the year	19,914	181,303
Allowance for loans receivable	3,900	3,088
Amounts written off as uncollectible	–	(107,034)
Amounts recovered during the year	–	(57,443)
Balance at end of the year	23,814	19,914

In determining the recoverability of a loan receivable, the Group considers any change in the credit quality of the loans receivable from the date credit was initially granted up to the reporting date. The concentration of risk is limited due to the loan receivables are secured by certain properties of the borrowers, and the directors believe that there is no further credit provision required in excess of allowance for doubtful debts.

27. INVENTORIES

	2008	2007
	HK$'000	*HK$'000*
Raw materials	182	282
Finished goods	1,623	987
	1,805	1,269

28. PROPERTIES UNDER DEVELOPMENT FOR SALE

Included in properties under development for sale as at 31 March 2008 are properties with a carrying value of HK$657,774,000 (2007: HK$662,564,000) that are not expected to be realised within twelve months from the balance sheet date.

29. DERIVATIVE FINANCIAL INSTRUMENTS

The amount mainly represents the fair value at 31 March 2008 of forward accumulator contracts with the estimated forward amount of HK$627,208,000 and maturity dates ranging from three months to one year. Based on the agreements, the Group is a party that has an obligation to purchase or sell listed equity securities at a series of predetermined prices, based on the price calculated with a pre-specified formula. The financial institutions can terminate the contracts when the market prices of the underlying equity securities are higher than a predetermined price. The fair value of investments are based on valuation provided by the counterparty financial institutions, which are determined using option pricing model as input.

30. DEBTORS, DEPOSITS AND PREPAYMENTS

The debtors, deposits and prepayments include trade debtors of HK$49,202,000 (2007: HK$56,191,000). The Group allows an average credit period of 60 days to its trade customers.

The following is an aged analysis of trade debtors, based on the invoice date, at the balance sheet dates:

	2008	**2007**
	HK$'000	*HK$'000*
0-60 days	42,069	48,081
61-90 days	1,454	2,062
Over 90 days	5,679	6,048
	49,202	56,191

Included in debtors, deposits and prepayments are amount due from a minority shareholder of HK$107,000 (2007: HK$681,000), which are unsecured, interest free and repayable on demand.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the directors believe that there is no further credit provision required in excess of the allowance for doubtful debts. The Group does not hold any collateral over these balances.

Aging of trade receivables which are past due but not impaired

	2008	**2007**
	HK$'000	*HK$'000*
61-90 days	1,434	350
Over 90 days	5,604	3,806
Total	7,038	4,156

Movement in the allowance for doubtful debt

	2008	2007
	HK$'000	*HK$'000*
Balance at beginning of the year	69,165	33,275
Impairment losses recognised on receivable	3,460	36,193
Amounts written off as uncollectible	–	(303)
Balance at end of the year	72,625	69,165

31. AMOUNT DUE FROM A JOINTLY CONTROLLED ENTITY AND A RELATED COMPANY

The amounts are unsecured, interest-free and repayable on demand.

32. PLEDGED BANK DEPOSITS, DEPOSITS WITH FINANCIAL INSTITUTIONS AND BANK BALANCES AND CASH

Pledged bank deposits included in non-current assets comprised time deposits of HK$3,165,000 in 2007 carried at fixed interest rate ranging from 0.02% to 5.2% with the maturity date ranging from 1 to 6 month and is pledged for bank borrowings repayable after one year.

Pledged bank deposit included in current asset comprise time deposits of HK$107,339,000 (2007: HK$98,656,000) carried at fixed interest rate ranging from 0.34% to 5.95% (2007: 0.02% to 5.21% with the maturity date ranging from 1 to 6 months and is pledged for bank borrowings repayable after one year.

Deposits with financial institutions at 31 March 2008 comprised time deposits with the maturity date ranging from 1 to 6 month of HK$36,296,000 (2007: HK$154,891,000) carried at fixed interest rate ranging from of 0.01% to 5.9% (2007: 2.25% to 5.2%).

Bank balances and cash at 31 March 2008 comprised time deposits of HK$16,500,000 (2007: HK$148,990,000) carried fixed average interest rate ranging from 0.01% to 6.1% (2007: 2.5% to 5.14% and other deposits of HK$391,824,000 (2007: HK$115,034,000) carried at average floating market interest rate of 2.9% (2007: 2.5%).

33. CREDITORS AND ACCRUALS

The creditors and accruals include trade creditors of HK$131,144,000 (2007: HK$292,260,000).

The following is an aged analysis of trade creditors at the balance sheet dates:

	2008	2007
	HK$'000	*HK$'000*
0-60 days	21,804	123,890
61-90 days	670	5,959
Over 90 days	108,670	162,411
	131,144	292,260

34. AMOUNTS DUE TO DIRECTORS

The amount is unsecured, interest-free and repayable on demand. Included in the amount as at 31 March 2007, the amount HK$3,726,000 was carried interest at 5% per annum and repayable on demand and fully repaid during the year.

35. AMOUNTS DUE TO RELATED COMPANIES

The amounts are unsecured, interest-free and repayable on demand. Certain directors have beneficial interest in these companies.

36. AMOUNTS DUE TO ASSOCIATES AND MINORITY SHAREHOLDERS

The amounts are unsecured, interest-free and repayable on demand.

37. FINANCIAL LIABILITIES DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2008	**2007**
	HK$'000	*HK$'000*
Convertible bonds denominated in:		
– Hong Kong dollars *(note i)*	428,175	836,388
– United States dollars *(note ii)*	1,948	1,948
Balance at end of the year	430,123	838,336

Notes:

(i) In December 2004, the Company issued zero coupon convertible bonds with a principal amount of HK$754,000,000 (the "HK$ Bonds"). The holders of the HK$ Bonds are entitled to convert the convertible bonds into ordinary shares of the Company at an initial conversion price of HK$4.10 per share (subject to adjustment upon the occurrence of events stated in the Offering Circular dated 9 December 2004, such as (1) share consolidation, subdivision or reclassification; (2) capitalization of profits or reserves; (3) distribution to the shareholders; (4) right issue of share; (5) right issues of other securities; (6) issue of shares at a consideration less than current market price; (7) issue of other securities arising from a conversion or other securities at a consideration less than current market price; (8) modification of conversion right; (9) other offers to shareholders or (10) other events that considered applicable), during the period from 11 January 2005 to 10 November 2009, or to require the Company to redeem all or some of the HK$ Bonds on 10 December 2006 at 104.58% of their principal amount. As at 31 March 2008, the conversion price is adjusted to HK$2.96 per share. The Company may redeem all but not some of the HK$ Bonds on or at any time after 10 June 2005 and prior to 10 December 2009, subject to certain conditions. Unless previously redeemed, converted or purchased and cancelled, the HK$ Bonds will be redeemed at 111.84% of their principal amount of 10 December 2009. The HK$ Bonds are listed on the Stock Exchange. Details of the issue of the HK$ Bonds were disclosed in the Company's circular dated 10 November 2004.

During the year, an aggregate principal amount of HK$359,720,000 (2007: Nil) of the convertible bond were converted into ordinary shares of the Company. The fair value of the convertible bond outstanding at 31 March 2008 which are denominated in Hong Kong dollars amounted to HK$428,175,000 (2007: HK$836,388,000).

(ii) In April 2004, the Company issued zero coupon convertible bonds with a principal amount of US$66,989,000 (the "US$ Bonds"). The holders of the US$ Bonds are entitled to convert the convertible bonds into ordinary shares of the Company at an initial conversion price of HK$2.25 (subject to adjustment upon the occurence of events stated in the Offering Circular dated 25 April 2004 such as (1) share consolidation, subdivision or reclassification; (2) capitalization of profits or reserves; (3) distribution to the shareholders; (4) right issue of share; (5) right issues if other securities; (6) issues of shares at a consideration less than current market price; (7) issue of other securities arising from a conversion or other securities at a consideration less than current market price; (8) modification of conversion right; (9) other offers to shareholders or (10) other events that considered applicable), during the period from 13 May 2004 to 14 March 2009, or to require the Company to redeem all or some of the US$ Bonds on 13 April 2007 at 102.01% of their principal amount. As at 31 March 2008, the conversion price is adjusted to HK$2.00 per share. The Company may redeem all but not some of the US$ Bonds, on or at any time after 13 April 2007 and prior to 13 April 2009, subject to certain conditions. Unless previously redeemed, converted or purchased and cancelled, the US$ Bonds will be redeemed at 105.10% of their principal amount on 13 April 2009. The US$ Bonds are listed on the Stock Exchange. Details of the issue of the US$ Bonds were disclosed in the Company's circular dated 6 April 2004.

No conversion rights were exercised by the holders of US$ Bonds during the year. During the year ended 31 March 2007, an aggregate principal amount of US$1,000,000 (equivalent to approximately HK$7,793,000) of convertible bonds were converted into ordinary shares of the Company.

The fair value of convertible bonds is based on the fair value of liability component and conversion option. The fair value of the liability component is based on discounted cash flow analysis using the Company's current borrowing rate and the fair value of conversion options is based on the black-scholes model.

The fair value of the financial liabilities at fair value through profit or loss is also affected by the change in the credit spread of the Group. The following table detailed the effect on fair value:

	At 31 March	
	2008	**2007**
	HK$'000	*HK$'000*
Cumulative changes in fair value attributable to changes in credit risk	1,640	15,520
Changes in fair value attributable to changes in credit risk recognised during the year	(13,880)	15,345
Difference between carrying amount and maturity amount:		
Convertible bonds at fair value	430,123	838,336
Amount payable at maturity	443,460	843,274
	13,337	4,938

The change in fair value attributable to change in credit risk is calculated with reference to change in credit rating of the Group assigned by an international financial institution. The credit rating is determined with reference to various factors, such as the Group's performance, maturity period of the convertible bonds and the market condition.

38. OBLIGATIONS UNDER FINANCE LEASES

	Minimum lease payments		Present value of minimum lease payments	
	2008	**2007**	**2008**	**2007**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Amounts payable under finance leases:				
Within one year	1,326	785	1,247	766
In the second to fifth year inclusive	591	1,071	574	1,070
	1,917	1,856	1,821	1,836
Less: Future finance charges	(96)	(20)	–	–
Present value of lease obligations	1,821	1,836	1,821	1,836
Less: Amount due within one year shown under current liabilities			(1,247)	(766)
Amount due after one year			574	1,070

It is the Group's policy to lease certain of its motor vehicles, fixtures and equipment under finance leases. The average lease terms range from 1 to 3 years. The average effective borrowing rates is range from 3% to 8% per annum during the year. Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The fair value of the Group's financial lease obligations, determined based on the present value of the estimated future cash flow discounted using the prevailing market rate at the balance sheet date approximates to their carrying amount.

39. BANK AND OTHER BORROWINGS, SECURED

	2008	2007
	HK$'000	*HK$'000*
The borrowings comprise:		
Bank loans	2,467,647	1,866,801
Mortgage loans	208,283	456,282
Other loans	152,704	313,408
	2,828,634	2,636,491

The Group's bank loans and mortgage loans are on a floating rate basis which carry interest at prevailing market rates. The range of effective interest rates for the year on the Group's bank borrowings are 3% to 7.25% (2007: 4.64% to 7.25%).

The other loans are unsecured and bear floating interest rate range from 1.07% to 10.75% (2007: 0.56% to 5.85%) per annum.

	2008	2007
	HK$'000	*HK$'000*
The above borrowings are repayable as follows:		
On demand or within one year	1,018,476	1,233,225
More than one year, but not exceeding two years	547,251	307,130
More than two years, but not exceeding three years	309,175	224,646
More than three years, but not exceeding four years	224,670	107,052
More than four years, but not exceeding five years	95,273	206,583
More than five years	633,789	557,855
	2,828,634	2,636,491
Less: Amount due within one year shown under current liabilities	(1,018,476)	(1,233,225)
Amount due after one year	1,810,158	1,403,266

40. SHARE CAPITAL

	Number of shares 2008	Number of shares 2007	Share capital 2008 *HK$'000*	Share capital 2007 *HK$'000*
Ordinary shares of HK$0.1 each				
Authorised:				
At beginning and end of year	2,000,000,000	2,000,000,000	200,000	200,000
Issued and fully paid:				
At beginning of year	1,467,608,319	1,441,087,989	146,761	144,108
Issued pursuant to scrip dividend schemes	31,566,990	20,011,957	3,157	2,002
Issued upon conversion of convertible bonds	117,286,643	3,728,373	11,728	373
Issued upon exercise of share options	8,950,000	2,780,000	895	278
Repurchase of shares	(6,000,000)	–	(600)	–
At end of year	1,619,411,952	1,467,608,319	161,941	146,761

Changes in the issued share capital of the Company during the year are as follows:

(a) On 28 September 2007 and 29 February 2008, the Company issued and allotted a total of 18,677,554 and 12,889,436 shares of HK$0.1 each in the Company at HK$3.21 and HK$4.03 per share (2007: 11,943,420 and 8,068,537 shares of HK$0.1 each in the Company at HK$3.28 and HK$3.47 per share) to the shareholders who elected to receive shares in the Company for the 2007 final dividends and 2008 interim dividends pursuant to the scrip dividend scheme announced by the Company on 24 August 2007 and 22 January 2008, respectively.

(b) During the year, the Company issued and allotted a total of 117,286,643 (2007: 3,728,373) shares of HK$0.10 each in the Company upon the conversion of convertible bonds as referred to in note 37.

(c) During the year, 7,500,000 and 1,450,000 (2007: 2,780,000) shares of HK$0.10 each in the Company were issued upon the exercise of share options at a subscription price of HK$2.075 and HK$3.29 per share respectively.

(d) During the year, the Company via its subsidiary repurchased certain of its own shares on The Stock Exchange of Hong Kong Limited as follows:

Month of repurchase	No. of ordinary share of HK$0.01 each	Price per share Highest *HK$*	Price per share Lowest *HK$*	Aggregate consideration paid *HK$*
December 2007	1,000,000	4.21	3.86	3,998,000
March 2008	5,000,000	3.00	2.38	13,706,000

The above share were cancelled upon repurchase and, accordingly the issued share capital of the Company was reduced by the nominal value of these shares and the premium paid on repurchase was charged to share premium.

All the shares issued during the two years ended 31 March 2008 rank pari passu in all respects with the existing shares.

During the year, neither of the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities other than those disclosed in note (d) above.

41. SHARE OPTION SCHEME

The Company's share option scheme was adopted pursuant to a resolution passed on 28 August 2002 (the "Share Option Scheme") for the purpose of providing incentives and rewards to employees or executive or officers of the Company or any of its subsidiaries (including executive and non-executive directors) and business consultants, agents and legal or financial advisers who will contribute or have contributed to the Company or any of its subsidiaries. Under the Share Option Scheme, the board of directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company.

At 31 March 2008, the number of shares which remained outstanding under the Share Option Scheme was 18,550,000 (2007: 27,500,000), representing 1.15% (2007: 1.87%) of the shares of the Company in issue at that date. The total number of shares in respect of which options may be granted under the Share Option Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders.

Options granted will be taken up upon payment of HK$1 per option. Options may be exercised at any time not exceeding a period of 10 years from the date on which the share options is accepted. The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

Details of share options, which were granted on 21 October 2004 at an initial exercise price at HK$2.075 per share and on 25 August 2006 at an initial exercise at HK$3.290 per share, are as follows:

Options granted on 21 October 2004

Option type	**Vesting period**	**Exercisable period**	**Exercise price** *HK$*
Tranche 1	21.10.2004 to 31.10.2004	1.11.2004 to 31.12.2010	2.075
Tranche 2	21.10.2004 to 31.12.2005	1.1.2006 to 31.12.2010	2.075
Tranche 3	21.10.2004 to 31.12.2006	1.1.2007 to 31.12.2010	2.075
Tranche 4	21.10.2004 to 31.12.2007	1.1.2008 to 31.12.2010	2.075
Tranche 5	21.10.2004 to 31.12.2008	1.1.2009 to 31.12.2010	2.075

Options granted on 25 August 2006

Option type	**Vesting period**	**Exercisable period**	**Exercise price** *HK$*
Tranche 1	25.8.2006 to 31.8.2006	1.9.2006 to 31.12.2010	3.290
Tranche 2	25.8.2006 to 31.12.2006	1.1.2007 to 31.12.2010	3.290
Tranche 3	25.8.2006 to 31.12.2007	1.1.2008 to 31.12.2010	3.290
Tranche 4	25.8.2006 to 31.12.2008	1.1.2009 to 31.12.2010	3.290
Tranche 5	25.8.2006 to 31.12.2009	1.1.2010 to 31.12.2010	3.290

The movements in the options during the years are as follows:

Category of grantee	At 1.4.2006	Granted during the year	Exercised during the year	Forfeited during the year	At 31.3.2007	Exercised during the year	At 31.3.2008	Exercise period	Exercise price
									HK$
Chi Hing Chan	600,000	–	(600,000)	–	–	–	–	01.11.2004–31.12.2010	2.075
	1,400,000	–	(400,000)	–	1,000,000	(1,000,000)	–	01.01.2006–31.12.2010	2.075
	1,600,000	–	–	–	1,600,000	(1,100,000)	500,000	01.01.2007–31.12.2010	2.075
	1,800,000	–	–	–	1,800,000	–	1,800,000	01.01.2008–31.12.2010	2.075
	2,000,000	–	–	–	2,000,000	–	2,000,000	01.01.2009–31.12.2010	2.075
	7,400,000	–	(1,000,000)	–	6,400,000	(2,100,000)	4,300,000		
Bill Kwai Pui Mok	1,200,000	–	–	–	1,200,000	(1,200,000)	–	01.04.2005–31.12.2010	2.075
	1,400,000	–	–	–	1,400,000	(1,400,000)	–	01.01.2006–31.12.2010	2.075
	1,600,000	–	–	–	1,600,000	(400,000)	1,200,000	01.01.2007–31.12.2010	2.075
	1,800,000	–	–	–	1,800,000	–	1,800,000	01.01.2008–31.12.2010	2.075
	2,000,000	–	–	–	2,000,000	–	2,000,000	01.01.2009–31.12.2010	2.075
	8,000,000	–	–	–	8,000,000	(3,000,000)	5,000,000		
Other employees in aggregate	500,000	–	(250,000)	–	250,000	–	250,000	01.11.2004–31.12.2010	2.075
	1,705,000	–	(830,000)	–	875,000	(450,000)	425,000	01.01.2006–31.12.2010	2.075
	–	450,000	–	–	450,000	(450,000)	–	01.01.2006–31.12.2010	3.290
	2,975,000	–	(700,000)	(200,000)	2,075,000	(1,000,000)	1,075,000	01.01.2007–31.12.2010	2.075
	–	525,000	–	–	525,000	(525,000)	–	01.01.2007–31.12.2010	3.290
	3,475,000	–	–	(250,000)	3,225,000	(950,000)	2,275,000	01.01.2008–31.12.2010	2.075
	–	600,000	–	–	600,000	(475,000)	125,000	01.01.2008–31.12.2010	3.290
	3,975,000	–	–	(300,000)	3,675,000	–	3,675,000	01.01.2009–31.12.2010	2.075
	–	675,000	–	–	675,000	–	675,000	01.01.2009–31.12.2010	3.290
	–	750,000	–	–	750,000	–	750,000	01.01.2010–31.12.2010	3.290
	12,630,000	3,000,000	(1,780,000)	(750,000)	13,100,000	(3,850,000)	9,250,000		
	28,030,000	3,000,000	(2,780,000)	(750,000)	27,500,000	(8,950,000)	18,550,000		
Weighted average exercise price	2.075	3.290	2.075	2.075	2.208	2.272	2.177		

The estimated fair value of the options granted during the year ended 31 March 2007 determined at the date of grant using the Binominal model was approximately HK$2,961,000. The Group recognised the total expense of approximately HK$862,000 (2007: HK$1,464,000) in relation to share options granted by the Company.

The following assumptions were used to calculate the fair value of share options granted on 25 August 2006:

	Tranche 1	**Tranche 2**	**Tranche 3**	**Tranche 4**	**Tranche 5**
Exercise price	3.290	3.290	3.290	3.290	3.290
Risk free rate	4.08%	4.08%	4.08%	4.08%	4.08%
Dividend yield	3.90%	3.90%	3.90%	3.90%	3.90%
Value of option at grant date	0.8969	0.9111	0.9693	1.0313	1.0528
Expected life of option	2.7	2.8	3.3	3.7	4.1
Volatility	45%	45%	45%	45%	45%

The Binomial model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

Total consideration received by the Group for exercising the options granted amounted to approximately HK$20,333,000(2007: HK$5,769,000).

The weighted average closing price of the Company's shares immediately before the date(s) on which the options were exercised is HK$3.92 (2007: HK$3.45).

42. AMOUNTS DUE TO A MINORITY SHAREHOLDER AND A JOINTLY CONTROLLED ENTITY

The amounts are unsecured and interest-free, except for an amount of HK$22,277,000 (2007: HK$43,079,000) due to a minority shareholder which bears interest at 7.05% (2007: 7.05%) and matures in November 2013. In addition, the jointly controlled entity have confirmed that the amount will not be demanded for repayment within next twelve months from the balance sheet date and, accordingly, the amount is shown as non-current.

43. DEFERRED TAXATION

The major deferred tax (assets) liabilities recognised by the Group and movements thereon during the current and prior years are as follows:

	Accelerated tax depreciation	Revaluation of investment properties	Fair value on adjustments on business combination	Tax losses	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2006	41,784	130,686	–	(48,075)	124,395
Acquisition of a business	–	–	42,500	–	42,500
Charge to consolidated income statement for the year	332	5,728	–	15,251	21,311
At 31 March 2007	42,116	136,414	42,500	(32,824)	188,206
Charge to consolidated income statement for the year	1,220	39,125	(1,036)	(6,120)	33,189
At 31 March 2008	43,336	175,539	41,464	(38,944)	221,395

At 31 March 2008, the Group has unused tax losses of HK$753,129,000 (2007: HK$662,893,000) available for offset against future profits. A deferred tax asset has been recognised in respect of such losses to the extent of HK$177,165,000 (2007: HK$143,856,000). No deferred tax asset has been recognised in respect of the remaining tax losses of HK$575,964,000 (2007: HK$519,037,000) due to the unpredictability of future profit streams. The unrecognised tax losses may be carried forward indefinitely.

At the balance sheet date, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised was HK$152,028,000 (2007: HK$149,322,000). No deferred tax liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

44. JOINTLY CONTROLLED ASSETS

The Group has entered into joint venture agreements in the form of a jointly controlled assets to develop a multi-storey building, retail building, two residential apartment blocks and one office building. The Group has a 50% interest in these joint ventures.

At the balance sheet date, the aggregate amounts of assets and liabilities recognised in the consolidated financial statements in relation to interests in jointly controlled assets are as follows:

	2008	2007
	HK$'000	*HK$'000*
Properties under development for sale	153,211	36,799
Debtors, deposits and prepayments	3,459	597
Bank balances	8,975	6,227
Creditors and accruals	(2,632)	(11,554)
Bank borrowings	(150,118)	–
	12,895	32,069

45. ACQUISITION OF A SUBSIDIARY/BUSINESS

(a) Acquisition of a subsidiary

The fair value of net assets acquired at 26 September 2007 were as follows

	Carrying amount	Fair value adjustment	Fair value of net assets
	HK$'000	*HK$'000*	*HK$'000*
Net assets acquired:			
Property, plant and equipment	108,528	–	108,528
Prepaid lease payments	12,403	15,869	28,272
Inventories	445	–	445
Debtors, deposits and prepayments	3,578	–	3,578
Bank balances and cash	2,861	–	2,861
Creditors and accruals	(4,584)	–	(4,584)
Shareholders' loans	(321,239)	–	(321,239)
	(198,008)	15,869	(182,139)
Assignment of shareholders' loans			321,239
			139,100
Discount on acquisition recognised in the consolidated income statement			(66,140)
Satisfied by:			
Cash consideration			72,960
Net cash outflow arising on acquisition:			
Cash consideration			(72,960)
Bank balances and cash acquired			2,861
			(70,099)

In September 2007, the Group acquired the entire issued share capital of Merlin Labuan Sdn Bhd ("MLSB") which is engaged in hotel operation, at a consideration of HK$72,960,000. The shareholders' loans were assigned to Eldonstead Investments Limited, a wholly owned subsidiary of the Group, pursuant to the Novation Agreement dated 26 September 2007.

The acquisitions have been accounted for using the purchase method.

The discount arising on acquisitions represents excess of acquirer's interest in the net fair value of assets attributable by the bargain purchase with the shareholders of the acquiree.

From the date of acquisition to 31 March 2008, MLSB has contributed HK$8,182,000 to the profit for the Group. If the acquisition had taken place on 1 April 2007, the profit for the Group for the year would have been HK$451,562,000 and total group revenue would have been HK$2,181,928,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved has the acquisition been completed on 1 April 2007, nor is it intended to be a projection of future results.

On 1 March 2007, the Group acquired the entire issued share capital of Subang Jaya Hotel Development Sdn Bhd ("SJHDSB") which is engaged in hotel operation, at a consideration of HK$261,600,000. Concurrently, the shareholders' loans were assigned to Wanchope Limited, a wholly owned subsidiary of the Group, pursuant to the Novation Agreement dated 1 March 2007. The acquisition has been accounted for using the purchase method.

The net assets acquired were as follows:

	Carrying Amount	**Fair value of net assets**
	HK$'000	*HK$'000*
Net assets acquired:		
Property, plant and equipment	301,013	301,013
Inventories	595	595
Debtors, deposits and prepayments	8,927	8,927
Bank balances and cash	9,122	9,122
Creditors and accruals	(13,849)	(13,849)
Shareholders' loans	(283,176)	(283,176)
	22,632	22,632
Assignment of shareholders' loans		283,176
		305,808
Discount on acquisition recognised in the consolidated income statement		(44,208)
Satisfied by:		
Cash consideration		261,600

The acquiree's carrying amount of net assets approximates to the fair value of the net assets acquired.

	HK$'000
Net cash outflow arising on acquisition:	
Cash consideration	(261,600)
Bank balances and cash acquired	9,122
	(252,478)

The discount arising on acquisition represents excess of acquirer's interest in the net fair value of assets attributable by the distress sale by the seller.

From the date of acquisition, SJHDSB has contributed HK$1,151,000 to the profit of the Group. If the combination had taken place at the beginning of the period, the profit for the Group would have been HK$585,471,000 and revenue from continuing operations would have been HK$1,003,150,000. The pro forma information is for illustrative purposes only and is not necessarily on indication of revenue and results of operations of the Group that actually would have been achieved has the acquisition been completed on 1 April 2006, nor is it intended to be a projection of future results.

(b) Acquisition of business

Last year, the Group acquired a hotel operation for consideration of HK$443,507,000. This acquisition was accounted for using the purchase method.

The net assets of the hotel business at the date of acquisition were as follows:

	Acquiree's carrying amount	**Fair value adjustment**	**Fair value of net assets**
	HK$'000	*HK$'000*	*HK$'000*
Net assets acquired:			
Property, plant and equipment	118,075	242,000	360,075
Prepaid lease payments	120,674	–	120,674
Inventories	109	–	109
Debtors, deposits and prepayments	7,085	–	7,085
Bank balances and cash	555	–	555
Creditors and accruals	(2,491)	–	(2,491)
Deferred taxation	–	(42,500)	(42,500)
	244,007	199,500	443,507
Satisfied by:			
Loan receivable			443,507
Net cash inflow arising on acquisition:			
Bank balances and cash acquired			555

As a result of the acquisition, the Group has recovered doubtful loan receivable amounting to HK$57,443,000, which was credited to the consolidated income statement for the year ended 31 March 2007. The recoverable amount was arrived at by reference to the fair value of net assets acquired.

The hotel business acquired contributed HK$4,039,000 to the Group's profit for the period between the date of acquisition and the balance sheet date. If the acquisition had been completed on 1 April 2006, total group revenue for the period would have been HK$1,029,679,000, and profit for the period would have been HK$596,778,000. The pro forma information is for illustrative purpose only and is not necessary an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 April 2006, nor is it intended to be a projection of future results.

46. DISPOSAL OF A SUBSIDIARY

Last year, the Group sold its 5% equity investment in the contributed capital of Hudson, a limited partnership established in the United States of America through disposal of the entire interest in a subsidiary, Shelborn Enterprises, Inc.. The net assets of the disposed subsidiary at the date of disposal were as follows:

	HK$'000
Net assets disposed of:	
Available-for-sale investments	69,634
Bank balances and cash	6
	69,640
Gain on disposal of a subsidiary	225,200
Total consideration satisfied by:	
Cash	294,840
Net cash inflow arising on disposal:	
Cash consideration received	294,840
Ban balances and cash disposed of	(6)
	294,834

47. MAJOR NON-CASH TRANSACTIONS

During the year, the Group entered into finance lease arrangements in respect of asset with a total capital value at the inception of the leases of HK$547,720 (2007: HK$1,130,000).

As referred to in note 40, the Company issued shares for 2007 final dividends and 2008 interim dividends pursuant to scrip dividend scheme totalling HK$111,898,000 (2007: HK$67,182,000).

As referred to in note 37, an aggregate principal amount of HK$359,720,000 (2007: HK$7,793,000) of the US$ Bonds were converted into ordinary shares of the Company.

48. PLEDGE OF ASSETS

At the balance sheet date, the Group had pledged the following assets:

(a) The Group's completed properties for sale, investment properties and property, plant and equipment, bank deposits and investments held for trading with an aggregate carrying amount of approximately HK$4,989,610,000 (2007: HK$4,205,899,000), HK$107,338,000 (2007: HK$101,821,000) and HK$764,000 (2007: HK$731,000) respectively, together with assignments of sales proceeds, insurance proceeds, rental income, revenues and all other income generated from the relevant properties and properties of associates and third parties were pledged to the Group's bankers and loan creditors to secure banking and loan facilities granted to the Group to the extent of approximately HK$4,358,882,000 (2007: HK$3,854,548,000).

The Group's bank deposits of approximately HK$3,165,000 in 2007 were pledged to a Group's banker to secure a credit facility given by the banker to secure credit facility in favour of subsidiary of the Company in prior year.

(b) The Group's investments held for trading, available-for-sale investments and derivative financial instruments, other financial assets and deposits with an aggregate carrying amount of approximately HK$167,669,000 (2007: HK$365,640,000) were pledged to the Group's financial institutions to secure margin trading facilities granted to the Group in respect of securities transactions to the extent of approximately HK$732,771,000 (2007: HK$1,011,087,000), of which HK$152,704,000 (2007: HK$83,621,000) were utilised.

(c) Interests in certain subsidiaries of the Company have been pledged as part of the security to secure certain bank borrowings granted to the Group.

(d) The Group has subordinated its amount due from an investee company of approximately HK$119,995,000 (2007: HK$119,995,000) to a financial institution to secure general credit facility granted to the investee company.

49. CAPITAL COMMITMENTS

	2008	2007
	HK$'000	*HK$'000*
Capital expenditure contracted for but not provided in the financial statements in respect of:		
Properties under development for sale	719,850	1,136,198
Hotel properties	611,695	–
Others	14,164	4,329
	1,345,709	1,140,527
Capital expenditure authorised but not contracted for in respect of:		
Hotel properties under development	–	426,090
Hotel properties	73,636	11,315
	73,636	437,405
	1,419,345	1,577,932

50. OPERATING LEASE ARRANGEMENTS

The Group as lessor:

At the balance sheet date, investment properties and completed properties for sale with carrying amount of HK$1,888,973,000 (2007: HK$1,333,225,000) and HK$97,290,000 (2007: HK$98,672,000) respectively were let out under operating leases.

Gross rental income earned during the year is HK$67,099,000 (2007: HK$52,858,000), of which HK$49,712,000 (2007: HK$42,689,000) was derived from letting of investment properties. The property held has committed tenants for the next one to twelve years.

At the balance sheet date, the Group had contracted with tenants for the following future minimum lease payments:

	2008	2007
	HK$'000	*HK$'000*
Within one year	64,092	50,237
In the second to fifth years inclusive	100,669	26,042
More than fifth years	146,854	–
	311,615	76,279

Leases are negotiated and rentals are fixed for terms ranging from one to three years.

The Group as lessee:

Minimum lease payments paid under operating leases during the year.

	2008	2007
	HK$'000	*HK$'000*
Premises	3,294	8,193
Motor vehicles	118	118
Other equipment	74	–
	3,486	8,311

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2008	2007
	HK$'000	*HK$'000*
Premises and office equipment		
– within one year	713	12,001
– in the second to fifth years inclusive	87	636
	800	12,637

Leases are negotiated for an average term of two years and rentals are fixed over the years.

51. CONTINGENT LIABILITIES

The Group has given a guarantee in respect of mortgage loans provided to the home buyers of a property project in the PRC. At 31 March 2008, the total amount of mortgages outstanding which are subject to these guarantees was HK$354,419,000 (2007: HK$40,406,060). The director considered that the fair values of these financial guarantee contracts at their initial recognition are insignificant on the basis of short maturity periods and low applicable default rates.

52. RELATED PARTY TRANSACTIONS

During the year, the Group entered into the following significant transactions with related parties:

Related party	**Nature of transaction**	**2008**	**2007**
		HK$'000	*HK$'000*
Directors and their associates	Interest expenses	99	311
Associates	Dividend income	10,094	5,570
	Building management fee expenses	4,489	4,459
	Refund of management fee	–	12,500
Jointly controlled entities	Rental income	2,400	2,179
	Interest income	–	654

These transactions have been entered into on terms agreed by parties concerned.

Details of the balances with related parties as at the balance sheet date are set out in the consolidated balance sheet and relevant notes to the consolidated financial statements.

Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	2008	**2007**
	HK$'000	*HK$'000*
Short-term benefits	18,402	10,097
Post-employment benefits	86	36
	18,488	10,133

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

53. RETIREMENT BENEFITS SCHEMES

The Group operates a Mandatory Provident Fund Scheme ("the MPF Scheme") for all qualifying employees in Hong Kong under the rules and regulations of the Mandatory Provident Fund Authority. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of trustees. Contributions are made based on a percentage of the participating employees' relevant income from the Group and are charged to the consolidated income statement as they become payable in accordance with the rules of the MPF Scheme. When an employee leaves the MPF Scheme, the mandatory contributions are fully vested with the employee. The retirement benefits scheme contributions charged to consolidated income statement during the year amounted to HK$8,943,000 (2007: HK$$5,086,000).

According to the relevant laws and regulations in the PRC, the PRC subsidiary is required to contribute a certain percentage of the salaries of their employees to the state-managed retirement benefit scheme. The only obligation of the Group with respect to the retirement benefit scheme is to make the required contributions under the scheme. The retirement benefits scheme contributions charged to consolidated income statement during the year amounted to HK$250,000 (2007: HK$213,000).

54. POST BALANCE SHEET EVENT

On 3 June 2008, a subsidiary of the Company entered into an agreement with an independent third party for the acquisition of a property in Shanghai at a consideration of HK$317 million. The acquisition is not yet completed up to the date of approval of these consolidated financial statements.

55. BALANCE SHEET OF THE COMPANY

	At 31 March 2008 HK$'000	2007 HK$'000
Non-current asset		
Investment in subsidiaries	1,210,284	1,210,284
Current assets		
Other debtors and deposits	30,559	2,000
Amounts due from subsidiaries	1,793,262	1,921,708
Cash at bank	1,186	9,297
	1,825,007	1,933,005
Current liabilities		
Other creditors and accruals	2,811	2,833
Financial liabilities at fair value through profit or loss	430,123	838,336
	432,934	841,169
Net current assets	1,392,073	1,091,836
	2,602,357	2,302,120
Capital and reserve		
Share capital	161,941	146,761
Reserves	2,440,416	2,155,359
	2,602,357	2,302,120

56. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Name of direct subsidiary	Issued share capital: Number of shares	Par value per share	Class of shares held	Proportion of nominal value of issued capital/ registered capital held by the Group 2008	2007	Principal activities	Place of incorporation/ operation
Accord Rise Investments Limited	1	US$1	Ordinary	100	100	Investment holdings	British Virgin Islands ("BVI")
Ample Bonus Limited	100	US$1	Ordinary	100	100	Investment holdings	BVI
Far East Consortium (B.V.I.) Limited	50,000	US$1	Ordinary	100	100	Investment holdings	BVI
Ondella International Limited	1	US$1	Ordinary	100	100	Investment holdings	BVI

Name of indirect subsidiary	Issued share capital: Number of Shares	Issued share capital: Par value per share/ registered capital	Issued share capital: Class of shares held	Proportion of nominal value of issued capital/ registered capital held by the Group 2008	2007	Principal activities
Accessway Profits Limited	1	US$1	Ordinary	100	100	Investment holdings
Action Fulfilled Assets Limited	1	US$1	Ordinary	100	100	Property investment
Amphion Investment Limited	2	HK$1	Ordinary	100	100	Investment holdings
Annick Investment Limited	2	HK$1	Ordinary	100	100	Property investment
Arvel Company Limited	10,000	HK$1	Ordinary	100	100	Property investment
Asia Land Pty Limited (formerly known as FEC Property Services Pty Limited)	1	A$1	Ordinary	100	100	Loan financing
Best Hoover Limited	1	HK$1	Ordinary	100	100	Property investment
Bournemouth Estates Limited	2	HK$10	Ordinary	100	100	Property development
Bradney Proprietary Limited	2	A$1	Ordinary	100	100	Investment holdings
Billion Century Holdings Limited	1	HK$1	Ordinary	100	–	Investment holdings
Capital Fortune Investment Limited	2	HK$1	Ordinary	100	100	Property investment
Caragis Limited	1,000	HK$1	Ordinary	100	100	Hotel operation
Charter Joy Limited	2	HK$1	Ordinary	100	100	Hotel operation
Charter National International Limited	2	HK$1	Ordinary	100	100	Property development
Cheong Sing Property Development Limited	500	HK$100	Ordinary	100	100	Property development
China Web Incorporated	1	US$1	Ordinary	100	100	Investment holdings
Ching Chu Property Management (Shanghai) Company Limited (i)	N/A	US$9,000,000	N/A	100	100	Property management
Ching Chu (Shanghai) Real Estates Company Limited	N/A	US$5,000,000	N/A	100	100	Property management
Chun Wah Holdings Limited	200	HK$1	Ordinary	100	100	Property development
Cosmopolitan Hotel Limited	10,000	HK$1	Ordinary	100	100	Hotel operation
Detheridge Estates Limited	2	HK$1	Ordinary	100	100	Property development
Dorsett Hotel Management Services Limited	2	HK$1	Ordinary	100	100	Hotel management
Dorsett Hotels & Resorts (H.K.) Limited	1,000,000	HK$1	Ordinary	100	100	Investment holdings
Dorsett Regency Hotel (M) Sdn Bhd	5,000,000	M$1	Ordinary	100	100	Hotel investment and operation
Double Advance Group Limited	1	US$1	Ordinary	100	100	Investment holdings
Double Gaining Limited	1	HK$1	Ordinary	100	–	Investment holdings
Dunball Limited	2	HK$1	Ordinary	100	100	Property investment
Dunjoy Limited	2	HK$1	Ordinary	100	100	Investment holdings
E-Cash Ventures Limited	1	US$1	Ordinary	100	100	Investment holdings
Eldonstead Investment Limited	1	US$1	Ordinary	100	100	Investment holdings

Name of indirect subsidiary	Issued share capital: Number of Shares	Par value per share/ registered capital	Class of shares held	Proportion of nominal value of issued capital/ registered capital held by the Group 2008	2007	Principal activities
Elliott Investment Corporation	2	Nil	Ordinary	100	100	Investment holdings and share investment
Esmart Management Limited	2	HK$1	Ordinary	100	100	Hotel management
Ever Liberty (M) Sdn Bhd	2	M$1	Ordinary	100	100	Property investment
Everkent Development Limited	2	HK$1	Ordinary	100	100	Property development
Excel Chinese International Limited	1	HK$1	Ordinary	100	100	Property development
Far East Consortium China Infrastructure Company Limited	2	HK$1	Ordinary	100	100	Investment holdings
Far East Consortium China Investments Limited	6,000	HK$100	Ordinary	100	100	Property development and trading
Far East Consortium China Land Corporation Limited	1,000	HK$100	Ordinary	100	100	Property development
Far East Consortium Holdings (Australia) Pty Limited	12	A$1	Ordinary	100	100	Investment holdings
	235	A$0.01	Redeemable preference	100	100	Investment holdings
Far East Consortium Limited	830,650,000	HK$1	Ordinary	100	100	Investment holdings and property investment
Far East Consortium (B.V.I.) Limited	50,000	US$1	Ordinary	100	100	Investment holdings
Far East Consortium Machinery Limited	2	HK$1	Ordinary	100	100	Investment holdings
Far East Consortium (Malaysia) Limited	2	HK$1	Ordinary	100	100	Investment holdings
Far East Consortium (Netherlands Antilles) N.V.	6,000	US$1	Ordinary	100	100	Investment holdings
Far East Consortium Properties Pty Limited	12	A$1	Ordinary	100	100	Investment holdings and property investment
	225	A$0.01	Redeemable preference	100	100	
Far East Dorsett Hotel Management (Cheng Du) Co. Ltd.	N/A	US$38,000,000	N/A	100	100	Property development
Far East Real Estate and Agency (H.K.) Limited	60,000	HK$100	Ordinary	100	100	Investment holdings and loan financing
Far East Rockman Hotels (Australia) Pty Limited	12	A$1	Ordinary	100	100	Investment holdings
	375	A$0.01	Redeemable preference	100	100	
Far East Rockman Investments Pty Limited	12	A$1	Ordinary	100	100	Investment holdings
	125	A$0.01	Redeemable preference	100	100	
Far East Supermarket Limited	500,000	HK$1	Ordinary	100	100	Property investment
FEC Development (Malaysia) Sdn Bhd	2	M$1	Ordinary	100	100	Investment holdings

Name of indirect subsidiary	Issued share capital: Number of Shares	Par value per share/ registered capital	Class of shares held	Proportion of nominal value of issued capital/ registered capital held by the Group 2008	2007	Principal activities
FEC Financing Solutions Pty. Ltd.	1	A$1	Ordinary	100	100	Investment holdings
FEC Strategic Investments (Netherlands) B.V.	120,000	DFL1	Ordinary	100	100	Investment holdings
Focus Venue Sdn Bhd	90	M$1	Ordinary	90	90	Property development
Fortune Plus (M) Sdn Bhd	935,000	M$1	Ordinary	100	100	Property investment
FECFW 1 Pty Ltd.	1	A$1	Ordinary	100	100	Investment holdings
FECFW 2 Pty Ltd.	1	A$1	Ordinary	100	100	Investment holdings
Full Benefit Limited	1	US$1	Ordinary	100	100	Investment holdings
Garden Resort Development Limited	100	HK$1	Ordinary	100	100	Property development
Grand Expert Limited	10,000	HK$1	Ordinary	100	100	Hotel operation
Grandco Investment Limited	1	US$1	Ordinary	100	100	Property investment
Guangzhou Pegasus Boiler Manufacture Company Limited (ii)	N/A	HK$50,000,000	N/A	51	51	Operation of boiler factory
Hong Kong (SAR) Hotel Limited	10,000	HK$1	Ordinary	100	100	Property development
Hong Kong Hotel REIT Finance Company Limited	1	HK$1	Ordinary	100	–	Loan financing
Hamsher International Limited	29,805,065	US$1	Ordinary	100	100	Hotel investment and operation
Havena Holdings Limited	1	US$1	Ordinary	100	–	Investment holding
Henrik Investment Limited	2	HK$1	Ordinary	100	100	Property investment
Hero Housing Limited	880	HK$1,000	Ordinary	100	100	Property investment
Hong Kong Hotel Asset Management Limited	5,000,000	HK$1	Ordinary	100	100	Investment holding
Hong Kong Hotel REIT Holdings Limited	100	US$1	Ordinary	100	100	Investment holding
Kuala Lumpur Land Holdings Limited	100	€1	Ordinary	100	100	Investment holdings
Madison Lighters and Watches Company Limited	4	HK$1	Ordinary	100	100	Investment holdings
Multi Yield (HK) Limited	1	HK$1	Ordinary	100	100	Property development
New Time Plaza Development Limited	1,000	HK$1	Ordinary	100	100	Investment holdings
New Union Investments (China) Limited	300	HK$1	Ordinary	100	100	Investment holdings
N.T. Horizon Realty (Jordan) Limited	2	HK$100	Ordinary	100	100	Property investment
The Hotel of Lan Kwai Fong Limited	10,000	HK$1	Ordinary	100	100	Hotel operation
Oi Tak Enterprises Limited	1,000,000	HK$1	Ordinary	75	75	Investment holdings
Pandix Limited	1	HK$1	Ordinary	100	–	Property development
Panley Limited	1	HK$1	Ordinary	100	–	Property development

Name of indirect subsidiary	Issued share capital: Number of Shares	Par value per share/ registered capital	Class of shares held	Proportion of nominal value of issued capital/ registered capital held by the Group 2008	2007	Principal activities
Pansy Development Limited	2	HK$1	Ordinary	100	100	Property investment
Peacock Management Services Limited	2	HK$1	Ordinary	100	100	Administration services
Polyland Development Limited	2	HK$1	Ordinary	100	100	Property investment
Ready Town Limited	2	HK$1	Ordinary	100	100	Property and share investment
Regency Hotels Proprietary Limited	100	A$1	Ordinary	100	100	Investment holdings
Rich Diamond Holdings Limited	10	US$1	Ordinary	70	70	Investment holdings
Ridon Investment Limited	2	HK$1	Ordinary	100	100	Investment holdings and share investment
Roseville Enterprises Limited	6,000	HK$100	Ordinary	100	100	Property development
Royal Domain Plaza Pty Limited	2	A$1	Ordinary	100	100	Property investment
Royal Domain Towers Pty Limited	2	A$1	Ordinary	100	100	Property investment
Ruby Way Limited	2	HK$1	Ordinary	100	100	Property development
Scarborough Development Limited	2	HK$1	Ordinary	100	100	Property investment
Sea Wave Properties Limited	1,000,000	HK$1	Ordinary	100	100	Investment holdings
Shanghai Chingchu Property Development Company Limited (ii)	N/A	US$9,000,000	N/A	98.2	98.2	Developing, selling and leasing properties
Sheen Profit Industries Limited	2	HK$1	Ordinary	100	100	Hotel operation
Singford Holdings Limited	1	US$1	Ordinary	100	100	Treasury management
Southsino Development Limited	100	HK$1	Ordinary	100	100	Property development
Star Bridge Development Limited	2	HK$1	Ordinary	100	100	Property development
Stoneline Sdn Bhd	100	M$1	Ordinary	100	100	Investment holdings
Subang Jaya Hotel Development Sdn Bhd	45,000,000	M$1	Ordinary	100	100	Hotel operation
Tang City Holdings Pte Ltd	1,000,000	S$1	Ordinary	100	100	Property investment
Tang City Parkway Pte Ltd	10	S$1	Ordinary	100	100	Property investment
Tang City Properties Pte Ltd	2,600,000	S$1	Ordinary	100	100	Property investment
Tang Development Pte Ltd	2	S$1	Ordinary	100	100	Property investment
Teampearl Company Ltd	5,001	HK$1	Class A	100	100	Property development
	4,999		Class B	100	100	
Tomarta Sdn Bhd	1,000,000	M$1	Ordinary	100	100	Property trading
Top Trend Developments Limited	2	US$1	Ordinary	100	100	Property development
Turbulent Limited	2	HK$10	Ordinary	100	100	Investment holdings
Upperace Development Limited	1,000,000	HK$1	Ordinary	100	100	Investment holdings

Name of indirect subsidiary	Issued share capital: Number of Shares	Par value per share/ registered capital	Class of shares held	Proportion of nominal value of issued capital/ registered capital held by the Group 2008	2007	Principal activities
Vennex Limited	1	HK$1	Ordinary	100	–	Property development
Vicsley Limited	1,000	HK$1	Ordinary	100	100	Hotel operation
Victoria Land Pty Ltd.	12	A$1	Ordinary	100	100	Management services
Vicco Development Limited	2	HK$1	Ordinary	100	100	Investment holdings
Virgobee Limited	2	HK$1	Ordinary	100	100	Property investment
Wanchope Limited	1	US$1	Ordinary	100	100	Investment holdings
Win Chance Engineering Limited	2	HK$1	Ordinary	100	100	Engineering
Wonder China Investments Limited	1	US$1	Ordinary	100	100	Investment holdings
Wuhan Far East Dorsett Hotel Management Company Limited	N/A	US$28,000,000	N/A	100	–	Hotel operation and property investment
Zhongshan Development Limited	1	US$1	Ordinary	100	100	Investment holdings

(i) Foreign investment enterprise registered in the PRC

(ii) Sino-foreign equity joint venture registered in the PRC

None of the subsidiaries had issued any debt securities at the end of the year.

The above table lists the subsidiaries of the Group which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

All the above indirect subsidiaries are incorporated and are operating in Hong Kong except the followings:

Name of indirect subsidiary	Place of incorporation	Place of operation
Accessway Profits Limited	British Virgin Islands	Hong Kong
Action Fulfilled Assets Limited	British Virgin Islands	Hong Kong
Asia Land Pty Ltd. (formerly known as FEC Property Services Pty Ltd.)	Australia	Australia
Bradney Proprietary Ltd.	Australia	Australia
China Web Incorporated	Cayman Islands	Hong Kong
Ching Chu Property Management (Shanghai) Company Limited	The PRC	The PRC
Dorsett Regency Hotel (M) Sdn. Bhd.	Malaysia	Malaysia
E-Cash Ventures Limited	British Virgin Islands	Hong Kong
Elliott Investment Corporation	Panama	Hong Kong
Ever Liberty (M) Sdn. Bhd.	Malaysia	Malaysia
Far East Consortium Holdings (Australia) Pty Limited	Australia	Australia
Far East Consortium (Netherlands Antilles) N.V.	Netherlands Antilles	Netherlands Antilles
Far East Consortium Properties Pty Limited	Australia	Australia
Far East Rockman Hotels (Australia) Pty Limited	Australia	Australia
Far East Rockman Investments Pty Limited	Australia	Australia
FEC Development (Malaysia) Sdn. Bhd.	Malaysia	Malaysia
FEC Financing Solutions Pty Limited	Australia	Australia
FEC Properties Limited	British Virgin Islands	Hong Kong
FEC Strategic Investments (Netherlands) B.V.	The Netherlands	The Netherlands
FEH Strategic Investment Pte Limited	Singapore	Singapore
Focus Venue Sdn. Bhd.	Malaysia	Malaysia
Fortune Plus (M) Sdn. Bhd.	Malaysia	Malaysia
FECFW 1 Pty Ltd.	Australia	Australia
FECFW 2 Pty Ltd.	Australia	Australia
Grandco Investment Limited	British Virgin Islands	The U.S.A.
Guangzhou Pegasus Boiler Manufacture Company Limited	The PRC	The PRC
Hamsher International Ltd.	British Virgin Islands	The U.S.A.
Kuala Lumpur Land Holdings Limited	Channel Islands	Malaysia
Regency Hotels Proprietary Limited	Australia	Australia
Rich Diamond Holdings Limited	British Virgin Islands	The Philippines
Royal Domain Plaza Pty. Ltd.	Australia	Australia
Royal Domain Towers Pty. Limited	Australia	Australia
Shanghai Chingchu Property Development Company Limited	The PRC	The PRC
Singford Holdings Limited	British Virgin Islands	Hong Kong
Smartland Assets Limited	British Virgin Islands	Singapore
Stoneline Sdn. Bhd.	Malaysia	Malaysia
Tang City Holdings Pte Ltd	Singapore	Singapore
Tang City Parkway Pte Ltd	Singapore	Singapore
Tang City Properties Pte Ltd	Singapore	Singapore
Tang Development Pte Ltd	Singapore	Singapore
Tomarta Sdn. Bhd.	Malaysia	Malaysia
Top Trend Developments Limited	British Virgin Islands	China
Vico Overseas Inc.	British Virgin Islands	Malaysia
Victoria Land Pty. Ltd.	Australia	Australia
Wonder China Investments Limited	British Virgin Islands	The PRC
Zhongshan Development Limited	British Virgin Islands	The PRC

57. PARTICULARS OF PRINCIPAL ASSOCIATES

Name of indirect associate	Class of shares held	Issued share capital: Proportion of nominal value of issued capital/ registered capital held by the Group 2008	2007	Principal activities
Bermuda Investments Limited	Ordinary	25	25	Property investment
Gold Coin (Hong Kong) Limited	Ordinary	26	26	Investment holdings
Gold Coin Feedmill (China) Limited	Ordinary	26	26	Operation of feedmill factory
Guangdong Xin Shi Dai Real Estate Limited	N/A	45	45	Property development
Kanic Property Management Limited	Ordinary	50	50	Building management
Liuzhou Universe Compressor Company Limited	N/A	25.2	25.24	Operation of compressor factory
Naples Investments Limited	Ordinary	50	50	Investment holdings
Omicron International Limited	Ordinary	30	30	Investment holdings
Peacock Estates Limited	Ordinary	25	25	Property investment
Philippine Dream Company, Inc.	Ordinary	25.2	25.2	Hotel operation

The above table lists the associates of the Group which, in the opinion of the Directors, principally affected the results or assets of the Group. To give details of other associates would, in the opinion of the Directors, result in particulars of excessive length.

All the above associates are incorporated and are operating in Hong Kong except the followings:

Name of indirect associate	Place of incorporation	Place of operation
Gold Coin Feedmill (China) Limited	The PRC	The PRC
Guangdong Xin Shi Dai Real Estate Limited	The PRC	The PRC
Liuzhou Universe Compressor Company Limited	The PRC	The PRC
Naples Investments Limited	British Virgin Islands	The Philippines
Philippine Dream Company, Inc.	The Philippines	The Philippines

3. INDEBTEDNESS

Borrowings

As at the close of business on 28 February 2009, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had outstanding secured bank and other borrowings of HK$4,253 million, amounts due to directors, related companies and minority shareholders of approximately HK$2 million, HK$44 million and HK$30 million respectively and finance lease obligations of approximately HK$2 million.

Pledge of assets and guarantees

At the close of business on 28 February 2009, the secured borrowings are secured by certain of the Group's assets of approximately HK$5,906 million.

At the close of business on 28 February 2009, the Company has issued corporate guarantees to certain banks and financial institutions in respect of credit facilities drawn by its subsidiaries amounting to approximately HK$3,980 million. In addition, the Group has given guarantee in respect of mortgage loans provided to the home buyers of a property development project held by its subsidiary amounting to approximately HK$150 million.

Debt securities

At the close of business on 28 February 2009, the Group had outstanding financial liabilities held for trading of approximately HK$351 million.

Commitments

At 28 February 2009, the Group has authorised capital expenditure not provided for in these financial statements amounting to approximately HK$817 million of which approximately HK$713 million was contracted for.

Save as disclosed above and apart from intra-group liabilities, the Group did not, at the close of business on 28 February 2009 have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under debentures, mortgages, charges, finance lease commitments, guarantees or other material contingent liabilities.

4. MATERIAL CHANGE

Save for (a) the decrease in exchange reserve for the year ended 31 March 2009 as a result of decrease in value of assets denominated in foreign currencies due to the fluctuation of foreign exchanges during the year ended 31 March 2009; and (b) those as disclosed in the interim report of the Company for the six months ended 30 September 2008 (the "Interim Report"), including (i) loss on disposal of available-for-sale investments; (ii) decrease in market value of financial assets through profit and loss which are mainly attributable to the loss on investments of equity-linked notes; (iii) decrease in market value of investments held for trading; (iv) decrease in market value of investment properties; (v) decrease in contingent liabilities as disclosed in note 19 to the Interim Report; and (vi) increase in indebtedness due to the increase in bank loan as disclosed in note 15 to the Interim Report, the Directors confirm that there has been no material change in the financial or trading position or outlook of the Group since 31 March 2008, being the date to which the latest audited consolidated financial statement of the Group were made up.

The following is the text of a letter and valuation certificates from the independent valuer, Urbis Valuations Pty Ltd, in connection with the valuation of the properties as at 31 March 2009 to be held by the Care Park Group before CP Completion, prepared for the purpose of incorporation in this circular:

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Urbis Valuations Pty Ltd ABN 28 105 273 523
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Australia Asia Middle East

3 June 2009

The Directors
Far East Consortium International Ltd
16/F, Far East Consortium Building
121 Des Voeux Road Central
HONG KONG

Dear Sirs

Valuation of 15 Car Park Properties, Australia (the "Properties")

We refer to recent instructions from Far East Consortium International Ltd requesting Urbis Valuations Pty Ltd (Urbis) to undertake valuations of 15 freehold and leasehold properties in Australia which are primarily used as commercial car parks. The addresses of the individual properties are provided in the schedule attached to the rear of this letter.

We advise that we have made investigations into various matters relating to the subject property and also into property market conditions relevant to the subject properties for the purpose of providing you with our opinion of the market values of the freehold or leasehold interests of the properties as at 31 March, 2009 (date of valuation).

1. Basis of Valuation

Our valuations are prepared in accordance with the "HKIS Valuation Standards on Properties (First Edition 2005)" and meet the requirements contained in Chapter 5 of the Rules Governing the Listing of Securities (the "Exchange Listing Rules") issued by the Stock Exchange of Hong Kong Limited.

Our valuations are made on the basis of Market Value which is defined by the HKIS to mean "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

We have adopted the Direct Comparison Method in assessing the market value of each property and have counter checked such valuation by the Income Approach. When applying these methodologies to each property, we have referred to recent market transactions for comparable properties and have then made adjustments as appropriate to reflect the differences as appropriate in factors such as date of sale, location, property quality, competitive positioning, length of ground lease or building leases as appropriate and any other factors considered appropriate in arriving at market value. No profit forecast elements have been used in the income approach.

The Income Approach is commonly used in Australia as a method of valuing income-producing properties. The approach is based upon the application of a yield (capitalisation rate) to the net income from the property at the date of valuation. This net income is supported by rental levels paid on other comparable properties. No profit forecast elements have been used in the Income Approach.

We have applied the definition of market value to each property interest independently.

2. Legal Status

We have undertaken current searches of either the freehold title or ground lease in order to establish the legal entity ownership of all the properties and also to establish whether or not there are any limitations on title such as easements, encumbrances or covenants that might have a material impact on the value of each property. Where any property is subject to leases to external parties (eg shop leases), we have either been provided with a copy of the lease or have verified pertinent lease information from the property owner.

3. Contamination

This valuation takes no account of the actual or possible effect on the value of the subject property of any previous or current environmental hazard including pollution, contamination, noxious emission or discharge, or the cost of, or necessity for, ceasing or cleaning up any environmental hazard.

4. Site Services

In our reference to the availability of services (eg electricity, mains water, sewerage, mains gas and telephone), Urbis has either relied on information provided by the building owner, occupier or manager, or has had reference to information provided verbally by the various providers of such services. Unless stated to the contrary, Urbis has not undertaken formal searches to establish whether or not services are either available or connected to the subject property.

5. Use and Occupancy

For all properties, we have examined the current Planning Scheme prepared by each local authority in which the properties are situated. In situations where the current use of the property (eg car parking, retail) is a use which requires a planning permit to be issued, Urbis has not obtained a copy of any planning permit and has relied upon the provisions of the relevant Planning Scheme to establish whether or not the existing use(s) is a permitted use.

6. Structural and Environmental Issues

At the time of our inspection, the building improvements generally appeared to be suitable for the use(s) to which they are currently being put. However, Urbis is not an expert in the area of building regulations including occupational health and safety standards. Accordingly, Urbis accepts no responsibility for any impact on the value of the property through the requirement by the owner or occupier to undertake building upgrade or rectification works to meet building standards and occupational health and safety requirements.

Whilst we have inspected the improvements in order to prepare this valuation, we have not carried out a structural survey. Accordingly, no warranty is given that the improvements and services are free of asbestos, pests or any other defect, whether structural or non-structural, latent or patent.

7. Tenancy Schedule/Business Statements

In undertaking our valuations, we have relied upon the tenancy schedules and business statements provided to us by the property owner in respect of current net and gross revenues. We have not verified this information by reference to cheque receipts or other audit procedures. Urbis accepts no responsibility for any material impact on value if a formal audit of the cash flow is materially different to that stated on the tenancy schedule/ business statements as provided to us.

8. Mortgage or Other Charges

No allowance has been made in our valuations for any mortgages, charges or other amounts owing on the properties nor for any expenses or taxation which may be incurred in undertaking a sale of any of the properties. Accordingly, our valuations assume that if any of the properties was to be sold, it would be free from any mortgages, charges or amounts owing which could affect the market value.

9. Tax liabilities

In our opinion the subject properties are most likely to be defined as a "going concern" under the relevant provisions of current goods and services tax ("GST") legislation. Accordingly, a hypothetical sale of the interest valued herein is assumed to be GST free and our valuation is exclusive of any GST. Urbis takes no responsibility for the liability or otherwise for the payment of GST on an assumed sale of the interest valued herein.

In addition, any market rentals, passing rentals from existing leases and outgoings amounts are also assumed to be exclusive of GST unless stated to the contrary.

If the Properties are disposed at the valuation as set out in this valuation report, the potential tax liabilities include goods and services tax of 9.09% on the proceed from disposal and income tax at 30% of taxable income on the disposal. The likelihood of the relevant tax liability being crystallized is remote as the Properties are held for owner occupation. As advised by Far East Consortium International Ltd, there is no plan for disposal of the Properties.

10. Property Classification

All properties are held for owner occupation, with the exception of Properties 2 and 3 which are held for part owner occupation and part investment.

11. Redevelopment

None of the properties are currently undergoing redevelopment or are being considered for redevelopment by the current owner. While some of the properties may have redevelopment potential at some point in the future, our valuations are not based upon any specific redevelopment proposal.

12. Market Information

In arriving at our market value for each of the properties, we have obtained information of market activity relevant to each property. This information includes details of sale and leasing transactions for comparable or similar properties, information relating to market activity and factors considered likely to affect the current value of each of the properties.

This information is obtained from a variety of sources including publicly available information (newspapers, statements by public companies), subscription to information databases and information generally provided verbally by others such as estate agents, property managers, property valuers and consultants. In many instances, we have not had access to the original source material such as contracts of sale or signed leases. Although we have no reason to doubt the validity of the information provided to us, and we have relied on this information in good faith, we are unable to state with certainty that the information upon which we have relied is consistent with the contractual arrangements between the relevant parties.

13. Intra-Group Leases

We are advised by the owner of all properties that there are no intra-group leases granted by a parent company to a subsidiary company on any of the properties.

14. Relevant Date

The valuations have been undertaken as at 31 March, 2009 and have been based upon information available to us at this date. Urbis accepts no responsibility for subsequent changes in information as to income or expenses relating to the subject properties, or to market conditions.

We enclose herewith a summary of the individual values and our Valuation Certificates for each property.

Yours faithfully,
Urbis Valuations Pty Ltd

R J Scrivener, FAPI
Director and Certified Practising Valuer
Australian Property Institute, Member No. 633

Note: Mr Scrivener is a Fellow of the Australian Property Institute, the professional body representing property valuers in Australia. He was a member of the Royal Institution of Chartered Surveyors from 1975 to 2008. He has over 30 years experience in valuing car park, retail and other commercial properties in Australia.

Schedule of Properties

Property No	**Address**	**Capital Value as at 31 March, 2009** *AUD*
1	11-19 Roper Street, Adelaide, SA	21,900,000
2	13-19 Bank Street, Adelaide, SA	14,000,000
3	Quadrant Plaza, 94-98 York Street, Launceston, Tas	4,200,000
4	124 York Street, Launceston, Tas	1,900,000
5	Willis Street, Launceston, Tas	500,000
6	133-141 Melville Street, Hobart, Tas	590,000
7	9 Fenton Street, Devonport, Tas	250,000
8	344 Queen Street, Brisbane, Qld	4,100,000
9	Northbank Place, Flinders Street, Melbourne,. Vic	6,200,000
10	360 St Kilda Road, Melbourne, Vic	1,600,000
11	14-40 Stewart Street, Shepparton, Vic	2,000,000
12	15-23 Langhorne Street, Dandenong, Vic	1,100,000
13	Dana Street, Ballarat, Vic	2,800,000
14	521 Toorak Road, Toorak, Vic	1,500,000
15	2-6 Mundy Street, Bendigo, Vic	950,000
	Total	63,590,000

Valuation Certificate

Property 1 – 11-19 Roper Street, Adelaide, SA, Australia

Location:	Located on the west side of Roper Street approximately 30 metres south of its intersection with Flinders Street, on the south eastern edge of the Adelaide CBD.
Property Description:	A modern, multi-level car park comprising a total of 715 bays over eight upper levels and a separate ground level area. The improvements were constructed in 1989. Site area approximates 2,057m^2.
Title Description:	Freehold Title – Volume 5335 Folio 342, Allotment 5, Deposited Plan 25203
Freehold Owner:	Roper Street Carpark Pty Ltd, one of the CP Transaction Entities
Ground/Government Rent:	Nil.
Town Planning:	City of Adelaide Planning Scheme – "Central Business Area" Zone
Existing Use:	Commercial car park.
External Tenancies:	Nil.
Intra-Group Tenancies:	Nil.
Valuation Approaches:	Direct comparison on a rate per car space, checked by the capitalisation of assessed net market income.
Date of Valuation:	31 March, 2009
Market Value:	AUD21,900,000

Valuation Certificate

Property 2 – 13-19 Bank Street, Adelaide, SA, 5000, Australia

Location:	Located in the northern sector of the Adelaide CBD with frontages to both Bank and Blyth Streets.	
Property Description:	Established multi-level car park providing some 330 car bays facing Blyth Street, combined with a split level retail arcade facing Bank Street incorporating 1,673m^2 in total lettable area. The improvements were constructed approximately 30 years ago. Site area approximates 1,888m^2.	
Title Description:	Freehold Title – Volume 5234 Folio 147, Volume 5234 Folio 148 and Volume 5215 Folio 282	
Freehold Owner:	19 Bank Street Pty Ltd, one of the CP Transaction Entities	
Ground/Government Rent:	Nil.	
Town Planning:	Adelaide (City) – “Central Business Area” Zone	
Existing Use:	Car park and retail shops.	
External Tenancies:	City West Newsagent	Modka Cafe
	Cellarbrations	Konika Photo Express
	Savings & Loans Credit Union ATM	Australia Post
	Games Quest Ausdance SA	Sitam Fashion Training
	Average Lease Term:	4 years (approx)
	Method of Rent Review:	Annual to movements in Consumer Price Index.
	Total Net Income:	AUD12,313 per month, approximately.
Intra-Group Tenancies:	Nil.	
Valuation Approaches:	Direct comparison on a rate per car space, checked by the capitalisation of assessed net market income.	
Date of Valuation:	31 March, 2009	
Market Value:	AUD14,000,000	
Valuation Comment:	The freehold titles are encumbered by rights of way to allow pedestrian access through part of the subject property to adjoining properties. This encumbrance has been allowed for in our valuation.	

Valuation Certificate

Property 3 – Quadrant Plaza, 94-98 York Street, Tas, Australia

Location: Located in the south-east sector of the Launceston CBD adjacent to the retail precinct and with frontages to both York Street and Coulter Court.

Property Description: The subject property comprises an eight level, split deck car park structure with ground floor retail accommodation. The car park has a total of 370 spaces predominantly under cover. The retail arcade currently comprises 9 tenancies totalling some 1,632m^2, excluding the Care Park management office. The improvements were constructed approximately 30 years ago.

Site area approximates 3,268m^2.

Title Description: Freehold Title – Volume 31824 Folio 1, Volume 34252 Folio 2.

Freehold Owner: Quadrant Plaza Pty Ltd, one of the CP Transaction Entities

Ground/Government Rent: Nil.

Town Planning: City of Launceston Planning Scheme – "Central Business District" Zone

Existing Use: Commercial car park together with ground floor retail arcade.

External Tenancies:

The Grain Grocer	Tasmanian Deaf Society
Petrach's Bookshop	Work Solutions Australia
NNT Uniforms	Artistry Hairdresser
Muffin Kitchen	Jennifer's House & Garden Toyworld
Average Lease Term:	4 years (approx)
Method of Rent Review:	Annual to movements in Consumer Price Index.
Total Net Income:	AUD11,905 per month, approximately.

Intra-Group Tenancies: Nil.

Valuation Approaches: Direct comparison on a rate per car space, checked by the capitalisation of assessed net market income.

Date of Valuation: 31 March, 2009

Market Value: AUD4,200,000

Valuation Certificate

Property 4 – 124 York Street, Launceston, Tas, Australia

Location:	Located on the north side of York Street in the southern sector of the Launceston Central Business District.
Property Description:	Bitumen sealed open air car park providing parking for approximately 50 standard sized vehicles. Site area approximates 1,252m^2.
Title Description:	Freehold Title – Volume 33521 Folio 1
Freehold Owner:	124 York Street Pty Ltd, one of the CP Transaction Entities
Ground/Government Rent:	Nil.
Town Planning:	City of Launceston Planning Scheme – "Central Business District" Zone
Existing Use:	Car park.
External Tenancies:	Nil.
Intra-Group Tenancies:	Nil.
Valuation Approaches:	Direct comparison on a rate per car space, checked by the capitalisation of assessed net market income.
Date of Valuation:	31 March, 2009
Market Value:	AUD1,900,000

Valuation Certificate

Property 5 – Willis Street, Launceston, Tas, Australia

Location:	In north-east sector of the Launceston CBD, adjacent to the retail and commercial precincts.
Property Description:	Vacant land adjoining a recently completed office and retail development. Comprises 36 car spaces.
Title Description:	Freehold Lots 1-36 on proposed strata plan, part of land in Title Volume 154340 Folio 1, together with use of common area rights of access.
Freehold Owner:	Care Park Properties Pty Ltd, one of the CP Transaction Entities
Ground/Government Rent:	Nil.
Town Planning:	City of Launceston Planning Scheme – "Business 1" zone.
Existing Use:	commercial car park.
External Tenancies:	Nil.
Intra-Group Tenancies:	Nil.
Valuation Approaches:	Direct comparison on a rate per car space, checked by the capitalisation of assessed net market income.
Date of Valuation:	31 March, 2009
Market Value:	AUD500,000

Valuation Certificate

Property 6 – Melville Street, Hobart, Tas, Australia

Location:	On north side of Melville Street, on the periphery of the Hobart Central Business District.
Property Description:	Vacant land used for car parking, comprising 40 car spaces. Site area approximates 890m^2.
Title Description:	Freehold Title – Volume 242159 Folio 1.
Freehold Owner:	Care Park Properties Pty Ltd, one of the CP Transaction Entities
Ground/Government Rent:	Nil.
Town Planning:	City of Hobart Planning Scheme, "Residential 1" zone.
Existing Use:	commercial car park.
External Tenancies:	Nil.
Intra-Group Tenancies:	Nil.
Valuation Approaches:	Direct comparison on a rate per car space, checked by the capitalisation of assessed net market income.
Date of Valuation:	31 March, 2009
Market Value:	AUD590,000

Valuation Certificate

Property 7 – 9 Fenton Street, Devonport, Tas, Australia

Location:	Located in the north-western sector of the intersection of Fenton Street and Stewart Street, adjacent to the Central Business District.
Property Description:	Bitumen and concrete paved car park providing parking for approximately 23 standard sized vehicles. Site area approximates 615m^2.
Title Description:	Freehold Title – Volume 129295 Folio 1.
Freehold Owner:	Care Park Properties Pty Ltd, one of the CP Transaction Entities
Ground/Government Rent:	Nil.
Town Planning:	Devonport and Environs Planning Scheme, 1984 "Closed Residential" zone.
Existing Use:	Commercial car park.
External Tenancies:	Nil.
Intra-Group Tenancies:	Nil.
Valuation Approaches:	Direct comparison on a rate per m^2 of land area, checked by the capitalisation of assessed net market income.
Date of Valuation:	31 March, 2009
Market Value:	AUD250,000

Valuation Certificate

Property 8 – 344 Queen Street, Brisbane, Qld, Australia

Location:	The property is located 200 metres from the Brisbane GPO in an established prominent office precinct. The subject is situated at basement level within a 21 level office building. Ground floor retail facilities are available to Queen Street.
Property Description:	Basement level strata car park for 18 single car bays and 36 multiple car bays (up to 4 cars deep), with car park attendant's office, below an office building. The improvements were constructed in 1967. Site area approximates 1,290m^2.
Title Description:	Freehold Title – Title Reference 18071152 – Lot 1BUP 10464
Freehold Owner:	344 Queen Car Park Pty Ltd, one of the CP Transaction Entities
Ground/Government Rent:	Nil.
Town Planning:	Multi-Purpose Centre MP1 – City Centre
Existing Use:	commercial car park.
External Tenancies:	Nil.
Intra-Group Tenancies:	Nil.
Valuation Approaches:	Direct comparison on a rate per car space, checked by the capitalisation of assessed net market income.
Date of Valuation:	31 March, 2009
Market Value:	AUD4,100,000
Valuation Comment:	The Brisbane CBD market for car parks has softened somewhat in the past six months. The shift in market conditions and the supply entering the market has impacted on rentals being achieved and hence yields for such investments.

Valuation Certificate

Property 9 – Northbank Place, Flinders Street, Melbourne, Vic, Australia

Location:	Located within the south-western sector of the Melbourne CBD on the south side of Flinders Street, immediately to the east of Spencer Street.
Property Description:	The subject car spaces form part of a mixed use development known as Northbank Place. The development incorporates 385 residential apartments, approximately 10,000m^2 of office space, some retail/restaurant outlets and 432 parking bays. 194 of the parking bays are operated as a public car park and form the basis of this valuation. The improvements were completed in March 2009. Site area approximates 6,144m^2.
Title Description:	Freehold – 137 car park lots forming part of Volume 10996 Folio 727. Leasehold – 57 car spaces held on land leased from State Government of Victoria for 38 years, together with two 21 year option terms.
Freehold Owner:	Care Park Properties Pty Ltd (137 freehold bays and 57 leasehold bays), one of the CP Transaction Entities. (The acquisition was not completed as at the Latest Practicable Date.)
Ground/Government Rent:	AUD1 per annum.
Town Planning:	Melbourne Planning Scheme – “Central City Zone 1, Outside Retail Core”
Existing Use:	Commercial car park.
External Tenancies:	Nil.
Intra-Group Tenancies:	Nil.
Valuation Approaches:	Direct comparison on a rate per car space, checked by the capitalisation of assessed net market income.
Date of Valuation:	31 March, 2009
Market Value:	AUD6,200,000
Valuation Comment:	Car park is new (opening in March or April 2009). Accordingly there is no trading history at present.

Valuation Certificate

Property 10 -360 St Kilda Road, Melbourne, Vic, Australia

Location:	Located within the established St Kilda Road commercial/residential precinct, beneath the Royal Domain Plaza apartment development situated on the west side of St Kilda Road, approximately 1.5 kilometres south of the Melbourne CBD. The car park is accessed via Wells Street and surrounded by a mixed use of commercial, residential and retail properties.
Property Description:	86 individually titled car spaces. The improvements were constructed in 1975.
Title Description:	Freehold Title – Lots 1D – 86D on Plan of Subdivision PS419703E
Freehold Owner:	Care Park Properties Pty Ltd, one of the CP Transaction Entities
Ground/Government Rent:	Nil.
Town Planning:	Port Phillip Planning Scheme – “Business 5“ Zone
Existing Use:	Commercial car park.
External Tenancies:	Nil.
Intra-Group Tenancies:	Nil.
Valuation Approaches:	Direct comparison on a rate per car space, checked by the capitalisation of assessed net market income.
Date of Valuation:	31 March, 2009
Market Value:	AUD1,600,000

Valuation Certificate

Property 11 – 14-40 Stewart Street, Shepparton, Vic, Australia

Location:	Situated on the south side of Stewart Street, approximately 250 metres east of the Maude Street Mall within the Shepparton CBD.
Property Description:	The subject property comprises a multi-deck car park providing 326 car spaces over basement, ground and six upper levels. The improvements were constructed in 1971. Site area approximates 2,716m^2.
Title Description:	Freehold Title – Volume 4963 Folio 501, Volume 4281 Folio 195, Volume 4437 Folio 356, Volume 8800 Folio 444, Volume 8632 Folio 508
Freehold Owner:	K C Park Safe (Shepparton) Pty Ltd, one of the CP Transaction Entities
Ground/Government Rent:	Nil.
Town Planning:	Greater Shepparton Planning Scheme – 'Business 1' Zone
Existing Use:	Commercial car park.
External Tenancies:	Nil.
Intra-Group Tenancies:	Nil.
Valuation Approaches:	Direct comparison on a rate per car space, checked by the capitalisation of assessed net market income.
Date of Valuation:	31 March, 2009
Market Value:	AUD2,000,000

Valuation Certificate

Property 12 – 15-23 Langhorne Street, Dandenong, Vic, Australia

Location:	The subject property comprises a strata car park located within the Hub Arcade in the Dandenong City Centre,
Property Description:	A total of 165 open air and undercover car spaces situated on Level 2 and Level 3 above an office and retail development. The improvements were constructed in 1975 (approx). Site area approximates 4,596m^2.
Title Description:	Freehold Title – Volume 9902 Folio 822, Unit 67 on Strata Plan 032395Q (116 spaces). Leasehold Title – 99 year lease expiring 2088 from Body Corporate (49 spaces)
Freehold Owner:	Care Park Properties Pty Ltd (freehold bays), one of the CP Transaction Entities
Ground/Government Rent:	Nil.
Town Planning:	Greater Dandenong Planning Scheme – "Comprehensive Development Zone" – Schedule 2 (CDZ2)
Existing Use:	Commercial car park.
External Tenancies:	Nil.
Intra-Group Tenancies:	Nil.
Valuation Approaches:	Direct comparison on a rate per car space, checked by the capitalisation of assessed net market income.
Date of Valuation:	31 March, 2009
Market Value:	AUD1,100,000

Valuation Certificate

Property 13 – Central Square Car Park, Dana Street, Ballarat, Vic, Australia

Location:	The subject property is located on the north-eastern corner of Dana and Doveton Streets, in the regional city of Ballarat. Ballarat is located approximately 110 kilometres to the west of Melbourne.
Property Description:	The subject property comprises an established multi-level car park comprising approximately 502 bays over 12 levels. It adjoins the Central Square Shopping Centre, incorporating a Myer Department Store and some 40 specialty shops. The improvements were constructed in 1981. Site area approximates 2,898m^2.
Title Description:	Freehold Title – Volume 10951 Folio 752
Freehold Owner:	Ballarat Central Car Park Pty Ltd, one of the CP Transaction Entities
Ground/Government Rent:	Nil.
Town Planning:	Ballarat Planning Scheme – “Business 1” Zone
Existing Use:	Commercial car park.
External Tenancies:	Nil.
Intra-Group Tenancies:	Nil.
Valuation Approaches:	Direct comparison on a rate per car space, checked by the capitalisation of assessed net market income.
Date of Valuation:	31 March, 2009
Market Value:	AUD2,800,000

Valuation Certificate

Property 14 – 521 Toorak Road, Toorak, Vic, Australia

Location:	Located within a mixed use development known as Toorak Place, Toorak, approximately 6 kilometres south-east of the Melbourne CBD. The car park component has frontage to Jackson Street which runs past the rear of Toorak Place, parallel to Toorak Road. The area is an established mixed use precinct, including the popular retail strip along Toorak Road and associated retail facilities including a Safeway supermarket within the Toorak Place development.
Property Description:	48 individually titled car spaces within a 60 space commercial car park. The improvements were constructed in 2006.
Title Description:	Freehold Title – Volume 10896, Folios 196-230, 328-330 and 394-403 inclusive, being Lots 12-49 and 58-67 on Plan of Subdivision 527035.
Freehold Owner:	Care Park Properties Pty Ltd, one of the CP Transaction Entities
Ground/Government Rent:	Nil.
Town Planning:	Stonnington Planning Scheme – “Business Use 1” Zone
Existing Use:	Commercial car park.
External Tenancies:	Nil.
Intra-Group Tenancies:	Nil.
Valuation Approaches:	Direct comparison on a rate per car space, checked by the capitalisation of assessed net market income.
Date of Valuation:	31 March, 2009
Market Value:	AUD1,500,000

Valuation Certificate

Property 15 – 2-6 Mundy Street, Bendigo, Vic, Australia

Location:	Situated in Mundy Street, within the Bendigo CBD (Civic Precinct).
Property Description:	The subject property comprises an irregular shaped, bitumen sealed open air car park for 44 car spaces. Site area approximates 1,359m^2.
Title Description:	Freehold Title – Volume 10488 Folio 371-374 inclusive/Volume 8294 Volume 508
Freehold Owner:	Care Park Properties Pty Ltd, one of the CP Transaction Entities
Ground/Government Rent:	Nil.
Town Planning:	Greater Bendigo Planning Scheme – 'Business 1' Zone
Existing Use:	Commercial car park.
External Tenancies:	Nil.
Intra-Group Tenancies:	Nil.
Valuation Approaches:	Direct comparison on a rate per car space, checked by the capitalisation of assessed net market income.
Date of Valuation:	31 March, 2009
Market Value:	AUD950,000

The following is the text of a letter and valuation certificates from the independent valuer, Raine & Horne International Zaki + Partners Sdn Bhd., in connection with the valuation of the Malaysia Car Parks as at 30 March 2009, prepared for the purpose of incorporation in this circular:

Raine & Horne International Zaki + Partners Sdn. Bhd.
Perpetual 99
Jalan Raja Muda Abdul Aziz
50300 Kuala Lumpur
Malaysia

The Directors
Far East Consortium International Limited
16/F, Far East Consortium Building
121 Des Voeux Road Central
Hong Kong

3rd June 2009

Dear Sirs,

RE: REPORT AND VALUATION OF A TOTAL OF 64 CAR PARK BAYS LOCATED ON THE 7TH FLOOR WITHIN A THIRTY THREE (33) STOREY HOTEL & SERVICED APARTMENTS BUILDING KNOWN AS MAYTOWER; 1,688 CAR PARK BAYS TOGETHER WITH 62 UNITS OF ACCESSORY PARCELS (CAR PARK BAYS) (A TOTAL OF 1,750 CAR PARK BAYS) LOCATED WITHIN PHASE 1 AND PHASE 2, PLAZA DAMAS AND PETAK NO. 48, TINGKAT NO. 3, BANGUNAN NO. M1-C, PETAK AKSESORI NO. A99, HELD UNDER STRATA TITLE NO. GERAN 59225/M1-C/3/48, LOT NO. 56228, MUKIM AND DISTRICT OF KUALA LUMPUR, STATE OF WILAYAH PERSEKUTUAN KUALA LUMPUR; AND 420 CAR PARK BAYS LOCATED WITHIN A SEVEN (7) STOREY ELEVATED CAR PARK AREA OF WINDSOR AND WALDORF TOWER SERVICE APARTMENTS, PLAZA DAMAS AND PARCEL NO. B-21-03 (TYPE C), STOREY NO. 21, WINDSOR TOWER SERVICE APARTMENT, PLAZA DAMAS

1. INSTRUCTION

In pursuance to the instruction received from **FAR EAST CONSORTIUM INTERNATIONAL LIMITED** (referred to as the "Company") to value the above captioned properties situated in the Capital City of Malaysia, we confirm that we have inspected the properties, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing the Market Value of the properties as at 31st March 2009 (referred to as the "valuation date").

Our valuations are prepared in accordance with the "HKIS Valuation Standards on Properties (First Edition 2005)" and meet the requirements contained in Chapter 5 of the Rules Governing the Listing of Securities (the "Exchange Listing Rules") issued by the Stock Exchange of Hong Kong Limited.

2. BASIS OF VALUATION

Our basis of valuation is our opinion of the **Market Value**.

Market Value is defined as the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

3. METHOD OF VALUATION

In arriving at the Market Value of the subject properties, we have adopted as our main approach, the **Comparison Method of Valuation**.

This method of valuation seeks to determine the value of the properties being valued by comparing and adopting as a yardstick recent transactions and sale evidences involving other similar properties in the vicinity. Due considerations are given for such factors including location, plot size, improvements made if any, surrounding developments, facilities and amenities available.

4. ASSUMPTIONS

We were specifically instructed by the client to value the subject properties on 'As Is' Basis.

Our valuation also has been made on the assumption that the properties can be sold on the open market without the benefit of deferred terms contracts, leaseback, joint ventures, management agreements or any similar arrangement which would serve to affect the value of the properties.

We have assumed that all consent, approvals and licenses from relevant government for rights to use and occupy the properties have been granted and in good validation status.

We have also assumed that the subject properties can be freely transferred and leased without any additional land premium or substantial costs payable to the relevant government.

Other special assumptions of the properties, if any, have been stated out in the respective footnotes to the valuation certificates for the properties.

5. TITLE INVESTIGATION

We have been, in some instance, provided with extracts of title documents relating to the properties. In addition, we have caused searches to be made at the appropriate government registries of properties. However, we have not searched the original documents to verify ownership nor to verify the existence of any lease amendments which do not appear on the copies handed to us. All documents have been used for reference only and no responsibility regarding title to the properties is assumed in this report.

In undertaking our valuation of the subject properties, we have relied on the legal opinion provided by the Company's Malaysian legal adviser, Syed Alwi, Ng & Co.

6. LIMITING CONDITIONS

We have carried out inspection of the properties; however, we have not carried out site investigation to determine the suitability of the ground condition or the services provided. All dimensions, measurements and arrears are based on information supplied by the Company any and where possible, they will be verified by us by reference to the copies of documents made available to us.

While due care is taken to note building defects in the course of inspection no structural survey is made nor any inspection of woodwork or other parts of the structure which are covered or inaccessible and we are therefore unable to report that such part of the properties are free of hidden defects or concealed infestation.

We have relied to a considerable extent on the information provided by the Company and have accepted advice given to us by it on matters such as statutory notices, tenure, occupancy, site and floor areas and in identification of the properties.

We have no reason to doubt the truth and accuracy of the information as provided to us by the Company. We have relied on the client's confirmation that no material facts have been omitted from the information supplied.

No allowance has been made in our valuation for any charge, mortgage or amount owing on any properties interest nor expense or taxation which may incurred in effecting a sale. We have assumed that the properties are free from encumbrances, restrictions and outgoing of an onerous nature which could affect their value.

Our valuation has been prepared in accordance with all the requirements contained in Practice Note 12 and Chapter 5 of the Rules Governing the Listing of Securities issued by the Stock Exchange of Hong Kong Limited.

7. REMARKS

The properties interest has been valued in RM (Malaysian Ringgit).

We enclosed herewith our summary of valuation and valuation certificates.

Yours faithfully,
For and on behalf of
Raine & Horne International Zaki + Partners Sdn. Bhd.

Noraini Binti Jaafar Sidek
Registered Valuer (MIS)
Reg. No. V-523
Associate Director

Note: Noraini Binti Jaafar Sidek is a Member of the Malaysia Institute of Surveyors, a Registered Professional Surveyor in General Practice and a qualified real estate agent in Malaysia, has over 17 years experience in valuation properties in Malaysia for listed companies. The above named specializes and having vast experience in valuation of various types of properties namely landed, stratified as well as special properties for finance, corporate, statutory, compulsory acquisition and taxation purposes. In addition, the above named possesses a substantial experience in valuation of Plant & Machinery, Vessel as well as Market Research and Feasibility studies.

Encl.

SUMMARY OF MARKET VALUES

Property Interests held for owner occupation		Market Values as at 28th February 2009
1.	A total of 64 car park bays located on the 7th Floor within a thirty three (33) storey Hotel & Serviced Apartments building known as Maytower	RM 1,920,000.00
2.	1,688 car park bays together with 62 units of Accessory Parcels (car park bays) (A total of 1,750 car park bays) located within Phase 1 and Phase 2, Plaza Damas and Petak No. 48, Tingkat No. 3, Bangunan No. M1-C, Petak Aksesori No. A99, held under Strata Title No. Geran 59225/M1-C/3/48, Lot No. 56228, Mukim and District of Kuala Lumpur, State of Wilayah Perseketuan Kuala Lumpur	RM52,870,000.00
3.	420 car park bays located within a seven (7) storey elevated car park area of Windsor and Waldorf Tower Service Apartments, Plaza Damas and Parcel No. B-2- 03, (Type C), Storey No. 21, Windsor Tower Service Apartment, Plaza Damas	RM13,165,000.00
	Total:	RM67,955,000.00

VALUATION CERTIFICATE

	Property	Description and tenure	Details of occupancy	Market Value in existing state as at 28th February 2009
1.	Split level car park bays within Maytower Hotel & Serviced Apartments, No. 7, Jalan Munshi Abdullah, 50100 Kuala Lumpur.	Basic utility services such as electricity supply, water supply and other common facilities are provided to the subject properties. The subject properties comprises of a total of 64 car park bays located on the 7thh floor with in a thirty three (33) storey hotel and serviced apartments building. The land is a freehold interest.	The property is currently held for owner occupation. Estimated building age: 2 years.	RM1,920,000.00

Notes:

a. According to the opinion of Company's Malaysian legal advisor, Syed Alwi, Ng & Co., as at 22nd May 2009:

(i) the registered legal owner of the property is Mayland Boulevard Sdn. Bhd, a company controlled by Tan Sri Chiu, and therefore it is the legal and beneficial owner of the property.

(ii) Target Term shall be registered as the legal and beneficial owner of the property upon issuance of the separate title (block/individual) for each of the property after completion of the sale and purchase agreement entered into between Target Term as purchaser and Mayland Boulevard Sdn. Bhd as vendor on 18 March 2009 in connection with the property.

b. If the property is disposed at the valuation, it should be capital in nature and exempt from taxation in Malaysia.

VALUATION CERTIFICATE

	Properties	Description and tenure	Details of occupancy	Market Value in existing state as at 28th February 2009
2.	1,688 car park bays together with 62 units of Accessory Parcels (car park bays) (a total of 1,750 car park bays) located within Phase 1 and Phase 2, Plaza Damas, Jalan Sri Hartamas 1, Sri Hartamas, 50480 Kuala Lumpur. A ground floor shop together with an accessory parcel within a fourteen (14) storey service apartment building. The shop portion of the subject property bears postal address Unit K-0-7, Dorchester Service Apartment, Block K, Plaza Damas, Jalan Sri Hartamas 1, 50480 Kuala Lumpur.	Basic utility services such as electricity supply, water supply and other common facilities are provided to the subject properties. A total of 1,750 car park bays comprising the following:– 1,099 car park bays within Phase 1, Plaza Damas. 589 car park bays within Phase 2, Plaza Damas. 62 units of Accessory Parcels (car park bays) located on the third floor, Phase 1 and Phase 2, Plaza Damas. Accessory Parcel Nos.:– A2, A3, A4, A5, A6, A7, A8, A9, A10, A11, A12, A13, A14, A15, A16, A17, A18, A19, A20, A21, A22, A23, A24, A25, A26, A27, A28, A29, A30, A31, A32, A33, A34, A35, A36, A37, A38, A39, A40, A41, A42, A43, A44, A45, A46, A47, A48, A49, A50, A51, A52, A53, A54, A55, A56, A57, A58, A59, A60, A61, A62 and A63. The shop portion of the subject property is held under Lot No. 56228, Hakmilik Strata Title No. Geran 59225/M1-C/3/48, Petak Aksessori A99, Mukim and District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur The shop portion of the subject property currently vacant and unoccupied.	The property is currently held for owner occupation. The shop portion of the subject property has a total Floor Area: 31 sq. metres (333.67 sq. ft.). The shop portion of the subject property is currently vacant and unoccupied. Estimated building age: 5 years.	RM52,870,000.00

Notes:

a. According to the opinion of the Company's Malaysian legal advisor, Syed Alwi, Ng & Co., as at 22nd May 2009:

(i) the registered legal owner of the property is Malaysia Land Properties Sdn. Bhd ("Malaysia Land"), a company controlled by Tan Sri Chiu, and therefore it is the legal and beneficial owner of the property.

(ii) Malaysia Land is contractually obliged to create a charge over the property in favour of Ambank (M) Berhad ("Legal Charge"), a commercial bank incorporated in Malaysia ("Chargee") as security for loans granted by the Chargee to Malaysia Land. As of 22nd May 2009, the Legal Charge has not been created over the property under the National Land Code.

The Legal Charge is a potential encumbrance. As Malaysia Land is in the process of obtaining a letter of disclaimer from the Chargee in respect of the property, upon the signing of the letter of disclaimer ("Letter of Disclaimer"), we are of the view that the property shall be free from all encumbrances.

(iii) Target Term shall be registered as the legal and beneficial owner of the property upon issuance of the separate title (block/individual) for the property after completion of the sale and purchase agreement entered into between Target Term as purchaser and Malaysia Land as vendor on 18 March 2009 in connection with the property.

We have been advised by Far East Consortium International Limited that the Letter of Disclaimer will be signed after being reviewed by the relevant bank, but no later than 6 months from the date of the sale and purchase agreement entered into between Target Term as purchaser and Malaysia Land as vendor on 18 March 2009 in connection with the property.

b. If the property is disposed at the valuation, it should be capital in nature and exempt from taxation in Malaysia.

VALUATION CERTIFICATE

	Property	Description and tenure	Details of occupancy	Market Value in existing state as at 28th February 2009
3.	Elevated car park area within Windsor and Waldorf Tower Service Apartments, Plaza Damas, Jalan Sri Hartamas 1, Sri Hartamas, 50480 Kuala Lumpur and service apartment unit identified as Parcel No. B-21-03 (Type C), Storey No. 21, Windsor Tower Service Apartment, Plaza Damas. The service apartment portion of the subject property bears postal address Unit No. B-21-15, Windsor Tower Service Apartments, No. 62, Jalan Sri Hartamas 1, Sri Hartamas, 50480 Kuala Lumpur.	Basic utility services such as electricity supply, water supply and other common facilities are provided to the subject property. The car park portion of the subject property comprises of a total of 420 car park bays. The Windsor and Waldorf Tower Service ApartmeZnts, Plaza Damas was issued with the Certificate of Occupation by Dewan Bandaraya Kuala Lumpur vide Certificate No. 30552 dated 26th August 2008. The service apartment portion of the subject property has a floor Area: 114 sq. metres (1,230 sq. ft.). The service apartment portion of the subject property has not been issued with a separate valid strata title document. We noted that the service apartment portion of the subject property is held under part of Master Title No. Geran 14763, Lot No. 48626, Mukim and District of Kuala Lumpur, State of Wilayah Persekutuan which conveys a freehold interest.	The properties are currently held for owner occupation. Estimated building age: 5 years.	RM13,165,000.00

Notes:

a. According to the opinion of the Company's Malaysian legal advisor, Syed Alwi, Ng & Co., as at 22nd May 2009:

(i) the registered legal owner of the property is Malaysia Land and therefore it is the legal and beneficial owner of the property.

(ii) As a separate title cannot be issued for all the carpark bays totaling 420 in number (the "Relevant Car Park Bays"), the title of each of the Relevant Car Park Bays have to be attached to the apartment as one single title.

Upon the separate strata title is issued for the apartment, all the Relevant Car Park Bays shall be registered under the same strata title. The registered owner of the apartment shall also be the owner of the Relevant Car Park Bays. There is no legal impediment for Malaysia Land to obtain the separate strata title in relation to the apartment.

(iii) Malaysia Land is contractually obliged to create a charge over the property in favour of Ambank (M) Berhad ("Legal Charge"), a commercial bank incorporated in Malaysia ("Chargee") as security for loans granted by the Chargee to Malaysia Land. As of 22nd May 2009, the Legal Charge has not been created over the property under the National Land Code.

The Legal Charge is a potential encumbrance. As Malaysia Land is in the process of obtaining a letter of disclaimer from the Chargee in respect of the property, upon the signing of the letter of disclaimer ("Letter of Disclaimer"), we are of the view that the property shall be free from all encumbrances.

(iv) Target Term shall be registered as the legal and beneficial owner of the property upon issuance of the separate title (block/individual) for the property after completion of the sale and purchase agreement entered into between Target Term as purchaser and Malaysia Land as vendor on 18 March 2009 in connection with the property.

We have been advised by Far East Consortium International Limited that the Letter of Disclaimer will be signed after being reviewed by the relevant bank, but no later than 6 months from the date of the sale and purchase agreement entered into between Target Term as purchaser and Malaysia Land as vendor on 18 March 2009 in connection with the property.

b. If the property is disposed at the valuation, it should be capital in nature and exempt from taxation in Malaysia.

The following is the text of a letter and valuation certificates from independent valuers, in connection with the valuation of the properties held by the Group as at 31 March 2009, prepared for the purpose of incorporation in this circular:

(A) Properties located in Hong Kong and the PRC

DTZ 戴德梁行

16th Floor
Jardine House
1 Connaught Place
Central
Hong Kong

3 June 2009

The Directors
Far East Consortium International Limited
16/F, Far East Consortium Building
121 Des Voeux Road Central
Central
Hong Kong

Dear Sirs,

Re: Portfolio Valuation

Instructions, Purpose & Date of Valuation

We refer to your instructions for us to carry out market valuations of the properties in which Far East Consortium International Limited (the "Company") and/or its subsidiaries and associates (together referred to as the "Group") have interests in Hong Kong and the People's Republic of China (the "PRC"). We confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the values of these properties as at 31 March 2009 (the "date of valuation").

Basis of Valuation and Assumptions

Our valuation of each property represents its market value which in accordance with the Valuation Standards on Properties of the Hong Kong Institute of Surveyors is defined as "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

Our valuation of each property excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of special value.

Unless otherwise stated, our valuations are carried out and stated on 100% interest basis.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on the properties nor any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of any onerous nature which could affect their values.

In valuing the properties, we have complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the HKIS Valuation Standards on Properties (First Edition 2005) issued by the Hong Kong Institute of Surveyors.

In respect of the properties situated in the PRC, the status of titles and grant of major certificates, approvals and licences, in accordance with the information provided by the Group and the advice provided by the Group's legal advisors, 廣東華盈律師事務所 上海昊坤律師事務所, Dewell & Partners and 四川合泰律師事務所, are set out in the notes in the respective valuation certificates.

Valuation Methodology

Unless otherwise stated, we have generally valued the properties either by direct comparison method by making reference to comparable sales transactions as available in the relevant market or where appropriate by capitalising the rental income derived from the existing tenancies with due allowance for the reversionary income potential of the properties.

Each of property nos. 1 to 7 in Hong Kong and the hotel portion of each of property nos. 36 and 39 in the PRC has been valued as a fully operational hotel having regard to the trading accounts of the property and by reference to comparable evidence as available in the market. Moreover, we have valued such properties with the benefit of all relevant statutory and/or mandatory permissions, permits, approvals and licences which are necessary for hotel operation.

In respect of the properties in Group III and Group VII which are held by the Group under development in Hong Kong and the PRC respectively, we have valued on the basis that each of these properties will be developed and completed in accordance with the Group's latest development proposals provided to us. We have assumed that all consents, approvals and licences from relevant government authorities for the development proposals have been obtained without onerous conditions or delays. We have also assumed that the design and construction of the development are in compliance with the local planning regulations and have been approved by the relevant authorities. In arriving at our valuations, we have adopted the direct comparison approach by making reference to comparable sales evidence as available in the relevant market and have also taken into account the expended construction costs and the costs that will be expended to complete the development to reflect the quality of the completed development. The "Capital value when completed at the date of valuation" represents our opinion of the aggregate selling prices of the development assuming that it were completed at the date of valuation.

In valuing the property in Group IX which is contracted to be acquired by the Group in the PRC, we have been advised by the Group that the State-owned Land Use Rights Certificates of the property have not been obtained yet and we therefore ascribe no commercial value to the property.

According to the information provided by the Group, the potential tax liability of properties located in Hong Kong which would arise on disposal of the properties is profits tax of 16.5% of net profit upon disposal, save for deduction of any profit which is capital in nature. The potential tax liability in respect of properties held for owner-occupation or investment under Group I of the Summary of Valuations, the likelihood of the relevant tax liability being crystallized is remote as the Group has no plan for the disposal of such properties yet. For properties held for sale under Group II of the Summary of Valuations will be crystallized is high upon disposal. For properties held for development and future development under Group III, property nos. 27-29 and property nos. 32-33 of the Summary of Valuations, the likelihood of the relevant tax liability being crystallized is remote as the Group will hold the properties for investment after development has been completed and has no plan for the disposal of such properties yet. For properties held for future development under property nos. 25-26, 30-31 and 34 of the Summary of Valuations, the likelihood of the relevant tax liability being crystallized is high as advised by the Group the properties will be sold after development has been completed.

For the properties located in the PRC under Groups V – IX of the Summary of Valuations, we have been advised by the Group that the potential tax liabilities include Land Appreciation Tax (土地增值稅) at progressive tax rates from 30% to 60%, Business Tax (營業稅) at 5% of sales amount, Circulation Tax (流轉稅) at 1% of Business Tax (營業稅), Irrigation Management Tax (河道管理稅) at 1% of Circulation Tax (流轉稅) and Income Tax (所得稅) at 25% on profit before tax. The exact amount of tax payable upon realization of the relevant properties in the PRC will be subject to the formal tax advice issued by the relevant tax authorities at the time of disposal of relevant properties upon presentation of the relevant transaction documents. For properties held for sale, under development, for future development and contracted to be acquired under Group V, property nos. 40 and 42, Group VIII and IX of the Summary of Valuations, the likelihood of the relevant tax liability being crystallized is high, as advised by the Group, the properties will be sold after development has been completed. For properties held for owner-occupation or investment under Group VI of the Summary of Valuations, the likelihood of the relevant tax liability being crystallized is remote as the Group has no plan for the disposal of such properties yet. For properties held for development under property no. 41 of the Summary of

Valuations, the likelihood of the relevant tax liability being crystallized is remote as the Group will hold the property for investment after development has been completed and has no plan for the disposal of such property yet.

Source of Information

We have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, identification of land and buildings, completion date of buildings, lettings, particulars of occupancy, identification of properties, development schemes, floor plans and areas, site areas, number of parking spaces, construction schedule and costs, interest attributable to the Group and all other relevant matters.

Land Tenure

In valuing the properties in Hong Kong the Government Leases of which expired before 30 June 1997, we have taken into account the provisions contained in Annex III of the Joint Declaration of the Government of the United Kingdom and the Government of People's Republic of China on the Question of Hong Kong as well as in the New Territories Leases (Extension) Ordinance under which such leases have been extended without premium until 30 June 2047 and that rents of 3% of the rateable value are charged per annum from the date of extension.

In valuing the properties in the PRC, we have assumed that transferable land use rights in respect of the properties for respective specific terms at nominal land use fees have been granted and that all requisite land premium payable has been fully settled. We have also assumed that the owners of the properties have enforceable titles to the properties and have free and uninterrupted rights to use, occupy or assign the properties for the whole of the respective unexpired terms as granted.

Title Investigation

We have not been provided with copies of the title documents relating to the properties but have caused searches to be made at the Land Registry in Hong Kong. In respect of the properties in the PRC, we have been provided by the Group with copies of extracts of documents. However, we have not searched the original documents to verify ownership or to verify any lease amendments. All documents and leases have been used for reference only and all dimensions, measurements and areas are approximate. No on-site measurement has been taken.

In the course of our valuation, we have relied to a considerable extent on the information given by the Group and its legal advisors, 廣東華盈律師事務所, 上海昊坤律師事務所, Dewell & Partners and 四川合泰律師事務所 in respect of the title to the properties in the PRC.

Property Inspection

We have inspected the exterior of the properties. However, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report whether the properties are free of rot, infestation or any other structural defects. No test was carried out on any of the services. Moreover, for those properties which are under or held for future development, we have not carried out any soil investigations to determine the suitability of soil conditions and services for any future development. Our valuations are prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred during construction.

Currency and Exchange Rate

Unless otherwise stated, the market values of the properties in Group I to Group IV are stated in Hong Kong dollars. The market values of the properties in Group V to Group IX are stated in Renminbi. The exchange rate adopted in our valuation is HK$1:RMB0.8820 which was the approximate prevailing exchange rate as at the date of valuation.

We enclose herewith a summary of valuations and our valuation certificates.

Yours faithfully,
For and on behalf of
DTZ Debenham Tie Leung Limited
K. B. Wong
Registered Professional Surveyor
China Real Estate Appraiser
M.R.I.C.S., M.H.K.I.S.
Director

Note: Mr. K.B. Wong is a Registered Professional Surveyor who has over 20 years' experience in valuation of properties in Hong Kong and the PRC.

SUMMARY OF VALUATIONS

Property	Capital value in existing state as at 31 March 2009
Group I – Properties held by the Group for owner-occupation or investment in Hong Kong	
1. Central Park Hotel, 263 Hollywood Road, Sheung Wan, Hong Kong	HK$400,000,000
2. Cosmopolitan Hotel, 387 Queen's Road East, Wanchai, Hong Kong	HK$1,526,000,000
3. Cosmo Hotel, 375 Queen's Road East, Wanchai, Hong Kong	HK$439,000,000
4. Lan Kwai Fong Hotel, 3 Kau U Fong, Central, Hong Kong	HK$747,000,000
5. Dorsett Kowloon Hotel, 48 Anchor Street, Tai Kok Tsui, Kowloon	HK$230,000,000
6. Dorsett Seaview Hotel, 268 Shanghai Street, Yaumatei, Kowloon	HK$499,000,000
7. Dorsett Far East Hotel (comprising lobby on ground floor and 7th to 17th Floors), 135-143 Castle Peak Road, Tsuen Wan, New Territories	HK$326,000,000
8. 16th, 18th, 19th, 20th and 24th Floors (including lavatories on 16th, 18th, 19th, 20th and 24th Floors and Flat Roof on 24th Floor), Far East Consortium Building, 113-125A Des Voeux Road Central, Central, Hong Kong	HK$140,900,000
9. Far East Consortium Building, 204-206 Nathan Road, Tsim Sha Tsui, Kowloon	HK$303,000,000
10. Shop C on Ground Floor and 1st, 2nd and 3rd Floors, Full Hang Court, 104-112 Ma Tau Wai Road, Hung Hom, Kowloon	HK$58,000,000
11. Car Parking Space Nos. 14, 16, 17, 24, 26, 27, 29, 30, 34, 35, 40, 41, 44-46, 51, 53-56, 58, 62-71, 75, 77, 85, 86, 90, 91, 94, 96 and 97 on Basement 1 and Car Parking Space Nos. 98, 99, 114, 124, 125, 129, 139-141, 144-147, 149-152, 154-157, 159-162, 164 and 167 on Basement 2, Covent Garden, 88 Ma Tin Road, Yuen Long, New Territories	HK$8,800,000

Property	Capital value in existing state as at 31 March 2009
12. Showcase Nos. 18, 18a, 18b on Ground Floor and Shop Nos. 101-173 on 1st Floor, Come On Building, 387 Castle Peak Road Castle Peak Bay, Tuen Mun, New Territories	HK$28,000,000
13. Basement to 6th Floors, Dorsett Far East Hotel, 135-143 Castle Peak Road, Tsuen Wan, New Territories	HK$300,000,000
14. Ground Floor and Garden Area of Block 4 and Car Parking Space No. 25 on Lower Ground Floor, Rise Park Villas, 38 Razor Hill Road, Sai Kung, New Territories	HK$8,800,000
15. First Floor of Block 4 and Car Parking Space Nos. 1, 4, 61 and 62 on Lower Ground Floor, Rise Park Villas, 38 Razor Hill Road, Sai Kung, New Territories	HK$8,200,000
16. Shop Nos. 1-7, 9-11, 14, 21, 26-33, 38, 39, 44, 49, 52, 56, 58-60, 66-70, 76-80 and 86-87 on Lower Ground Floor and Shop Nos. 2-5, 7, 20-27, 29-30, 35, 36, 40-42, 48, 49, 52, 54, 55, 62-64, 68 and 73 on Upper Ground Floor of the Commercial Podium of Plot A and Top Podium Exterior Walls of Plot A, Tsuen Wan Garden, 15-23 Castle Peak Road, Tsuen Wan, New Territories	HK$58,800,000
Sub-total:	HK$5,081,500,000

Property	Capital value in existing state as at 31 March 2009
Group II – Properties held by the Group for sale in Hong Kong	
17. Flats A and C on 1st Floor, Tung Wai Garden, 419G Queen's Road West, Sai Ying Pun, Hong Kong	HK$3,130,000
18. Shop No. 6 on Ground Floor and the whole of 1st Floor, Cheong Hung Mansion, 2-14 Mei Fong Street, 91-95 Wing Fong Street, 24-28 Shun Fong Street, Kwai Chung, New Territories	HK$13,900,000
19. Shops 17, 18 and 20 on Ground Floor and the Commercial Portion of 1st, 2nd and 3rd Floors, Tung Fai Court, 2 Shui Che Kwun Street, Yuen Long, New Territories	HK$23,000,000
20. Ground Floor (with garden) and 1st Floor (with balcony), Nos. 109 and 110 Sheung Yeung, Sai Kung, New Territories	HK$9,800,000
21. Various units, Bakerview, 66 Baker Street, Hung Hom, Kowloon	HK$81,000,000
Sub-total:	HK$130,830,000
Group III – Properties held by the Group under development in Hong Kong	
22. 12-22 Davis Street, Kennedy Town, Hong Kong	HK$225,000,000
23. 27-31 Jervois Street, Sheung Wan, Hong Kong	HK$114,000,000
24. 35-43 Ivy Street, Mongkok, Kowloon	HK$238,000,000
Sub-total:	HK$577,000,000

Property	Capital value in existing state as at 31 March 2009

Group IV – Properties held by the Group for future development in Hong Kong

25.	The Remaining Portion of Lot No. 1134, the Remaining Portion of Lot No. 1137, Lot No. 1138 and the Remaining Portion of Lot No. 1139 in Demarcation District No. 222, Pak Kong, Sai Kung, New Territories	HK$1,000,000
26.	The Remaining Portion of Lot No. 232 in Demarcation District No. 354, Yau Kam Tau, Tsuen Wan, New Territories	HK$4,700,000
27.	659 Castle Peak Road, Kwai Chung, New Territories	HK$220,000,000
28.	84 Hung To Road, Kwun Tong, Kowloon	HK$118,000,000
29.	Lot Nos. 102, 190, 194, the Remaining Portion of Lot No. 196, Lot Nos. 203, 205, 209, 210, 212, 234, 270, 273, 279, 280, 282-284, 306, 307, 311, 318, 319, 393, 492, 493, 641, 642, 697, 701, 722, 733, 738, 740-743, 745-747, 760, 762, 764, 766, 769-771, 774-782, 800, 801, 804, 809, 810, 816, 818, 829, 830, 1024, 1038, 1040, 1042, 1044, 1045, 1047, 1050, 1051, 1054, 1058, 1059, 1063, 1065, 1067, 1070, 1071, 1081, 1084, 1086, 1087, 1115, 1117-1121, 1216 and the Remaining Portion of Lot No. 1218 in Demarcation District No. 360, Lot No. 385, the Remaining Portion of Lot No. 386, Lot Nos. 387-389, 392, 394-396, 400, 404, 406, 407, 442, 494, 510, 513, 515, 522, 540, 543, 565, 566, 571, 574 and 591 in Demarcation District No. 433 and Lot Nos. 37, 39, 79, 93, 170, 279, 281, 283, 303, 307, 308, 310, 311, 312, 320, 324, 325, 330, 335 and 336 in Demarcation District No. 435 and Tsuen Wan Town Lot No. 389, Chuen Lung, Tsuen Wan, New Territories	HK$39,500,000

Property		Capital value in existing state as at 31 March 2009
30.	Section A, Section B, Section C, Section D, Section E, Section F, Section G, Section H, Section J, Section K, Section L and the Remaining Portion of Lot No. 746 in Demarcation District No. 225, Sheung Yeung, Sai Kung, New Territories	HK$2,440,000
31.	The Remaining Portion of Section B and Sub-section 1 of Section B of Lot No. 3927 in Demarcation District No. 124, Tan Kwai Tsuen, Yuen Long, New Territories	HK$14,000,000
32.	Rose De Casa, 684 Clear Water Bay Road, Sai Kung, New Territories	HK$58,000,000
33.	Various units, Precious Hill Mansion, 90-100 Hill Road and the whole of 106 Hill Road, Pok Fu Lam, Hong Kong	HK$120,000,000
34.	Various units, 287-293 Sai Yeung Choi Street North, Sham Shui Po, Kowloon	HK$95,000,000
	Sub-total:	HK$672,640,000

Group V – Property held by the Group for sale in the PRC

35.	The unsold portion of California Garden, Jinqiu Road, Baoshan District, Shanghai, the PRC	RMB741,000,000
	Sub-total:	RMB741,000,000

Group VI – Properties held by the Group for owner occupation or investment in the PRC

36.	Hongkong and Macao Center, No. 118 Jianghan Road, Jiangan District, Wuhan City, Hubei Province, the PRC	RMB440,000,000
37.	Jinqiu School, Club House and Kindergarten situated at California Garden, Jinqiu Road, Baoshan District, Shanghai, the PRC	RMB81,000,000
38.	The whole level 4 of Xinshidai Mansion, No. 11, Jianshe 3rd Road, Yuexiu District, Guangzhou, Guangdong Province, the PRC	RMB7,600,000
39.	Shanghai Cosmo Hotel Nos. 796 and 800 Haumu Road, Pudong District, Shanghai, the PRC	RMB300,000,000
	Sub-total:	RMB828,600,000

Property	Capital value in existing state as at 31 March 2009
Group VII – Properties held by the Group under development in the PRC	
40. Area 17A California Garden, Jinqiu Road, Baoshan District, Shanghai, the PRC	RMB120,000,000
41. Yinzuo Plaza, No. 124-177 Xiyulong Road, Qingyang District, Chengdu, Sichuan Province, the PRC	RMB300,000,000
42. The proposed development Xinshidai Mansion, west of Jianshe 3rd Road, south of Jiansheheng Road, Yuexiu District, Guangzhou, Guangdong Province, the PRC	RMB95,000,000
Sub-total:	RMB515,000,000
Group VIII – Properties held by the Group for future development in the PRC	
43. Area 9B, 16A-11, 17B and Commercial Center of California Garden, Jinqiu Road, Baoshan District, Shanghai, the PRC	RMB646,000,000
44. The proposed development Huadi Jiayuan at No.10, North of Miaoqian Street, Chajiao, Liwan District, Guangzhou, Guangdong Province, the PRC	RMB160,000,000
45. The proposed development Gantangyuan at Huadi, Fangcun, Liwan District, Guangzhou, Guangdong Province, the PRC	No commercial value
Sub-total:	RMB806,000,000
Group IX – Property contracted to be acquired by the Group in the PRC	
46. Area 12 to 15, 16A-10 and 18, California Garden, Jinqiu Road, Baoshan District, Shanghai, the PRC	No commercial value
Sub-total:	No commercial value
Total value of properties in Hong Kong:	HK$6,461,970,000
Total value of properties in PRC:	RMB2,890,600,000

VALUATION CERTIFICATE

Group I – Properties held by the Group for owner-occupation or investment in Hong Kong

	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2009
1.	Central Park Hotel, 263 Hollywood Road, Sheung Wan, Hong Kong Inland Lot No. 8412 and the Remaining Portion of Section A of Inland Lot No. 568	The property comprises a 24-storey hotel providing 142 guest rooms, a coffee lounge and hotel administration offices. The building was completed in 1998 and renovated in 2005. The property has a total gross floor area of approximately 51,076 sq.ft. (4,745.063 sq.m.). The site area of the property is approximately 3,412 sq.ft. (317.02 sq.m.). Inland Lot No. 568 is held under a Government Lease for a term of 999 years from 8 March 1858. The current Government rent payable for Section A of Inland Lot No. 568 is HK$38 per annum. Inland Lot No. 8412 is held under Conditions of Sale No. 11265 for a term of 75 years from 30 October 1978 renewable for a further term of 75 years. The current Government rent payable for the lot is HK$1,000 per annum.	Portion of the property is let for a term of 3 years from 30 September 2008 to 29 September 2011 at a monthly base rent of HK$40,000. The remainder of the property is operated by the Group as a hotel.	HK$400,000,000

Notes:

(1) The registered owners of the property are Caragis Limited and Vicsley Limited, subsidiaries of the Group.

(2) The property is subject to two Modification Letters.

(3) The property is subject to an Offensive Trade License.

(4) The property is subject to two Debentures to secure all moneys in favour of DB Trustees (Hong Kong) Limited (Re: Vicsley Limited (re: I.L. 8412) and Caragis Limited (re: I.L. 568 s.A R.P.)).

(5) The property is zoned for "Commercial/Residential" uses under Sai Ying Pun & Sheung Wan Outline Zoning Plan No. S/H3/22.

	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2009
2.	Cosmopolitan Hotel, 387 Queen's Road East, Wanchai, Hong Kong The Remaining Portion of Inland Lot No. 1578	The property comprises a 22-storey hotel providing 454 guest rooms, a coffee lounge, hotel administration offices and loading and unloading areas. The hotel was completed in 1978 and being renovated in 2004. The property has a total gross floor area of approximately 171,095 sq.ft. (15,895.104 sq.m.). The site area of the property is approximately 11,762 sq.ft. (1,092.727 sq.m.). The property is held under a Government Lease for a term of 75 years from 5 February 1900 renewed for a further term of 75 years. The current Government rent payable for the property is HK$82,800 per annum.	Part of the 1st floor of the property is let for a term of 3 years from 1 October 2006 to 30 September 2009 at a monthly rent of HK$200,000. A tour counter is let for a term of 2 years from 1 October 2007 to 30 September 2009 at a monthly rent of HK$30,000. An advertising space and a mobile phone base station are let under 2 terms with the latest term due to expire on 21 January 2010 at a total monthly rent of HK$163,000. The remainder of the property is operated by the Group as a hotel.	HK$1,526,000,000

Notes:

(1) The registered owner of the property is Cosmopolitan Hotel Limited, subsidiary of the Group.

(2) The property is subject to a Modification Letter.

(3) The property is subject to a Debenture to secure all moneys in favour of DB Trustees (Hong Kong) Limited.

(4) The property is zoned for "Commercial" uses under Wong Nai Chung Outline Zoning Plan No. S/H7/14.

	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2009
3.	Cosmo Hotel, 375 Queen's Road East, Wanchai, Hong Kong Sub-section 1 of Section A of Inland Lot No. 1578	The property comprises a 24-storey plus a lower ground floor hotel providing 142 guest rooms. The hotel was completed in 1997 and being renovated in 2005. The property has a total gross floor area of approximately 59,699 sq.ft. (5,545.61 sq.m.). The registered site area of the property is approximately 4,093.80 sq.ft. (380.32 sq.m.). The property is held under a Government Lease for a term of 75 years from 5 February 1900 renewed for a further term of 75 years. The current Government rent payable for the property is HK$359,280 per annum.	Portion of the property on the ground floor is let for a term of 2 years from 1 February 2008 to 31 January 2010 at a monthly rent of HK$80,000. A tour counter is let for a term of 2 years from 1 October 2007 to 30 September 2009 at a monthly rent of HK$10,000. Various mobile phone base stations and antennae are let under various terms with the latest term due to expire on 6 February 2010 at a total monthly rent of HK$70,560. The remainder of the property was operated by the Group as a hotel.	HK$439,000,000

Notes:

(1) The registered owner of the property is Grand Expert Limited, subsidiary of the Group.

(2) The property is subject to No-objection Letter.

(3) The property is subject to a Modification Letter.

(4) The property is also subject to a Debenture to secure all moneys in favour of DB Trustees (Hong Kong) Limited.

(5) The property is zoned for "Commercial" uses under Wong Nai Chung Outline Zoning Plan No. S/H7/14.

	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2009
4.	Lan Kwai Fong Hotel, 3 Kau U Fong, Central, Hong Kong Inland Lot No. 8852	The property comprises a 36-storey hotel providing 162 guest room completed in 2005. The property has a total gross floor area of approximately 60,773 sq.ft. (5,645.942 sq.m.). The registered site area of the property is approximately 4,058 sq.ft. (377 sq.m.). The property is held under Conditions of Exchange No. 12569 for a term of 50 years from 27 May 2000. The current Government rent payable for the property is an amount equal to 3% of the rateable value for the time being of the property per annum.	The property is operated by the Group as a hotel.	HK$747,000,000

Notes:

(1) The registered owner of the property is The Hotel of Lan Kwai Fong Limited, subsidiary of the Group.

(2) The property is also subject to a Modification Letter.

(3) The property is subject to a Debenture to secure all moneys in favour of DB Trustees (Hong Kong) Limited.

(4) The property is zoned for "Commercial/Residential" uses under Sai Ying Pun & Sheung Wan Outline Zoning Plan No. S/H3/22.

	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2009
5.	Dorsett Kowloon Hotel, 48 Anchor Street, Tai Kok Tsui, Kowloon Kowloon Inland Lot No. 6374	The property comprises a 23-storey hotel providing 141 guest rooms completed in 2005. The property has a total gross floor area of approximately 34,554 sq.ft. (3,209.908 sq.m.). The registered site area of the property is approximately 3,840 sq.ft. (356.74 sq.m.). The property is held under a Government Lease for a term of 75 years from 16 March 1953 renewable for a further term of 75 years. The current Government rent payable for the property is HK$176 per annum.	The property is operated by the Group as a hotel.	HK$230,000,000

Notes:

(1) The registered owner of the property is Double Advance Group Limited, subsidiary of the Group.

(2) The property is subject to a Debenture to secure all moneys in favour of DB Trustees (Hong Kong) Limited.

(3) The property is zoned for "Residential (Group E)" uses under Mongkok Outline Zoning Plan No. S/K3/26.

	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2009
6.	Dorsett Seaview Hotel, 268 Shanghai Street, Yaumatei, Kowloon Kowloon Inland Lot Nos. 7429, 9701, 9705, 9727, 9769 and 9944	The property comprises a 20-storey plus a basement hotel providing a total of 268 guest rooms, a restaurant, a lounge, hotel's administration offices and loading and unloading areas. The hotel was completed in 1993. The property has a total gross floor area of approximately 69,885 sq.ft. (6,492.47 sq.m.). The registered site area of the property is approximately 5,402 sq.ft. (501.86 sq.m.). The property is held under Conditions of Regrant Nos. 6282, 9594, 9613, 9840, 9835 and 10170 for terms of 150 years from 20 June 1898 (re: except Kowloon Inland Lot No. 7429) and 2nd February, 1885 (re: Kowloon Inland Lot No. 7429 only) respectively. The current aggregate Government rent payable for the lots is HK$372 per annum.	The basement is let for a term of 3 years from 1 September 2008 to 31 August 2011 at a monthly rent of HK$160,000. A tour counter is let for a term of half year from 1 January 2009 to 30 June 2009 at a monthly rent of HK$8,000. The remainder of the property is operated by the Group as a hotel.	HK$499,000,000

Notes:

(1) The registered owner of the property is Charter Joy Limited, subsidiary of the Group.

(2) The property is subject to a Debenture to secure all money in favour of DB Trustees (Hong Kong) Limited.

(3) The property is zoned for "Residential (Group A)" uses under Yau Ma Tei Outline Zoning Plan No. S/K2/20.

	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2009
7.	Dorsett Far East Hotel (comprising lobby on ground floor and 7th to 17th floors), 135-143 Castle Peak Road, Tsuen Wan, New Territories Part of the shares of and in Lot No. 2158 in Demarcation District No. 449	The subject building comprises a 17-storey (including basement and mezzanine floors) building erected upon a site with a registered site area of approximately 6,800 sq.ft. (631.74 sq.m.) completed in 1966. The property comprises portion of ground floor and 7th floor to 17th floor of the building which was renovated and converted to a hotel with 240 guest rooms in 2006. The total gross floor area of the property is about 49,280 sq.ft. (4,578.19 sq.m.). The property is held under New Grant No. 3915 for a term of 99 years less the last three days from 1 July 1898. The term has been statutorily extended to 30 June 2047. The current Government rent payable for the property is an amount equal to 3% of the rateable value for the time being of the property per annum.	The property is operated by the Group as a hotel.	HK$326,000,000

Notes:

(1) The registered owner of the property is Completed Delight Limited, subsidiary of the Group.

(2) The property is subject to a Debenture to secure all money in favour of DB Trustees (Hong Kong) Limited.

(3) The property is zoned for "Residential (Group A)" uses under Tsuen Wan Outline Zoning Plan No. S/TW/26.

	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2009
8.	16th, 18th, 19th, 20th and 24th Floors (including lavatories on 16th, 18th, 19th, 20th and 24th Floors and Flat Roof on 24th Floor), Far East Consortium Building, 113-125A Des Voeux Road Central, Central, Hong Kong 120/736th shares of and in Inland Lot Nos. 2198, 2200, 2201, Section A and the Remaining Portion of Inland Lot No. 2199 and Sections A, B and C of Marine Lot No. 299	The property comprises the whole of 16th, 18th, 19th, 20th and 24th floors of a 25-storey commercial building completed in 1976. The property has a total gross floor area of approximately 26,628 sq.ft. (2,473.80 sq.m.). The property is held under various Government Leases for the following terms:– **Lot No(s).** — **Lease Term** Inland Lot No. 2198 — 999 years from 20 November 1903 Inland Lot Nos. 2199 s.A, 2199 R.P., 2200 and 2201 — 999 years from 18 November 1903 Marine Lot Nos. 299 s.A, 299 s.B and 299 s.C — 999 years from 24 July 1903 The current aggregate Government rent payable for the lots (I.L. Nos. 2198, 2199, 2200, 2201 and M.L. No. 299) is HK$244 per annum.	Unit 1901 on 19th Floor is currently vacant, the remainder of the property is leased to various tenants for various terms with the latest tenancy due to expire in February 2011 at a total monthly rent of about HK$541,500.	HK$140,900,000

Notes:

(1) The registered owner of the property is Annick Investment Limited, subsidiary of the Group.

(2) The property is subject to a Mortgage to secure general banking facilities in favour of Liu Chong Hing Bank Limited (now known as Chong Hing Bank Limited) (Re: 20/F).

(3) The property is subject to a Mortgage to secure general banking facilities and a Rent Assignment both in favour of The Hongkong and Shanghai Banking Corporation Limited (Re: 18/F and 19/F).

(4) The property is zoned for "Commercial/Residential" uses under Sai Ying Pun & Sheung Wan Outline Zoning Plan No. S/H3/22.

	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2009
9.	Far East Consortium Building, 204-206 Nathan Road, Tsim Sha Tsui, Kowloon The Remaining Portion of Kowloon Inland Lot No. 10467 and the Remaining Portion of Kowloon Inland Lot No. 10468	The property comprises a 14-storey plus mezzanine floor commercial building erected upon a site with a registered site area of approximately 3,376 sq.ft. (313.64 sq.m.) completed in 1985. The basement, ground and mezzanine floors are devoted to retailing uses whilst the upper floors are office units. The property has a total gross floor area of approximately 38,197 sq.ft. (3,548.60 sq.m.). The property is held under Conditions of Regrant Nos. 10955 and 10956 for terms of 150 years from 8 October 1901. The current aggregate Government rent payable for the lots (K.I.L. 10467 and 10468) is HK$2,000 per annum.	An area of approximately 4,440 sq.ft. is vacant, whilst the remainder of the property is let to various tenants for various terms with the latest tenancy due to expire in March 2011 at a total monthly rent of about HK$1,102,600.	HK$303,000,000

Notes:

(1) The registered owner of the property is N.T. Horizon Realty (Jordan) Limited, subsidiary of the Group.

(2) The property is subject to a Mortgage in favour of Hang Seng Bank Limited.

(3) The property is zoned for “Commercial” uses under Tsim Sha Tsui Outline Zoning Plan No. S/K1/24.

	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2009
10.	Shop C on Ground Floor and 1st, 2nd and 3rd Floors, Full Hang Court, 104-112 Ma Tau Wai Road, Hung Hom, Kowloon 213/527th shares of and in Kowloon Inland Lot Nos. 8480, 8481, 8482, 8483 and 8484 and the Remaining Portion of Kowloon Inland Lot No. 6020	The property comprises a shop unit on the ground floor and three commercial floors of a 15-storey composite building completed in 1987. The property has a total gross floor area of approximately 18,125 sq.ft. (1,683.85 sq.m.). The property is held under six Government Leases for terms of 75 years renewable for further terms of 75 years from 5 October 1948. The current aggregate Government rent payable for the lots (K.I.L. 8480, 8481, 8482, 8483 and 8484 and K.I.L. 6020) is HK$880 per annum.	Shop C on ground floor is let for a term of 3 years from 1 August 2007 to 31 July 2010 at a monthly rent of HK$63,000, exclusive of rates and management fee. The remainder of the property is let for a term of 3 years from 1 March 2007 to 28 February 2010 at a monthly rent of HK$230,000, inclusive of rates and management fees. The property is occupied for retail and commercial uses.	HK$58,000,000

Note:

(1) The registered owner of the property is Polyland Development Limited, subsidiary of the Group.

(2) The property is zoned for "Residential (Group A)" uses under Hung Hom Outline Zoning Plan No. S/K9/22.

	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2009
11.	Car Parking Space Nos. 14, 16, 17, 24, 26, 27, 29, 30, 34, 35, 40, 41, 44-46, 51, 53-56, 58, 62-71, 75, 77, 85, 86, 90, 91, 94, 96 and 97 on Basement 1 and Car Parking Space Nos. 98, 99, 114, 124, 125, 129, 139-141, 144-147, 149-152, 154-157, 159-162, 164 and 167 on Basement 2, Covent Garden, 88 Ma Tin Road, Yuen Long, New Territories 1675/35313th shares of and in Yuen Long Town Lot No. 419	The property comprises 67 car parking spaces on Basements 1 and 2 within a residential development completed in 1998. The property is held under New Grant No. 4163 from 29 November 1993 to 30 June 2047. The current Government rent payable for the property is an amount equal to 3% of the rateable value for the time being of the property per annum.	47 of the car parking spaces are vacant whilst the remainder is let to various tenants with the latest tenancy due to expire in April 2010 at a total monthly rent of about HK$16,100, inclusive of rates and management fees.	HK$8,800,000

Notes:

(1) The registered owners of the property are Action Fulfilled Assets Limited, subsidiary of the Group (Re: Car Parking Space Nos. 14, 16, 17, 24, 26, 27, 29, 45, 46, 51, 53-56, 85, 86, 90, 91, 94, 96 and 97 on Basement 1 and Car Parking Space Nos. 98, 99, 114, 124, 125, 129, 139, 157, 159-162, 164 and 167 on Basement 2) and Far East Supermarket Limited, subsidiary of the Group (Re: Car parking Space Nos. 30, 34, 35, 40, 41, 44, 58, 62-71, 75 and 77 on Basement 1 and Car Parking Space Nos. 140, 141, 144-147, 149-152 and 154-156 on Basement 2).

(2) The property is subject to ten mortgages all in favour of Wing Hang Credit Limited.

(3) The property is zoned for “Residential (Group B)” uses under Yuen Long Outline Zoning Plan No. S/YL/18.

	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2009
12.	Showcase Nos. 18, 18a, 18b on Ground Floor and Shop Nos. 101-173 on 1st Floor, Come On Building, 387 Castle Peak Road Castle Peak Bay, Tuen Mun, New Territories Situated within Tuen Mun Town Lot No. 151	The property comprises three showcases on the ground floor and the whole of first floor of a 24-storey composite building completed in 1981. The property has a total gross floor area of approximately 12,019 sq.ft. (1,116.60 sq.m.). The property is held under New Grant No. 2266 for a term of 99 years less the last three days from 1 July 1898. The term has been statutorily extended to 30 June 2047. The current Government rent payable for the property is an amount equal to 3% of the rateable value for the time being of the property per annum.	The ground floor of the property is vacant whilst the 1st floor is let to a tenant for a term due to expire on 22 March 2010. The total monthly rent receivable is HK$210,000.	HK$28,000,000

Notes:

(1) The registered owner of the property is Virgobee Limited, subsidiary of the Group.

(2) The property is subject to a Mortgage to secure general credit facilities in favour of Liu Chong Hing Bank Limited (now known as Chong Hing Bank Limited).

(3) The property is zoned for "Residential (Group A)" uses under Tuen Mun Outline Zoning Plan No. S/TM/24.

	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2009
13.	Basement to 6th Floors, Dorsett Far East Hotel, 135-143 Castle Peak Road, Tsuen Wan, New Territories Situated within Lot No. 2158 in Demarcation District No. 449	The property comprises the whole of basement to 6th floors (including the mezzanine floor) of a 17-storey building completed in 1966. The total gross floor area of commercial portion of the property is about 46,351 sq.ft. (4,306.11 sq.m.). The property is held under New Grant No. 3915 for a term of 99 years less the last three days from 1 July 1898. The term has been statutorily extended to 30 June 2047. The current Government rent payable for the property is an amount equal to 3% of the rateable value for the time being of the property per annum.	Units A, B and C on ground and mezzanine floors with gross floor area of approximately 7,945 sq.ft. are leased at a total monthly rent of HK$217,800 with the latest tenancy due to expire in February 2012. The remaining of the property is vacant.	HK$300,000,000

Notes:

(1) The registered owner of the property is Far East Consortium Limited, subsidiary of the Group.

(2) The property is subject to a Mortgage to secure general banking facilities in favour of Nanyang Commercial Bank Limited (Re: Mezzanine, basement, 1st, 2nd, 3rd and 5th floors).

(3) The property is subject to a Modification Letter dated 27 September 2007 vide Memorial No. 07100301840038.

(4) The property is zoned for “Residential (Group A)” uses under Tsuen Wan Outline Zoning Plan No. S/TW/26.

	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2009
14.	Ground Floor and Garden Area of Block 4 and Car Parking Space No. 25 on Lower Ground Floor, Rise Park Villas, 38 Razor Hill Road, Sai Kung, New Territories 33/1408th shares of and in Lot No. 1124 in Demarcation District No. 253	The property comprises a domestic unit on the ground floor with the appurtenant garden area of Block 4 and one private carparking space of a residential development completed in 1979. The domestic unit has a gross floor area of approximately 1,700 sq.ft. (157.93 sq.m.) and a garden area of approximately 3,275 sq.ft. (304.25 sq.m.). The property is held under New Grant No. 5577 for a term of 99 years less the last three days from 1 July 1898. The term has been statutorily extended to 30 June 2047. The current Government rent payable for the property is an amount equal to 3% of the rateable value for the time being of the property per annum.	The property is leased at a monthly rent of HK$26,400 from 1 November 2008 to 31 October 2009, inclusive of rates and management fees.	HK$8,800,000

Notes:

(1) The registered owner of the property is Pansy Development Limited, subsidiary of the Group.

(2) The property is subject to a Legal Charge to secure general banking facilities in favour of Wing Hang Bank Limited.

(3) The property is zoned for "Residential (Group C) 2" uses under Tseng Lan Shue Outline Zoning Plan No. S/SK-TLS/8.

	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2009
15.	First Floor of Block 4 and Car Parking Space Nos. 1, 4, 61 and 62 on Lower Ground Floor, Rise Park Villas, 38 Razor Hill Road, Sai Kung, New Territories 36/1408th shares of and in Lot No. 1124 in Demarcation District No. 253	The property comprises a domestic unit on the 1st floor of Block 4 and four covered private carparking spaces of a residential development completed in 1979. The domestic unit has a gross floor area of approximately 1,700 sq.ft. (157.93 sq.m.). The property is held under New Grant No. 5577 for a term of 99 years less the last three days from 1 July 1898. The term has been statutorily extended to 30 June 2047. The current Government rent payable for the property is an amount equal to 3% of the rateable value for the time being of the property per annum.	The property is leased at a monthly rent of HK$22,000 from 1 November 2008 to 31 October 2009, inclusive of rates and management fees.	HK$8,200,000

Notes:

(1) The registered owner of the property is Henrik Investment Limited, subsidiary of the Group.

(2) The property is subject to a Legal Charge to secure general banking facilities in favour of Wing Hang Bank Limited.

(3) The property is zoned for "Residential (Group C) 2" uses under Tseng Lan Shue Outline Zoning Plan No. S/SK-TLS/8.

	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2009
16.	Shop Nos. 1-7, 9-11, 14, 21, 26-33, 38, 39, 44, 49, 52, 56, 58-60, 66-70, 76-80 and 86-87 on Lower Ground Floor and Shop Nos. 2-5, 7, 20-27, 29-30, 35, 36, 40-42, 48, 49, 52, 54, 55, 62-64, 68 and 73 on Upper Ground Floor of the Commercial Podium of Plot A and Top Podium Exterior Walls of Plot A, Tsuen Wan Garden, 15-23 Castle Peak Road, Tsuen Wan, New Territories 235/4400th shares of and in Tsuen Wan Town Lot No. 241	The property comprises various shop units on the lower and upper ground floors of a 5-storey commercial/ parking podium of Plot A and exterior walls of Plot A of the development completed in 1980. The property has a total gross floor area of approximately 41,142 sq.ft. (3,822.19 sq.m.). The property is held under New Grant No. 5525 for a term of 99 years less the last three days from 1 July 1898. The term has been statutorily extended to 30 June 2047. The current Government rent payable for the property is an amount equal to 3% of the rateable value for the time being of the property per annum.	The property is either owner occupied or let to various tenants with the latest tenancy due to expire in July 2010 at a total monthly rent of HK$260,952, mostly inclusive of rates, management fees and Government rent.	HK$58,800,000

Notes:

(1) The registered owners of the property are Far East Consortium Limited, subsidiary of the Group (Re: Shop Nos. 2-5, 7, 11, 14, 31-33, 38, 39, 44, 58-60, 66-70, 76-80, 86 and 87 on Lower Ground Floor and Shop Nos. 22, 25-27, 29, 30, 35, 36, 40-42, 54, 55, 63, 64, 68 and 73 on Upper Ground Floor), Arvel Company Limited, subsidiary of the Group (Re: Shop Nos. 1, 6, 9, 10, 21, 26-30, 49, 52 and 56 on Lower Ground Floor and Shop Nos. 2-5, 7, 20, 21, 23, 24, 48, 49, 52 and 62 on Upper Ground Floor and Top Podium exterior walls of Plot A).

(2) The property is subject to two Memorandum of Charge by The Incorporated Owners of Tsuen Wan Garden.

(3) The property is subject to a Mortgage to secure general banking facilities and a Rent Assignment both in favour of The Hongkong and Shanghai Banking Corporation Limited (Re: the whole of the property except Top Podium exterior walls of Plot A).

(4) The property is subject to a Sealed Copy Writ of Summons (Deeds Pending Registration) with The Incorporated Owners of Tsuen Wan Garden as "Plaintiff", Far East Consortium Limited as "1st Defendant" and Arvel Company Limited as "2nd Defendant" (Re: In S.C. Action No. A8855 of 1996) (Re: the whole of the property).

(5) The property is zoned for "Residential (Group A)" uses under Tsuen Wan Outline Zoning Plan No. S/ TW/26.

Group II – Properties held by the Group for sale in Hong Kong

	Property	**Description and tenure**	**Particulars of occupancy**	**Capital value in existing state as at 31 March 2009**
17.	Flats A and C on 1st Floor, Tung Wai Garden, 419G Queen's Road West, Sai Ying Pun, Hong Kong Sundry shares of and in the Remaining Portion of Section B of Marine Lot No. 205	The property comprises two domestic units on the 1st floor of a 24-storey plus two lower ground levels composite building completed in 1993. The domestic units have a total gross floor area of approximately 991 sq.ft. (92.07 sq.m.). The property is held under a Government Lease for a term of 999 years from 16 November 1864. The current Government rent payable for the lot (M.L. 205 s.B) is HK$78 per annum.	Flat C on 1st floor is let for a term of 2 years from 1 August 2007 to 31 July 2009 at a monthly rent of HK$4,000, inclusive of rates and management fees. The remainder of the property is vacant.	HK$3,130,000

Note:

(1) The registered owner of the property is Dunball Limited, subsidiary of the Group.

(2) The property is zoned for "Commercial/Residential" uses under Sai Ying Pun & Sheung Wan Outline Zoning Plan No. S/H3/22.

	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2009
18.	Shop No. 6 on Ground Floor and the whole of 1st Floor, Cheong Hung Mansion, 2-14 Mei Fong Street, 91-95 Wing Fong Street, 24-28 Shun Fong Street, Kwai Chung, New Territories 119/1000th shares of and in Kwai Chung Town Lot Nos. 186 and 295	The property comprises a shop unit on ground floor and the whole of first floor of a 23-storey composite building completed in 1978. The property has a total gross floor area of approximately 6,140 sq.ft. (570.42 sq.m.). The property is held under New Grant Nos. 4871 and 5317 for terms of 99 years less the last three days from 1 July 1898. The terms have been statutorily extended to 30 June 2047. The current Government rent payable for the property is an amount equal to 3% of the rateable value for the time being of the property per annum.	The property is leased to a single tenant for a term of 3 years from 15 May 2007 to 14 May 2010 at a total monthly rent of HK$105,000, exclusive of rates and management fees. The property is occupied as an elderly home.	HK$13,900,000

Notes:

(1) The registered owner of the property is Hero Housing Limited, subsidiary of the Group.

(2) The property is subject to a Mortgage to secure general banking facilities and a Rental Assignment both in favour of Nanyang Commercial Bank Limited.

(3) The property is zoned for "Residential (Group A)" uses under Kwai Chung Outline Zoning Plan No. S/KC/22.

	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2009
19.	Shops 17, 18 and 20 on Ground Floor and the Commercial Portion of 1st, 2nd and 3rd Floors, Tung Fai Court, 2 Shui Che Kwun Street, Yuen Long, New Territories 245/750th shares of and in Yuen Long Town Lot Nos. 287 and 349	The property comprises three shop units on ground floor, the commercial portion of first, second and third floors of a 17-storey composite building completed in 1984. The property has a total gross floor area of approximately 14,191 sq.ft. (1,318.38 sq.m.). The property is held under New Grant Nos. 2692 and 3004 for terms of 99 years less the last three days from 1 July 1898. The term has been statutorily extended to 30 June 2047. The current Government rent payable for the property is an amount equal to 3% of the rateable value for the time being of the property per annum.	The property is let for a term of 3 years from 1 February 2007 to 14 April 2010 at a monthly rent of HK$170,500, inclusive of rates and management fees. The property is occupied as an elderly home.	HK$23,000,000

Notes:

(1) The registered owner of the property is Roseville Enterprises Limited, subsidiary of the Group.

(2) The property is subject to a Mortgage to secure general credit facilities in favour of Liu Chong Hing Bank Limited (now known as Chong Hing Bank Limited).

(3) The property is zoned for "Residential (Group A)" uses under Yuen Long Outline Zoning Plan No. S/YL/18.

	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2009
20.	Ground Floor (with garden) and 1st Floor (with balcony), Nos. 109 and 110 Sheung Yeung, Sai Kung, New Territories 2/3rd shares of and in Section A and 2/3rd shares of and in Section C of Lot No. 89 in Demarcation District No. 225	The property comprises 2 duplex units (ground floor and 1st floor) of two 3-storey houses situated in an area known as Sheung Yeung in Sai Kung District completed in 2004. The saleable areas of the property are as follows:– <u>DD 225 Lot 89 sA</u> **sq.ft. / sq.m.** G/F 680 / 63.15 1/F 632 / 59.61 <u>DD 225 Lot 89 sC</u> **sq.ft. / sq.m.** G/F 648 / 60.19 1/F 610 / 56.66 The ancillary areas of the property are as follows: <u>DD 225 Lot 89 sA</u> **sq.ft. / sq.m.** Garden on G/F 78 / 7.20 Balcony on 1/F 80 / 7.43 <u>DD 225 Lot 89 sC</u> **sq.ft. / sq.m.** Garden on G/F 272 / 25.26 Balcony on 1/F 80 / 7.44 The property is held under Government Lease for a term of 75 years renewed for a further term of 24 years less the last three days from 1 July 1898. The term has been statutorily extended to 30 June 2047. The current Government rent payable for the property is an amount equal to 3% of the rateable value for the time being of the property per annum.	The property is currently vacant.	HK$9,800,000

Notes:

(1) The registered owners of the property are as follows:

DD	Lot	Floor	Owner
225	89 sA	Ground	Multi Yield (HK) Ltd, subsidiary of the Group
225	89 sA	1st	Best Hoover Limited, subsidiary of the Group
225	89 sC	Ground	Multi Yield (HK) Ltd, subsidiary of the Group
225	89 sC	1st	Best Hoover Limited, subsidiary of the Group

(2) The property is zoned for "Village Type Development" uses under Clear Water Bay Peninsula North Outline Zoning Plan No. S/SK-CWBN/3.

	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2009
21.	Various units, Bakerview, 66 Baker Street, Hung Hom, Kowloon 34067/75000th shares of and in the Remaining Portion of Section B, Section C, Section D, Section E, the Remaining Portion of Sub-section 1 of Section I, the Remaining Portion of Sub-section 2 of Section I and the Remaining Portion of Sub-section 3 of Section I of Hung Hom Inland Lot No. 235	The property comprises the whole of ground and 1st floors, 33 residential units on the upper floors and the car parking spaces on the ground to 3rd floors and 5th floor of a 33-storey composite building completed in 2002. The property has a total gross floor area of approximately 24,866 sq.ft. (2,310.11 sq.m.), excluding the car park area. The property is held under Government Lease for a term of 75 years renewable for 75 years from 1 January 1901. The Government rent payable for the lots is HK$3,486 per annum.	Except for 3 units which are vacant, the property was leased to various tenants with the latest tenancy due to expire in April 2011 at a total monthly rent of HK$329,400.	HK$81,000,000

Notes:

(1) The property comprises the following 33 residential units:–

13A, 17A, 18D, 20D, 25C, 25D, 26C, 26D, 27C, 27D, 28D, 29B, 29C, 29D, 30A, 30B, 30C, 30D, 31A, 31B, 31C, 31D, 32A, 32B, 32C, 32D, 33B, 33C, 33D, 35A, 35B, 35C and 35D.

(2) The registered owner of the property is Charter National International Limited, subsidiary of the Group.

(3) The property is subject to a Legal Charge for all moneys in favour of Wing Hang Bank Limited.

(4) The property is zoned for "Residential (Group A) 4" uses under Hung Hom Outline Zoning Plan No. S/K9/22.

Group III – Properties held by the Group under development in Hong Kong

	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2009
22.	12-22 Davis Street, Kennedy Town, Hong Kong The Remaining Portion of Sub-section 7 of Section A, Section D of Sub-section 7 of Section A, Section C of Sub-section 7 of Section A, Section B of Sub-section 7 of Section A, Section A of Sub-section 7 of Section A, Sub-section 12 of Section A of Inland Lot No. 905	The property comprises a site with a registered site area of about 4,966 sq.ft. (461.35 sq.m.) upon which a hotel is proposed to be developed and is scheduled to be completed in 4th quarter 2009. Upon completion, the total gross floor area of the property will be approximately 73,278 sq.ft. (6,807.714 sq.m.). The property is held under Government Lease all for 999 years from 24 September 1883. The Government rent payable for the lots is HK$72 per annum.	The property is under construction.	HK$225,000,000

Notes:

(1) The registered owner of the property is Hong Kong (SAR) Hotel Limited, subsidiary of the Group.

(2) The property is subject to a Debenture in favour of Hang Seng Bank Limited.

(3) The property is subject to a Licence for Removal of Trades in Offensive Trade Clause.

(4) According to the information provided by the Group, the total estimated construction cost as at 31 March 2009 was about HK$117,000,000 and the cost expended upto 31 March 2009 was about HK$38,000,000. We have taken into account such amounts in our valuation.

(5) The capital value of the property when completed as at 31 March 2009 was HK$349,000,000.

(6) The property is zoned for "Residential (Group A)" uses under Kennedy Town & Mount Davis Outline Zoning Plan No. S/H/16.

(7) The Town Planning Board has approved hotel development within the subject property. The approval is valid until 15 December 2010.

	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2009
23.	27-31 Jervois Street, Sheung Wan, Hong Kong Marine Lot No. 9B, Section A of Inland Lot No. 871, Section A of Inland Lot No. 872	The property comprises a site with a registered site area of about 2,530 sq.ft. (235.04 sq.m.) upon which a hotel building is proposed to be developed and is scheduled to be completed in 2nd quarter 2010. Upon completion, the total gross floor area of the property will be approximately 37,941 sq.ft. (3,524.82 sq.m.). The property is held under Government Lease for a term of 999 years and the commencement of lease term and Government rent per annum are as follows:–	The property is under construction.	HK$114,000,000

Lot No.	Commencement of Lease Term	Government Rent
M.L. 9B	15 January 1852	£5.12s 4D
I.L. 871 sA	26 June 1843	HK$12.6
I.L. 872	26 June 1843	HK$21.54

Notes:

(1) The registered owner of the property is Excel Chinese International Limited, subsidiary of the Group.

(2) The property is subject to a Debenture in favour of Hang Seng Bank Limited.

(3) According to the information provided by the Group, the total estimated construction cost as at 31 March 2009 was about HK$68,000,000 and the cost expended upto 31 March 2009 was about HK$16,000,000. We have taken into account such amounts in our valuation.

(4) The capital value of the property when completed as at 31 March 2009 was HK$200,000,000.

(5) The property is zoned for "Commercial/Residential" uses under Sai Ying Pun & Sheung Wan Outline Zoning Plan No. S/H3/22.

	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2009
24.	35-43 Ivy Street, Mongkok, Kowloon Kowloon Inland Lot No. 8050	The property comprises a site with a registered site area of about 5,528 sq.ft. (513.56 sq.m.) upon which a hotel building is proposed to be developed and is scheduled to be completed in 2nd quarter 2009. Upon completion, the total gross floor area of the property will be approximately 67,130 sq.ft. (6,236.53 sq.m.). The property is held under Conditions of Sale No. 6812 for a term of 75 years from 28 August 1961 and renewable for a further term of 75 years. The current Government rent payable for the lot is HK$254 per annum.	The property is under construction.	HK$238,000,000

Notes:

(1) The registered owner of the property is Ruby Way Limited, subsidiary of the Group.

(2) The property is subject to a Debenture and Mortgage to secure all moneys in respect of general banking facilities in favour of The Hong Kong and Shanghai Banking Corporation Limited.

(3) According to the information provided by the Group, the total estimated construction cost as at 31 March 2009 was about HK$125,000,000 and the cost expended upto 31 March 2009 was about HK$93,000,000. We have taken into account such amounts in our valuation.

(4) The capital value when completed as at 31 March 2009 was HK$407,000,000.

(5) The property is zoned for "Other Special Uses (Business)" uses under Mongkok Outline Zoning Plan No. S/K3/25.

(6) The Town Planning Board has approved hotel development within the subject property. The approval is valid until 21 July 2010.

Group IV – Properties held by the Group for future development in Hong Kong

	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2009
25.	The Remaining Portion of Lot No. 1134, the Remaining Portion of Lot No. 1137, Lot No. 1138 and the Remaining Portion of Lot No. 1139 in Demarcation District No. 222, Pak Kong, Sai Kung, New Territories	The property comprises four pieces of agricultural lots situated in an area known as Pak Kong in Sai Kung District. The property has a registered site area of approximately 37,937 sq.ft. (3,524.43 sq.m.). The property is held under a Government Lease for a term of 75 years renewed for a further term of 24 years less the last three days from 1 July 1898. The term has been statutorily extended to 30 June 2047. The current Government rent payable for the property is an amount equal to 3% of the rateable value for the time being of the property per annum.	The property is vacant.	HK$1,000,000

Notes:

(1) The registered owner of the property is Bournemouth Estates Limited, subsidiary of the Group.

(2) The property is zoned for "Conservation Area" uses under Pak Kong and Shek Kok Mei Outline Zoning Plan No. S/SK-PK/11.

	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2009
26.	The Remaining Portion of Lot No. 232 in Demarcation District No. 354, Yau Kam Tau, Tsuen Wan, New Territories	The property comprises an agricultural lot situated in an area known as Yau Kam Tau in Tsuen Wan District. The property has a registered site area of approximately 63,941 sq.ft. (5,940.26 sq.m.). The property is held under New Grant No. 2723 for a term of 75 years renewed for a further term of 24 years less the last three days from 1 July 1898. The term has been statutorily extended to 30 June 2047. The current Government rent payable for the property is an amount equal to 3% of the rateable value for the time being of the property per annum.	The property is vacant.	HK$4,700,000

Notes:

(1) The registered owner of the property is Scarborough Development Limited, subsidiary of the Group.

(2) The property is zoned for “Green Belt” uses under Tsuen Wan Outline Zoning Plan No. S/TW/26.

	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2009
27.	659 Castle Peak Road, Kwai Chung, New Territories Kwai Chung Town Lot No. 193	The property comprises a site with a registered site area of about 25,000 sq.ft. (2,322.56 sq.m.) currently standing on the subject site is a 13-storey building with total gross floor area of about 226,501 sq.ft. (21,042.46 sq.m.) completed in 1981. The property is held under New Grant No. 4841 for a term of 99 years from 1 July 1898. The term has been statutorily extended until 30 June 2047. The current Government rent payable for the lot is an amount equal to 3% of the rateable value for the time being of the property per annum.	The property is vacant.	HK$220,000,000

Notes:

(1) The registered owner of the property is Panley Limited, subsidiary of the Group.

(2) The property is subject to a Legal Charge in favour of Wing Hang Bank Limited.

(3) The property is zoned for "Other Special Uses (Business)" uses under Kwai Chung Outline Zoning Plan No. S/KC/22.

	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2009
28.	84 Hung To Road, Kwun Tong, Kowloon Kwun Tong Inland Lot No. 162	The property comprises a site with a registered site area of about 10,000 sq.ft. (929.02 sq.m.). The property is held under Government Lease for a term of 21 years from 1 July 1959 which has been renewed for a further term of 17 years. The term has been statutorily extended until 30 June 2047. The current Government rent payable for the property is an amount equal to 3% of the rateable value for the time being of the property per annum.	The property is vacant.	HK$118,000,000

Notes:

(1) The registered owner of the property is Everkent Development Limited, subsidiary of the Group.

(2) The property is zoned for “Other Special Uses (Business)” uses under Kwun Tong Outline Zoning Plan No. S/K14S/16.

	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2009
29.	Lot Nos. 102, 190, 194, the Remaining Portion of Lot No. 196, Lot Nos. 203, 205, 209, 210, 212, 234, 270, 273, 279, 280, 282-284, 306, 307, 311, 318, 319, 393, 492, 493, 641, 642, 697, 701, 722, 733, 738, 740-743, 745-747, 760, 762, 764, 766, 769-771, 774-782, 800, 801, 804, 809, 810, 816, 818, 829, 830, 1024, 1038, 1040, 1042, 1044, 1045, 1047, 1050, 1051, 1054, 1058, 1059, 1063, 1065, 1067, 1070, 1071, 1081, 1084, 1086, 1087, 1115, 1117-1121, 1216 and the Remaining Portion of Lot No. 1218 in Demarcation District No. 360, Lot No. 385, the Remaining Portion of Lot No. 386, Lot Nos. 387-389, 392, 394-396, 400, 404, 406, 407, 442, 494, 510, 513, 515, 522, 540, 543, 565, 566, 571, 574 and 591 in Demarcation District No. 433 and Lot Nos. 37, 39, 79, 93, 170, 279, 281, 283, 303, 307, 308, 310, 311, 312, 320, 324, 325, 330, 335 and 336 in Demarcation District No. 435 and Tsuen Wan Town Lot No. 389, Chuen Lung, Tsuen Wan, New Territories	The property comprises various pieces of agricultural lots, four pieces of house lots and a recreational lot situated in an area known as Chuen Lung in Tsuen Wan District. The registered site areas of the agricultural lots and house lots are approximately 231,995 sq.ft. (21,552.86 sq.m.) and 1,742 sq.ft. (161.84 sq.m.) respectively. The registered site area of the recreational lot (TWTL 389) is approximately 145,314 sq.ft. (13,500 sq.m.). The permitted gross floor area of any development on this lot is approximately 58,126 sq.ft. (5,400 sq.m.). The agricultural and house lots are held under three Government Leases for terms of 75 years renewed for further terms of 24 years less the last three days from 1 July 1898. The terms have been statutorily extended to 30 June 2047. TWTL 389 is held under New Grant No. 7217 for a term of 50 years from 23 May 2003. The current Government rent payable for all the lots is an amount equal to 3% of the rateable value for the time being of the lots per annum.	The property is vacant.	HK$39,500,000

Notes:

(1) The registered owners of the property are Mr. Deacon T.K. Chiu, Chairman of the Company (Re: Lot Nos. 102, 273, 279, 280, 282-284, 306, 307, 311, 318, 319, 641, 642, 697, 701, 722, 733, 740-743, 745-747, 760, 762, 764, 766, 769-771, 774-782, 800, 801, 804, 809, 810, 816, 818, 829, 830, 1024, 1038, 1040, 1042, 1044, 1045, 1047, 1050, 1051, 1054, 1058, 1059, 1063, 1065, 1067, 1070, 1071, 1081, 1084, 1086, 1087, 1115, 1117-1121, 1216 and the Remaining Portion of Lot No. 1218 in Demarcation District No. 360, Lot Nos. 385, 388, 442 and 540 in Demarcation District No. 433 and Lot Nos. 79, 93, 170, 279, 281, 283, 303, 307, 308, 310-312, 320, 324, 325, 330, 335 and 336 in Demarcation District No. 435 and 46781/100000th shares of Tsuen Wan Town Lot No. 389), Tat Fung Enterprises Company Limited, subsidiary of the Group (Re: Lot Nos. 190, 194, the Remaining Portion of Lot No. 196, Lot Nos. 203, 205, 209, 210, 212, 234, 270, 393, 492, 493 and 738 in Demarcation District No. 360, the Remaining Portion of Lot Nos. 386, Lot Nos. 387, 389, 392, 394-396, 400, 404, 406, 407, 494, 510, 513, 515, 522, 543, 565, 566, 571, 574 and 591 in Demarcation District No. 433, Lot Nos. 37 and 39 in Demarcation District No. 435 and 40144/100000th shares of Tsuen Wan Town Lot No. 389) and Cathay Motion Picture Studios Limited, subsidiary of the Group (Re: 13075/100000th shares of Tsuen Wan Town Lot No. 389).

(2) The property is not zoned under any existing Outline Zoning Plans and Development Permission Area Plans.

	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2009
30.	Section A, Section B, Section C, Section D, Section E, Section F, Section G, Section H, Section J, Section K, Section L and the Remaining Portion of Lot No. 746 in Demarcation District No. 225 Sheung Yeung, Sai Kung, New Territories	The property comprises 12 lots situated in an area known as Sheung Yeung in Sai Kung District. The property has a registered site area of approximately 20,034 sq.ft. (1,861.2 sq.m.). The property is held under New Grant No. 2838 for a term of 75 years renewed for a further term of 24 years less the last three days from 1 July 1898. The term has been statutorily extended to 30 June 2047. The current Government rent payable for the property is an amount equal to 3% of the rateable value for the time being of the property per annum.	The property is vacant.	HK$2,440,000

Note: The registered owners and the zoning under Clear Water Bay Peninsula North Outline Zoning Plan No. S/SK-CWBN/3 of the property are as follows:

DD	Lot	Owner	Zoning
*225	746 sA	Shing Ming Kee, independent third party	Village Type Houses
225	746 sB	Chun Wah Holdings Limited, subsidiary of the Group	Conservative Area
225	746 sC	Chun Wah Holdings Limited, subsidiary of the Group	Conservative Area
225	746 sD	Chun Wah Holdings Limited, subsidiary of the Group	Conservative Area
*225	746 sE	Wong San Pui, independent third party	Village Type Houses
*225	746 sF	Shing Wai Yip, independent third party	Village Type Houses
225	746 sG	Chun Wah Holdings Limited, subsidiary of the Group	Conservative Area
225	746 sH	Chun Wah Holdings Limited, subsidiary of the Group	Conservative Area
*225	746 sJ	Shing Shek Ying, independent third party	Village Type Houses
*225	746 sK	Sing Chi Hung, independent third party	Village Type Houses
225	746 sL	Chun Wah Holdings Limited, subsidiary of the Group	Conservative Area
225	746 RP	Chun Wah Holdings Limited, subsidiary of the Group	Conservative Area

* The lots, DD225 Lot 746 sA, sE, sF, sJ and sK, are subject to a total of five Deed of Trusts dated 30 December 1994, 19 January 1995, 30 November 1995, 19 January 1995 and 30 November 1994 respectively, which are executed by the respective owners of the lots and

Chun Wah Holdings Limited, subsidiary of the Group ("Chun Wah"). In each of those Deeds, it was declared that Chun Wah is the beneficial owner of the respective lots and the respective owners holds the lots in trust for Chun Wah.

	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2009
31.	The Remaining Portion of Section B and Sub-section 1 of Section B of Lot No. 3927 in Demarcation District No. 124, Tan Kwai Tsuen, Yuen Long, New Territories	The property comprises 2 lots situated in an area known as Tan Kwai Tsuen in Yuen Long District. The property has a registered site area of approximately 52,246 sq.ft. (4,853.80 sq.m.). The property is held under Tai Po New Grant No. 6364, its lease term, date of commencement and Government rent cannot be ascertained from the New Grant.	The property is vacant.	HK$14,000,000

Notes:

(1) The registered owner of the property is Garden Resort Development Limited, subsidiary of the Group.

(2) The property is zoned for "Residential (Group B) 1" uses under Tong Yan San Tsuen Outline Zoning Plan No. S/YL-TYST/10.

	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2009
32.	Rose De Casa, 684 Clear Water Bay Road, Sai Kung, New Territories Lot No. 236 in Demarcation District No. 229	The property comprises a site with a registered site area of about 20,021 sq.ft. (1,860 sq.m.). Currently standing on the lot is six 3-storey (including carport) semi-detached houses completed in 1996. The total saleable area of the property is approximately 9,072 sq.ft. (842.81 sq.m.). The property is held under New Grant No. 7812 for a term commencing from 23 October 1990 to 30 June 2047. The current Government rent payable for the property is an amount equal to 3% of the rateable value for the time being of the property per annum.	The property is vacant.	HK$58,000,000

Notes:

(1) The registered owner of the property is Far East Golf International Limited, subsidiary of the Group.

(2) The property is subject to a Mortgage in favour of Liu Chong Hing Bank Limited (now known as Chong Hing Bank Limited).

(3) The property is zoned for “Residential (Group C) 5” uses under Clear Water Bay Peninsula North Outline Zoning Plan No. S/SK-CWBN/3.

	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2009
33.	Various units, Precious Hill Mansion, 90-100 Hill Road and the whole of 106 Hill Road, Pok Fu Lam, Hong Kong 45/49th shares of and in the Remaining Portion of Section A of Inland Lot No. 1095 and the whole of Remaining Portion of Section E of Inland Lot No. 1095	The property comprises various units of Precious Hill Mansion which is a 9-storey (including cockloft) composite building completed in 1967 and the whole of No. 106 Hill Road. The saleable areas of 90-100 Hill Road are as follows:–	The property is vacant.	HK$120,000,000

	Saleable Area sq.ft.	sq.m.
90 Hill Road		
G/F Unit A	128	11.89
G/F Unit B	230	21.37
Cockloft	419	38.93
1/F to 7/F	2,604	241.92
92 Hill Road		
G/F	641	59.55
1/F to 7/F	2,170	201.60
94 Hill Road		
1/F to 7/F	2,471	229.56
96 Hill Road		
G/F	867	80.55
1/F to 7/F	2,471	229.56
98 Hill Road		
1/F & 3/F to 7/F	3,042	282.60
100 Hill Road		
1/F to 7/F	2,485	230.86

The site area of 106 Hill Road is about 990 sq.ft. (91.87 sq.m.).

The property is held under Government Lease for a term of 999 years from 20 December 1887. The Government rent payable for the lots is HK$34 per annum.

Notes:

(1) The property comprises the followings:–

(i) Shop Units 90A, 90B, 92 and 96 on Ground Floor; and Unit 90 on Cockloft.;

(ii) Residential Units 90, 92, 94, 96, 98 and 100 on 1st Floor; Units 90, 92, 94, 96 and 100 on 2nd Floor; Units 90, 92, 94, 96, 98 and 100 on 3rd Floor; Units 90, 92, 94, 96, 98 and 100 on 4th Floor; Units 90, 92, 94, 96, 98 and 100 on 5th Floor; Units 90, 92, 94, 96, 98 and 100 on 6th Floor; and Units 90, 92, 94, 96, 98 and 100 on 7th Floor; and

(iii) The whole of 106 Hill Road.

(2) The registered owner of the property is Vennex Limited, subsidiary of the Group.

(3) The property is subject to a Mortgage in favour of Nanyang Commercial Bank Limited.

(4) The property is zoned for "Residential (Group A)" uses under Sai Ying Pun & Sheung Wan Outline Zoning Plan No. S/H3/22.

	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2009
34.	Various units, 287-293 Sai Yeung Choi Street North, Sham Shui Po, Kowloon 6/6th shares of and in Sub-section 1 of Section H of New Kowloon Inland Lot No. 317; 5/6th shares of and in Sub-section 2 of Section H of New Kowloon Inland Lot No. 317; 6/6th shares of and in Sub-section 3 of Section H of New Kowloon Inland Lot No. 317; and 5/6th shares of the Remaining Portion of Section H of New Kowloon Inland Lot No. 317	The property comprises various units of four 6-storey tenement blocks (including basements) completed in 1956. The saleable areas of the property are as follows:–	The property is vacant.	HK$95,000,000

	Saleable Area sq.ft.	sq.m.
287 Sai Yeung Choi Street North		
B/F	629	58.44
G/F	773	71.81
1/F to 4/F	3,092	287.25
289 Sai Yeung Choi Street North		
B/F	618	57.41
G/F	773	71.81
1/F to 2/F and 4/F	2,319	215.44
291 Sai Yeung Choi Street North		
B/F	629	58.44
1/F to 4/F	3,092	287.25
293 Sai Yeung Choi Street North		
B/F	618	57.41
G/F	773	71.81
1/F to 4/F	3,092	287.25

The ancillary areas of the property are as follows:–

	Ancillary Area sq.ft.	sq.m.
287 Sai Yeung Choi Street North		
Yard on G/F	366	34.00
289 Sai Yeung Choi Street North		
Yard on G/F	366	34.00
291 Sai Yeung Choi Street North		
Yard on G/F	366	34.00
293 Sai Yeung Choi Street North		
Yard on G/F	366	34.00

The property is held under Government Lease for a term of 75 years from 1 July 1898 renewable for 24 years. The Government rent payable for the lots is HK$3,011 per annum.

Notes:

(1) The property comprises the following units:–

Units 287, 289, 291 and 293 on Basement Floor; Units 287, 289 and 293 on Ground Floor; Units 287, 289, 291 and 293 on 1st Floor; Units 287, 289, 291 and 293 on 2nd Floor; Units 287, 291 and 293 on 3rd Floor; and Units 287, 289, 291 and 293 on 4th Floor.

(2) The registered owner of the property is Pandix Limited, subsidiary of the Group.

(3) The property is subject to a Mortgage in favour of Nanyang Commercial Bank Limited.

(4) The property is zoned for "Residential (Group A)" uses under Cheung Sha Wan Outline Zoning Plan No. S/K5/31.

Group V – Property held by the Group for sale in the PRC

	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2009
35.	The unsold portion of California Garden, Jinqiu Road, Baoshan District, Shanghai, the PRC	The property comprises the unsold portion of California Garden completed in between 1999 and 2008. The property comprises various residential and retail units with a total gross floor area of approximately 60,488.30 sq.m. with details as follows:– **Portion** / **Gross Floor Area (sq.m.)** Residential 35,638.73 Retail 24,849.57 **Total: 60,488.30** The land use rights of the property have been granted to the Group for a terms of 70 years from 3 June 1998 to 2 June 2068, 17 June 1997 to 16 June 2067, 2 July 2002 to 1 July 2072 and 9 April 2004 to 8 April 2074 for residential use.	Portions of the property with a gross floor area of 3,305 sq.m. are subject to various tenancies at a total monthly receivable rental of approximately RMB146,000. The remaining portion of the property is currently vacant.	RMB741,000,000

Notes:

(1) According to eight Shanghai Certificates of Real Estate Ownership Nos. (1999)009983, (2002)025337, (2006)032123, (2006)033439, (2008)003693, (2008)003694, (2008)004026 and (2008)018230 issued by Shanghai Housing and Land Resources Administration Bureau between 28 June 1999 and 26 May 2008, the land use rights and the building ownership rights of the property have been vested in Shanghai Ching Chu Property Development Co., Ltd. (上海錦秋房地產有限公司), subsidiary of the Group.

(2) According to the sales records provided by the Group as at 31 March 2009, various units with a total gross floor area of approximately 5,592.81 sq.m. have been sold but not been handed over to the purchasers for a total consideration of approximately RMB64,600,000. In the course of our valuation. We have included such consideration in our valuation.

(3) According to Business Licence No. 0209027 dated 5 September 2007, Shanghai Ching Chu Property Development Co., Ltd. was established as a limited liability company with a registered capital of USD17,000,000 (with a paid-up capital of USD17,000,000) for a valid operation period from 24 April 1997 to 23 April 2067.

(4) According to Certificate of Approval for Establishment of Enterprises with Investment of Taiwan, Hong Kong, Macao and Overseas Chinese in the People's Republic of China No. 3100094497 dated 13 November 2008, the registered capital of Shanghai Ching Chu Property Development Co., Ltd. has been increased to USD35,000,000.

(5) We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal advisor 上海昊坤律師事務所, which contains, inter-alias, the following information:

(i) Shanghai Ching Chu Property Development Co., Ltd. is in possession of a proper legal title to the property and is entitled to transfer the property with the residual term of land use rights at no extra land premium or other onerous payment payable to the government;

(ii) All the land premium, costs of public utilities, ancillary infrastructure fees and compensation to and resettlement of any original residents to make way for the proposed development have been fully settled;

(iii) The proposed design and construction of the property have been approved by the relevant government departments;

(iv) The property may be freely disposed of to the purchasers at nil encumbrances;

(v) A portion of the property with a gross floor area of 7,747.57 sq.m. is mortgaged to Metropolitan Bank and Trust Company, Shanghai branch for a loan of RMB60,000,000 with the security term from 14 May 2008 to 13 May 2010. Portion of the mortgage loan of RMB2,500,000 of the property with a gross floor area of 204.72 sq.m. was cancelled on 2 June 2008. Under such mortgage contract, Shanghai Ching Chu Property Development Co., Ltd. can lease, transfer, mortgage and dispose of the land use rights of the property after obtaining the agreement of Metropolitan Bank and Trust Company; and

(vi) Other than the above mentioned mortgage, the property is free from seizing, mortgage, limitation of any other rights and third party rights.

(6) The status of title and grant of major approvals and licences in accordance with the information provided by the Group are as follows:–

Certificate of Real Estate Ownership	Yes
Business Licence	Yes

Group VI – Properties held by the Group for owner occupation or investment in the PRC

	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2009
36.	Hongkong and Macao Center, No. 118 Jianghan Road, Jiang'an District, Wuhan City, Hubei Province, the PRC	The property, known as Hongkong and Macao Center is erected on a parcel of land with a site area of 5,338.89 sq.m. completed in 2000. The property has a total gross floor area of 67,306.65 sq.m. The land use rights of the property have been granted for a term expiring on 15 July 2043 for commercial service use.	The property is owned and currently operated by Wuhan Dorsett Far East Hotel Management Ltd. Parts of level 1 and levels 2-5, 6, 7 and 9 of the building are rented for commercial use. Parts of level 1 and levels 11-15 occupied as the Wuhan Cosmopolitan Hotel. Level 16 is occupied as office of the owner. The remaining portion of the property is vacant.	RMB440,000,000

Notes:

(1) According to Real Estate Title Certificate issued by Wuhan Land Resources and Housing Administrative Bureau on 29 November 2007, the building ownership of the property located at Hongkong and Macao Center, No. 118 Jianghan Road, Jiang'an District, is vested in Wuhan Dorsett Far East Hotel Management Ltd. (武漢遠東帝豪酒店管理有限公司), subsidiary of the Group. The details are as follows:

Certificate No.	Floor	Gross Floor Area (sq.m.)
Wu No.2007029523	–1	3,422.82
Wu No.2007029525	1	393.00
Wu No.2007029527	1	2,794.45
	1-2 Mid	1,524.38
Wu No.2007029529	2	3,596.64
	2-3 Mid	3,056.98
Wu No.2007029530	3	3,931.16
Wu No.2007029531	4	3,928.40
Wu No.2007029536	5	3,928.40
Wu No.2007029516	6	3,928.40
Wu No.2007029517	7	3,556.98
Wu No.2007029518	8	3,589.41
Wu No.2007029519	9	3,663.57
Wu No.2007029521	10	3,634.63
Wu No.2007029534	11	3,447.26
Wu No.2007029541	12	3,447.26
Wu No.2007029539	13	3,447.26
Wu No.2007029538	14	3,447.26

Certificate No.	Floor	Gross Floor Area (sq.m.)
Wu No.2007029542	15	3,447.26
Wu No.2007029544	16	3,447.26
Wu No.2007029546	17	1,084.47
Wu No.2007029547	18	589.40
Total:		**67,306.65**

(2) According to State-owned Land Use Rights Certificate No. Wu (2008) 88 dated 28 February 2008, issued by Wuhan Municipal People's Government (武漢市人民政府), Plot No. A14050007 at No. 118 Jianghan Road Jiang'an District with a site area of approximately 5,338.89 sq.m. has been granted for term due to expire on 15 July 2043, is held by Wuhan Dorsett Far East Hotel Management Ltd. (武漢遠東帝豪酒店管理有限公司).

(3) According to Business Licence No. 420100400000141), Wuhan Dorsett Far East Hotel Management Ltd. (武漢遠東帝豪酒店管理有限公司) was established with a registered capital of USD28,000,000, for a valid operation period from 25 June 2007 to 25 June 2037.

(4) We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal advisor, Dewell & Partners, which contains, inter-alias, the following information:

(i) Wuhan Dorsett Far East Hotel Management Ltd. (武漢遠東帝豪酒店管理有限公司) has lawfully owned the land use rights of the property and there is no pending or threatened legal, governmental or arbitrative proceeding or action against the land use rights;

(ii) Wuhan Dorsett Far East Hotel Management Ltd. (武漢遠東帝豪酒店管理有限公司) is the sole legal land user of the property;

(iii) The property is mortgaged to DBS Bank (China) Limited Guangzhou Branch, for a loan of RMB210,000,000 with the security term from 10 March 2008 to 10 March, 2018. Under such mortgage contract, Wuhan Dorsett Far East Hotel Management Ltd. (武漢遠東帝豪酒店管理有限公司) cannot lease, transfer, mortgage and dispose of the land use rights of the property without DBS Bank (China) Limited Guangzhou Branch's agreement in the mortgage period; and

(iv) All the land premium stated in the Grant Contract of Land Use Rights has been duly paid and settled.

(5) The status of title and grant of major approvals and licences in accordance with the information provided to us by the Group are as follows:

Real Estate Title Certificate	Yes
State-owned Land Use Rights Certificate	Yes
Business Licence	Yes

	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2009
37.	Jinqiu School, Club House and Kindergarten situated at California Garden, Jinqiu Road, Baoshan District, Shanghai, the PRC	The property comprises 4 classroom buildings, a 2-storey club house and a 2-storey kindergarten in Jinqiu Garden completed in between 1999 and 2005. The property has a total gross floor area of 14,808.19 sq.m. The land use rights of the property have been granted to the Group for three terms of 70 years for residential use.	A portion of the property have been subject to various tenancies with a total monthly rental receivable of approximately RMB70,900. The remaining portion of the property is currently operated by the Group as school and sales office.	RMB81,000,000

Notes:

(1) According to three Shanghai Certificates of Real Estate Ownership Nos. (2002)025337, (2005)012554 and (2006)036777 issued by Shanghai Housing and Land Resources Administration Bureau on 10 June 2002, 22 March 2005 and 27 September 2006 respectively, the land use rights and the building ownership rights of the property have been vested in Shanghai Ching Chu Property Development Co., Ltd. (上海錦秋房地產有限公司), subsidiary of the Group with details as follows:

Certificate No.	Land Use Term	Land Use
(2002)025337	From 17 June 1997 to 16 June 2067	Residential
(2005)012554	From 2 July 2002 to 1 July 2072	Residential
(2006)036777	From 3 June 1998 to 2 June 2068	Residential
Total:		

(2) According to Business Licence No. 0209027 dated 5 September 2007, Shanghai Ching Chu Property Development Co., Ltd. was established as a limited liability company with a registered capital of USD17,000,000 (with a paid-up capital of USD17,000,000) for a valid operation period from 24 April 1997 to 23 April 2067.

(3) According to Certificate of Approval for Establishment of Enterprises with Investment of Taiwan, Hong Kong, Macao and Overseas Chinese in the People's Republic of China No. 3100094497 dated 13 November 2008, the registered capital of Shanghai Ching Chu Property Development Co., Ltd. has been increased to USD35,000,000.

(4) We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal advisor, 上海昊坤律師事務所, which contains, inter-alias, the following information:

(i) Shanghai Ching Chu Property Development Co., Ltd. is in possession of a proper legal title to the property and is entitled to transfer the property with the residual term of land use rights at no extra land premium or other onerous payment payable to the government;

(ii) All the land premium, costs of public utilities, ancillary infrastructure fees and compensation to and resettlement of any original residents to make way for the proposed development have been fully settled;

(iii) The proposed design and construction of the property have been approved by the relevant government departments;

(iv) The property may be freely disposed of to the purchasers at nil encumbrances;

(v) A portion of the property with a gross floor area of 5,493.49 sq.m. is mortgaged to Metropolitan Bank and Trust Company, Shanghai branch for a loan of RMB15,000,000 with the security term from 18 October 2007 to 17 October 2009. Under such mortgage contract, Shanghai Ching Chu Property Development Co., Ltd. can lease, transfer, mortgage and dispose of the land use rights of the property after obtaining the agreement of Metropolitan Bank and Trust Company; and

(vi) Other than above mentioned mortgage, the property is free from seizing, mortgage, limitation of any other rights and third party rights.

(5) The status of title and grant of major approvals and licences in accordance with the information provided by the Group are as follows:–

Certificate of Real Estate Ownership	Yes
Business Licence	Yes

	Property	Description and tenure	Particulars of occupancy	Capital Value in existing state as at 31 March 2009
38.	The whole level 4 of Xinshidai Mansion, No. 11 Jianshe 3rd Road, Yuexiu District, Guangzhou, Guangdong Province, the PRC	The property comprises the whole level 4 of an 8-storey commercial and office complex which was completed in 1981. The property has a total gross floor area of approximately 1,001.73 sq.m. The land use rights of the property have been granted for terms of 40 years for commercial use and 50 years for office use from 6 February 1996.	As advised by the Group, Units 408 and 409 with a total gross floor area 68.384 sq.m. are currently leased for office use from 1 January 2009 to 31 December 2010 with a monthly rent RMB2,735.36. The remain portion is owner-occupied for office use.	RMB7,600,000

Notes:

(1) Pursuant to Guangzhou Certificate of Real Estate Ownership No. 108025 issued by Guangzhou Land Administrative Bureau dated 1 December 2000, the land use rights of the property with a total gross floor area of 7,680.64 sq.m. have been vested in Guangdong Xinshidai Real Estate Co. Ltd. (廣東新時代房地產有限公司), the associate of the Group, for terms of 40 years for commercial use and 50 years for office use from 6 February 1996.

(2) Pursuant to Particulars of Property Units issued by Guangdong Xinshidai Real Estate Co. Ltd. (廣東新時代房地產有限公司) dated 8 April 2008, the title of the whole level 4 of Xinshidai Mansion, No. 11 Jianshe 3rd Road, Yuexiu District, Guangzhou, with a total gross floor area of 1,001.73 sq.m. is vested in Guangdong Xinshidai Real Estate Co. Ltd. (廣東新時代房地產有限公司).

(3) According to Business License No. 0324066, Guangdong Xinshidai Real Estate Co. Ltd. (廣東新時代房地產有限公司) was established on 18 October 1994 as a limited company with a registered capital of RMB68,000,000.

(4) We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal advisor, 廣東華盈律師事務所, which contains, inter-alias, the following information:

(i) Guangdong Xinshidai Real Estate Co. Ltd. (廣東新時代房地產有限公司) has lawfully owned the land use rights of the property and there is no pending or threatened legal, governmental or arbitrative proceeding or action against the land use rights;

(ii) The land use rights of the property are free from seizing, mortgage, limitation of any other rights and third party rights;

(iii) Guangdong Xinshidai Real Estate Co. Ltd. (廣東新時代房地產有限公司) is the sole legal land user of the property; and

(iv) All the land premium stated in the Grant Contract of Land Use Rights has been duly paid and settled.

(5) The status of title and grant of major approvals and licences in accordance with the information provided to us by the Group are as follows:

Certificate of Real Estate Ownership	Yes
Business Licence	Yes

	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2009
39.	Shanghai Cosmo Hotel, Nos. 796 and 800 Huamu Road, Pudong District, Shanghai, the PRC	The property is erected on a parcel of land with a total site area of approximately 3,990 sq.m.. According to the Group, the hotel portion of the property was completed in 2008 and the remaining portion of the property was completed in 2000. The property has a total planned gross floor area of approximately 18,149.49 sq.m. with details as follows:–	The property is under renovation.	RMB300,000,000

Planned Portion	Planned Gross Floor Area (sq.m.)
Hotel	15,603.55
Retail	2,461.05
Other	84.89
Total:	**18,149.49**

The land use rights of the property have been granted for a term expiring on 28 September 2044 for commercial (hotel) use.

Notes:

(1) Pursuant to Shanghai Certificate of Real Estate Ownership No. (2009) 012208 dated 9 March 2009, the land use rights of a parcel of land with a site area of approximately 3,990 sq.m. have been granted to Chingchu (Shanghai) Real Estate Development Co., Ltd. 錦秋(上海)置業發展有限公司, subsidiary of the Group.

(2) As advised by the Group, the renovation cost expended of the property as at 31 March 2009 was approximately RMB5,200,000. The outstanding cost to complete the renovation of the property was estimated to be approximately RMB34,800,000. We have taken into account such amounts in our valuation.

(3) Pursuant to Certificate of Registration of Real Estate of Shanghai Municipality No. Pu 200914008416 dated 9 March 2009, the property is subject to a mortgage of RMB140,000,000 in favour of Agriculture Bank of China Shanghai, Fengxian Branch for a period from 6 March 2009 to 5 March 2017.

(4) According to Business Licence No. 0370671, Chingchu (Shanghai) Real Estate Development Co., Ltd. (錦秋(上海)置業發展有限公司) was established on 20 January 2000 as a limited company with a registered capital of USD5,000,000.

(5) We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal advisor, 上海昊坤律師事務所, which contains, inter-alias, the following information:

(i) Chingchu (Shanghai) Real Estate Development Co., Ltd. (錦秋(上海)置業發展有限公司). has lawfully owned the land use right of the property and there is no pending or threatened legal, governmental or arbitrative proceeding or action against the land use rights;

(ii) The land use rights of the property are free from seizing, mortgage, limitation of any other rights and third party rights; and

(iii) The property is mortgaged to Agriculture Bank of China Shanghai, Fengxian Branch for a loan of RMB140,000,000 with the security term from from 6 March 2009 to 5 March 2017. Under such mortgage contract, Chingchu (Shanghai) Real Estate Development Co., Ltd. (錦秋(上海)置業發展有限公司) can lease, transfer, mortgage and dispose of the land use rights of the property after obtaining the agreement of Agriculture Bank of China Shanghai, Fengxian Branch.

(6) The status of title and grant of major approvals and licenses in accordance with the information provided to us by the Group are as follows:

Certificate of Real Estate Ownership	Yes
Business Licence	Yes

Group VII – Properties held by the Group under development in the PRC

	Property	Description and tenure	Particulars of occupancy	Capital Value in existing state as at 31st March 2009
40.	Area 17A, California Garden, Jinqiu Road, Baoshan District, Shanghai, the PRC	The property comprises a portion of residential development of Area 17A and Area 17B under construction erected upon a parcel of land with a total site area of 97,051 sq.m. Upon completion, the property will have a total gross floor area of approximately 39,228.91 sq.m. and the development scheme is summarised as follow:	The property is currently under construction.	RMB120,000,000

Planned Portion	Planned Gross Floor Area (sq.m.)
Residential	22,158.89
Kindergarten	4,130.00
Market	10,900.00
Ancillary	469.71
Underground	1,570.31
Total:	**39,228.91**

As advised by the Group, the property is scheduled to be completed by October 2009.

The land use rights of the property have been granted to the Group for a term of 70 years from 8 September 2005 to 7 September 2075 for residential use.

Notes:

(1) According to Grant Contract for State-owned Land Use Rights No. (2005) 086 entered into between Baoshan District Housing and Land Administration Bureau ("Party A") and Shanghai Ching Chu Property Development Co., Ltd. ("Party B") on 8 September 2005, Party A has agreed to grant the land use rights of Area 17A and Area 17B, California Garden to Party B with details as follows:

Site Area	:	97,051 sq.m.
Land Use	:	Residential
Land Use Term	:	70 years
Land Premium	:	RMB9,705,100
Plot Ratio	:	No more than 0.99

(2) According to Shanghai Certificate of Real Estate Ownership No. (2005) 036873 issued by Shanghai Housing and Land Resources Administration Bureau on 2 November 2005, the land use rights of Area 17A and 17B, California Garden, comprising a total site area of 97,051 sq.m., have been vested in Shanghai Ching Chu Property Development Co., Ltd., subsidiary of the Group, for a term from 8 September 2005 to 7 September 2075 for residential use.

(3) According to Planning Permit for Construction Use of Land No. (2004) 0083 issued by Baoshan District Planning Administration Bureau on 9 April 2004, the construction land of Area 17A and 17B, California Garden was in compliance with the requirement of urban planning and was permitted to be developed with a total site area of approximately 109,910 sq.m.

(4) According to Planning Permit for Construction Works No. (2008) 13080227F00435 issued by Baoshan District Planning Administration Bureau on 22 February 2008, the construction works of the property were in compliance with the requirement of urban planning and was permitted to be developed with a total gross floor area of approximately 39,228.91 sq.m.

(5) According to Permit for Commencement of Construction Works No. 0702BS0135D01 issued by Baoshan District Construction and Transportation Committee on 27 March 2008, the construction works of the property with a total gross floor area of 39,293 sq.m. is in compliance with the requirements for works commencement.

(6) As advised by the Group, the total expended construction cost as at 31 March 2009 was approximately RMB62,700,000 and the estimated outstanding construction cost for completion was approximately RMB17,300,000. We have taken into account such amount in our valuation.

(7) The capital value when completed of the proposed development as at 31 March 2009 was approximately RMB60,000,000.

(8) According to Business Licence No. 0209027 dated 5 September 2007, Shanghai Ching Chu Property Development Co., Ltd. was established as a limited liability company with a registered capital of USD17,000,000 (with a paid-up capital of USD17,000,000) for a valid operation period from 24 April 1997 to 23 April 2067.

(9) According to Certificate of Approval for Establishment of Enterprises with Investment of Taiwan, Hong Kong, Macao and Overseas Chinese in the People's Republic of China No. 3100094497 dated 13 November 2008, the registered capital of Shanghai Ching Chu Property Development Co., Ltd. has been increased to USD35,000,000.

(10) We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal advisor, 上海昊坤律師事務所, which contains, inter-alias, the following information:

(i) Shanghai Ching Chu Property Development Co., Ltd. is in possession of a proper legal title to the property and is entitled to transfer the property with the residual term of land use rights at no extra land premium or other onerous payment payable to the government;

(ii) All land premium, costs of public utilities, ancillary infrastructure fees and compensation to and resettlement of any original residents to make way for the proposed development have been fully settled;

(iii) The proposed design and construction of the property have been approved by the relevant government departments;

(iv) The property may be freely disposed of to the purchasers at nil encumbrances;

(v) A portion of the property is mortgaged to China Construction Bank for a part of loan of RMB200,000,000 with the security term from 15 April 2008 to 14 April 2011. Under such mortgage contract, Shanghai Ching Chu Property Development Co., Ltd. can lease, transfer, mortgage and dispose of the land use rights of the property after obtaining the agreement of China Construction Bank;

(vi) Other than the above mentioned mortgage, the property is free from seizing, mortgage, limitation of any other rights and third party rights; and

(vii) Shanghai Ching Chu Property Development Co., Ltd. has no legal obstacle to obtain the Pre-sale Permit for Commodity Housing of the property from the relevant government departments.

(11) The status of title and grant of major approvals and licences in accordance with the information provided by the Group are as follows:–

Grant Contract for State-owned Land Use Rights	Yes
Shanghai Certificate of Real Estate Ownership	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes
Permit for Commencement of Construction Works	Yes
Business Licence	Yes

	Property	Description and tenure	Particulars of occupancy	Capital Value in existing state as at 31st March 2009
41.	Yinzuo Plaza, Nos. 124-177 Xiyulong Road, Qingyang District, Chengdu, Sichuan Province, the PRC	The property is erected on a parcel of land with a total site area of approximately 5,865.62 sq.m.. The property has a total planned gross floor area of approximately 67,616.94 sq.m. with details as follows:– **Planned Portion** / **Planned Gross Floor Area (sq.m.)** Above ground: 51,478.41 Under ground: 16,138.53 **Total: 67,616.94** According to the Group, the property is scheduled to be completed in the end of August 2009. The land use rights of the property have been granted for a term expiring on 22 September 2047 for hotel and restaurant uses.	The property is under construction.	RMB300,000,000

Notes:

(1) Pursuant to State-owned Land Use Rights Certificate Chengguoyong (2009) No. 156 dated 19 February 2009, the land use rights of a parcel of land with a site area of approximately 5,865.62 sq.m. had been granted to 遠東帝豪酒店管理(成都)有限公司, subsidiary of the Group, for hotel and restaurant uses.

(2) According to the Survey report of real estate provided by Sichuan Survey Technology Service Centre, the gross floor area is approximately 67,616.94 sq.m.

(3) As advised by the Group, the cost to complete the property as at 31 March 2009 was estimated to be approximately RMB150,000,000. We have taken into account such amount in our valuation.

(4) The capital value when completed of the proposed development as at 31 March 2009 was approximately RMB550,000,000.

(5) According to Business Licence No. 510100400020507, 遠東帝豪酒店管理(成都)有限公司 was established on 30 December 2006 as a limited company with a registered capital of USD38,000,000.

(6) We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal advisor, 四川合泰律師事務所 which contains, inter-alias, the following information:

(i) 遠東帝豪酒店管理(成都)有限公司 has lawfully owned the land use rights of the property;

(ii) 遠東帝豪酒店管理(成都)有限公司 is the sole legal land user of the property has the rights to occupy and use the property;

(iii) All the land premium stated in the Grant Contract of Land Use Rights has been duly paid and settled; and

(iv) The land use rights of the property are free from seizing, mortgage, limitation of any other rights and third party rights.

(7) The status of title and grant of major approvals and licences in accordance with the information provided to us by the Group are as follows:

State-owned Land Use Rights Certificate	Yes
Business Licence	Yes

	Property	Description and tenure	Particulars of occupancy	Capital Value in existing state as at 31st March 2009
42.	The proposed development Xinshidai Mansion, west of Jianshe 3rd Road, South of Jiansheheng Road, Yuexiu District, Guangzhou, Guangdong Province, the PRC	The property comprises a regular-shaped site with a total site area of approximately 2,963 sq.m. According to the development scheme provided to us, upon completion, the property will comprise a 28-storey residential, office and commercial complex building. The property is scheduled to be completed in March 2011. The property has a total planned gross floor area of approximately 21,343.20 sq.m. with details as follows:–	The property is currently under construction with excavation works in progress.	RMB95,000,000

Planned Portion	Planned Gross Floor Area (sq.m.)
Above ground	
Residential	12,231.1
Office	4,143.1
Commercial	644.3
Car Parking Spaces	2,247.9
Others	344.4
Sub-total:	19,610.8
Under ground	
Commercial	505.1
Facilities	949.3
Car Parking Spaces	278
Sub-total:	1,732.4
Total:	**21,343.2**

The land use rights of the property have been granted for terms of 70 years for residential use, 40 years for commercial, tourism, entertainment uses, and 50 years for other uses from 20 December 2004.

Notes:

(1) Pursuant to State-owned Land Use Rights Certificate No. (2005) 419 dated 18 June 2006, the land use rights of a parcel of land with a site area of approximately 2,963 sq.m. have been granted to Guangdong Xinshidai Real Estate Co. Ltd. (廣東新時代房地產有限公司), the associate of the Group.

(2) Pursuant to Planning Permit for Construction Works No. (2007) 5070 dated 22 November 2007 issued by Guangzhou Urban Planning Bureau, the construction works of the property with a gross floor area of 1,732.40 sq.m. was in compliance with the requirements for works commencement:

(3) The details of to the Total Planning Scheme of the proposed development No. 20070008001192 dated 13 August 2007 issued by the Guangzhou Urban Planning Technical Service Department are summarized as follows:

(i) Planned total GFA is 21,343.2 sq.m., planned plot ratio GFA is 20,020.70 sq.m.;

(ii) Planned aboveground GFA is 19,610.8 sq.m., planned underground GFA is 1,732.40 sq.m..

(iii) The planned public facilities details are listed below:–

	GFA (sq.m.)
Above Ground	
Residential	12,231.1
Office	4,143.1
Commercial	644.3
Car parking spaces	2,247.9
Ceiling and Lifts	95.2
Others	249.2
Sub-total	19,610.8
Underground	
Car parking spaces	25
Other parking spaces	253
Commercial	505.1
Facilities	949.3
Sub-total	1,732.4
Total	**21,343.2**

(4) Pursuant to Permit for Commencement of Construction Works Nos. 440102200803131501 and 440102200811175401 issued by Guangzhou Yuexiu District Construction Bureau dated 13 March 2008 and 17 November 2008 respectively, the construction works of foundation excavation and the basement of the proposed development are in compliance with the requirements for works commencement and are permitted.

(5) Pursuant to the Contract for Cooperative Joint Venture of Guangdong Xinshidai Real Estate Co. Ltd. dated 18 December 1993 and entered into among Guangdong Province Construction Development Company (廣東省建設發展公司) (Party A), 香港新聯投資(中國)有限公司 ("Party B"), 香港東偉投資貿易公司 ("Party C") and 香港達康國際有限公司 ("Party D"), all Parties agreed to cooperate in developing the plot of land which is located on the west of Jianshe 3rd Road, south of Jiansheheng Road for the proposed Xinshidai Mansion Project.

Pursuant to the Supplement Contract for Cooperative Joint Venture of Guangdong Xinshidai Real Estate Co. Ltd. (合作經營廣東新時代房地產有限公司補充合同) dated 19 September 1997 and entered into among Party A, Party B and Party C, all parties agreed to cooperate in developing the plot of land which is located on the west of Jianshe 3rd Road, south of Jiansheheng Road for the proposed Xinshidai Mansion Project.

(6) As advised by the Group, the construction cost expended in the property as at 31 March 2009 was approximately RMB11,000,000. The outstanding cost to complete the property was estimated to be approximately RMB83,000,000. We have taken into account such amounts in our valuation.

(7) The capital value when completed of the proposed development as at 31 March 2009 was approximately RMB260,000,000.

(8) According to Business Licence No. 440000400006719 Guangdong Xinshidai Real Estate Co. Ltd. (廣東新時代房地產有限公司) was established on 18 October 1994 as a limited company with a registered capital of RMB68,000,000.

(9) We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal advisor, 廣東華盈律師事務所, which contains, inter-alias, the following information:

(i) Guangdong Xinshidai Real Estate Co. Ltd. (廣東新時代房地產有限公司) has lawfully owned the land use rights of the property and there is no pending or threatened legal, governmental or arbitrative proceeding or action against the land use rights;

(ii) The land use rights of the property are free from seizing, mortgage, limitation of any other rights and third party rights;

(iii) Guangdong Xinshidai Real Estate Co. Ltd. (廣東新時代房地產有限公司) is the sole legal land user of the property; and

(iv) All the land premium stated in the Grant Contract of Land Use Rights has been duly paid and settled.

(10) The status of title and grant of major approvals and licences in accordance with the information provided to us by the Group are as follows:

State-owned Land Use Rights Certificate	Yes
Planning Permit for Construction Use of Land	Yes
Commencement of Construction Works	Yes
Business Licence	Yes

Group VIII – Property held by the Group for future development in the PRC

	Property	Description and tenure	Particulars of occupancy	Capital Value in existing state as at 31st March 2009
43.	Area 9B, 16A-11, 17B and Commercial Center of California Garden, Jinqiu Road, Baoshan District, Shanghai, the PRC	The property comprises Areas 9B, 16A-11, 17B and Commercial Center of California Garden erected upon a portion of parcel of land with a total site area of 396,458.40 sq.m. The property will be developed into a low-density residential development with a planned total gross floor area of approximately 148,118.92 sq.m. As advised by the Group, the property is scheduled to be completed by 2010. The land use rights of the property have been granted to the Group for terms of 70 years for residential use.	The area of commercial center is currently a vacant site. The demolition and resettlement works of the remaining portion have not been completed.	RMB646,000,000

Notes:

(1) According to four Grant Contracts for State-owned Land Use Rights Nos. (1998)1, (2004)048, (2005)086 and (2006)012 entered into between Baoshan District Housing and Land Administration Bureau ("Party A") and Shanghai Ching Chu Property Development Co., Ltd., subsidiary of the Group ("Party B"), Party A has agreed to grant the land use rights of the property to Party B with details as follows:

Contract No.	Site Area *(sq.m.)*	Land Use Term	Land Use	Plot Ratio	Land Premium *(RMB)*
(1998)1	222,950.00	70 years	Residential	≤0.8	17,836,000
(2004)048	169,628.50	70 years	Residential	≤1, ≤1.5	16,962,850
(2005)086	97,051.00	70 years	Residential	≤0.99	9,705,100
(2006)012	55,179.90	70 years	Residential	≤1.05	5,517,990
Total:	544,809.40				

(2) According to four Shanghai Certificates of Real Estate Ownership Nos. (2005)036873, (2005)006172, (2006)036777 and (2006)007537 issued by Shanghai Housing and Land Resources Administration Bureau, the land use rights of the property have been vested in Shanghai Ching Chu Property Development Co., Ltd. with details as follows:

Certificate No.	**Site Area** *(sq.m.)*	**Land Use Term**	**Land Use**
(2005)036873	97,051.00	From 8 September 2005 to 7 September 2075	Residential
(2005)006172	169,628.50	From 9 April 2004 to 8 April 2074	Residential
(2006)036777	74,599.00	From 3 June 1998 to 2 June 2068	Residential
(2006)007537	55,179.90	From 18 January 2006 to 17 January 2076	Residential
Total:	396,458.40		

(3) According to three Planning Permits for Construction Use of Land Nos. (2004) 0083, (2003)0126 and (2005)13050429E00347 issued by Baoshan District Planning Administration Bureau, California Garden was in compliance with the requirement of urban planning and was permitted to be developed with a total site area of approximately 345,547.40 sq.m.

(4) According to two Planning Permits for Construction Works Nos. (2008)13080227F00436 and (2007)13070814F02281 issued by Baoshan District Planning Administration Bureau dated 22 February 2008 and 13 August 2007 respectively, the construction works of the property were in compliance with the requirement of urban planning and was permitted to be developed with a total gross floor area of approximately 81,159.03 sq.m.

(5) According to two Permit for Commencement of Construction Work Nos. 0702BS0135D02 and 0502BS0049D01 dated 27 March 2008 and 22 June 2005 respectively, the construction works of the property with a total gross floor area of 96,287 sq.m. were in compliance with the requirements for works commencement.

(6) As advised by the Group, the total and outstanding resettlement cost is approximately RMB75,500,000. We have taken into account such amount in our valuation.

(7) According to Business Licence No. 0209027 dated 5 September 2007, Shanghai Ching Chu Property Development Co., Ltd. was established as a limited liability company with a registered capital of USD17,000,000 (with a paid-up capital of USD17,000,000) for a valid operation period from 24 April 1997 to 23 April 2067.

(8) According to Certificate of Approval for Establishment of Enterprises with Investment of Taiwan, Hong Kong, Macao and Overseas Chinese in the People's Republic of China No. 3100094497 dated 13 November 2008, the registered capital of Shanghai Ching Chu Property Development Co., Ltd. has been increased to USD35,000,000.

(9) We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal advisor, 上海昊坤律師事務所, which contains, inter-alias, the following information:

(i) Shanghai Ching Chu Property Development Co., Ltd. is in possession of a proper legal title to the property and is entitled to transfer the property with the residual term of land use rights at no extra land premium or other onerous payment payable to the government;

(ii) Shanghai Ching Chu Property Development Co., Ltd has the rights to develop and construct the land according to the planning approval.

(iii) The property may be freely disposed of to the purchasers at nil encumbrances.

(iv) All land premium has been fully settled;

(v) A portion of the property is mortgaged to China Construction Bank for part of loan of RMB200,000,000 with the security term from 15 April 2008 to 14 April 2011. Under such mortgage contract, Shanghai Ching Chu Property Development Co., Ltd. can lease, transfer, mortgage and dispose of the land use rights of the property after obtaining the agreement of China Construction Bank; and

(vi) Other than the above mentioned mortgage, the property is free from seizing, mortgage, limitation of any other rights and third party rights.

(10) The status of title and grant of major approvals and licences in accordance with the information provided by the Group are as follows:–

Grant Contract for State-owned Land Use Rights	Yes
Shanghai Certificate of Real Estate Ownership	Yes
Planning Permit for Construction Use of Land	Yes (Part)
Planning Permit for Construction Works	Yes (Part)
Permit for Commencement of Construction Work	Yes (Part)
Business Licenses	Yes

	Property	Description and tenure	Particulars of occupancy	Capital Value in existing state as at 31st March 2009
44.	The proposed development Huadi Jiayuan at No. 10, North of Miaoqian Street, Chajiao, Liwan District, Guangzhou, Guangdong Province, the PRC	The property comprises a regular-shaped site with a total site area of approximately 24,359 sq.m. The property has a total planned gross floor area of approximately 94,748 sq.m. and is scheduled to be completed in 2011. The land use rights of the property have been granted for terms of 70 years for residential use, 40 years for commercial, tourism, entertainment uses, and 50 years for the other uses from 6 April 2005.	The property is currently undergoing clearance and demolition works.	RMB160,000,000

Notes:

(1) Pursuant to State-owned Land Use Rights Certificate No. (2008) 1100114 dated 23 July 2008, the land use rights of a parcel of land with a site area of approximately 24,359 sq.m. have been granted to Guangzhou Xingqiao Real Estate Development Co. Ltd. (廣州市星僑房地產開發有限公司), subsidiary of the Group.

(2) Pursuant to Transfer Contract of Land Use Rights No. (2005) 10049 dated 19 September 2005 entered into between Guangzhou Jiancai Real Estate Development Co. Ltd. (廣州市建材房地產開發有限公司) and Guangzhou Fiber Reinforced Plastics Factory (廣州市玻璃鋼總廠) (Party A) and Guangzhou Xingqiao Property Management Co. Ltd. (廣州市星僑物業管理有限公司) (Party B), Party A agreed to transfer the land use rights of the subject development, in which the property is located thereon, with a site area of approximately 24,359 sq.m. to Party B at a consideration of RMB70,000,000.

(3) Pursuant to Planning Permit for Construction Use of Land No. (1995) 61 dated 4 July 1995 issued by Guangzhou Urban Planning Bureau, the construction site with a site area of approximately 35,517 sq.m. is in compliance with the urban planning requirements.

(4) Pursuant to the Reply letter of change of the constructor's name dated 22 September 2008 issued by Guangzhou Urban Planning Bureau, the constructor name listed in the Planning Permit for Construction Use of Land No. (1995) 61 has been changed to Guangzhou Xingqiao Real Estate Development Co. Ltd. (廣州市星僑房地產開發有限公司).

(5) The details of to the Reply letter for total planning scheme No. (2008) 86 dated 12 March 2008, issued by the Guangzhou Urban Planning Bureau, the details are summarized as follows:

(i) Plot Ratio is 3.18 (the site area is 23,668 sq.m.), planned plot ratio GFA is 75,200 sq.m., planned residential GFA is 70,790 sq.m., planned public facility GFA is 4,410 sq.m.;

(ii) Construction Density is 24% (the site area 23,668 sq.m.);

(iii) Greenery Ratio is 30.1% (the site area 23,668 sq.m.).

(6) According to Business Licence No. 0491743 Guangzhou Xingqiao Real Estate Development Co. Ltd. (廣州市星僑房地產開發有限公司) was established on 29 September 2004 as a limited company with a registered capital of USD280,000,000.

(7) We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal advisor, 廣東華盈律師事務所, which contains, inter-alias, the following information:

(i) Guangzhou Xingqiao Real Estate Development Co. Ltd. (廣州市星僑房地產開發有限公司) has lawfully owned the land use right of the property and there is no pending or threatened legal, governmental or arbitrative proceeding or action against the land use rights;

(ii) The land use rights of the property are free from seizing, mortgage, limitation of any other rights and third party rights;

(iii) Guangzhou Xingqiao Real Estate Development Co. Ltd. (廣州市星僑房地產開發有限公司) is the sole legal land user of the property; and

(iv) All the land premium stated in the Grant Contract of Land Use Rights has been duly paid and settled.

(8) The status of title and grant of major approvals and licences in accordance with the information provided to us by the Group are as follows:

State-owned Land Use Rights Certificate	Yes
Transfer Contract of Land Use Rights	Yes
Planning Permit for Construction Use of Land	Yes
Business Licence	Yes

	Property	Description and tenure	Particulars of occupancy	Capital Value in existing state as at 31st March 2009
45.	The proposed development Gantangyuan at Huadi, Fangcun, Liwan District, Guangzhou, Guangdong Province, the PRC	The property comprises a regular-shaped site with a total site area of approximately 7,687 sq.m. The property has a total planned gross floor area of approximately 47,080 sq.m. and is scheduled to be completed in 2012. In addition, upon completion the proposed development will provide a total 138 underground car parking spaces. The land use rights of the property have been granted for terms of 70 years for residential use, 40 years for commercial, tourism, entertainment uses, and 50 years for other uses from 19 June 1998.	There is one block of 2-storey temporary commercial complex on top of the subject property currently.	No commercial value

Notes:

(1) In the course of our valuation, we have ascribed no commercial value to the property as the individual title certificate has not been fully obtained. Had all valid Certificates for the Use of State-owned Land been issued to the property, all land premium and related fees for the grant of the certificates and compensation to and resettlement of any original occupiers to make way for the proposed development been fully settled, the capital value of the property as a vacant cleared site as at 31 March, 2009 would be RMB100,000,000.

(2) Pursuant to State-owned Land Use Rights Certificate No. (2004) 105, the land use rights of a parcel of land with a site area of approximately 7,687 sq.m. had been granted to Guangdong Province Xintuo Real Estate Development Co. (廣東省信托房產開發公司), subsidiary of the Group.

(3) Pursuant to Planning Permit for Construction Use of Land No. (2003) 392 dated 14 October 2003 issued by Guangzhou Urban Planning Bureau, the construction site with a site area of approximately 9,469 sq.m. is in compliance with the urban planning requirements.

Pursuant to Planning Permit for Construction Works No.(1993) 348 dated 20 April 1994 issued by Guangzhou Urban Planning Bureau, the construction works of the property with a gross floor area of 41,700 sq.m. were in compliance with the requirements for works commencement.

(4) Pursuant to the Contract for Cooperative Joint Venture of Guangzhou Dongqiao Real Estate Development Co. Ltd. (合作經營廣州市東僑房地產開發有限公司合同), entered into between Guangdong Province Xintuo Real Estate Development Co. (廣東省信托房產開發公司) ("Party A") and Star Bridge Development Limited (星僑發展有限公司) ("Party B"), both Party A and Party B agreed to cooperate in developing the plot of land which is located on the east of Huadi Avenue, Fangcun District with a site area of approximately 5,500 sq.m. for the proposed Gantangyuan project. The responsibility of each party parties are summarized as below:

(i) Party A's responsibility:

(a) Party A will offer the land which is located on the east of Huadi Avenue, Fangcun District with a site area of approximately 5,500 sq.m. for the proposed Gantangyuan project to the cooperative joint venture company for development;

(b) Party A will be responsible for transferring the land use rights of the subject plot to the cooperative joint venture company and pay for the relative fees;

(c) Party A will be responsible for the construction of public facilities of the proposed development; and

(d) Party A will be responsible for the examination of the proposed development.

(ii) Party B's responsibility:

(a) Party B will be responsible for the construction of the proposed development and all the costs involved are payable by to Party B;

(b) Party B should finish the construction of the proposed development in 2.5 years from the date when the Permit for Commencement of Construction Works is granted by the relative authority; and

(c) Party B will be responsible for applying the business licence of the cooperative joint venture company and its related fees.

(iii) The registered capital of the cooperative joint venture company is USD5,000,000. Party A will contribute USD750,000 whilst the remaining USD4,250,000 will be responsible by Party B.

(iv) The total invested amount is USD12,500,000.

(5) As advised by the Group, the demolition cost of the temporary complex is approximately RMB300,000 as at the date of valuation. We have taken into account the above cost in our valuation in Note (1).

(6) According to Business Licence No. 0720320, Guangzhou Dongqiao Real Estate Development Co. Ltd. (廣州市東僑房地產開發有限公司) was established on 13 February 2003 as a limited company with a registered capital of USD5,000,000.

(7) We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal advisor, 廣東華盈律師事務所, which contains, inter-alias, the following information:

(i) Guangzhou Dongqiao Real Estate Development Co. Ltd. (廣州市東僑房地產開發有限公司) has lawfully owned the land use rights of the property and there is no pending or threatened legal, governmental or arbitrative proceeding or action against the land use rights;

(ii) The land use rights of the property are free from seizing, mortgage, limitation of any other rights and third party rights;

(iii) Guangzhou Dongqiao Real Estate Development Co. Ltd. (廣州市東僑房地產開發有限公司) is the sole legal land user of the property; and

(iv) All the land premium stated in the Grant Contract of Land Use Rights has been duly paid and settled.

(8) The status of title and grant of major approvals and licences in accordance with the information provided to us by the Group are as follows:

State-owned Land Use Rights Certificate	Yes
Planning Permit for Construction Use of Land	Yes
Planning Permit for Construction Works	Yes
Business Licence	Yes

Group IX – Property contracted to be acquired by the Group in the PRC

	Property	Description and tenure	Particulars of occupancy	Capital Value in existing state as at 31st March 2009
46.	Areas 12 to 15, 16A-10 and 18, California Garden, Jinqiu Road, Baoshan District, Shanghai, the PRC	The property comprises four parcels of land with a total site area of 255,647.10 sq.m. As advised by the Group, the property will be developed into a residential development. The land use rights of the property have not been granted to the Group.	The property is currently a vacant site pending for demolish and resettlement.	No commercial value

Notes:

(1) In the course of our valuation, we have ascribed no commercial value to the property as the title certificate has not been obtained.

(2) According to three Contracts for Land Value-added Revenue Nos. (2004) 005, (2004)006 and (2006)001 entered into between Baoshan District Land Reserve Center ("Party A") and Shanghai Ching Chu Property Development Co., Ltd., subsidiary of the Group ("Party B"), the total site area of the property is about 255,647 sq.m. and the total land value-added revenue is about RMB95,298,175.

(3) According to Planning Permits for Construction Use of Land No. (2003) 0241, (2003)0339, (2005)13050429E00347 and (2004)0190 issued by Baoshan District Planning Administration Bureau, the construction land of the property was in compliance with the requirement of urban planning and was permitted to be developed with a total site area of approximately 343,724.40 sq.m.

(4) According to Business Licence No. 0209027 dated 5 September 2007, Shanghai Ching Chu Property Development Co., Ltd. was established as a limited liability company with a registered capital of USD17,000,000 (with a paid-up capital of USD17,000,000) for a valid operation period from 24 April 1997 to 23 April 2067.

(5) According to Certificate of Approval for Establishment of Enterprises with Investment of Taiwan, Hong Kong, Macao and Overseas Chinese in the People's Republic of China No. 3100094497 dated on 13 November 2008, the registered capital of Shanghai Ching Chu Property Development Co., Ltd. has been increased to USD35,000,000.

(6) We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal advisor, 上海昊坤律師事務所, which contains, inter-alias, the following information:

(i) All the land value-added revenue has been fully settled; and

(ii) Shanghai Ching Chu Property Development Co., Ltd. has no legal obstacle to obtain the Shanghai Certificate of Real Estate Ownership of the property from the relevant government departments.

(7) The status of title and grant of major approvals and licences in accordance with the information provided by the Group are as follows:–

Grant Contract for State-owned Land Use Rights	No
Shanghai Certificate of Real Estate Ownership	No
Planning Permit for Construction Use of Land	Yes (Part)
Business Licence	Yes

(B) Properties located in Malaysia

The following is the text of a letter and valuation certificates from the independent valuer, Raine & Horne International Zaki + Partners Sdn. Bhd., in connection with the valuation of the properties to be held by the Best Impact Group before the MC Completion as at 31st March 2009, prepared for the purpose of incorporation in this circular:

Raine & Horne International Zaki + Partners Sdn. Bhd.
Perpetual 99
Jalan Raja Muda Abdul Aziz
50300 Kuala Lumpur
Malaysia

3rd June 2009

The Directors
Far East Consortium International Limited
16/F, Far East Consortium Building
121 Des Voeux Road Central
Hong Kong

Dear Sirs,

RE: REPORT AND VALUATION OF A THIRTY (30) STOREY 4-STAR HOTEL BUILDING WITH THREE (3) BASEMENT CAR PARK KNOWN AS DORSETT REGENCY HOTEL BEARING POSTAL ADDRESS DORSETT REGENCY HOTEL, 172, JALAN IMBI, 55100 KUALA LUMPUR;

179 ROOM 4 STAR HOTEL SITUATED AT 21ST FLOOR TO 30TH FLOOR AND PART OF THE LOBBY AREA WITHIN A THIRTY THREE (33) STOREY HOTEL & SERVICED APARTMENTS BUILDING KNOWN AS MAYTOWER BEARING POSTAL ADDRESS NO. 7, JALAN MUNSHI ABDULLAH, 50100 KUALA LUMPUR;

252 ROOMS 4 STAR HOTEL AND PART OF THE LOBBY AREA WITHIN A TEN (10) STOREY HOTEL/SERVICE APARTMENT BUILDING KNOWN AS DORSETT JOHOR HOTEL, MALAYSIA;

A TEN (10) STOREY SERVICE APARTMENTS BUILDING WITH TWO (2) BASEMENT CAR PARK KNOWN AS SRI JATI SERVICE APARTMENTS BEARING POSTAL ADDRESS SRI JATI SERVICE APARTMENTS, JALAN JATI, OFF JALAN IMBI, 55100 KUALA LUMPUR AND;

LOT NOS. 600 AND 619 HELD UNDER TITLE NOS. GRN 47373 AND 27523 RESPECTIVELY, MUKIM OF KERLING, DISTRICT OF ULU SELANGOR, STATE OF SELANGOR (TWO (2) ADJOINING PARCELS OF UNCONVERTED DEVELOPMENT LAND)

1. INSTRUCTION

In pursuance to the instruction received from **FAR EAST CONSORTIUM INTERNATIONAL LIMITED** (referred to as the "Client") to value the above captioned properties situated in the Capital City of Malaysia, we confirm that we have inspected the properties, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing the Market Value of the properties as at 31st March 2009 (referred to as the "valuation date").

Our valuations are prepared in accordance with the "HKIS Valuation Standards on Properties (First Edition 2005)" and meet the requirements contained in Chapter 5 of the Rules Governing the Listing of Securities (the "Exchange Listing Rules") issued by the Stock Exchange of Hong Kong Limited.

2. BASIS OF VALUATION

Our basis of valuation is our opinion of the **Market Value**.

Market Value is defined as the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

3. METHOD OF VALUATION

In arriving at the Market Value of the subject properties, we have adopted as our main approach, the **Comparison Method of Valuation**.

This method of valuation seeks to determine the value of the properties being valued by comparing and adopting as a yardstick recent transactions and sale evidences involving other similar properties in the vicinity. Due considerations are given for such factors including location, plot size, improvements made if any, surrounding developments, facilities and amenities available.

4. ASSUMPTIONS

We were specifically instructed by the client to value the subject properties on 'As Is' Basis.

Our valuation also has been made on the assumption that the properties can be sold on the open market without the benefit of deferred terms contracts, leaseback, joint ventures, management agreements or any similar arrangement which would serve to affect the value of the properties.

We have assumed that all consent, approvals and licenses from relevant government for rights to use and occupy the properties have been granted and in good validation status.

We have also assumed that the subject properties can be freely transferred and leased without any additional land premium or substantial costs payable to the relevant government.

Other special assumptions of the properties, if any, have been stated out in the respective footnotes to the valuation certificates for the properties.

5. TITLE INVESTIGATION

We have been, in some instance, provided with extracts of title documents relating to the properties. In addition, we have caused searches to be made at the appropriate government registries of properties. However, we have not searched the original documents to verify ownership nor to verify the existence of any lease amendments which do not appear on the copies handed to us. All documents have been used for reference only and no responsibility regarding title to the properties is assumed in this report.

In undertaking our valuation of the subject properties, we have relied on the legal opinion provided by the Client's Malaysian legal adviser, Syed Alwi, Ng & Co.

6. LIMITING CONDITIONS

We have carried out inspection of the properties; however, we have not carried out site investigation to determine the suitability of the ground condition or the services provided. All dimensions, measurements and arrears are based on information supplied by the Client any and where possible, they will be verified by us by reference to the copies of documents made available to us.

While due care is taken to note building defects in the course of inspection no structural survey is made nor any inspection of woodwork or other parts of the structure which are covered or inaccessible and we area therefore unable to report that such part of the properties are free of hidden defects or concealed infestation.

We have relied to a considerable extent on the information provided by the Client and have accepted advice given to us by it on matters such as statutory notices, tenure, occupancy, site and floor areas and in identification of the properties.

We have no reason to doubt the truth and accuracy of the information as provided to us by the Client. We have relied on the client's confirmation that no material facts have been omitted from the information supplied.

No allowance has been made in our valuation for any charge, mortgage or amount owing on any properties interest nor expense or taxation which may incurred in effecting a sale. We have assumed that the properties are free from encumbrances, restrictions and outgoing of an onerous nature which could affect their value.

Our valuation has been prepared in accordance with all the requirements contained in Practice Note 12 and Chapter 5 of the Rules Governing the Listing of Securities issued by the Stock Exchange of Hong Kong Limited.

7. REMARKS

The properties interest have been valued in RM (Malaysian Ringgit).

We enclosed herewith our summary of valuation and valuation certificates.

Yours faithfully,
For and on behalf of
Raine & Horne International Zaki + Partners Sdn. Bhd.

Sr Noraini Binti Jaafar Sidek
Registered Valuer (MIS)
Reg. No. V-523
Associate Director

Note: Noraini Binti Jaafar Sidek is a Member of the Malaysia Institute of Surveyors, a Registered Professional Surveyor in General Practice and a qualified real estate agent in Malaysia, has over 17 years experience in valuation properties in Malaysia for listed companies. The above named specializes and having vast experience in valuation of various types of properties namely landed, stratified as well as special properties for finance, corporate, statutory, compulsory acquisition and taxation purposes. In addition, the above named possesses a substantial experience in valuation of Plant & Machinery, Vessel as well as Market Research and Feasibility studies.

SUMMARY OF MARKET VALUES

Property Interests	Market Values as at 31st March 2009
1. **DORSETT REGENCY HOTEL** 172, Jalan Imbi, 55100 Kuala Lumpur	RM135,000,000.00
2. **MAYTOWER HOTEL & SERVICED APARTMENT** No. 7, Jalan Munshi Abdullah, 50100 Kuala Lumpur	RM76,000,000.00
3. **DORSETT JOHOR HOTEL** Mukim of Plentong, District of Johor Bahru, State of Johor.	RM76,000,000.00
4. **SRI JATI SERVICE APARTMENTS** Sri Jati Service Apartments, Jalan Jati, Off Jalan Imbi, 55100 Kuala Lumpur	RM15,450,000.00
5. **TWO (2) ADJOINING PARCELS OF UNCONVERTED DEVELOPMENT LAND** Lot Nos. 600 and 619 held under Title Nos. GRN 47373 and 27523 respectively Mukim of Kerling, District of Ulu Selangor State of Selangor	RM9,000,000.00
Total:	RM311,450,000.00

VALUATION CERTIFICATE

	Property	Description and tenure	Details of occupancy	Market Value in existing state as at 31st March 2009
1.	A thirty (30) storey 4-star hotel building with three (3) level of basement car park bearing postal address Dorsett Regency Hotel, 172, Jalan Imbi, 55100 Kuala Lumpur. The property is currently held for investment purposes.	Basic utility services such as electricity supply, water supply and other common facilities are provided to the subject property. Site Area: 1,270 sq. metres (13,670 sq. ft.) The total gross floor area of the building is about 27,752.58 sq. metres (298,726. sq. ft.) with a total of 320 rooms. The land is a freehold interest and to be used as commercial building only. The land is held under Lot No. 1300 Seksyen 0067 held under Title No. GRN 49963, Town and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur Annual government rent is RM5,842.00.	The subject property is currently managed by its owner, Dorsett Regency Hotel (M) Sdn. Bhd., a wholly owned subsidiary of the Company. The average occupancy rate from year 2006 to 2009 is about 78.85%. Estimated Building age: 10 years. Certificate of Occupation was issued vide Ref No.: E 930023 & E 930028B dated 16th February 2000.	RM135,000,000.00

Notes:

a. According to the Group's Malaysian legal advisor, Syed Alwi, Ng & Co., as at 8th May 2009:

The property has been registered in the name of Dorsett Regency Hotel (M) Sdn. Bhd.

Express Conditions:
1) Land to be used for commercial building only.
2) Development is to comply with Development Order of the Mayor;

Encumbrances:
The land is charged in favor of Affin Islamic Bank Bhd (Company No: 709506-V) on 17th July 2006.

The Lienholder's Caveat has been entered on the land by Affin Islamic Bank Bhd on 23rd January 2007.

b. If the property is disposed at the valuation, it should be capital in nature and exempt from taxation in Malaysia.

	Properties	Description and tenure	Details of occupancy	Market Value in existing state as at 31st March 2009
2.	179 room 4-star hotel situated at 21st Floor to 30th Floor and part of the lobby area within 33 storey hotel & Serviced Apartments building bearing postal address Maytower, No. 7, Jalan Munshi Abdullah, 50100 Kuala Lumpur. The subject property is sited fronting Jalan Munshi Abdullah, Kuala Lumpur. The property is currently held for investment purposes.	Basic utility services such as electricity supply, water supply and other common facilities are provided to the subject properties. Site Area: 2,162 sq. metres (23,271.55 sq. ft.) Hotel Floor Area: 5,158.17 sq. metres (55,522 sq. ft.) Lobby Area: 384 sq. metres (4,137 sq. ft.) The land is a freehold interest and to be used as commercial building only. The land is held under Lot No. 301 Seksyen 40 held under Title No. GRN 54118, Town and District of Kuala Lumpur, Wilayah Persekutuan KL Annual government rent is RM9,946.00.	The subject property is currently managed by Mayland Boulevard Sdn. Bhd., a company controlled by Tan Sri Chiu. The average occupancy rate of the subject property is about 70%. Estimated Building age: 2 years. Certificate of Occupation was issued vide Ref No.: BP T4 2002 0073 dated 4th December 2008.	RM76,000,000.00

Notes:

a. According to the Group's Malaysian legal advisor, Syed Alwi, Ng & Co., as at 8th May 2009:

(i) The land is free from encumbrances except that three (3) Registrar Caveats were entered on 22nd March 2004, 22nd December 2006, 22nd June 2008 respectively as well as a Private Caveat was entered on 4th March 2009.

(ii) The land is registered under Mayland Boulevard Sdn. Bhd. and the subdivision of the title and the registration of the separate title in favor of Venue Summit Sdn. Bhd., an indirect wholly owned subsidiary of the Company, has not been done.

(iii) Pursuant to an agreement between Far East Consortium Limited, a wholly owned subsidiary of the Company and (as purchaser) and Tan Sri Dato' David Chiu (as vendor) dated 21st December 2006, Far East Consortium Limited has paid the consideration for the purchase of the property. By doing so Far East Consortium Limited has acquired a beneficial interest in the property.

With the undertakings to sub-divide and transfer given to Venue Summit Sdn. Bhd. By Mayland Boulevard Sdn. Bhd., for all intents and purposes Venue Summit Sdn. Bhd. is the owner of the property and the only remaining issue is to sub-divide the lands and transfer the legal rights to it.

b. Raine & Horne International Zaki + Partners Sdn. Bhd. confirms that the Registry Caveat mentioned in (a) above does not affect its valuation on Maytower Sale Parcels.

c. If the properties are disposed at valuation, it should be capital in nature and exempt from taxation in Malaysia.

	Property	Description and tenure	Details of occupancy	Market Value in existing state as at 31st March 2009
3.	252 room 4-star hotel and part of the lobby area within a ten (10) storey hotel/service apartment building known as Dorsett Johor Hotel, Malaysia. The subject property is sited off the south-western side of Lebuhraya Pasir Gudang and alongside Jalan Masai Baru, Johor Bahru. The property is currently held for investment purposes.	Basic utility services such as electricity supply, water supply and other common facilities are provided to the subject property. Built Site Area: 4,370 sq. metres (47,038.24 sq. ft.) Hotel Floor Area: 8,804.06 sq. metres (94,766.00 sq. ft.) The land is a freehold interest and to be used as commercial building only. The land is held under part of PTD No. 101375 held under Title No. H. S. (D) 227751, Mukim of Plentong, District of Johor Bahru, State of Johor. Annual government rent is RM238,560.00.	The subject property is currently managed by Dorsett Hotel and Resort International, a wholly owned subsidiary of the Company. The average occupancy rate is 70%. Estimated Building age: 6 years. Certificate of Occupation was issued vide Ref No.: 264/ 2008 (Penuh) dated 1st July 2008.	RM76,000,000.00

Notes:

a. According to the Group's Malaysian legal advisor, Syed Alwi, Ng & Co., as at 8th May 2009:

(i) The land is registered under Mayland Projects (Johor) Sdn. Bhd., a company controlled by Tan Sri Chiu.

(ii) Express Conditions:

1) Land to be used as Service Apartment for residential purposes/shop/clubhouse and it has to be constructed in accordance to the plan approved by Local Authority;

2) Any refuse/garbage has to be disposed at the designated places;

3) Policies and conditions set by the Local Authorities shall be complied with at all times.

(iii) Encumbrances:

A private caveat has been entered on the land by one Lim Ju Mong (NRIC No. 420820-01-5293) 8th February 2007 and the said private caveat has been withdraw on 8th March 2007.

Pursuant to an agreement between Far East Consortium Limited, a wholly owned subsidiary of the Company, (as purchaser) and Tan Sri Chiu (as vendor) dated 21st December 2006 property, Far East Consortium Limited has paid the consideration for the purchase of the property. By doing so Far East Consortium Limited has acquired a beneficial interest in the property.

With the undertakings to sub-divide and transfer given to Success Range Sdn. Bhd. by Mayland Projects (Johor) Sdn. Bhd., for all intents and purposes Success Range Sdn. Bhd. is the owner of the property and the only remaining issue is to sub-divide the lands and transfer the legal rights to it.

b. If the property is disposed at the valuation, it should be capital in nature and exempt from taxation in Malaysia.

	Property	Description and tenure	Details of occupancy	Market Value in existing state as at 31st March 2009
4.	A ten (10) storey service apartments building with two (2) basement car park known as Sri Jati Service Apartments bearing postal address Sri Jati Service Apartments, Jalan Jati, Off Jalan Imbi, 55100 Kuala Lumpur. The subject property is sited fronting Jalan Jati, Off Jalan Imbi, Kuala Lumpur. The property is currently held for investment purposes.	Basic utility services such as electricity supply, water supply and other common facilities are provided to the subject property. Site Area: 886 sq. metres (9,536.82 sq. ft.) Gross Floor Area: 4,711.79 sq. metres (50,717 sq. ft.) The land is a freehold interest and to be used as residential building only. The land is held under Lot No. 1292 Seksyen 0067, Town and District of Kuala Lumpur, Wilayah Persekutuan KL. Quit rent is RM638.00.	The subject property is currently managed by Dorsett Regency Hotel (M) Sdn. Bhd., a wholly owned subsidiary of the Company. Estimated Building age: 11 years. Certificate of Occupation was issued vide Ref No.: E 970034 dated 20th July 1999.	RM15,450,000.00

Notes:

a. According to the Group's Malaysian legal advisor, Syed Alwi, Ng & Co., as at 8th May 2009:

(i) The ownership of the property is Fortune Plus (M) Sdn. Bhd., a wholly owned subsidiary of the Company;

(ii) The land is freehold interest and to be used for residential building only;

(iii) Application for subdivision has been made.

b. If the property is disposed at the valuation, it should be capital in nature and exempt from taxation in Malaysia.

	Properties	Description and tenure	Details of occupancy	Market Value in existing state as at 31st March 2009
5.	Two (2) adjoining parcels of unconverted development land. The subject properties are sited off the southern side of Jalan Tanjung Malim – Kuala Kubu Bharu trunk road within the vicinity of Ladang Sungai Jernih, Kerling.	Basic utility services such as electricity supply, water supply and other common facilities are provided to the subject property. Total Site Area: 4,537,040.00 sq. ft. (104.50 acres) Lot No. 600: 2,228,360 sq. ft. (51.2 acres) Lot No. 619: 2,308,680 sq. ft. (53.3 acres) The lands are freehold interest and the permissible development is subject to application. The lands are held under Lot Nos. 600 and 619 held under Title Nos. GRN 47373 and 27523 respectively, Mukim of Kerling, District of Ulu Selangor, State of Selangor Annual government rents are as follows:– Lot No 600: RM652.00 Lot No.619: RM677.00	Property held for future development	RM 9,000,000.00

Notes:

a. According to the Group's Malaysian legal advisor, Syed Alwi, Ng & Co., as at 8th May 2009:

(i) The ownership of the properties is Focus Venue Sdn. Bhd, a wholly owned subsidiary of the Company.

(ii) The land is freehold interest and free from encumbrances.

b. The property is held for future development. As confirmed by Far East Consortium International Limited, as at the date of this valuation report, there is no concrete development plan in place.

c. If the property is disposed at valuation, it should be treated as trading income, the gain on disposal should be subject to Malaysia income tax at a rate of 25%. The likelihood of the relevant tax liability being crystallized is uncertain as there is no concrete development plan in place as advised by Far East Consortium International Ltd.

Khong & Jaafar Sdn. Bhd.
No. 57-1, Jalan Telawi 3
59100, Kuala Lumpur
Malaysia

3 June 2009

The Directors
Far East Consortium International Limited
16/F, Far East Consortium Building
121 Des Voeux Road Central
Hong Kong

Dear Sirs

RE: THE SHERATON SUBANG HOTEL & TOWERS STANDING ON LOTS 4244 AND 4245, IN THE MUKIM OF DAMANSARA, DISTRICT OF PETALING, SELANGOR DARUL EHSAN (A 502-ROOM 5-STAR HOTEL LOCATED ALONG JALAN SS 12/1, SECTION SS 12 SUBANG JAYA)

THE GRAND DORSETT LABUAN HOTEL (FORMERLY SHERATON LABUAN HOTEL) STANDING ON LOT TL NO. 207531888, IN THE TOWN OF LABUAN, FEDERAL TERRITORY OF LABUAN (A 182-ROOM 5-STAR HOTEL LOCATED ALONG JALAN MERDEKA, LABUAN)

1.0 INSTRUCTION

Our instructions from **Far East Consortium International Limited** are to prepare a Report and Valuation of the properties for internal corporate management purposes and for submission to the Stock Exchange of Hong Kong Limited in connection with a corporate exercise. In this connection we are to provide an opinion of the Market Value of the above captioned properties in its existing conditions with vacant possession and subject to the Titles being free from encumbrances good marketable and registrable. The date of valuation as specifically instructed is taken to be as at 31 March 2009.

2.0 BASIS OF VALUATION

Our valuations are prepared in accordance with the "HKIS Valuation Standards on Properties (First Edition 2005)" and meet the requirements contained in Chapter 5 of the Rules Governing the Listing of Securities (the "Exchange Listing Rules") issued by the Stock Exchange of Hong Kong Limited.

Our basis of valuation is our opinion of the **Market Value**.

"Market Value" is defined as the estimated amount for which the properties should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion.

3.0 METHOD OF VALUATION

The above estimate of value is arrived at principally by the **Comparison Approach to Valuation**, where reference is made to recent market sale transactions and asking prices of similar properties in the neighbourhood. This approach estimates the value of the Property by analysing market sales of similar properties and making the necessary adjustments for dissimilarities (legal, economic and physical) between each of the comparables and the Property under consideration.

We have also counterchecked our valuation by the **Income Approach to Valuation**. Our valuation by the Income Approach to valuation is based on a model that we used for all our analyses of market sales of hotels as they take place and for the valuations we undertake. The estimated room rates and occupancy rates are in-line with the actual and projected room rates and occupancy rates for the hotel and the hotel industry in Klang Valley and Labuan.

4.0 TITLE INVESTIGATION

Title Particulars mentioned in our Report and Valuation were extracted from the Documents of Title at the Registry of Land Titles, Shah Alam on 3 April 2009 and Document of Title at the Jabatan Tanah Wilayah Persekutuan Labuan on 8 April 2009.

The Malaysian Valuation Standards require us to conduct a title search of the Property. This is not strictly a legal search but mainly to discover facts regarding the Property.

Notwithstanding our own search of title, we have relied on the legal opinion provided by the Client's Malaysian legal adviser, Syed Alwi, Ng & Co.

5.0 LIMITING CONDITIONS

Our report is confidential to the Client for the specific purpose to which it refers. It may be disclosed to other professional advisers assisting the Client in respect of that purpose, but the Client shall not disclose the report to any other person.

The opinion of value expressed in our report shall be used for the purpose of this report only. We are not responsible for any consequences arising from the valuation being quoted out of context.

Neither the whole nor any part of the Valuation Report or Certificate or any reference thereto may be included in any published document, circular or statement nor published in any way without our written approval of the form and context in which it may appear.

While due care is taken to note the presence of any disease or infestation, we have not carried out any tests to ascertain possible latent infestations or diseases affecting the crops. We are therefore unable to account for such in our report.

While due care has been taken to note building defects in the course of inspection, no structural surveys were made nor any inspection of woodwork or other parts of the structure which were covered or inaccessible were made, and we are therefore unable to account for any such defects in our report.

No investigations were carried out to determine whether or not any deleterious or hazardous materials had been used in the construction of the building or has since been incorporated and we are therefore unable to account or report on any such material in our report.

No investigations have been carried out into the past or present uses, either of the property or of any neighbouring land, to establish whether there has been any contamination or if there is any potential for contamination to the property from these uses or sites and we are therefore unable to account or report for such contamination in our report.

While we have inspected the title to the property as recorded in the Register Document of Title, we cannot accept any responsibility for its legal validity.

The instructions and the valuation assignment do not automatically bind us to attendance in court or to appear in any enquiry before any government or statutory bodies in connection with the valuation unless agreed when the instructions were given.

6.0 REMARKS

The properties interest have been valued in RM226,500,000 (Malaysian Ringgit Two Hundred Twenty-Six Million And Five Hundred Thousand Only).

We enclosed herewith our summary of valuation and valuation certificates.

Yours faithfully
For and on behalf of
KHONG & JAAFAR SDN BHD

Sr ELVIN FERNANDEZ, FISM, FRICS
REGISTERED VALUER – V170
CHARTERED SURVEYOR
MANAGING DIRECTOR

Note Elvin Fernandez is a Councillor, Fellow and the incoming Deputy President of the Institution of Surveyors Malaysia (ISM), a Fellow of the Royal Institution of Chartered Surveyors, United Kingdom and a Former President and a current Executive Committee Member of the Private Valuers Association in Malaysia. He was also a Member of the regulatory authority of the valuation profession in Malaysia i.e. the Board of Valuers, Appraisers & Estate Agents Malaysia (BOARD) and its Executive for 14 years from 1993-2007 and was conferred with "Property Consultant of the Year 2005" award by the BOARD on 12 January 2006 in appreciation of his valuable contribution to the valuation and property consultancy profession. He is the immediate Past Chairman of the International Valuation Standards Committee, a Life Fellow of the Institution of Valuers, India, a Honorary Member of the Institute of Philippine Real Estate Appraisers, a Honorary Member of The National Association of Valuers in Romania, a Member of the China Appraisal Society and its Valuation Standards Advisory Committee, a Council Member of the Governing Council of the ASEAN Valuers Association and a Honorary Member of the Practising Valuers Association (India). In May 2008, Elvin was appointed as a Consultant by the Securities Commission of Pakistan (funded by the World Bank) for the establishment of a Real Estate Investment Trust framework (valuation aspects).

Encl.

SUMMARY OF MARKET VALUES

	Property Interests	Market Values as at 31 March 2009
1.	**The Sheraton Subang Hotel & Towers** Standing On Lots 4244 And 4245 In The Mukim Of Damansara District Of Petaling, Selangor Darul Ehsan (A 502-Room 5-Star Hotel Located Along Jalan SS 12/1, Section SS 12, Subang Jaya)	RM166,000,000
2.	**The Grand Dorsett Labuan Hotel** **(Formerly Sheraton Labuan Hotel)** Standing On Lot TL No. 207531888, In The Town Of Labuan, Federal Territory Of Labuan (A 182-Room 5-Star Hotel Located Along Jalan Merdeka, Labuan)	RM60,500,000
	TOTAL	**RM226,500,000**

VALUATION CERTIFICATE

TITLE PARTICULARS

The Sheraton Subang Hotel & Towers Standing On Lots 4244 And 4245, In The Mukim Of Damansara, District Of Petaling, Selangor Darul Ehsan
(A 502-Room 5-Star Hotel Located Along Jalan SS 12/1, Section SS 12, Subang Jaya)

Our Ref: MV(S) 438/2009

Date of Inspection: 3 April 2009

Lot Nos.: 4244 and 4245

Locality: Mukim of Damansara, District of Petaling
Selangor Darul Ehsan

Title Nos.: Geran 38842 and Geran 38843

Tenure: Grant-in-perpetuity (commonly referred to as freehold)

Title Land Area: Lot 4244 – 19,474 square metres (209,616 square feet)
Lot 4245 – 18,303 square metres (197,066 square feet)

Annual Rent: Lot 4244 – RM38,734
Lot 4245 – RM36,415

Category of Land Use: "Bangunan"

Express Condition: "Bangunan Perniagaan"

Restriction-in-Interest: Nil

Registered Proprietor: SUBANG JAYA HOTEL DEVELOPMENT SDN BHD (a wholly owned subsidiary of the Company)

Charge: To Affin Bank Berhad vide Presentation No. 24269/2008, dated 28 March 2008.

Lease: Lot 4245
Part of the land leased to Lembaga Letrik Negara Tanah Melayu for a term of 30 years (expiring on 31 January 2017) vide Presentation No. 17660/1987 Volume 3, Folio 36 dated 30 November 1987.

Notes:

According to the Group's Malaysian legal advisor, Syed Alwi, Ng & Co., as at 8 May 2009:–

(i) Express Conditions: Land is to be used for commercial use only

(ii) Encumbrances: Lot 4244
The land is charged in favour of Affin Bank Berhad (Company No.25046-T) from 28th March 2008.
Lot 4245
(i) The land is charged in favour of Affin Bank Berhad (Company No.25046-T) from 28th March 2008.
(ii) A portion of the land is presently leased to Tenaga Nasional Berhad (Company No. 200866-W) for a period of 30 years (from 1 February 1987 until 31 January 2017).

(iii) Confirmed that the property has been registered in the name of Subang Jaya Hotel Sdn. Bhd. and the said Subang Jaya Hotel Sdn. Bhd. is the sole legal and beneficial owner.

If the property is disposed at the valuation, it should be capital in nature and exempt from taxation in Malaysia.

GENERAL DESCRIPTION OF PROPERTY

- The Property is a 5-star hotel. It is mainly built upon with a 3-storey podium with 8-storey and 14-storey hotel towers atop, and annexed with a 2-storey banquet hall. There is also a 4-storey car park building and a 2-storey restaurant building.
- Gross Floor Area: approximately 54,500.15 square metres (or 586,639 square feet).
- The Property has a total of 518 rooms (inclusive of the unsaleable rooms). Presently, the Property is operational with 353 saleable rooms. However, there will be a total of 502 saleable rooms if the Property is fully utilised.
- The Property is also equipped for holding banquets, cocktail, conferences and seminars.
- The hotel block, the restaurant building and the car park building are approximately 13-, 12– and 12– years of age respectively.
- The Property is presently being managed by Sheraton Overseas Management Corporation.
- The average occupancy rate from year 2000 to 2008 is 63%.
- The Property is held for investment purpose.

MARKET VALUE

RM166,000,000
(Malaysian Ringgit One Hundred And Sixty-Six Million Only)

Valuation Approach

1) Comparison Approach to Valuation

2) Income Approach to Valuation

Date of Valuation: 31 March 2009

TITLE PARTICULARS

The Grand Dorsett Labuan Hotel (Formerly Sheraton Labuan Hotel) Standing On Lot TL No. 207531888, In The Town Of Labuan, Federal Territory Of Labuan
(A 182-Room 5-Star Hotel Located Along Jalan Merdeka, Labuan)
Our Ref: MV(WPL) 503/2009
Date of Inspection: 3 April 2009

Title No.: Town Lease 207531888

Locality: Town of Labuan, Federal Territory of Labuan

Tenure: Leasehold for a term of 99 years expiring on 31 December 2090
(the unexpired term is about 81.74 years)

Title Land Area: 6,071 Square metres (65,348 square feet or 1.5 acres)

Annual Rent: RM12,141.00

Category of Land Use: "Bangunan"

Category of Land Use: "Bangunan (Perniagaan)" or "Building (Commercial)"

Express Conditions:
i) "Tanah yang diberimilik ini digunakan untuk hotel;"
ii) "Cadangan projek pembangunan bagi tanah yang diberimilik ini hendaklah mendapat persetujuan pihak berkuasa/dan memenuhi syarat-syarat yang ditentukan oleh jabatan-jabatan teknikal yang lain;/perancang", and
iii) "Tanah yang diberimilik ini hendaklah dimulakan kerja asas dalam tempoh dua (2) bulan dari penyampaian kelulusan ini dan dimajukan sepenuhnya dalam tempoh dua (2) tahun dari tarikh hakmilik didaftar dan dikeluarkan, jika gagal pemilik memajukan dalam tempoh tersebut atau sebarang tempoh lanjutan yang dipersetujui, pajakan tanah yang diberikan ini dianggap luput."

Restriction-in-Interest: "Tanah yang diberimilik ini tidak boleh dipindahmilik, dipajak dan dicagar melainkan dengan kelulusan jawatankuasa kerja tanah Wilayah Persekutuan Labuan."

Registered Proprietor: MERLIN LABUAN SDN BHD (a wholly owned subsidiary of the Company)

Charge: Nil

Notes:

According to the Group's Malaysian legal advisor, Syed Alwi, Ng & Co., as at 8 May 2009:–

(i) Express Conditions:
(i) Land is to be used for commercial/business building only.
(ii) Any proposed projects for the land has to obtain approvals from the Local Authorities and comply with the conditions provided the relevant parties.
(iii) If approvals for development are given the development shall commence within two months and be completed within two years from the registration date of ownership.

(ii) Restriction in interest: The property may not be transferred, charged or leased without the consent of the authorities.

(iii) Confirmed that the property has been registered in the name of Merlin Labuan Sdn. Bhd. and the said Merlin Labuan Sdn. Bhd. is the sole legal and beneficial owner.

If the property is disposed at the valuation, it should be capital in nature and exempt from taxation in Malaysia.

GENERAL DESCRIPTION OF PROPERTY

- The property is a 182-room 5-star hotel known as the Grand Dorsett Labuan Hotel, located along Jalan Merdeka, in the Town of Labuan, Federal Territory of Labuan.
- Gross Floor Area: approximately 21,564.98 square metres (or 232,124 square feet).
- The Property is also equipped for holding banquets, cocktail, conferences and seminars.
- The Property is approximately 13 years of age.
- The Property is presently being managed by Grand Dorsett Labuan Hotel Sdn Bhd.
- The average occupancy rate from year 2000 to 2008 is 76%.
- The Property is held for investment purpose.

MARKET VALUE

RM60,500,000
(Malaysian Ringgit Sixty Million And Five Hundred Thousand Only)

Valuation Approach

1) Comparison Approach to Valuation

2) Income Approach to Valuation

Date of Valuation: 31 March 2009

(C) Properties located in Singapore

JONES LANG LASALLE 仲量聯行

Jones Lang LaSalle Property Consultants Pte Ltd
Jones Lang LaSalle Property Management Pte Ltd
9 Raffles Place #39-00 Republic Plaza Singapore 048619
tel +65 6220 3888 fax +65 6438 3360
Company Reg No. 198004794D
Company Reg No. 197600508N

Certificate No. SG04/00074 Certificate No. SG04/00075
Valuation (Land & Building)

Your Ref:–
Our Ref:TKC:JK/TWM:aa:090072 to 090074

Far East Consortium International Limited
16/F, Far East Consortium Building
121 Des Voeux Road, Central
Hong Kong

June 3,2009

Attention: The Directors

Dear Sirs,

VALUATION OF:

1) THE EXISTING 382 CARPARK LOTS LOCATED ON THE 5TH TO 11TH STOREYS OF PEARL'S CENTRE AT NO 100 EU TONG SEN STREET SINGAPORE 059812
2) 1 MARINE PARADE CENTRAL (51 STRATA UNITS) PARKWAY CENTRE SINGAPORE 449408
3) 100A EU TONG SEN STREET PEARL'S CENTRE OFFICE PODIUM SINGAPORE 059813

In accordance with your recent instruction to value the Open Market Value of the above-mentioned properties (the "Properties") as at March 31, 2009 (the "date of valuation") based on existing leases and occupancy arrangements. We confirm that we have inspected the subject properties and conducted relevant enquiries and investigations as we considered necessary for the purposes of providing you with our opinion of the Open Market Value of the Properties.

Our valuation is prepared in accordance with our "General Principles Adopted in the Preparation of Valuations and Reports", a copy of which is attached.

Our valuations are prepared in accordance with the "HKIS Valuation Standards on Properties (First Edition 2005)" and meet the requirements contained in Chapter 5 of the Rules Governing the Listing of Securities (the "Exchange Listing Rules") issued by the Stock Exchange of Hong Kong Limited.

Our valuation of the property is our opinion of the open market value which we would define as intended to mean "the best price at which the sale of an interest in a property might reasonably be expected to have been completed unconditionally for cash consideration on the date of valuation, assuming:

(a) a willing seller;

(b) that, prior to the date of valuation, there had been a reasonable period having regard to the nature of the property and the state of the market for the property marketing of the interest, for the agreement of price and terms and for the completion of the sale;

(c) that the state of the market, level of values and other circumstances were, on any earlier assumed date of exchange of contracts, the same as on the date of valuation; and

(d) that no account is taken of any additional bid by a purchaser with a special interest.

(e) that both parties to the transaction had acted knowledgeably, prudently and without compulsion.

..../Page 2

JONES LANG LASALLE® 仲量聯行

Far East Consortium International Limited
– The Existing 382 Carpark Lots Located On The 5th To 11th Storeys Of Pearl's Centre At No 100 Eu Tong Sen Street Singapore 059812
– 1 Marine Parade Central (51 Strata Units) Parkway Centre Singapore 449408
– 100A Eu Tong Sen Street Pearl's Centre Office Podium Singapore 059813

June 3, 2009

Our valuation is based on direct comparison with recent transact ions of comparable properties within the vicinity and elsewhere and adjustments have been made for differences between the Properties and the comparables in terms of location, tenure, size, shape, design and layout, age and condition of buildings, dates of transactions, the prevailing market conditions and other factors affecting their values.

We have also cross-checked our valuation with the income approach. This method entails the estimation of the gross rental income less vacancies and the necessary expenses such as maintenance and service charges, property tax and all other relevant expenses to derive the net income. This is then capitalized at an appropriate market yield for the remaining period of the lease to arrive at the open market value.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the Properties, nor for any expenses or taxation which may incurred in effecting a sale. It is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

We have not carried out investigations on site in order to determine the suitability of ground conditions and services for the existing developments , nor have we undertaken archaeological, ecological or environmental surveys. Our valuation is on the basis that these aspects are satisfactory.

Neither the whole nor any part of this report nor any reference thereto may be included in any document, circular or statement without our written approval of the form and context in which it will appear.

Finally and in accordance with our standard practice, this valuation is for the use only of Far East Consortium International Limited. No responsibility is accepted to any other third party for the whole or any part of its contents.

A summary of our valuation and details relating to the Properties are set out in the following pages.

Faithfully,

Tan Keng Chiam
B.Sc. (Est. Mgt.) MSISV
Regional Director
JONES LANG LASALLE

Note: Mr Tan is a Licensed Appraiser from Inland Revenue Authority of Singapore (IRAS), a member of Singapore Institute of Surveyors & Valuers (SISV). He has over 18 years of valuation experience in the Singapore property market and has also carried out valuation assignments in Indonesia, Vietnam, Mauritius and Shanghai

Enc

JONES LANG LASALLE® 仲量聯行

SUMMARY OF VALVES

Property Interests held for investment		Capital Values as at March 31, 2009
1	**Pearl's Centre Carpark** 100 Eu Tong Sen Sreet Singapore 059812	S$4,000,000/-
2	**Parkway Centre (51 strata units)** 1 Marine Parade Central Singapore 449408	S$37,000,000/-
3	**Pearl's Centre Office Podium** 100A Eu Tong Sen Street Singapore 059813	S$25,000,000/-
	Total	S$66,000,000/-

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VALUATION CERTIFICATE

	Property	Description and Tenure	Details of Occupancy	Capital Value in the existing state as at March 31, 2009
1.	**Pearl's Centre Carpark** 100 Eu Tong Sen Sreet Singapore 059812	Pearl's Centre Carpark is located from the 5th to 11th storeys (total of 382 carpark lots) within a 22-storey building comprising 3 storeys of retail shops incorporating a cineplex within the podium and apartments in the tower block. The Strata Floor Area of the property is 151,170 sq.ft. (14,044 sq.m.) The property is held for a term of 99 years commencing October 15, 1969.	The carpark premises had been leased to K.C. Park Safe (Singapore) Sdn Bhd with the lease commencing from August 1, 2008 for a period of 3 years.	S$4,000,000/- Singapore Dollars Four Million Only)

Note:

i. The registered owner of the property is Tang Development Pte Ltd (formerly known as Waldorf Development Pte Ltd), a wholly owned subsidiary of the Company.

ii. The property is subject to the following encumbrances:

(a) Mortgage to The Hong Kong and Shanghai Banking Corporation Limited.

iii. The property is situated in an area designated as Commercial" with a plot ratio of 5.6 under the 2008 Edition Master Plan Zoning.

iv. We understand that the Group has no plan for disposal of such property interest yet. However, if the property is disposed at valuation, there will not be any potential liabilities as it is capital in nature.

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VALUATION CERTIFICATE

	Property	Description and Tenure	Details of Occupancy	Capital Value in the existing state as at March 31, 2009
2.	**Parkway Centre** I Marine Parade Central (51 Strata Units) Singapore 449408	Parkway Centre is a 13-storey L-shaped block of office development, overlooking a large naturally ventilated atrium space . The subject properties are 51 strata office units located within the development. Vertical movement within the building is facilitated by 3 passenger lifts, 2 staircases and 1 fire lift. Fire protection is by means of automatic sprinklers, dry riser, hosereels and alarms. Carparking spaces for the occupiers of the building are available within an adjacent 6-storey HDB car park of about 600 car capacity , which is linked to the subject building by a pedestrian overhead bridge on the 2nd storey. The total Strata Floor Areas of the property is 51,193 sq.ft. (4,756 sq.m.) The property is held for a term of 99 years commencing July 23, 1981.	Except for 5 units which are vacant, the subject properties were leased to various tenants with the latest tenancy due to expire in March 2011 at a total gross monthly rent of S$162,465.86.	S$37,000,000/- (Singapore Dollars Thirty-Seven Million Only)

Note:

i. The registered proprietor is Tang City Parkway Pte Ltd, a wholly owned subsidiary of the Company.

ii. The property is subject to the following encumbrances:

(a) Mortgage to The Hong Kong and Shanghai Banking Corporation Limited

iii. The property is situated in an area designated as "Commercial" with a plot ratio of 3.2 under the 2008 Edition Master Plan Zoning.

iv. We understand that the Group has no plan for disposal of such property yet. However, if the property is disposed at the valuation, the potential tax liabilities are tax at 17% of the gain on disposal with 75% exemption on the first S$10,000/- and 50% exemption on the next S$290,000/-.

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VALUATION CERTIFICATE

	Property	Description and Tenure	Details of Occupancy	Capital Value in the existing state as at March 31, 2009
3.	**Pearl's Centre Office Podium** 100A Eu Tong Sen Street Singapore 059813	Pearl's Centre Office Podium is a 8-storey commercial-cum-entertainment centre building comprising of a food court, offices and Yangtze Cinema which is adjoining as part of the Pearl's Centre podium. The Strata Floor Area of the property is 86,187 sq.ft. (8,007 sq.m.) The total Net Lettable Area of the subject property is 37,946.3 sq.ft. (3,525,3 sq.m.) The property is held for a term of 99 years commencing October 15, 1969.	The subject property is partially tenanted with a total gross monthly rental of S$154,335.30 as at March 5, 2009.	S$25,000,000/- (Singapore Dollars Twenty-Five Million Only)

Note:

i. The registered owner of the property is Tang City Holdings Pte Ltd (formerly known as Waldorf Holdings Pte Ltd), wholly owned subsidiary of the Company,

ii. The property is subject to the following encumbrances:

(a) Mortgage to The Hong Kong and Shanghai Banking Corporation Limited

iii. The property is situated in an area designated as "Commercial" with a plot ratio of 5.6 under the 2008 Edition Master Plan Zoning.

iv. We understand that the Group has no plan for disposal of such property interest yet. However, if the property is disposed at valuation, there will not be any potential liabilities as it is capital in nature.

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GENERAL PRINCIPLES ADOPTED IN THE PREPARATION OF VALUATIONS AND REPORTS

These are the general principles upon which our Valuations and Reports are normally prepared; they apply unless we have specifically mentioned otherwise in the body of the report.

1) VALUATION STANDARDS

All work are carried out in accordance with the Singapore Institute of Surveyors and Valuers (SISV) Valuation Standards and Guidelines and International Valuation Standards (IVS), subject to variations to meet local laws, customs, practices and market conditions.

2) VALUATION BASIS

Our valuations are made on the basis of Market Value, defined by the IVS as follows:

"Market Value is the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion.

3) CONFIDENTIALITY

Our Valuations and Reports are confidential to the party to whom they are addressed or their other professional advisors for the specific purpose(s) to which they refer. No responsibility is accepted to any other parties and neither the whole, nor any part, nor reference thereto may be included in any published document, statement or circular, or published in any way, nor in any communication with third parties, without our prior written approval of the form and context in which it will appear.

4) SOURCE OF INFORMATION

Where it is stated in the report that information has been supplied by the sources listed, this information is believed to be reliable and we shall not be responsible for its accuracy nor make any warranty or presentation of the information. All other information stated without being attributed directly to another party is obtained from our searches of records, examination of documents or enquiries with the relevant authorities.

5) DOCUMENTATION

We do not normally read leases or documents of title and, where appropriate, we recommend that lawyer's advice on these aspects should be obtained. We assume, unless informed to the contrary, that all documentation is satisfactorily drawn and that good title can be shown and there are no encumbrances, restrictions, easements or other outgoings of an onerous nature which would have an effect on the value of the interest under consideration.

6) TOWN PLANNING AND OTHER STATUTORY REGULATIONS

Information on Town Planning is obtained from the set of Master Plan, Development Guide Plans (DGP) and Written Statement published by the competent authority. Unless otherwise instructed, we do not normally carry out requisitions with the various public authorities to confirm that the property is not adversely affected by any public schemes such as road and drainage improvements. If reassurance is required, we recommend that verification be obtained from your lawyers.

Our valuations are prepared on the basis that the premises and any improvements thereon comply with all relevant statutory regulations. It is assumed that they have been, or will be issued with a Certificate of Statutory Completion by the competent authority.

7) TENANTS

Enquiries as to the financial standing of actual or prospective tenants are not normally made unless specifically requested. Where properties are valued with the benefit of lettings, it is therefore assumed that the tenants are capable of meeting their obligations under the lease and that there are no arrears of rent or undisclosed breaches of covenant.

8) STRUCTURAL SURVEYS

We have not carried out a building survey nor any testing of services, nor have we inspected those parts of the property which are inaccessible. We cannot express an opinion about or advise upon the condition of uninspected parts and this Report should not be taken as making any implied representation or statement about such parts. Whilst any defects or items of disrepair are noted during the course of inspection, we are not able to give any assurance in respect of rot, termite or past infestation or other hidden defects.

9) SITE CONDITIONS

We do not normally carry out investigations on site in order to determine the suitability of the ground conditions and services for the existing or any new development, nor have we undertaken any archaeological, ecological or environmental surveys. Unless we are otherwise informed, our valuations are on the basis that these aspects are satisfactory and that, where development is proposed, no extraordinary expenses or delays will be incurred during the construction period.

10) OUTSTANDING DEBTS

In the case of buildings where works are in hand or have recently been completed, we do not normally make allowance for any liability already incurred, but not yet discharged, in respect of completed works, or obligations in favour of contractors, sub-contractors or any members of the professional or design team.

11) INSURANCE VALUE

Our opinion of the insurance value is our assessment of the reinstatement cost for insurance purpose and it comprises the total cost of completely rebuilding the property to be insured, together with allowances for inflation, demolition and debris removal, professional fees, the prevailing G.S.T. (goods and services tax) and, if applicable, compliance with current regulations and by-laws.

(D) Properties located in Australia

CBRE
CB RICHARD ELLIS

CB Richard Ellis (V) Pty Ltd
Licensed Estate Agent
ABN 15 083 694 357

Ground Floor
Nexus Corporate Park
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3 June 2009

The Directors
Far East Consortium International Limited
16/F, Far East Consortium Building
121 Des Voeux Road, Central
Hong Kong

Dear Sirs,

The Valuation of "Northbank Place Central" and "Northbank Place West"
555 Flinders Street, Melbourne, Vic Australia 3000.

Instructions

At your request, CB Richard Ellis (CBRE) has prepared this letter summarising the valuation results from our completed, self contained valuation reports. The purpose of our reports was to render our opinion of the market value of each property as at 31 March 2009 for financial reporting purposes.

The value conclusions are subject to the assumptions and limiting conditions contained in each report and reflect all information known by CBRE in relation to the subject properties and the current market conditions.

Our valuations are prepared in accordance with the "HKIS Valuation Standards on Properties (First Edition 2005)" and meet the requirements contained in Chapter 5 of the Rules Governing the Listing of Securities (the "Exchange Listing Rules") issued by the Stock Exchange of Hong Kong Limited.

Our reports are based upon the most current information available at the time that each valuation was prepared. CBRE accepts no responsibility for subsequent changes in information as to income, expenses or market conditions. Any subsequent change in lease terms will also have a corresponding change to the value.

Reliance on this Letter

We have prepared this letter summarising our reports which outlines key factors that have been considered in arriving at our opinions of value. This letter does not contain all of the data and supporting market information which is included in our reports.

CBRE has provided Far East Consortium International Limited with a valuation of each property. The valuations are not guarantees or predictions of the future performance of any particular property.

All monetary amounts are stated in Australian Dollars

Critical Assumptions and Reliance on Information Provided

A summary of the critical assumptions adopted in the valuations are as follows:

Critical Assumptions – Northbank West

- This valuation report has been prepared for Financial Reporting purposes and not for Mortgage Security Purposes.

- Our instructions are to assess the value 'As if Complete' as at the date of valuation being 31 March 2009 for Financial Reporting Purposes.

- In assessing an 'As Is' valuation we have utilised the cost to complete method under AASB 102, acknowledging that sales evidence of near completed apartment developments rarely occur for analysis. In doing so we have relied upon QS advice prepared by Rider Levett Bucknall as at 28 February 2009 for the Developers financier BOS International (Australia), that details a cost to complete the project of $4,526,126 which we have adjusted to $4,607,877 to reflect a reasonable contingency. In the event that the costs vary substantially we reserve the right to review and if necessary amend our assessment of value.

- The assessed 'As Is' value would be reduced under an assessment for First Mortgage Security Lending Purposes, which would make appropriate allowances for a hypothetical sale, stamp duty, holding costs, selling costs and a profit and risk allowance.

- The apartments are completed to the level and standard as detailed in our report and that individual Certificates of Title are issued.

- At the date of valuation we have been advised that there are 188 pre-sale contracts with a total gross realisation of $78,059,500. We have been provided with a schedule from the Developer detailing that 184 of these pre-sale contracts are unconditional and have a 10% deposit, 175 with cash and 13 with bank guarantees. These contracts of sale have not been independently verified and we recommend that an intending financier verify all these contracts and in the event that this is not the case then we recommend that this valuation be referred back to us for review.

- The subject site is not contaminated in anyway which may affect the proposed development or alter the estimated cost for development.

- The development is completed in accordance with the plans included in this report.

Critical Assumptions – Northbank Central

- This valuation report has been prepared for Financial Reporting Purposes and not for Mortgage Security Lending Purposes.

- Our instructions are to assess the value 'As if Complete' as at the date of valuation being 31 March 2009 for Financial Reporting Purposes, on this basis we have not supplied as 'As Is' valuation which would be required if this report was prepared for Mortgage Security Lending Purposes.

- In assessing an 'As Is' valuation we have utilised the cost to complete method under AASB 102, acknowledging that sales evidence of near completed apartment developments rarely occur for analysis. In doing so we have relied upon QS advice prepared by Rider Levett Bucknall at 28 February 2009 for the Developers financier BOS International (Australia), that details a cost to complete the project of $1,534,574 which we have adjusted to $1,572,351 to reflect a reasonable contingency. In the event that the costs vary substantially we reserve the right to review and if necessary amend our assessment of value.

- The assessed 'As Is' value would be reduced under an assessment for First Mortgage Security Lending Purposes, which would make appropriate allowances for a hypothetical sale, stamp duty, holding costs, selling costs and a profit and risk allowance.

- The apartments are completed to the level and standard as detailed in our report and that individual Certificates of Title are issued.

- At the date of valuation we have been advised that there are 195 pre-sale contracts with a total gross realisation of $72,682,605. We have been provided with a schedule from the Developer detailing that 189 of these pre-sale contracts are unconditional and have a 10% deposit, 174 with cash and 22 with bank guarantees. These contracts of sale have not been independently verified and we recommend that an intending financier verify all these contracts and in the event that this is not the case then we recommend that this valuation be referred back to us for review.

- We have been advised by the Developer of settlements to date totalling $52,334,588 for 143 of the subject residential apartments, these have been included in the overall 'As if Complete' assessment, however we have deducted these settlements from the 'As Is' assessment under AASB 102. In the event of any substantial variation in the settlement amounts we reserve the right to review and if necessary amend our assessment.

- The subject site is not contaminated in anyway which may affect the proposed development or alter the estimated cost for development.

- The development is completed in accordance with the plans included in this report.

- The Leasehold Land continues for the full initial lease term certain period of 40 years, and there is no loss of current leasehold land as a result of the Landlords clause allowing re-development of the Viaducts.

- The site has been subdivided into 471 units, however we have searched a representative sample only to establish title details. In the event that the details vary from that which is adopted we reserve the right to review and if necessary amend our assessment.

Assumptions, Disclaimers, Limitations & Qualifications

Valuation Subject To Change:	Premise 1 – Real estate values vary from time to time in response to changing market circumstances and it should, therefore, be noted that this valuation is based on available information as at the date of valuation. No warranty can be given as to the maintenance of this value into the future. It is, therefore, recommended that the valuation be reviewed periodically.
Our Investigations:	Premise 2 – This valuation is conducted on the basis that we are not engaged to carry out all possible investigations in relation to the property. We have identified certain limitations to our investigations to enable you to instruct further investigations if you consider this appropriate. CB Richard Ellis is not liable for any loss occasioned by a decision not to instruct further investigations.

Assumptions:	Premise 3 – Assumptions are a necessary part of this valuation. CB Richard Ellis adopts assumptions because some matters are not capable of accurate calculation, or fall outside the scope of our expertise, or our instructions. Assumptions adopted by CB Richard Ellis are formulated on the basis that they could reasonably be expected from a professional and experienced valuer undertaking a similar valuation. However, the risk that any of the assumptions adopted in this document may be incorrect should be taken into account, and CB Richard Ellis does not warrant or represent that these assumptions are entirely accurate or correct.
Information Supplied By Others:	Premise 4 – This document contains a significant volume of information which is directly derived from other sources without verification by us, including but not limited to tenancy schedules, planning documents and environmental or other expert reports. Unless otherwise specifically instructed, we have only independently verified that information to the extent that such verification would be reasonably expected from a professional and experienced valuer undertaking a similar valuation.
Future Matters, GST & Tax:	Premise 5 – To the extent that this document includes any statement as to a future matter, that statement is provided as an estimate and/or opinion based on the information known to CB Richard Ellis at the date of this document. CB Richard Ellis does not warrant that such statements are accurate or correct. The general nature of the operation of GST is now known, however specific issues continue to arise which impact on market values. This valuation is based on the assumptions relating to GST set out in the body of this report. If any of the assumptions are found to be incorrect, or if the party on whose instructions this valuation is provided wishes our valuation to be based on different assumptions, this valuation should be referred back to CB Richard Ellis for comment and, in appropriate cases, amendment.

If the properties are disposed of at valuation (i) a goods and services tax on gross realization will be assessed at 1/11 and (ii) income tax may be payable at the current corporate tax rate of 30% on the taxable income of the property owner. It is likely that the relevant tax liability will be crystallized as the property will be sold after development has been completed, as advised by Far East Consortium International Ltd.

Site Details: Premise 6 – A current survey has not been provided. This valuation is made on the basis that there are no encroachments by or upon the property and this should be confirmed by obtaining a current survey report and/or advice from a registered surveyor. If any encroachments are noted by the survey report, we should be consulted to reassess any effect on the value stated herein.

Property Title: Premise 7 – We have conducted a brief title search only. We have therefore not perused the original Crown Grant documentation. We have assumed that there are no further easements or encumbrances not disclosed by this brief title search which may affect market value. However, in the event that a comprehensive title search is undertaken which reveals further easements or encumbrances, we should be consulted to reassess any effect on the value stated herein. The registered proprietor of the property is Northbank Place (Vic) Pty Ltd. We have been advised by Far East Consortium International Ltd that Northbank Place (Vic) Pty Ltd is a 95% owned subsidiary of Far East Consortium International Limited.

Environmental Conditions:	Premise 8 – In the absence of an environmental site assessment relating to the subject property, we have assumed that the site is free of elevated levels of contaminants. Our visual inspections of the subject property and immediately surrounding properties revealed no obvious signs of site contamination. Furthermore, we have made no allowance in our valuation for site remediation works. However, it is important to point out that our visual inspection is an inconclusive indicator of the actual condition of the site. We make no representation as to the actual environmental status of the subject property. If a test is undertaken at some time in the future to assess the degree, if any, of contamination of the site and this is found to be positive, we reserve the right to review our valuation assessed herein, should we deem it to be necessary
Town Planning:	Premise 9 – It is assumed that information provided to us by the relevant Local Authority Town Planning Department is accurate. In the event that a Town Planning Certificate is obtained and the information therein is found to be materially different to the town planning information detailed within this report, we reserve the right to amend the advice provided herein. We were not advised of any road widening or other adverse planning proposals affecting the property.
Inclusions & Exclusions:	Premise 10 – Where applicable, our valuation includes those items that form (or will form) part of the building service installations such as heating and cooling equipment, lifts, sprinklers, lighting, etc., that would normally pass with the sale of the property, but excludes all items of plant, machinery, equipment, partitions, furniture and other such items which may have been installed (by the occupant) or are used in connection with the business(es) carried on within the property.
Floor Areas:	Premise 11 – We have assumed that floor areas have been calculated in accordance with the Property Council of Australia (PCA) Method of Measurement of Lettable Areas. We recommend that a survey be undertaken to determine whether the areas provided differ from PCA guidelines. In the event that there is a material variance in areas, we reserve the right to review our valuation as assessed herein.

Disability Discrimination Act:	Premise 12 – The Disability Discrimination Act deals with discrimination against persons with disabilities in respect to access to premises as well as many other areas. Should there be any concern as to whether the subject property may have any shortcomings in respect to this Act, we recommend that expert advice be sought from professionals qualified in this area.
Condition & Repair:	Premise 13 – Our valuation assumes that upon completion a detailed report of the structure and service installations of the building(s) would not reveal any defects requiring significant expenditure. Additionally, we assume that all structures will comply with all relevant statutory requirements in respect of matters such as health, building and fire safety regulations.
Valuation Methodology:	Premise 14 – The primary valuation methodology used by CB Richard Ellis in valuing the subject property is the direct comparison method for the residential apartments and the capitalisation method for the retail tenancies, which is based upon market rents, yields and benchmarked outgoings "As If Complete" as at the date of valuation; and are not projections. Each methodology begins with a set of assumptions, as to the market income and expenses of the subject property in its local market. The adopted methodology is considered to provide the best estimate of value CB Richard Ellis can produce, but it is an estimate only and not a prediction of sale or guarantee of value. Our valuation is fully dependent upon the accuracy of information provided to us and to market derived assumptions obtained from analysed transactions. The most relevant transactions are detailed in this report. We do not represent ourselves as experts for Data, such as economic, demographic or constructions costs, which has been obtained from external sources.
No Liability to Other Parties:	Premise 15 – This valuation is for the use only of Far East Consortium International Limited for Financial Reporting purposes and is only for their use, and for no other purpose, and we disclaim responsibility and liability to any other party who might use or rely on the whole or any part of this report. Any such use by other parties is expressly forbidden. Neither the whole nor part of this report shall be printed or published in any circular, document or publication without first obtaining our written approval of the form and context in which it is to appear.

Not a Structural Survey: Premise 16 – We state that this is a valuation report, and not a Structural Survey.

Brief Description of the Properties

Northbank Place Central

Interest Valued: Freehold and Right to Leasehold Land

Town Planning: Capital City Zone 1, Design and Development Overlay DD01-Area 3 (DD01-A2 & A3), Design and Development Overlay DD07, DD40, – City of Melbourne

Approval Status: We have been provided with Planning Permit No. 20060404 issued 29 September 2006 by the Minister for Planning which allows the "Demolition and removal of utility buildings and construction of 3 multi-storey buildings, to be used for office, shop, residential building, dwelling, food and drink premises, public car park, art and craft centre, art gallery and incubators and ancillary parking and loading facilities: alterations to Category 1 Road Zone; buildings and works in the Public Park and Recreation Zone in accordance with the endorsed plans.

Real Property Description (Freehold)

The subject property was previously identified as Lot 2 Plan of Subdivision PS549354B form part of Crown Allotment 2056 City of Melbourne Parish of Melbourne North and more specifically described in Volume 10974 Folio 580.

Property Description (Leasehold)

The subject property is identified as Lots 4, 6 and "cross hatched" on Map Reference MJ6709/PP dated 4 October 2006.

Leasehold Tenure

The entire portion of land comprising a total of 8,073 square metres (comprises Lot 6 – 2,192 sqm, Lot 4-3,019 sqm, Lot 5 – 1,095 sqm (not in this assessment) and "cross hatch" carriage easement of 1,767 sqm). is subject to a long term lease with an initial term certain of 40 years with expiry on the 12 November 2047. This land is almost entirely situated below the Railway Viaduct. The Landlord, however, may at any time after 1 January 2022, with not less than 5 years notice, notify the Tenant that they may either widen the southern Viaduct or construct a third railway. In the case of any extension works, the Tenant must surrender the land associated with any works.

Other relevant terms of the Head Lease are as follows:

Landlord:	Secretary to the Department of Infrastructure
Tenant:	Far East Consortium (Australia) Pty Ltd, Royal Domain Towers Pty Ltd and Oceanis Holdings Ltd
Term Expiry:	12 November 2047
Further Terms:	Two Further Terms of 21 years each, and a further Term of 7 years.
Rent:	$1 per annum if demanded by the landlord.
Outgoings:	The tenant is responsible for all insurance premiums, cost of supplying, operating, maintaining, servicing, repairing, replacing and upgrading services (including gas, electricity, telephone, telecommunications, water, sewerage and drainage
Future Railway Works:	At any time after 1 January 2022, the landlord may give the tenant not less than 5 years notice (earliest date being 1 January 2027) of the requirement to widen the southern Viaduct, or construct a third railway viaduct on the southern side of the Viaducts, or between the Viaducts, or renew, replace, rehabilitate, extend or remove one or more of the Viaducts or undertake other major or minor work on the Viaducts.
Subletting:	The tenant may sublease the Premises with the consent of the Landlord.

The Tenant is allowed to construct minor improvements over this leasehold land, subject to consent from the Landlord. The proposed development outlined earlier is to comprise 15 "incubator" style tenancies (market stalls) and 56 at grade marked car spaces. These identified areas may be individually sold, subject to a leasehold basis.

The Central site (freehold portion) is to comprise a 16 level development including ground floor retail, 6 levels of car parking (393 car spaces including 99 cars allocated to the central apartments, 100 cars allocated to the West site and 194 to be used for commercial car spaces and sold to CarePark) and 9 upper levels comprising 196 residential apartments. At ground level there is 607 square metres of retail space in six tenancies, with a separate lift lobby for access to the residential apartments above.

In addition (forming part of the Central site) there is approximately 6,978 square metres of leasehold land with a development proposal for approximately 859.4 sqm of retail accommodation in 15 'incubator' pods. In addition there are 56 car spaces (as part of the 194 car spaces to CarePark) that are on the Leasehold land.

The property is held under development.

Development Costs – Northbank Central

We have been provided with a detailed cost to complete statement prepared by Quantity Surveyors Rider Levett Bucknall as at 28 February 2009 for the project financier BOS International (Australia) Pty Ltd.

The report details a total development cost of $69,455,815 with the cost to complete as at 28 February 2009 being $1,534,574 excluding GST. This amount includes a contingency allowance of $46,365 or 3.02% which we consider to be below the minimum of 5%. Accordingly we have adjusted the cost to complete to reflect a 5% contingency which equates to a total of $1,572,341.

In the event that the cost to complete the project varies at all from that which we have adopted we reserve the right to review and if necessary amend our assessment of value. Northbank Central was 98% complete at the date of inspection and had settled apartments.

Northbank Place West

Interest Valued:	Freehold
Town Planning:	Capital City Zone 1, Design and Development Overlay DD01-Area 3 (DD01-A2 & A3), Design and Development Overlay DD07, DD40, – City of Melbourne
Approval Status:	We have been provided with Planning Permit No. 20060404 issued 29 September 2006 by the Minister for Planning which allows the "Demolition and removal of utility buildings and construction of 3 multi-storey buildings, to be used for office, shop, residential building, dwelling, food and drink premises, public car park, art and craft centre, art gallery and incubators and ancillary parking and loading facilities: alterations to Category 1 Road Zone; buildings and works in the Public Park and Recreation Zone in accordance with the endorsed plans.

Real Property Description (Freehold)

The subject property is identified as Lot 3 Plan of Subdivision PS549354B and more particularly described in Volume 10996 Folio 728.

The West portion of the site forms part of our assessment and comprises the subject site. The development which is nearing completion, in accordance with plans prepared by Peddle Thorp Architects, shows an 18 level development including ground floor retail and 17 upper levels comprising 188 residential apartments. At ground level there is 285.2 square metres of retail space in 6 tenancies with a separate lift lobby for access to the residential apartments above.

Levels 1 to 3 comprise 10 apartments per floor. Levels 4 to 15 comprises 12 apartments per floor, level 16 has 10 apartments and level 17 has 4 apartments. The building is serviced by two lifts, positioned on the east side of the building.

In total there are 188 apartments comprising 117 one bedroom apartments with an average size of 47.7 square metres, 70 two bedroom apartments with an average apartment size of 78.9 square metres and 1 three bedroom apartment of 139.9 square metres. The overall average apartment size is 59.8 square metres.

The apartments are configured on either side of a central corridor which runs in an east west direction. The apartments to the south have views to the Yarra River, Bay and Southbank area, while the apartments to the north have views to the Melbourne CBD.

The property is held under development.

Development Costs – Northbank West

We have been provided with a detailed cost to complete statement prepared by Quantity Surveyors Rider Levett Bucknall as at 28 February 2009 for the project financier BOS International (Australia) Pty Ltd.

The report details a total development cost of $62,457,772 with the cost to complete as at 28 February 2009 being $4,526,126 excluding GST. This amount includes a contingency allowance of $144,555 or 3.19% which we consider to be below the minimum of 5%. Accordingly we have adjusted the cost to complete to reflect a 5% contingency which equates to a total of $4,607,877.

In the event that the cost to complete the project varies at all from that which we have adopted we reserve the right to review and if necessary amend our assessment of value.

Northbank West was 93% constructed with completion due on 5 April 2009.

Major Issues

Both buildings were under construction as at the date of valuation with all of the residential apartments presold, acknowledging that 147 residential apartments had settled within Northbank Place Central. None of the retail component have been presold or preleased, however heads of agreement were being formalised on a number of tenancies, which we had regard to in our assessment of rental value.

We relied upon a recent quantity surveyors reports prepared by Rider Levett Bucknall for cost to complete data on the proposed developments.

Northbank Central was 98% complete at the date of inspection and had settled apartments. Northbank West was 93% constructed with completion due on 5 April 2009.

Valuation Rationale

The direct comparison approach was used to value the apartments 'As if Complete', comparing the proposed developments with other nearby apartment projects adjusting for location, elevation, views and quality of finish.

Further the retail portions of the property were valued by the capitalisation of income method. This methodology uses a single year's estimate of stabilised net operating income which is capitalised to provide a value indication and involves making considerations as to net market and passing income and any other relevant capital adjustments that are required to be made relating to outstanding incentives or letting up allowances.

The assessment of market rental and capitalisation rate is derived from the analysis of comparable rental and sales evidence analysed from similar properties selling subject to existing tenancies and also from market lease transactions.

Our assessments of value by capitalisation of income have utilised capitalisation rates ranging from 7.0% to 7.5% depending upon the particulars of the respective properties.

Northbank Central comprises leasehold retail tenancies that have not been preleased and given current market conditions we have not attributed any value to them.

To assess the 'As Is' value of each development we utilised the cost to complete method under AASB 102 Inventories by assessing the fair value 'As if Complete' and making adjustments for construction costs via quantity surveyors advice, reasonable selling expenses, holding costs and a risk margin. In the case of Northbank Central we also deducted the value of the 147 settled apartment as at the date of valuation.

Valuation

Individual value rates and property values adopted by CBRE as at 31 March 2009, according to the legal, locational, physical and financial attributes of the property along with the prevailing market conditions as outlined in the reports, are shown in the following table. For all details in respect of our assumptions, disclaimers, limitations, qualifications and rationale of the valuations, please refer to the individual complete, self contained valuation reports, separately prepared for each property.

Northbank Place West Apartments

Bedrooms	**No.**	**Area sqm**	**Ave sqm**	**Total GR**	**Ave Sale price**	**Ave Rate PSM**
1	117	5,582.50	47.71	41,470,260	354,447	7,429
					508,989	
2	70	5,519.40	78.85	35,629,240	6,455	
3	1	139.90	139.90	960,000	960,000	6,862
TOTAL	188	11,241.80	59.80	78,059,500	415,210	6,944

Northbank Place West Retail

Address	Area Sqm	Rent (Net) $/sqm	Rent (Net) $pa	Cap Rate	Indicated Value	Vacancy Adjustment	Vacant Possession Value	Rounded to	Price/m²
W1	71	690.0	$ 48,990	7.00%	$ 699,857	$60,052	$ 639,805	$ 640,000	$9,014
W2	41.8	690.0	$ 28,842	7.00%	$ 412,029	$35,355	$ 376,674	$ 380,000	$9,091
W3	39	690.0	$ 26,910	7.00%	$ 384,429	$32,986	$ 351,442	$ 350,000	$8,974
W4	48.3	650.0	$ 31,395	7.00%	$ 448,500	$38,949	$ 409,551	$ 410,000	$8,489
W5	43.3	750.0	$ 32,475	7.00%	$ 463,929	$40,029	$ 423,900	$ 420,000	$9,700
W6	41.8	600.0	$ 25,080	7.00%	$ 358,286	$31,123	$ 327,163	$ 330,000	$7,895
TOTAL	285.2	679.1	$193,692		$2,767,029		$2,528,535	$2,530,000	$8,866

Summary Gross Realisation Northbank Place West

Residential Apartments 'As if Complete' 188 Pre-sold Apartments at Contract Prices Including 89 Car Spaces	$78,059,500 Inc GST
Balance Un-Sold Car Spaces 'As if Complete' 11 Car Spaces @ $45,000 Each	$495,000 Inc GST
Total Residential 'As if Complete' Including GST	$78,554,500 Inc GST
Total Residential 'As if Complete' Excluding GST	$71,413,182 Exc GST
Strata Retail Shops 'As if Complete' 6 Retail Tenancies	$2,530,000 Exc GST
TOTAL GROSS REALISATION EXCLUDING GST	$73,943,182 Exc GST

'As Is' Valuation Northbank Place West AASB 102 Inventories

Analysis of Cost to Complete as at 31 March 2009

'As If Complete' Value Excluding GST		$73,943,182
Less		
Balance of Sales Commissions	$2,909,855	
Advertising	$ 473,670	
Legal Fees	$ 225,000	
Leasing Fees / Incentives	$ 105,000	-$ 3,713,525
Net Realisable Value		$70,229,657
Less		
Cost To Complete Per RLB	$4,607,877	
Holding Cost Until Completion	$ 90,000	
Finance Cost of Remaining Costs	$ 300,000	
Risk on Remaining Cost @10%	$ 499,788	-$ 5,497,665
'As Is' Value AASB 102 Inventories		$64,731,992

Northbank Place Central Apartments

Bedrooms	**No.**	**Area sqm**	**Ave sqm**	**Total GR**	**Ave Sale price**	**Ave Rate PSM**
1	153	7,964.70	52.06	52,176,780	341,025	$6,551
1+1	3	212.30	70.77	1,360,000	453,333	$6,406
2	34	2,835.20	83.39	15,431,065	453,855	$5,443
2+1	6	620.40	103.40	3,714,760	619,127	$5,988
TOTAL	196	11,632.60	59.35	72,682,605	370,830	$6,248

Northbank Place Central -Freehold Retail

Address	**Area Sqm**	**Rent (Net) $/sqm**	**Rent (Net) $pa**	**Cap Rate**	**Indicated Value**	**Vacancy Adjustment**	**Vacant Possession Value**	**Rounded to**	**Price/m^2 (Int.)**
C1	50.8	690.0	$ 35,052	7.00%	$ 500,743	$ 43,525	$ 457,217	$ 460,000	$9,055
C2	100.6	650.0	$ 65,390	7.00%	$ 934,143	$ 81,687	$ 852,456	$ 850,000	$8,449
C3	176.8	600.0	$106,080	7.50%	$1,414,400	$133,661	$1,280,739	$1,280,000	$7,240
C4	185.1	550.0	$101,805	7.50%	$1,357,400	$129,570	$1,227,830	$1,230,000	$6,645
C5	100.2	650.0	$ 65,130	7.00%	$ 930,429	$ 81,362	$ 849,066	$ 850,000	$8,483
C6	108.2	725.0	$ 78,445	7.00%	$1,120,643	$ 96,947	$1,023,696	$1,020,000	$9,427
C7	43.25	500.0	$ 21,625	7.25%	$ 298,276	$ 27,853	$ 270,423	$ 270,000	$6,243
C8	43.25	500.0	$ 21,625	7.25%	$ 298,276	$ 27,853	$ 270,423	$ 270,000	$6,243
TOTAL	808.2		$495,152				$6,231,850	$6,230,000	$7,708

Summary Gross Realisation Northbank Place Central

Residential Apartments 'As if Complete'	
196 Apartments	$72,967,605 Inc GST
Including 95 Car Spaces	
Plus	
Balance Un-Sold Car Spaces 'As if Complete'	
4 Car Spaces @ $45,000 Each	$180,000 Inc GST
Total Residential 'As if Complete' Including GST	$73,147,605 Inc GST
Total Residential 'As if Complete' Excluding GST	$66,497,823 Exc GST
Less Settlements	
143 Residential Apartments	$47,576,898 Exc GST
Total Residential 'As If Complete' As at 31 March 2009	$18,920,925 Exc GST
Plus	
Freehold Strata Retail Shops 'As if Complete'	
8 Retail Tenancies	$6,230,000 Exc GST
TOTAL GROSS REALISATION EXCLUDING GST	$25,150,925 Exc GST

'As Is' Valuation Northbank Place Central AASB 102 Inventories

Analysis of Cost to Complete as at 31 March 2009

'As If Complete' Value Excluding GST		$72,727,823
Less		
Value of Settlements to Date Exc GST	$47,576,898	
Sales Commission	$ 754,528	
Advertising	$ 374,299	
Legal Fees	$ 425,000	
Leasing Fees / Incentives	$ 310,000	-$49,440,725
Net Realisable Value	$23,287,098	
Less		
Cost To Complete		$ 1,572,341
Holding Cost Until Completion	$ 75,000	
Finance Cost of Remaining Costs	$ 150,000	
Risk on Remaining Cost @10%	$ 179,734	-$ 1,977,075
'As Is' Value AASB 102 Inventories		$21,310,023

As the values are assessed as at 31 March 2009, we have assumed that there will be no change in market conditions, physical attributes of the properties or other factors, likely to cause a material change in values between the respective date of inspection undertaken between 13 February and the valuation date.

Market Value Definitions

(Note: The International Valuation Standard referred to herein is adopted by the API and PINZ 2006.)

Market Value

In accordance with the International Valuation Standard definition of market value is as follows:

"*Market Value is the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction, after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion*"

AASB Fair Value

We have also had regard to the requirements of the Australian Accounting Standards Board under the recently introduced A-IFRS standards. In particular, we have considered AASB102 Inventories, which adopts the following definition of "fair value".

> "*Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.*"

In taking into account of this definition of value, we are of the opinion that it is consistent with the international definition of the Market Value.

Inventories are assets:

(a) held for sale in the ordinary course of business;

(b) in the process of production for such sale; or

(c) in the form of materials or supplies to be consumed in the production process or in the rendering of services.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The following terms are also used in this Standard with the meanings specified.

Net realisable value refers to the net amount that an entity expects to realise from the sale of inventory in the ordinary course of business. Fair value reflects the amount for which the same inventory could be exchanged between knowledgeable and willing buyers and sellers in the marketplace. The former is an entity-specific value; the latter is not. Net realisable value for inventories may not equal fair value less costs to sell.

Inventories encompass goods purchased and held for resale including, for example, merchandise purchased by a retailer and held for resale, or land and other property held for resale. Inventories also encompass finished goods produced, or work in progress being produced, by the entity and include materials and supplies awaiting use in the production process. In the case of a service provider, inventories include the costs of the service, as described in paragraph 19, for which the entity has not yet recognised the related revenue (see AASB 118 Revenue).

Liability Disclaimer

(a) Neither this letter nor the full valuation reports may be reproduced in whole or in part without prior written approval of CB Richard Ellis Pty Ltd.

(b) CB Richard Ellis Pty Ltd has prepared this letter on the basis of, and limited to, the financial and other information (including market information and third party information) is accurate, reliable and complete and confirm that we have not tested the information in that respect.

(c) This summary letter is to be read in conjunction with our formal valuation reports dated 31 March 2009 and is subject to the assumptions, limitations and disclaimers contained therein.

(d) We confirm that the valuers do not have a pecuniary interest that would conflict with a proper valuation of the properties.

Yours sincerely
CB Richard Ellis (V) Pty Ltd

Ryan Pritchard AAPI
Associate Director – Valuation & Advisory Services

Note: Ryan Pritchard is a Certified Practising Valuer and an Associate Member of the Australian Property Institute. He has over 12 years' valuation experience in Victoria, Australia.

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3 June 2009

The Directors
Far East Consortium International Limited
16/F, Far East Consortium Building
121 Des Voeux Road, Central
Hong Kong

Dear Sirs,

The Valuation of 166 Victoria Street, Northcote, Melbourne, Victoria Australia 3070.

Instructions

At your request, CB Richard Ellis (CBRE) has prepared this letter summarising the valuation results from our completed, self contained valuation reports. The purpose of our reports was to render our opinion of the market value of each property as at 31 March 2009 for financial reporting purposes.

The value conclusions are subject to the assumptions and limiting conditions contained in each report and reflect all information known by CBRE in relation to the subject properties and the current market conditions.

Our valuations are prepared in accordance with the “HKIS Valuation Standards on Properties (First Edition 2005)” and meet the requirements contained in Chapter 5 of the Rules Governing the Listing of Securities (the “Exchange Listing Rules”) issued by the Stock Exchange of Hong Kong Limited.

Our reports are based upon the most current information available at the time that each valuation was prepared. CBRE accepts no responsibility for subsequent changes in information as to income, expenses or market conditions. Any subsequent change in lease terms will also have a corresponding change to the value.

Reliance on this Letter

We have prepared this letter summarising our reports which outlines key factors that have been considered in arriving at our opinions of value. This letter does not contain all of the data and supporting market information which is included in our reports.

CBRE has provided Far East Consortium International Limited with a valuation of each property. The valuations are not guarantees or predictions of the future performance of any particular property.

All monetary amounts are expressed in Australian Dollars

Critical Assumptions and Reliance on Information Provided

A summary of the critical assumptions adopted in the valuations are as follows:

Critical Assumptions

- This assessment is for Financial Reporting Purposes and is not for Mortgage Security Purposes.

- We have been supplied with a letter from Ray Tonkin, Executive Director of Heritage Victoria who have completed a Heritage Assessment of the subject property. In recognition of the places of cultural and heritage significance, Heritage Victoria do not recommend to the Heritage Council that the subject property be included in the Heritage Register. This correspondence was published in the Herald Sun newspaper on 13 February 2009 and written submissions can be made to the Heritage Council until 21 April 2009. If objecting submissions are received a Hearing before the Registrations Committee of the Heritage Council will be held after a further 60 day notice period. It is a critical assumption of our assessment that the subject property is not included within the Heritage Register or restricted in any way by Heritage covenants. In the event that it is, the value of the site and its development potential may be materially affected and we reserve the right to review and if necessary amend our assessment.

- That there are no soil contamination issues at the subject property which are likely to affect the development. In addition we note that the subject property adjoins an operating petrol filling station. Whilst the onus to clean up would be the responsibility of the polluter it could present a risk to future development if this was the case.

- Our assessment has not considered the impact of any potential adverse possession claim, acknowledging that an Unregistered dealing is noted on Title dated 23 September 2009. A claim has been made for a portion of the land fronting Separation Street of approximately 147 square metres by an adjoining owner and the matter is currently with the Registrar pending a decision. In the event that a portion or potions of the site are lost in an adverse possession claim we reserve the right to review and if necessary amend our assessment.

- In the current environment development sites are considered to represent a high risk asset and to be more susceptible to market fluctuations than other forms of real estate.

- We are aware that the current Contract of Sale nominates the Margin Scheme, however we have not been provided with a 1 July 2000 assessment. We have relied upon advice from the Developer that the tax liability is $240,000. In the event that this should vary substantially we reserve the right to review and if necessary amend our assessment of value.

Assumptions, Disclaimers, Limitations & Qualifications

Valuation Subject To Change:	Premise 1 – Real estate values vary from time to time in response to changing market circumstances and it should, therefore, be noted that this valuation is based on available information as at the date of valuation. No warranty can be given as to the maintenance of this value into the future. It is, therefore, recommended that the valuation be reviewed periodically.
Our Investigations:	Premise 2 – This valuation is conducted on the basis that we are not engaged to carry out all possible investigations in relation to the property. We have identified certain limitations to our investigations to enable you to instruct further investigations if you consider this appropriate. CB Richard Ellis is not liable for any loss occasioned by a decision not to instruct further investigations.
Assumptions:	Premise 3 – Assumptions are a necessary part of this valuation. CB Richard Ellis adopts assumptions because some matters are not capable of accurate calculation, or fall outside the scope of our expertise, or our instructions. Assumptions adopted by CB Richard Ellis are formulated on the basis that they could reasonably be expected from a professional and experienced valuer undertaking a similar valuation. However, the risk that any of the assumptions adopted in this document may be incorrect should be taken into account, and CB Richard Ellis does not warrant or represent that these assumptions are entirely accurate or correct.

Information Supplied By Others:	Premise 4 – This document contains a significant volume of information which is directly derived from other sources without verification by us, including but not limited to tenancy schedules, planning documents and environmental or other expert reports. Unless otherwise specifically instructed, we have only independently verified that information to the extent that such verification would be reasonably expected from a professional and experienced valuer undertaking a similar valuation.
Future Matters, GST & Tax:	Premise 5 – To the extent that this document includes any statement as to a future matter, that statement is provided as an estimate and/or opinion based on the information known to CB Richard Ellis at the date of this document. CB Richard Ellis does not warrant that such statements are accurate or correct. The general nature of the operation of GST is now known, however specific issues continue to arise which impact on market values. This valuation is based on the assumptions relating to GST set out in the body of this report. If any of the assumptions are found to be incorrect, or if the party on whose instructions this valuation is provided wishes our valuation to be based on different assumptions, this valuation should be referred back to CB Richard Ellis for comment and, in appropriate cases, amendment. If the properties are disposed of at valuation (i) goods and services tax on gross realization will be assessed at 1/11 after first deducting the pro rata land cost and income tax may be payable at the current corporate tax rate of 30% on the taxable income of the property owner. It is likely that the relevant tax liability will be crystallized as the property will be sold after development has been completed, as advised by Far East Consortium International Ltd.
Site Details:	Premise 6 – A current survey has not been provided. This valuation is made on the basis that there are no encroachments by or upon the property and this should be confirmed by obtaining a current survey report and/or advice from a registered surveyor. If any encroachments are noted by the survey report, we should be consulted to reassess any effect on the value stated herein.

Property Title:	Premise 7 – We have conducted a brief title search only. We have therefore not perused the original Crown Grant documentation. We have assumed that there are no further easements or encumbrances not disclosed by this brief title search which may affect market value. However, in the event that a comprehensive title search is undertaken which reveals further easements or encumbrances, we should be consulted to reassess any effect on the value stated herein. The registered proprietor is Far East Consortium (Australia) Pty Ltd as trustee of The 360 St Kilda Road Unit Trust. We have been advised by Far East Consortium International Ltd that The 360 St Kilda Road Unit Trust is 90% owned by Far East Consortium International Limited.
Environmental Conditions:	Premise 8 – In the absence of an environmental site assessment relating to the subject property, we have assumed that the site is free of elevated levels of contaminants. Our visual inspections of the subject property and immediately surrounding properties revealed no obvious signs of site contamination. Furthermore, we have made no allowance in our valuation for site remediation works. However, it is important to point out that our visual inspection is an inconclusive indicator of the actual condition of the site. We make no representation as to the actual environmental status of the subject property. If a test is undertaken at some time in the future to assess the degree, if any, of contamination of the site and this is found to be positive, we reserve the right to review our valuation assessed herein, should we deem it to be necessary
Town Planning:	Premise 9 – It is assumed that information provided to us by the relevant Local Authority Town Planning Department is accurate. In the event that a Town Planning Certificate is obtained and the information therein is found to be materially different to the town planning information detailed within this report, we reserve the right to amend the advice provided herein. We were not advised of any road widening or other adverse planning proposals affecting the property.
Inclusions & Exclusions:	Premise 10 – Where applicable, our valuation includes those items that form (or will form) part of the building service installations such as heating and cooling equipment, lifts, sprinklers, lighting, etc., that would normally pass with the sale of the property, but excludes all items of plant, machinery, equipment, partitions, furniture and other such items which may have been installed (by the occupant) or are used in connection with the business(es) carried on within the property.

Floor Areas:	Premise 11 – We have assumed that floor areas have been calculated in accordance with the Property Council of Australia (PCA) Method of Measurement of Lettable Areas. We recommend that a survey be undertaken to determine whether the areas provided differ from PCA guidelines. In the event that there is a material variance in areas, we reserve the right to review our valuation as assessed herein.
Disability Discrimination Act:	Premise 12 – The Disability Discrimination Act deals with discrimination against persons with disabilities in respect to access to premises as well as many other areas. Should there be any concern as to whether the subject property may have any shortcomings in respect to this Act, we recommend that expert advice be sought from professionals qualified in this area.
Condition & Repair:	Premise 13 – Our valuation assumes that upon completion a detailed report of the structure and service installations of the building(s) would not reveal any defects requiring significant expenditure. Additionally, we assume that all structures will comply with all relevant statutory requirements in respect of matters such as health, building and fire safety regulations.
Valuation Methodology:	Premise 14 – The primary valuation methodology used by CB Richard Ellis in valuing the subject property is the direct comparison method for the residential apartments. The adopted methodology is considered to provide the best estimate of value CB Richard Ellis can produce, but it is an estimate only and not a prediction of sale or guarantee of value. Our valuation is fully dependent upon the accuracy of information provided to us and to market derived assumptions obtained from analysed transactions. The most relevant transactions are detailed in this report. We do not represent ourselves as experts for Data, such as economic, demographic or constructions costs, which has been obtained from external sources.
No Liability to Other Parties:	Premise 15 – This valuation is for the use only of Far East Consortium (Aust) Pty Ltd for Financial Reporting purposes and is only for their use, and for no other purpose, and we disclaim responsibility and liability to any other party who might use or rely on the whole or any part of this report. Any such use by other parties is expressly forbidden. Neither the whole nor part of this report shall be printed or published in any circular, document or publication without first obtaining our written approval of the form and context in which it is to appear.
Not a Structural Survey:	Premise 16 – We state that this is a valuation report, and not a Structural Survey.

Brief Description of the Property

Located on eastern side of Victoria Road, approximately 30.51 metres north of the intersection with Separation Street, in Northcote approximately 5 radial kilometres north of the Melbourne CBD. The property is known as "Northcote Bowl" and has been operated by AMF as a tenpin bowling centre since 1962.

The Property is described as plan of consolidation 105417 and is more particularly described in certificate of title volume 09173 folio 688.

The site is 4,856 square metres in area being irregular in shape and comprises one main building with a total gross floor area of 2,495 square metres. The building was constructed in the 1960's which now comprise predominantly dated and tired accommodation. Having regard to the location and size of the subject site we consider that the highest and best of the property is as a residential or mixed use development site.

Indicative advice from the Developer indicates that there are plans for a three and a half storey development of 96 two bedroom apartments with a half basement level for car parking. The proposal does not have a Planning Permit and we have not been provided with plans or costings.

The property is held for future development. As confirmed by Far East Consortium International Limited, as at the date of this valuation report, no concrete development plan is in place. The property is zoned Residential 1 under City of Darebin, no planning approval for redevelopment.

Major Issues

An adverse possession claim has been made by an adjoining owner for approximately 147 square metres of the subject site, being part of the drainage easement that extends onto Separation Street. A decision is pending regarding the claim. We note that the proposed yield of 96 apartments would not be affected by the adverse possession claim.

A decision is pending from the Heritage Council as to whether the subject property is included in the Heritage Register, however we have been supplied with a letter from Ray Tonkin, Executive Director, Heritage Victoria which recommends that the property not be included. Heritage Victoria's recommendation was published on 13 February 2009 and after 60 days the Heritage Council will make a formal decision as to whether to include the subject property in the Heritage Register.

Our assessment has been made on the basis of the existing site details and has not considered the impact of any Adverse Possession claim or Heritage issues. In the event that these matters affect the property in the future we reserve the right to review and if necessary amend our assessment of value.

Valuation Rationale

In arriving at our opinion of Freehold Market Value for the subject site we have adopted the direct comparison approach having considered relevant general and economic factors and in particular have investigated recent sales transactions of comparable properties that have occurred in the current market.

We have not carried out our valuation on a hypothetical development basis nor the study of alternative development options.

There is an unregistered Adverse Possession claim that has been made for a portion of the subject site. The matter is with the Registrar but a decision has not been made or registered on Title as at the date of valuation. Accordingly, we have not had regard to the claim, however we reserve the right to review and if necessary amend our assessment of value should the Adverse Possession claim succeed.

We have disregarded the presence of any mortgage or other financial liens pertaining to the property. We have conducted a brief title search only. We have therefore not perused the original Crown Grant documentation. We have assumed that there are no further easements or encumbrances not disclosed by this brief title search which may affect market value. However, in the event that a comprehensive title search is undertaken which reveals further easements or encumbrances, we should be consulted to reassess any effect on the value stated herein.

Valuation

Individual value rates and property values adopted by CBRE as at 31 March 2009, according to the legal, locational, physical and financial attributes of the property along with the prevailing market conditions as outlined in the reports, are shown in the following table. For all details in respect of our assumptions, disclaimers, limitations, qualifications and rationale of the valuations, please refer to the individual complete, self contained valuation reports, separately prepared for each property.

Site Area – As Is	4,856 square metres
Adopted Site Value	$1,000 per sqm
Site Value	$4,856,000
Adopt	$4,850,000

As the values are assessed as at 31 March 2009, we have assumed that there will be no change in market conditions, physical attributes of the properties or other factors, likely to cause a material change in values between the respective date of inspection undertaken between 13 February and the valuation date.

Market Value Definitions

(Note: The International Valuation Standard referred to herein is adopted by the API and PINZ 2006.)

Market Value

In accordance with the International Valuation Standard definition of market value is as follows:

"*Market Value is the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction, after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion*"

AASB Fair Value

We have also had regard to the requirements of the Australian Accounting Standards Board under the recently introduces A-IFRS standards. In particular, we have considered AASB116 Property Plant and Equipment, which adopts the following definition of "fair value".

"*Fair value" is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.*"

In taking into account of this definition of value, we are of the opinion that it is consistent with the international definition of the Market Value.

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(b) CB Richard Ellis Pty Ltd has prepared this letter on the basis of, and limited to, the financial and other information (including market information and third party information) is accurate, reliable and complete and confirm that we have not tested the information in that respect.

(c) This summary letter is to be read in conjunction with our formal valuation reports dated 31 March 2009 and is subject to the assumptions, limitations and disclaimers contained therein.

(d) We confirm that the valuers do not have a pecuniary interest that would conflict with a proper valuation of the properties.

Yours sincerely
CB Richard Ellis (V) Pty Ltd

Ryan Pritchard AAPI
Associate Director – Valuation & Advisory Services

Note: Ryan Pritchard is a Certified Practising Valuer and an Associate Member of the Australian Property Institute. He has over 12 years' valuation experience in Victoria, Australia.

CBRE
CB RICHARD ELLIS

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3 June 2009

The Directors
Far East Consortium International Limited
16/F, Far East Consortium Building
121 Des Voeux Road, Central
Hong Kong

Dear Sirs,

The Valuation of 613-649 Spencer Street, Melbourne VIC Australia 3000.

Instructions

At your request, CB Richard Ellis (CBRE) has prepared this letter summarising the valuation results from our completed, self contained valuation reports. The purpose of our reports was to render our opinion of the market value of each property as at 31 March 2009 for financial reporting purposes.

The value conclusions are subject to the assumptions and limiting conditions contained in each report and reflect all information known by CBRE in relation to the subject properties and the current market conditions.

Our valuations are prepared in accordance with the "HKIS Valuation Standards on Properties (First Edition 2005)" and meet the requirements contained in Chapter 5 of the Rules Governing the Listing of Securities (the "Exchange Listing Rules") issued by the Stock Exchange of Hong Kong Limited.

Our reports are based upon the most current information available at the time that each valuation was prepared. CBRE accepts no responsibility for subsequent changes in information as to income, expenses or market conditions. Any subsequent change in lease terms will also have a corresponding change to the value.

Reliance on this Letter

We have prepared this letter summarising our reports which outlines key factors that have been considered in arriving at our opinions of value. This letter does not contain all of the data and supporting market information which is included in our reports.

CBRE has provided Far East Consortium International Limited with a valuation of each property. The valuations are not guarantees or predictions of the future performance of any particular property.

All monetary amounts are expressed in Australia Dollars

Critical Assumptions and Reliance on Information Provided

A summary of the critical assumptions adopted in the valuations are as follows:

Critical Assumptions

- The property is unencumbered by any mortgage or other financial liens pertaining to the property.
- This valuation report has been prepared for Financial Reporting purposes and not for Mortgage Security Purposes.
- The amount outstanding for decontamination and demolition works amounts to $2,500,000.
- The decontamination and demolition contract between Far East Consortium (Australia) Pty Ltd and Guilfoyle can be assigned to a hypothetical purchaser. Further, that the works will be completed within the specified timing and a Statement of Environmental Audit issued, allowing the redevelopment of the site to a mixed residential, commercial and retail development.
- Given that the Statement of Environmental Audit has not been issued, we have assumed that there will be no onerous on going conditions upon Far East Consortium (Australia) Pty Ltd for future monitoring or any other environmental matter.
- The fees paid to date as advised by the Developer are accurate.

- The transaction of the 8 apartments within The Royal Domain Tower, referred to as the Tower Contracts is representative of market value being $21,700,000 and do not represent a premium to the Purchaser (Far East Consortium (Australia) Pty Ltd.

- We have received full and frank disclosure of the issues pertaining to the acquisition of the site and that the information provided to us by the Developer is accurate.

- That the current Contract of Sale has settled as at 27 February 2009 as per advice from the Developer, acknowledging that a subsequent Title search has detailed that Soldis Capital Pty Ltd are noted as the Registered Proprietor. This may be as a result of the recent nature of the settlement.

- This assessment assumes the client is eligible to use the General Tax Rule for development of the subject property. Therefore, we have assessed the feasibility of this project based on the assumption that the developer will use the General Tax Rule when calculating necessary GST payable. Based on this scheme, GST on the development costs will be assessed at 10% to be remitted the following month, whilst GST on gross realisations will be assessed at 1/11th after first deducting the pro rata equated land cost, if applicable. All costs within our analysis are quoted, where applicable, inclusive of GST and the GST is reclaimed under the item GST Input Credits. This produces a final GST exclusive valuation.

- There are no other side agreements which may affect our assessment of value.

Assumptions, Disclaimers, Limitations & Qualifications

Valuation Subject To Change:	Premise 1 – Real estate values vary from time to time in response to changing market circumstances and it should, therefore, be noted that this valuation is based on available information as at the date of valuation. No warranty can be given as to the maintenance of this value into the future. It is, therefore, recommended that the valuation be reviewed periodically.
Our Investigations:	Premise 2 – This valuation is conducted on the basis that we are not engaged to carry out all possible investigations in relation to the property. We have identified certain limitations to our investigations to enable you to instruct further investigations if you consider this appropriate. CB Richard Ellis is not liable for any loss occasioned by a decision not to instruct further investigations.

Assumptions:	Premise 3 – Assumptions are a necessary part of this valuation. CB Richard Ellis adopts assumptions because some matters are not capable of accurate calculation, or fall outside the scope of our expertise, or our instructions. Assumptions adopted by CB Richard Ellis are formulated on the basis that they could reasonably be expected from a professional and experienced valuer undertaking a similar valuation. However, the risk that any of the assumptions adopted in this document may be incorrect should be taken into account, and CB Richard Ellis does not warrant or represent that these assumptions are entirely accurate or correct.
Information Supplied By Others:	Premise 4 – This document contains a significant volume of information which is directly derived from other sources without verification by us, including but not limited to tenancy schedules, planning documents and environmental or other expert reports. We confirm that we are not instructed to verify that information. Further, the information is not adopted by CB Richard Ellis as our own, even where it is used in our calculations. Where the content of this document has been derived, in whole or in part, from sources other than CB Richard Ellis, CB Richard Ellis does not warrant or represent that such information is accurate or correct.
Future Matters, GST & Tax:	Premise 5 – To the extent that this document includes any statement as to a future matter, that statement is provided as an estimate and/or opinion based on the information known to CB Richard Ellis at the date of this document. CB Richard Ellis does not warrant that such statements are accurate or correct. The general nature of the operation of GST is now known, however specific issues continue to arise which impact on market values. This valuation is based on the assumptions relating to GST set out in the Valuation Rationale section of this document. If any of the assumptions are found to be incorrect, or if the party on whose instructions this valuation is provided wishes our valuation to be based on different assumptions, this valuation should be referred back to CB Richard Ellis for comment and, in appropriate cases, amendment.

If the properties are disposed of at valuation (i) a goods and services tax on gross realization will be assessed at 1/11 and (ii) income tax may be payable at the current corporate tax rate of 30% on the taxable income of the property owner. It is likely that the relevant tax liability will be crystallized as the property will be sold after development has been completed, as advised by Far East Consortium International Ltd.

Site Details: Premise 6 – Where a current survey has not been provided, this valuation is made on the basis that there are no encroachments by or upon the property and this should be confirmed by obtaining a current survey report and/or advice from a registered surveyor. If any encroachments are noted by the survey report, we should be consulted to reassess any effect on the value stated herein.

Property Title: Premise 7 – We have conducted a brief title search only. We have therefore not perused the original Crown Grant documentation. We have assumed that there are no further easements or encumbrances not disclosed by this brief title search which may affect market value. However, in the event that a comprehensive title search is undertaken which reveals further easements or encumbrances, we should be consulted to reassess any effect on the value stated herein. The registered proprietor is Far East Consortium (Australia) Pty Ltd as trustee of The 360 St Kilda Road Unit Trust. We have been advised by Far East Consortium International Ltd that The 360 St Kilda Road Unit Trust is 90% owned by Far East Consortium International Limited.

Environmental Conditions: Premise 8 – The site id contaminated and is currently being remediated by Guilfoyle Wreckers Pty Ltd as part of a contract entered into with Far East Consortium (Australia) Pty Ltd, dated 24 November 2008. The Contract fee is for $5,000,000 of which half has reportedly been paid to date. The estimated time to decontaminate the site and receive a Statement of Environmental Audit is July 2009. Further, Far East Consortium (Australia) Pty Ltd has signed a Consultancy Agreement with the Vendor for $5,400,000 as part of the services surrounding the achievement of a Statement of Environmental Audit, of which $400,000 has reportedly been paid to date. Our assessment assumes that these agreements can be assigned to an incoming purchaser.

Town Planning:	Premise 9 – It is assumed that information provided to us by the relevant Local Authority Town Planning Department/ Government Authority is accurate. In the event that a Town Planning Certificate is obtained and the information therein is found to be materially different to the town planning information detailed within this report, we reserve the right to amend the advice provided herein. We were not advised of any road widening or other adverse planning proposals affecting the property.
Lot Areas:	Premise 10 – We have assumed that the lot areas provided by the developer have been calculated and verified by a Land Surveyor and are in accordance with the plans provided to us. In the event that there is a material variance in areas, we reserve the right to review our valuation as assessed herein.
Development Costs:	Premise 11 – The adopted development cost is based on preliminary costings provided to us. Given that we are not experts in this area, we expect that these costs will be reviewed via an independently appointed QS. In the event that these estimates alter in any way from that provided and adopted within our development feasibility, we reserve the right to review our valuation as assessed herein.
Research & Market Comment:	Premise 12 – In preparing our market comment having regard to the demand and supply projections we have relied on data sources including the ABS and the Department of Infrastructure. We give no warranty for the projections provided although we have exercised due care in the assembly of our analysis contained within.
GST:	Premise 13 – This valuation has been based on the assumption that the General Tax Rule will apply in relation to the purchase of the subject property and that any future purchaser of the property would be able to claim the GST input tax credits, ie, they are registered tax entities.

Valuation Methodology:	Premise 14 – The primary valuation methodology used by CB Richard Ellis in valuing the subject property is the direct comparison method based upon a rate per square metre of site area. The adopted methodology is considered to provide the best estimate of value CB Richard Ellis can produce, but it is an estimate only and not a prediction of sale or guarantee of value. Our valuation is fully dependent upon the accuracy of information provided to us and to market derived assumptions obtained from analysed transactions. The most relevant transactions are detailed in this report. We do not represent ourselves as experts for Data, such as economic, demographic or constructions costs, which has been obtained from external sources.
No Liability to Other Parties:	Premise 15 – We state that this valuation report is addressed to Far East Consortium International Limited for Financial Reporting purposes and is only for their use, and for no other purpose, and we disclaim responsibility and liability to any other party who might use or rely on the whole or any part of this report. Any such use by other parties is expressly forbidden. Neither the whole nor part of this report shall be printed or published in any circular, document or publication without first obtaining our written approval of the form and context in which it is to appear.
Standard of Development:	Premise 16 – We have assumed that the land will be developed as a high quality development in comparison with other estates in the area and will at least match, if not better the standard of development in the area.
Marketing:	Premise 17 – We have assumed that the estate will be appropriately developed and marketed so to ensure that either a continuous supply of allotments are available to the market and that the development is undertaken to maximise returns. Further, we have assumed that the future pricing and marketing strategies ensure that the property remains competitive in the market place in the future.

Director's Clause:	Premise 18 – Under required circumstances, this report may have been peer reviewed by a Director of CB Richard Ellis. In accordance with our internal Quality Assurance procedures, the peer reviewing Director certifies that he has discussed the valuation methodology and calculations with the prime signatory, however the opinion of value expressed herein has been arrived at by the prime signatory alone. The peer reviewing Director may or may not have inspected the subject property.

Brief Description of the Property

Lot 1, Plan TP013323Q; Crown Allotment 22 Sec. 17; Lot 1, Plan TP238972U; Lot 1 and 2, Plan TP340512L; Lot 1 and .2, Plan TP601042V; Lot 1 and .2, Plan TP06263B; Lot 1 and .2, Plan TP439483Q; Lot 1, Plan TP393448T; Lot 1, Plan TP18983S; Lot 2, Plan TP18983S; Lot 3, Plan TP18983S.

Zoned: Capital City Zone – Schedule 1 under Melbourne City Council

The subject property comprises an irregular shaped site held in 11 Certificates of Title, being the former Spencer Street Power Station that is currently being demolished and decontaminated. The site has frontages to Spencer Street, Lonsdale Street, Little Bourke Street, Cleave Lane and Rose Alley. There is an older style 2 storey brick office building fronting Spencer Street and adjoining this structure at first floor level to the north is a Heritage classified cast iron water tank that is protected under a Heritage Overlay, further a high clearance warehouse adjoins to the south that is currently being used as a site office.

An assortment of structures remain on site that are at varying stages of demolition including multi storey reinforced concrete, steel work and framing. Significant quantities of concrete and earth have been excavated as part of the removal of contaminated material and underground storage tanks (UST's). We note that some UST's remain on site. The natural topography of the land would indicate a gentle slope from east to west, with a cross slope from north to south; however the site works have created significant excavations at a number of areas of the site. A series of tunnels are present in the centre of the site that reportedly travel in a southerly direction toward the Yarra River and in a westerly direction to Victoria Harbour (Docklands). These tunnels will be filled in as part of the current demolition works.

The property is held for future development. As confirmed by Far East Consortium International Limited, as at the date of this valuation report, no concrete development plan is in place

Major Issues

On 21 March 2001 the Victorian Workcover Authority issued a prohibition notice under S44 Occupational Health & Safety Act 1985 in respect of the site. This notice prohibits "any activity other than inspection and rectification of safety issues by authorised personnel for the purpose of identification and removal of hazardous material". This work is currently progressing.

The site has been previously used as a power station and the conditions in a Section 173 Agreement on Title require the owner to have a Certificate or Statement of Environmental Audit issued for the land prior to undertaking any development. We are ware that works are currently being completed and the Developer has estimated that an Environmental Audit will be completed in July 2009, at which time we have assumed the Section 173 Agreement will be removed from the Title.

The property is subject to a Contract of Sale dated 24 November 2008 for an amount of $33,100,000 excluding GST with settlement due on 27 February 2009 or such other date as stipulated in the special conditions. Part of the Contract of Sale requires the Purchaser to be substituted as the borrower under a Deed of Loan for an amount of $6,200,000. Further, the Developer has entered into a Consultancy Agreement dated 24 November 2008, whereby the Vendor is paid $5,400,000 in staged payments for services relating to the decontamination and demolition of the site to a state whereupon a Statement of Environmental Audit is issued for the property and is considered suitable for a high rise mixed use development. In addition a decontamination and demolition contract has been entered into between the Developer Far East Consortium (Australia) Pty Ltd and Guilfoyle Wreckers Pty Ltd dated 24 November 2008, for an amount of $5,000,000, whereby Guilfoyle will manage the decontamination and demolition at the site within the agreed time frame.

No Planning Permit has been issued as at the date of valuation, however we are aware that the Developer has discussed the potential of the subject site with the City of Melbourne and has had plans prepared by Cottee Parker Architects Pty Ltd which detail a staged development of approximately 1,566 residential apartments plus retail, commercial and associated car parking. Additional plans detail a higher yield scheme of approximately 1,700 apartments.

Valuation Rationale

In arriving at our opinion of the Freehold Market Value for the subject site we have adopted the direct comparison approach having considered relevant general and economic factors and in particular have investigated recent sales transactions of comparable properties that have occurred in the current market.

The assessment of the site value on an 'As Is' basis is made difficult by the nature of the contamination and demolition required to provide a suitable site for redevelopment. In the current market, sourcing of funds for a property of this nature is increasingly difficult and would require at least a significant equity contribution, notwithstanding the contamination issues.

We have not carried out our valuation on a hypothetical development basis nor the study of alternative development options.

We have disregarded the presence of any mortgage or other financial liens pertaining to the property. We have conducted a brief title search only. We have therefore not perused the original Crown Grant documentation. We have assumed that there are no further easements or encumbrances not disclosed by this brief title search which may affect market value. However, in the event that a comprehensive title search is undertaken which reveals further easements or encumbrances, we should be consulted to reassess any effect on the value stated herein.

Valuation

Individual value rates and property values adopted by CBRE as at 31 March 2009, according to the legal, locational, physical and financial attributes of the property along with the prevailing market conditions as outlined in the reports, are shown in the following table. For all details in respect of our assumptions, disclaimers, limitations, qualifications and rationale of the valuations, please refer to the individual complete, self contained valuation reports, separately prepared for each property.

Direct Comparison on Site Area

Site Area	9,195.80 square metres
Value Rate Per Square Metre	$4,750
Site Value	$43,680,050
Less Outstanding Costs	
Balance Consultancy Fee	$5,000,000
Balance Demolition / Decontamination	$2,500,000
Risk on Costs @10%	$750,000
Total	$8,250,000
Adopt	$35,430,050

As the values are assessed as at 31 March 2009, we have assumed that there will be no change in market conditions, physical attributes of the properties or other factors, likely to cause a material change in values between the respective date of inspection undertaken between 13 February and the valuation date.

Market Value Definitions

(Note: The International Valuation Standard referred to herein is adopted by the API and PINZ 2006.)

Market Value

In accordance with the International Valuation Standard definition of market value is as follows:

"*Market Value is the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction, after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion*"

AASB Fair Value

We have also had regard to the requirements of the Australian Accounting Standards Board under the recently introduces A-IFRS standards. In particular, we have considered AASB116 Property Plant and Equipment, which adopts the following definition of "fair value".

"*Fair value*" is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction."

In taking into account of this definition of value, we are of the opinion that it is consistent with the international definition of the Market Value.

Liability Disclaimer

(a) Neither this letter nor the full valuation reports may be reproduced in whole or in part without prior written approval of CB Richard Ellis Pty Ltd.

(b) CB Richard Ellis Pty Ltd has prepared this letter on the basis of, and limited to, the financial and other information (including market information and third party information) is accurate, reliable and complete and confirm that we have not tested the information in that respect.

(c) This summary letter is to be read in conjunction with our formal valuation reports dated 31 March 2009 and is subject to the assumptions, limitations and disclaimers contained therein.

(d) We confirm that the valuers do not have a pecuniary interest that would conflict with a proper valuation of the properties.

Yours sincerely
CB Richard Ellis (V) Pty Ltd

Ryan Pritchard AAPI
Associate Director – Valuation & Advisory Services

Note: Ryan Pritchard is a Certified Practising Valuer and an Associate Member of the Australian Property Institute. He has over 12 years' valuation experience in Victoria, Australia.

CBRE
CB RICHARD ELLIS

CB Richard Ellis (V) Pty Ltd
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3 June 2009

The Directors
Far East Consortium International Limited
16/F, Far East Consortium Building
121 Des Voeux Road, Central
Hong Kong

Dear Sirs,

The Valuation of Royal Domain Apartments
1306, 1801, 2201 / 370 St Kilda Road, Melbourne, Victoria Australia 3004.

Instructions

At your request, CB Richard Ellis (CBRE) has prepared this letter summarising the valuation results from our completed, self contained valuation reports. The purpose of our reports was to render our opinion of the market value of each property as at 31 March 2009 for financial reporting purposes.

The value conclusions are subject to the assumptions and limiting conditions contained in each report and reflect all information known by CBRE in relation to the subject properties and the current market conditions.

Our valuations are prepared in accordance with the "HKIS Valuation Standards on Properties (First Edition 2005)" and meet the requirements contained in Chapter 5 of the Rules Governing the Listing of Securities (the "Exchange Listing Rules") issued by the Stock Exchange of Hong Kong Limited.

Our reports are based upon the most current information available at the time that each valuation was prepared. CBRE accepts no responsibility for subsequent changes in information as to income, expenses or market conditions. Any subsequent change in lease terms will also have a corresponding change to the value.

Reliance on this Letter

We have prepared this letter summarising our reports which outlines key factors that have been considered in arriving at our opinions of value. This letter does not contain all of the data and supporting market information which is included in our reports.

CBRE has provided Far East Consortium International Limited with a valuation of each property. The valuations are not guarantees or predictions of the future performance of any particular property.

All monetary amounts are expressed in Australian Dollars

Critical Assumptions and Reliance on Information Provided

A summary of the critical assumptions adopted in the valuations are as follows:

Assumptions, Disclaimers, Limitations & Qualifications

Valuation Subject To Change:	Premise 1 – Real estate values vary from time to time in response to changing market circumstances and it should, therefore, be noted that this valuation is based on available information as at the date of valuation. No warranty can be given as to the maintenance of this value into the future. It is, therefore, recommended that the valuation be reviewed periodically.
Our Investigations:	Premise 2 – This valuation is conducted on the basis that we are not engaged to carry out all possible investigations in relation to the property. We have identified certain limitations to our investigations to enable you to instruct further investigations if you consider this appropriate. CB Richard Ellis is not liable for any loss occasioned by a decision not to instruct further investigations.

Assumptions:	Premise 3 – Assumptions are a necessary part of this valuation. CB Richard Ellis adopts assumptions because some matters are not capable of accurate calculation, or fall outside the scope of our expertise, or our instructions. Assumptions adopted by CB Richard Ellis are formulated on the basis that they could reasonably be expected from a professional and experienced valuer undertaking a similar valuation. However, the risk that any of the assumptions adopted in this document may be incorrect should be taken into account, and CB Richard Ellis does not warrant or represent that these assumptions are entirely accurate or correct.
Information Supplied By Others:	Premise 4 – This document contains a significant volume of information which is directly derived from other sources without verification by us, including but not limited to tenancy schedules, planning documents and environmental or other expert reports. Unless otherwise specifically instructed, we have only independently verified that information to the extent that such verification would be reasonably expected from a professional and experienced valuer undertaking a similar valuation.
Future Matters, GST & Tax:	Premise 5 – To the extent that this document includes any statement as to a future matter, that statement is provided as an estimate and/or opinion based on the information known to CB Richard Ellis at the date of this document. CB Richard Ellis does not warrant that such statements are accurate or correct. The general nature of the operation of GST is now known, however specific issues continue to arise which impact on market values. This valuation is based on the assumptions relating to GST set out in the body of this report. If any of the assumptions are found to be incorrect, or if the party on whose instructions this valuation is provided wishes our valuation to be based on different assumptions, this valuation should be referred back to CB Richard Ellis for comment and, in appropriate cases, amendment.

If the properties are disposed of at valuation (i) a goods and services tax on gross realization will be assessed at 1/11 after first deducting the pro rata land cost and (ii) income tax may be payable at the current corporate tax rate of 30% on the taxable income of the property owner. It is likely that the relevant tax liability will be crystallized as the property will be sold after development has been completed, as advised by Far East Consortium International Ltd.

Site Details: Premise 6 – A current survey has not been provided. This valuation is made on the basis that there are no encroachments by or upon the property and this should be confirmed by obtaining a current survey report and/or advice from a registered surveyor. If any encroachments are noted by the survey report, we should be consulted to reassess any effect on the value stated herein.

Property Title: Premise 7 – We have conducted a brief title search only. We have therefore not perused the original Crown Grant documentation. We have assumed that there are no further easements or encumbrances not disclosed by this brief title search which may affect market value. However, in the event that a comprehensive title search is undertaken which reveals further easements or encumbrances, we should be consulted to reassess any effect on the value stated herein. The registered proprietor is Far East Consortium (Australia) Pty Ltd, as trustee of The 360 St Kilda Road Unit Trust. We have been advised by Far East Consortium International Ltd that The 360 St Kilda Road Unit Trust is a 90% owned subsidiary of Far East Consortium International Limited.

Environmental Conditions:	Premise 8 – In the absence of an environmental site assessment relating to the subject property, we have assumed that the site is free of elevated levels of contaminants. Our visual inspections of the subject property and immediately surrounding properties revealed no obvious signs of site contamination. Furthermore, we have made no allowance in our valuation for site remediation works. However, it is important to point out that our visual inspection is an inconclusive indicator of the actual condition of the site. We make no representation as to the actual environmental status of the subject property. If a test is undertaken at some time in the future to assess the degree, if any, of contamination of the site and this is found to be positive, we reserve the right to review our valuation assessed herein, should we deem it to be necessary
Town Planning:	Premise 9 – It is assumed that information provided to us by the relevant Local Authority Town Planning Department is accurate. In the event that a Town Planning Certificate is obtained and the information therein is found to be materially different to the town planning information detailed within this report, we reserve the right to amend the advice provided herein. We were not advised of any road widening or other adverse planning proposals affecting the property.
Inclusions & Exclusions:	Premise 10 – Where applicable, our valuation includes those items that form (or will form) part of the building service installations such as heating and cooling equipment, lifts, sprinklers, lighting, etc., that would normally pass with the sale of the property, but excludes all items of plant, machinery, equipment, partitions, furniture and other such items which may have been installed (by the occupant) or are used in connection with the business(es) carried on within the property.

Floor Areas:	Premise 11 – We have assumed that floor areas have been calculated in accordance with the Property Council of Australia (PCA) Method of Measurement of Lettable Areas. We recommend that a survey be undertaken to determine whether the areas provided differ from PCA guidelines. In the event that there is a material variance in areas, we reserve the right to review our valuation as assessed herein.
Disability Discrimination Act:	Premise 12 – The Disability Discrimination Act deals with discrimination against persons with disabilities in respect to access to premises as well as many other areas. Should there be any concern as to whether the subject property may have any shortcomings in respect to this Act, we recommend that expert advice be sought from professionals qualified in this area.
Condition & Repair:	Premise 13 – Our valuation assumes that upon completion a detailed report of the structure and service installations of the building(s) would not reveal any defects requiring significant expenditure. Additionally, we assume that all structures will comply with all relevant statutory requirements in respect of matters such as health, building and fire safety regulations.
Valuation Methodology:	Premise 14 – The primary valuation methodology used by CB Richard Ellis in valuing the subject property is the direct comparison method for the residential apartments. The adopted methodology is considered to provide the best estimate of value CB Richard Ellis can produce, but it is an estimate only and not a prediction of sale or guarantee of value. Our valuation is fully dependent upon the accuracy of information provided to us and to market derived assumptions obtained from analysed transactions. The most relevant transactions are detailed in this report. We do not represent ourselves as experts for Data, such as economic, demographic or constructions costs, which has been obtained from external sources.

No Liability to Other Parties:	Premise 15 – This valuation is for the use only of Far East Consortium (Aust) Pty Ltd for Financial Reporting purposes and is only for their use, and for no other purpose, and we disclaim responsibility and liability to any other party who might use or rely on the whole or any part of this report. Any such use by other parties is expressly forbidden. Neither the whole nor part of this report shall be printed or published in any circular, document or publication without first obtaining our written approval of the form and context in which it is to appear.
Not a Structural Survey:	Premise 16 – We state that this is a valuation report, and not a Structural Survey.

Brief Description of the Properties

Royal Domain Tower comprises a 43 level luxury apartment development having been completed in 2007.

The subject apartments are finished to the highest quality relative to other luxury high rise apartment developments within the Melbourne apartment market. Entry is via grand full height entry foyer off St Kilda Road with 24 hour concierge and security card access.

At ground level there is a library, a large meeting/conference room, 25 metre heated pool and spa, sauna, steam room, gym and golf driving range. Entry to the lower ground and podium level carpark is via Wells Street to the rear. Three high speed and 1 goods lift provide access to all levels. The property is zoned business, 5 under The Port Philip planning scheme.

The properties are held for sale.

The three apartments are briefly described as follows:

Address	Beds/Baths	Car Parks	Living Area sqm
1306: Lot 1306 on PS419703E Carpark Lots 5704, 5705 and 2706, Volume, 10926 Folio 937			
1306/ 368 St Kilda Rd	3 Beds / 2 Baths	3	264
1801: Lot 1801 on PS419703E Carpark Lots 5418, 5149 and 5420 and Storage Cage Lot 5651 Volume 10926 Folio 961			
1801/368 St Kilda Rd	3 Beds / 2 Baths	3	249
2201: Lot 2201 on PS419703E Carpark Lots 5201, 5202 and 5203, Volume 10926 Folio 984			
2201/ 368 St Kilda Rd	3 Beds / 2 Baths	3	249

Valuation Rationale

In arriving at our opinions of the freehold market value for the apartments, we have utilised the direct comparison approach having regard to comparable apartment re-sales and off the plan sales as well as current economic conditions.

We have considered each apartments location within the tower, aspect, views, apartment size, balcony/terrace size, number of car spaces and level of finish.

Summary of Values

Individual property values adopted by CBRE as at 31 March 2009, according to the legal, locational, physical and financial attributes of the property's along with the prevailing market conditions as outlined in the reports, are shown in the following table. For all details in respect of our assumptions, disclaimers, limitations, qualifications and rationale of the valuations, please refer to the individual complete, self contained valuation reports, separately prepared for each property.

Address	GST Inclusive Value
1306/ 368 St Kilda Rd	$2,110,000
1801/ 368 St Kilda Rd	$2,400,000
2201/ 368 St Kilda Rd	$2,740,000

As the values are assessed as at 31 March 2009, we have assumed that there will be no change in market conditions, physical attributes of the properties or other factors, likely to cause a material change in values between the respective date of inspection undertaken between 9 February and the valuation date.

Market Value Definitions

(Note: The International Valuation Standard referred to herein is adopted by the API and PINZ 2006.)

Market Value

In accordance with the International Valuation Standard definition of market value is as follows:

"*Market Value is the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction, after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion*"

AASB Fair Value

We have also had regard to the requirements of the Australian Accounting Standards Board under the recently introduces A-IFRS standards. In particular, we have considered AASB116 Property Plant and Equipment, which adopts the following definition of "fair value".

"*Fair value*" is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction."

In taking into account of this definition of value, we are of the opinion that it is consistent with the international definition of the Market Value.

Liability Disclaimer

(a) Neither this letter nor the full valuation reports may be reproduced in whole or in part without prior written approval of CB Richard Ellis Pty Ltd.

(b) CB Richard Ellis Pty Ltd has prepared this letter on the basis of, and limited to, the financial and other information (including market information and third party information) is accurate, reliable and complete and confirm that we have not tested the information in that respect.

(c) This summary letter is to be read in conjunction with our formal valuation reports dated 31 March 2009 and is subject to the assumptions, limitations and disclaimers contained therein.

(d) We confirm that the valuers do not have a pecuniary interest that would conflict with a proper valuation of the properties.

Yours sincerely
CB Richard Ellis (V) Pty Ltd

Ryan Pritchard AAPI
Associate Director – Valuation & Advisory Services

Note; Ryan Pritchard is a Certified Practising Valuer and an Associate Member of the Australian Property Institute. He has over 12 years' valuation experience in Victoria, Australia.

CBRE
CB RICHARD ELLIS

CB Richard Ellis (V) Pty Ltd
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3 June 2009

The Directors
Far East Consortium International Limited
16/F, Far East Consortium Building
121 Des Voeux Road, Central
Hong Kong

Dear Sirs,

The Valuation of Lots 501 – 508, 7C, 14C, 46C, 47C, 58C, 75C, 95C, 109C – 111C Royal Domain Corporate, 370 St Kilda Road, Melbourne, Victoria Australia 3004

Instructions

At your request, CB Richard Ellis (CBRE) has prepared this letter summarising the valuation results from our completed valuation report. The purpose of our report was to render our opinion of the market value of each of the above lots as at 31 March 2009 for financial reporting purposes.

The value conclusions are subject to the assumptions and limiting conditions contained in the report and reflect all information known by CBRE in relation to the subject properties and current market conditions.

Our valuations are prepared in accordance with the "HKIS Valuation Standards on Properties (First Edition 2005)" and meet the requirements contained in Chapter 5 of the Rules Governing the Listing of Securities (the "Exchange Listing Rules") issued by the Stock Exchange of Hong Kong Limited.

Our reports are based upon the most current information available at the time that the valuation was prepared. CBRE accepts no responsibility for subsequent changes in information as to income, expenses or market conditions.

Reliance on this Letter

We have prepared this letter summarising our report which outlines key factors that have been considered in arriving at our opinion of values. This letter does not contain all of the data and supporting market information which is included in our report.

CBRE has provided Far East Consortium International Limited with individual valuations of each lot under consideration. The valuations are not guarantees or predictions of the future performance of any particular property.

All monetary amounts are expressed in Australian Dollars

Critical Assumptions and Reliance on Information Provided

A summary of the critical assumptions adopted in the valuations are as follows over page.

Assumptions, Disclaimers, Limitations & Qualifications

Valuation Subject To Change:	Premise 1 – Real estate values vary from time to time in response to changing market circumstances and it should, therefore, be noted that this valuation is based on available information as at the date of valuation. No warranty can be given as to the maintenance of this value into the future. It is, therefore, recommended that the valuation be reviewed periodically.
Our Investigations:	Premise 2 – This valuation is conducted on the basis that we are not engaged to carry out all possible investigations in relation to the property. We have identified certain limitations to our investigations to enable you to instruct further investigations if you consider this appropriate. CB Richard Ellis is not liable for any loss occasioned by a decision not to instruct further investigations.

Assumptions:	Premise 3 – Assumptions are a necessary part of this valuation. CB Richard Ellis adopts assumptions because some matters are not capable of accurate calculation, or fall outside the scope of our expertise, or our instructions. Assumptions adopted by CB Richard Ellis are formulated on the basis that they could reasonably be expected from a professional and experienced valuer undertaking a similar valuation. However, the risk that any of the assumptions adopted in this document may be incorrect should be taken into account, and CB Richard Ellis does not warrant or represent that these assumptions are entirely accurate or correct.
Information Supplied By Others:	Premise 4 – This document contains information which is directly derived from other sources without verification by us, including but not limited to tenancy schedules, leases, planning documents, and environmental or other expert reports. We confirm that we are not instructed to verify that information. Further, the information is not adopted by CB Richard Ellis as our own, even where it is used in our calculations. Where the content of this document has been derived, in whole or in part, from sources other than CB Richard Ellis, CB Richard Ellis does not warrant or represent that such information is accurate or correct.
Future Matters, GST & Tax:	Premise 5 – To the extent that this document includes any statement as to a future matter, that statement is provided as an estimate and/or opinion based on the information known to CB Richard Ellis at the date of this document. CB Richard Ellis does not warrant that such statements are accurate or correct. The general nature of the operation of GST is now known, however specific issues continue to arise which impact on market values. This valuation is based on the assumptions relating to GST set out in the body of this report. If any of the assumptions are found to be incorrect, or if the party on whose instructions this valuation is provided wishes our valuation to be based on different assumptions, this valuation should be referred back to CB Richard Ellis for comment and, in appropriate cases, amendment.

If the properties are disposed of at valuation income tax may be payable at the current corporate tax rate or 30% on the taxable income of the property owner. It is unlikely that the relevant tax liability will be crystallized as there is no plan to dispose of the properties as advised by Far East Consortium International Ltd.

Site Details: Premise 6 – A current survey has not been provided. This valuation is made on the basis that there are no encroachments by or upon the property and this should be confirmed by obtaining a current survey report and/or advice from a registered surveyor. If any encroachments are noted by the survey report, we should be consulted to reassess any effect on the value stated herein.

Property Title: Premise 7 – We have conducted a brief title search only. We have therefore not perused the original Crown Grant documentation. We have assumed that there are no further easements or encumbrances not disclosed by this brief title search which may affect market value. However, in the event that a comprehensive title search is undertaken which reveals further easements or encumbrances, we should be consulted to reassess any effect on the value stated herein. The registered proprietor is Royal Domain Tower Pty Ltd, as trustee of The 370 St Kilda Road Unit Trust. We have been advised by Far East Consortium International Ltd that the 370 St Kilda Road Unit trust is a wholly owned subsidiary of the Company.

Environmental Conditions: Premise 8 – In the absence of an environmental site assessment relating to the subject property, we have assumed that the site is free of elevated levels of contaminants. Our visual inspections of the subject property and immediately surrounding properties revealed no obvious signs of site contamination. Furthermore, we have made no allowance in our valuation for site remediation works. However, it is important to point out that our visual inspection is an inconclusive indicator of the actual condition of the site. We make no representation as to the actual environmental status of the subject property. If a test is undertaken at some time in the future to assess the degree, if any, of contamination of the site and this is found to be positive, we reserve the right to review our valuation assessed herein, should we deem it to be necessary.

Town Planning:	Premise 9 – It is assumed that information provided to us by the relevant Local Authority Town Planning Department is accurate. In the event that a Town Planning Certificate is obtained and the information therein is found to be materially different to the town planning information detailed within this report, we reserve the right to amend the advice provided herein. We were not advised of any road widening or other adverse planning proposals affecting the property.
Inclusions & Exclusions:	Premise 10 – Where applicable, our valuation includes those items that form (or will form) part of the building service installations such as heating and cooling equipment, lifts, sprinklers, lighting, etc., that would normally pass with the sale of the property, but excludes all items of plant, machinery, equipment, partitions, furniture and other such items which may have been installed (by the occupant) or are used in connection with the business(es) carried on within the property.
Floor Areas:	Premise 11 – We have assumed that floor areas have been calculated in accordance with the Property Council of Australia (PCA) Method of Measurement of Lettable Areas. We recommend that a survey be undertaken to determine whether the areas provided differ from PCA guidelines. In the event that there is a material variance in areas, we reserve the right to review our valuation as assessed herein.
Disability Discrimination Act:	Premise 12 – The Disability Discrimination Act deals with discrimination against persons with disabilities in respect to access to premises as well as many other areas. Should there be any concern as to whether the subject property may have any shortcomings in respect to this Act, we recommend that expert advice be sought from professionals qualified in this area.

Condition & Repair:	Premise 13 – We have inspected the building(s), however we advise that we have not carried out a structural survey nor tested any of the services or facilities and are therefore unable to state that these are free from defect. We advise that we have not inspected unexposed or inaccessible portions of the building and are therefore unable to state that these are free from rot, infestation, asbestos or other hazardous material. We have however, viewed the general state of repair of the property and advise that we did not notice any obvious signs of structural defect or dilapidations. Furthermore, the property appears to be in reasonable condition having regard to its age and use unless otherwise stated. Our valuation assumes that a detailed report of the structure and service installations of the building(s) would not reveal any defects requiring significant expenditure. Additionally, we assume that the building complies with all relevant statutory requirements in respect of matters such as health, building and fire safety regulations.
Valuation Methodology:	Premise 14 – The primary valuation methodology used by CB Richard Ellis in valuing the property is the direct comparison approach with a check by capitalisation of net income. These methodologies use market derived assumptions, including rents, yields, and capital value building rates obtained from analysed transactions. The adopted methodology is considered to provide the best estimate of value CB Richard Ellis can produce, but it is an estimate only and not a prediction of sale or guarantee of value. Our valuation is fully dependent upon the accuracy of information provided to us and to market derived assumptions obtained from analysed transactions. The most relevant transactions are detailed in this report. We do not represent ourselves as experts for Data, such as economic, demographic or constructions costs, which has been obtained from external sources.

No Liability to Other Parties:	Premise 15 – This valuation is for the use only of Far East Consortium International Limited for Financial Reporting purposes and is only for their use, and for no other purpose, and we disclaim responsibility and liability to any other party who might use or rely on the whole or any part of this report. Any such use by other parties is expressly forbidden. Neither the whole nor part of this report shall be printed or published in any circular, document or publication without first obtaining our written approval of the form and context in which it is to appear.
Not a Structural Survey:	Premise 16 – We state that this is a valuation report, and not a Structural Survey.

Brief Description of the Properties

The subject properties comprise 8 separately titled office suites (situated to Level 5 of the parent development), 7 single secure basement level car spaces, 3 bicycle storage spaces and 2 secure basement storage areas. The subject properties more particularly form part of Royal Domain Corporate, a 7 level commercial building first completed in circa mid 1960's, and which was comprehensively refurbished and subdivided into 120 office suites in 1999. The parent development includes basement and lower ground level car parking, ground floor foyer and lift lobby together with 6 upper levels of office accommodation together with a shared roof top terrace (level 7) affording pleasant views over the surrounding environs including the Melbourne CBD, Shrine of Remembrance, Royal Botanic Gardens and Port Phillip Bay.

Pedestrian access to the parent development is available directly via St Kilda Road, with the main building entrance being recessed from street level and featuring an attractively landscaped, paved forecourt and well presented building foyer / lift lobby. Vehicular ingress /egress to the car parking component of the parent development is available via Wells Street, to the rear of the building.

The properties are held for owner occupied purposes.

The total net lettable area of each lot under assessment has been calculated from reference to the Plan of Subdivision and our own onsite measurements, detailed below.

Floor Areas

Suite	**NLA** *(sq.m.)*	**Car Bays**	**Component**
501	46.5 m^2	–	Office
502	48.0 m^2	–	Office
503	73.0 m^2	–	Office
504	76.0 m^2	–	Office

Suite	NLA (sq.m.)	Car Bays	Component
505	61.0 m^2	–	Office
506	64.0 m^2	–	Office
507	64.0 m^2	–	Office
508	64.0 m^2	–	Office
7C	20.4 m^2	–	Storage
14C	–	1 bays	Car
46C (2 parts)	36.4 m^2	2 bays	Cars & Storage
47C	–	1 bays	Car
58C	–	1 bays	Car
75C	–	1 bays	Car
95C	–	1 bays	Car
109C	–	–	Bicycle
110C	–	–	Bicycle
111C	–	–	Bicycle
Total NLA	496.5 m^2		

Zoning:

Business 5 under the Port Philip planning scheme

Occupancy Details:

The subject properties are owner occupied and as such we have assessed the value of the properties on the basis of vacant possession

Tenure:

Freehold

Valuation Rationale

In arriving at our opinions of market value for the subject lots, we have utilised the direct comparison approach which involves making positive and negative adjustments between the subject lots and a range of comparable office suite sales on a rate per square metre of lettable area basis, as well as current economic and market conditions. In undertaking our assessments, we have considered the location of the individual suites within the parent development, natural light, size and shape of the individual suites among other factors, all of which impact on value.

We highlight that we have undertaken our assessments on an individual Certificate of Title basis, notwithstanding the current configuration of the subject properties as a single tenancy. Further to this, the individual assessments incorporate a capital allowance to reinstate the internal office suite partitions between the individual subject suites which currently do not exist given the configuration of the suites as a single occupancy.

Summary of Values

Individual property values adopted by CBRE as at 31 March 2009, according to the legal, locational, physical and financial attributes of the properties along with the prevailing market conditions as outlined in the report, are shown in the following table. For all details in respect of our assumptions, disclaimers, limitations, qualifications and rationale of the valuation, please refer to the original report, previously prepared.

Market Value Assessments

Lot	**NLA** *(sq.m.)*	**Car Bays**	**Bicycle Store**	**Assessed Market Value**	**Indicated** *$/sqm NLA*
501	46.5 m^2	–	–	$140,000	$3,011
502	48.0 m^2	–	–	$140,000	$2,917
503	73.0 m^2	–	–	$210,000	$2,877
504	76.0 m^2	–	–	$230,000	$3,026
505	61.0 m^2	–	–	$180,000	$2,951
506	64.0 m^2	–	–	$190,000	$2,969
507	64.0 m^2	–	–	$190,000	$2,969
508	64.0 m^2	–	–	$190,000	$2,969
7C	20.4 m^2	–	–	$30,000	$1,471
14C	–	1 bays	–	$30,000	–
46C (2 parts)	36.4 m^2	2 bays	–	$110,000	–
47C	–	1 bays	–	$30,000	–
58C	–	1 bays	–	$30,000	–
75C	–	1 bays	–	$30,000	–
95C	–	1 bays	–	$30,000	–
109C	–	–	1 bays	–	–
110C	–	–	1 bays	–	–
111C	–	–	1 bays	–	–
Total	553 m^2	7 bays	3 bays		

As the values are assessed as at 31 March 2009, we have assumed that there will be to change in market conditions, physical attributes of the properties or other factors likely to cause a material change in values between the date of inspection undertaken on 16 February 2009 and the valuation date, 31 March 2009.

Market Value Definitions

(Note: The International Valuation Standard referred to herein is adopted by the API and PINZ 2006.)

Market Value

In accordance with the International Valuation Standard definition of market value is as follows:

"Market Value is the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction, after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion"

AASB Fair Value

We have also had regard to the requirements of the Australian Accounting Standards Board under the recently introduces A-IFRS standards. In particular, we have considered AASB116 Property Plant and Equipment, which adopts the following definition of "fair value".

"Fair value" is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction."

In taking into account of this definition of value, we are of the opinion that it is consistent with the international definition of the Market Value.

Liability Disclaimer

(a) Neither this letter nor the full valuation report may be reproduced in whole or in part without prior written approval of CB Richard Ellis Pty Ltd.

(b) CB Richard Ellis Pty Ltd has prepared this letter on the basis of, and limited to, the financial and other information (including market information and third party information) is accurate, reliable and complete and confirm that we have not tested the information in that respect.

(c) This summary letter is to be read in conjunction with our formal valuation report dated 31 March 2009 and is subject to the assumptions, limitations and disclaimers contained therein.

(d) We confirm that the valuers do not have a pecuniary interest that would conflict with a proper valuation of the subject properties.

Yours sincerely
CB Richard Ellis (V) Pty Ltd

Amy McGrath

Amy McGrath AAPI
Valuer – Valuation & Advisory Services

Notes: Amy McGrath is a Certified Practising Valuer and an Associate Member of the Australian Property Institute. She has 3 years of experience in Victoria, Australia.

(E) Properties located in the USA

Lawson David & Sung Surveyors Limited
Rm. 1601, South China Bldg.,
1-3 Wyndham St., Central, Hong Kong

3 June 2009

The Directors
Far East Consortium International Limited
16/F., Far East Consortium Building
121 Des Voeux Road Central, Hong Kong

Dear Sirs,

RE: MARKET VALUATION OF THE GRAND HOTEL DALLAS BUILDING 1914 COMMERCE STREET, DALLAS, TEXAS 75201, UNITED STATES

1. INSTRUCTION

In pursuance to the instruction received from **FAR EAST CONSORTIUM INTERNATIONAL LIMITED** (referred to as the "Company") to value the above property situated in United States, we confirm that we have made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing the Market Value of the property as at 31 March 2009 (referred to as the "valuation date").

Our valuation are prepared in accordance with the "HKIS Valuation Standards on Properties (First Edition 2005)" and meet the requirements contained in Chapter 5 of the Rules Governing the Listing of Securities (the "Exchange Listing Rules") issued by The Stock Exchange of Hong Kong Limited.

2. BASIS OF VALUATION

Our basis of valuation is our opinion of the **Market Value**.

Market Value is defined as the estimated amount for which a Property should exchange on the date of Valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

3. METHOD OF VALUATION

In arriving at the Market Value of the subject property, we have adopted as our main approach, the **Direct Comparison Method of Valuation**.

This approach is based on the notion that market value can be estimated by comparing the property being assessed to similar properties that have sold recently, applying similar standard units of comparison, and making adjustments to the sale prices of the comparables based on the units of comparison. Adjustment factors include location, building design, conditions, improvements and renovation works, surrounding developments, facilities and amenities available etc.

4. ASSUMPTIONS

We have been specifically instructed by the Company to value the subject property as a fully refurbished hotel and operated by an experienced hotel operator.

Our valuation has been made on the assumption that the owner sells the property interest on the open market without the benefit of a deferred terms contract, leaseback, management agreement or any similar arrangement which could serve to increase the value of the property interests.

We have assumed that the Company has an uninterrupted right to use the property for the whole of the term as granted at nominal annual land use fees and any premium payable has been granted. We are unable to ascertain the titles of the property interest but have relied on the advice and information given by the Company regarding the validity and the nature of the property interests.

All documents and leases have been used as reference only and all dimensions, measurements and areas included in this valuation report are based on information contained in the documents available to us and are therefore approximations only. We have not been able to carry out detailed on-site measurements to verify the site area and floors areas of the property and we have assumed that the site and floor areas shown on the copies of the documents available to us are correct.

No structural survey has been carried out, and we are not able to report that the property is free from rot, infestation or any other structural defects, nor were any tests carried out on any of the services. We have assumed that the property has been constructed, occupied and used in full compliance with, and without contravention of all Ordinances, except only where otherwise stated. We have further assumed that, for any use if the property upon which this report is based, any and all required licenses, permits, certificates, and authorizations have been obtained, except only where otherwise stated.

Other special assumptions of the property, if any, have been stated out in the respective footnotes to the valuation certificates for the property.

5. TITLE INVESTIGATION

We have been provided by the Company with some documents in relation to the title of the property interest. However, we have not searched the original documents to verify ownership or to ascertain any amendments which may not appear on the copies available to us. We have relied, to a considerable extent, on any information given by the Company and have accepted advice given to us on such matters as statutory notices, easements, tenure, occupation, tenancy schedule, rentals, site and floor areas and all other relevant matters.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company which are material to the valuation, and have been advised by the Company that no material facts have been omitted from the information supplied.

6. LIMITING CONDITIONS

The service(s) provided by us is performed in accordance with professional valuation standard. Our compensation is not contingent in any way upon our conclusions of value. We assume, without independent verification, the accuracy of all data provided to us. We act as an independent valuer and reserve the right to use sub-consultants if deemed appropriate. All files, works, papers or documents developed by us during the course of the engagement have become our property. We may retain this data for at least five years.

Our report is to be used only for the purpose stated herein; any use or reliance for any other purpose, by you or third parties, is invalid. No responsibility is accepted to any third party or for any purposes other than that specified herein, for the whole or any part of its content. You may show our report in its entirety to other professionals who need to review the information for the purpose stated herein. Neither the whole nor any part of this valuation report nor any reference thereto may be included in any document, circular or statement without our written approval of the form and context in which it will appear.

In the event we are subject to any liability in connection with this engagement, regardless of legal theory advanced, such liability will be limited to the amount of fees we received for this engagement.

The valuer is not required to give testimony or to appear in court by reason of this report unless specific arrangement has been made there for.

We reserved the right to include your company/firm name in our client list, but we will maintain the confidentiality of all conversations and documents provided to us, and the contents of our reports, subject to legal or administrative process of proceedings. These conditions can only be modified by written documents executed by both parties.

We have assumed that the owner of the property interests have enforceable title to the property interests, and have free and uninterrupted rights to use the property for the whole of the unexpired term granted subject to payment of annual land uses fees, and that all requisite land premium/purchase consideration payable has been fully settled.

If the property is disposed at valuation, the potential tax liability is capital gain tax at 15% of the gain on disposal. No allowance has been made in our valuations for any charges, mortgages or amounts owing on the properties or for any expenses or taxation, which may be incurred in effecting a sale or purchase. It is unlikely that the relevant tax liability will be crystallized as there is no plan to dispose of the properties as advised by Far East Consortium International Ltd.

7. REMARKS

The property interests have been valued in US$ (United States Dollar).

We enclose herewith our summary of valuation and valuation certificates.

Yours faithfully,
For and on behalf of
LAWSON DAVID & SUNG SURVEYORS LIMITED

SUNG TZE WAH
Managing Director
F.R.I.C.S., F.H.K.I.S., M.S.I.S.V., A.C.I.Arb., R.P.S.(G.P.)

Note: Mr. Sung Tze Wah is a Chartered Surveyor who has 30 years of post-qualification experience in valuation of various types of properties in Hong Kong and overseas.

VALUATION CERTIFICATES

Property – The Grand Hotel Dallas Building, 1914 Commerce Street, Dallas, Taxas 75201, United States

Property	Description and tenure	Particulars of occupancy	Market value as at 31 March 2009
The Grand Hotel Dallas Building is a 19-storey hotel located by Commerce Street, S. Harwood Street, Jackson Street and S.St. Paul Street. The 19 storey building originally consists of 738 rooms	The hotel provides a wide range of comprehensive business facilities for guests. There are 14 business-meeting rooms, restaurants and a Grand ballroom which accommodating up to 1,100 guests for functions. All guest rooms are furnished with all basic amenities. The building area is about 631,698 square feet for refurbishment and upgrading. The building development is registered under HAMSHER INTERNATIONAL LTD. and GRANDCO INVESTMENT LTD, both wholly owned subsidiaries of the Company.	The property is vacant.	US$14,000,000.00

Notes:

a) The building has been completed since 1956. The properties are held for investment.

b) The value was rely extensively on the use of numerous assumptions and the consideration of many uncertainties in respect of which not all can be easily quantified or ascertained. The value arrived was assumed that the hotel was fully refurbished and operated by an experienced hotel operator.

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules and the Takeovers Code for the purpose of giving information with regard to the Group.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts not contained in this circular, the omission of which would make any statement in this circular misleading.

Tan Sri Chiu accepts full responsibility for the accuracy of the information contained in this circular (in so far as it is relating to the Chiu Family and its concert parties) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts not contained in this circular, the omission of which would make any statement in this circular misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date and immediately after CP Completion, MC Completion and the Proposed Conversion will be as follows:

Authorised:		*HK$*
2,000,000,000	Shares as at the Latest Practicable Date	200,000,000.00
2,000,000,000	Capital Increase	200,000,000.00
4,000,000,000	Share upon completion of the Capital Increase	400,000,000.00
Issued and fully paid:		
1,622,001,940	Shares as at the Latest Practicable Date	162,200,194.00
77,080,232	Conversion Shares to be issued	7,708,023.20
102,328,571	CP Consideration Shares to be issued	10,232,857.10
81,714,285	MC Consideration Shares to be issued	8,171,428.50
1,883,125,028	Shares upon CP Completion, MC Completion and the Proposed Conversion	188,312,502.80

All of the issued Shares rank *pari passu* with each other in all respects including the rights as to voting, dividends and return of capital. The Consideration Shares and the Conversion Shares to be allotted and issued will, when issued and fully paid, rank *pari passu* in all respects with the existing Shares.

Since 31 March 2008, the Company via its subsidiary, Singford Holdings Limited, repurchased certain of its own Shares as follows:

Month of repurchase	No. of ordinary share of HK$0.01 each	Price per Share Highest	Price per Share Lowest	Aggregate consideration paid
	HK$	*HK$*	*HK$*	*HK$*
April 2008	1,825,000	3.00	2.72	5,178,000
May 2008	904,000	2.80	2.62	2,468,000
June 2008	600,000	2.58	2.55	1,536,000
July 2008	4,320,000	2.00	1.82	8,366,000
August 2008	3,748,000	1.90	1.70	6,906,000
September 2008	1,000,000	1.51	1.43	1,482,000

The above Shares were cancelled upon repurchase and, accordingly the issued share capital of the Company was reduced by the nominal value of these Shares and the premium paid on repurchase was charged to share premium. The issued share capital of the Company was 1,607,014,952 Shares after the above Share repurchases.

Since 31 March 2008, the Company has issued 14,248,502 Shares on 8 October 2008 and 738,486 Shares on 27 February 2009, to Shareholders elected Shares as scrip dividends for the year ended 31 March 2008 and for the 6 months ended 30 September 2008 respectively.

Save as disclosed above, since 31 March 2008, the date to which the latest audited financial statements of the Company were made up, and up to the Latest Practicable Date, the Company has not issued or repurchased any new Shares.

In December 2004, the Company issued zero coupon convertible bonds with a principal amount of HK$754,000,000 (the "HK$ Bonds"). The holders of the HK$ Bonds are entitled to convert the convertible bonds into ordinary shares of the Company at an initial conversion price of HK$4.10 per Share (subject to adjustment upon the occurence of events stated in the Offering Circular dated 9 December 2004, such as (1) Share consolidation, subdivision or reclassification; (2) capitalization of profits or reserves; (3) distribution to the Shareholders; (4) right issue of Share; (5) right issues of other securities; (6) issue of Shares at a consideration less than current market price; (7) issue of other securities arising from a conversion or other securities at a consideration less than current market price; (8) modification of conversion right; (9) other offers to Shareholders or (10) other events that considered applicable), during the period from 11 January 2005 to 10 November 2009, or to require the Company to redeem all or some of the HK$ Bonds on 10 December 2006 at 104.58% of their principal amount. As at the Latest Practicable Date, the conversion price was adjusted to HK$2.775 per Share. The Company may redeem all but not some of the HK$ Bonds on or at any time after 10 June 2005 and prior to 10 December 2009, subject to certain conditions. Unless previously redeemed, converted or purchased and cancelled, the HK$ Bonds will be redeemed at 111.84% of their principal amount of 10 December 2009.

The HK$ Bonds are listed on the Stock Exchange. Details of the issue of the HK$ Bonds were disclosed in the Company's circular dated 10 November 2004. The principal amount of the HK$ Bond outstanding as at the Latest Practicable Date amounted to HK$106,680,000.

The Company's share option scheme was adopted pursuant to a resolution passed on 28 August 2002 (the "Share Option Scheme") for the purpose of providing incentives and rewards to employees or executive or officers of the Company or any of its subsidiaries (including executive and non-executive directors) and business consultants, agents and legal or financial advisers who will contribute or have contributed to the Company or any of its subsidiaries. Under the Share Option Scheme, the board of directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for Shares.

As at the Latest Practicable Date, the number of Shares which remained outstanding under the Share Option Scheme was 24,650,000, representing approximately 1.52% of the Shares in issue at that date. The total number of Shares in respect of which options may be granted under the Share Option Scheme is not permitted to exceed 10% of the Shares in issue at any point in time, without prior approval from the Shareholders. The number of Shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the Shares in issue at any point in time, without prior approval from the Shareholders.

Options granted will be taken up upon payment of HK$1 per option. Options may be exercised at any time not exceeding a period of 10 years from the date on which the share options is accepted. The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the closing price of the Shares on the date of grant, (ii) the average closing price of the Shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Share.

Details of share options, which were granted on 21 October 2004 at an initial exercise price at HK$2.075 per Share, on 25 August 2006 at an initial exercise price at HK$3.290 per Share and on 8 May 2009 at an initial exercise price at HK$1.500 per Share, are as follows:

Category of grantee	Date of grant	Exercise price *HK$*	Outstanding as at Latest Practicable Date	Exercise period
Senior management				
Cheong Thard Hoong	08.05.2009	1.500	1,850,000	16.09.2009 – 15.09.2009
			1,850,000	16.09.2010 – 15.09.2019
			1,850,000	16.09.2011 – 15.09.2019
			1,850,000	16.09.2012 – 15.09.2019
			7,400,000	
Chi Hing Chan	21.10.2004	2.075	500,000	01.01.2007 – 31.12.2010
			1,800,000	01.01.2008 – 31.12-2010
			2,000,000	01.01.2009 – 31.12.2010
			4,300,000	
Bill Kwai Pui Mok	21.10.2004	2.075	1,200,000	01.01.2007 – 31.12.2010
			1,800,000	01.01.2008 – 31.12.2010
			2,000,000	01.01.2009 – 31.12.2010
			5,000,000	
Other employees in aggregate	21.10.2004	2.075	250,000	01.01.2004 – 31.12.2010
			425,000	01.01.2006 – 31.12.2010
			1,075,000	01.01.2007 – 31.12.2010
			2,275,000	01.01.2008 – 31.12.2010
			2,975,000	01.01.2009 – 31.12.2010
			7,000,000	
Other employees in aggregate	25.08.2006	3.29	450,000	01.01.2009 – 31.12.2010
			500,000	01.01.2010 – 31.12.2010
			950,000	
		Total	24,650,000	

Save as disclosed above, the Company did not have any other options, warrants and other convertible securities or rights affecting the Shares as at the Latest Practicable Date.

3. MARKET PRICES

The table below shows the closing price of the Shares on the Stock Exchange on (i) the last trading day of the Stock Exchange for each calendar month during the Relevant Period before the Latest Practicable Date; (ii) the last business day prior to the date of the Announcement; and (iii) the Latest Practicable Date:

Date	**Closing price per Share** *HK$*
28 November 2008	0.83
31 December 2008	1.06
30 January 2009	0.93
27 February 2009	0.74
31 March 2009	0.79
30 April 2009	1.02
6 May 2009 (the last business day prior to the date of the Announcement)	1.21
Latest Practicable Date	1.78

The highest and lowest closing prices per Share recorded on the Stock Exchange during the Relevant Period were HK$1.80 on 27 May 2009 and HK$0.70 on 3 March 2009 respectively.

4. DIRECTORS' INTEREST

As at the Latest Practicable Date, the following Directors and chief executive of the Company were interested, or were deemed to be interested in the following long and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO; or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Mode Code for Securities Transactions by Directors adopted by the Company to be notified to the Company and the Stock Exchange:

(a) Long position in Shares and underlying Shares

Name of Director	Capacity	Number of Shares held: Personal interests	Corporate interests	Family interests	Total	% of issued share capital of the Company
Tan Sri Chiu	Beneficial owner, interest of child or spouse & interest of controlled corporations	820,002	628,648,662(i)	557,000	630,025,664	38.84%
Deacon Te Ken Chiu	Beneficial owner, interest of child or spouse & interest of controlled corporations	11,912,255	129,098,058(ii)	1,485,810(iii)	142,496,123	8.79%
Dennis Chiu	Beneficial owner, interest of child or spouse & interest of controlled corporations	8,633	5,180,378(iv)	–	5,189,011	0.32%
Daniel Tat Jung Chiu	Beneficial owner, interest of child or spouse & interest of controlled corporations	44,561	3,877,218(v)	–	3,921,779	0.24%
Ching Lan Ju Chiu	Beneficial owner, interest of child or spouse & interest of controlled corporations	1,485,810	–	141,010,313(vi)	142,496,123	8.79%

Notes:

(i) 367,514,104 Shares are held by Sumptuous, 11,470 Share are held by Modest Secretarial Services Limited, companies controlled by Tan Sri Chiu. 102,328,571 Shares, 81,714,285 Shares and 77,080,232 Shares are to be issued to Sumptuous to satisfy in part of the CP Consideration, to satisfy the MC Consideration, and under the Proposed Conversion respectively.

(ii) These Shares are held by various companies controlled by Mr. Deacon Te Ken Chiu.

(iii) These Shares are held by Madam Ching Lan Ju Chiu, spouse of Mr. Deacon Te Ken Chiu and are entirely duplicated and included in the personal interests of Madam Ching Lan Ju Chiu.

(iv) These Shares are held by Chiu Capital N.V., a company controlled by Mr. Dennis Chiu and First Level Holdings Limited, a company controlled by Mr. Dennis Chiu and Mr. Daniel Tat Jung Chiu.

(v) These Shares are held by First Level Holdings Limited, a company controlled by Mr. Dennis Chiu and Mr. Daniel Tat Jung Chiu and are entirely duplicated and included in the corporate interest of Mr. Dennis Chiu.

(vi) These Shares are held by Mr. Deacon Te Ken Chiu, spouse of Madam Ching Lan Ju Chiu and are entirely duplicated and included in the personal and corporate interests of Mr. Deacon Te Ken Chiu.

(b) Share options

As at the Latest Practicable Date, the Company has not granted to the Directors any share option under the share option scheme adopted on 28 August 2002.

(c) Share in associated corporations

As at the Latest Practicable Date, the interests of Directors in the share capital of the Company's associated corporations were as follows:

Name of Director	Name of associated corporation	Number of ordinary shares held
Deacon Te Ken Chiu	Kanic Property Management Limited	2
Tan Sri Chiu	Oi Tak Enterprises Limited	250,000

Save as disclosed in this circular, as at the Latest Practicable Date, none of the Directors and chief executive of the Company were interested, or were deemed to be interested in the long and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO; or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Mode Code for Securities Transactions by Directors adopted by the Company to be notified to the Company and the Stock Exchange.

(d) Service contracts

As at the Latest Practicable Date, save for the Belteky Employment Contract (which is a contract proposed to be entered into on or before the CP Completion), there were no existing or proposed service contracts between any of the directors or proposed directors of the Group and any member of the Group, the CP Transaction Entities and the Best Impact Group, excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation).

As at the Latest Practicable Date, there were no service contracts with the Group in force for Directors (i) which (including both continuous and fixed term contracts) have been entered into or amended within the Relevant Period; (ii) which are continuous contracts with a notice period of 12 months or more; or (iii) which are fixed term contracts with more than 12 months to run irrespective of the notice period.

(e) Interest in assets of the Group

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which were, since 31 March 2008 (being the date to which the latest published audited consolidated financial statements of the Group were made up) acquired or disposed of by or leased to, were proposed to be acquired or disposed of by or leased to, any member of the Group.

(f) Interest in contracts and arrangements

None of the Directors had material interest in any contract or arrangement subsisting at the Latest Practicable Date which is significant in relation to the business of the Group.

(g) Interest in competing business

As at the Latest Practicable Date, to the best of the knowledge of the Directors, none of the Directors or their respective associates has any interest in a business, which competes or may compete with the business of the Group.

5. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, according to the register of interests in long positions and short positions kept by the Company pursuant to Division 2 and 3 of Part XV and section 336 of the SFO and as far as the Directors are aware, the following persons had a long position or short position in the shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or who was interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Name of Shareholder	Capacity	Nature of interests	No. of Shares held	% of issued share capital of the Company
Zwaanstra John	Interests in controlled corporation	Long	469,074,397	28.92%
Penta Investment Advisers Ltd.	Investment manager	Long	469,074,397	28.92%

Name of Shareholder	Capacity	Nature of interests	No. of Shares held	% of issued share capital of the Company
Mercurius GP LLC	Founder of a discretionary trust	Long	178,265,591	10.99%
Penta Asia Fund, Ltd.	Interests in controlled corporation	Long	178,265,591	10.99%
Zwaanstra Todd	Trustee	Long	178,265,591	10.99%
UBS AG	Beneficial owner	Long	20,000	0.00%
	Person having a security interest	Long	127,869,682	7.88%

Note: "Long" refers to the long position in the shares of the Company held by such person/entity, while "Short" refers to short position in the shares of the Company held by such person/entity.

Save as disclosed above, none of the Directors or chief executive of the Company are aware of any person (other than the Directors or chief executive of the Company) who, as at the Latest Practicable Date, had an interest or short position on the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

6. ADDITIONAL DISCLOSURE OF INTERESTS

(a) Save as disclosed in the letter from the Board and the section headed "Directors' Interest" above, the Directors did not have any shares, convertible securities, warrants, options or other derivatives of the Company. None of the Directors had dealt for value in any shares, convertible securities, warrants, options or other derivatives of the Company during the Relevant Period.

(b) As at the Latest Practicable Date, there was no agreement, arrangement or understanding between Tan Sri Chiu or any parties acting in concert with him (including Sumptuous) and other persons in relation to the transfer, charge or pledge of the Shares to be issued to Tan Sri Chiu and parties acting in concert with him (including Sumptuous) in relation to the Acquisitions and/or the Proposed Conversion and/or the Whitewash Waiver.

(c) As at the Latest Practicable Date, Tan Sri Chiu and parties acting in concert with him (including Sumptuous) had no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with any person.

(d) As at the Latest Practicable Date, no person had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is an associate of the Company by virtue of classes (1), (2), (3) and (4) of the definition of "associate" in the Takeovers Code.

(e) As at the Latest Practicable Date, no person has irrevocably committed themselves to vote for or against the resolutions to be proposed at the EGM.

(f) No benefit will be given to any Director as compensation for loss of office in any members of the Group or otherwise in connection with the CP Transaction Agreements and/or the Best Impact Agreement and/or the Proposed Conversion and/or the Whitewash Waiver.

(g) Save for the CP Transaction Agreements and the Best Impact Agreement, as at the Latest Practicable Date, there was no material contract entered into by Tan Sri Chiu in which a Director (other than those who are also the members of the Chiu Family) had a material personal interest.

(h) As at the Latest Practicable Date, none of (i) the subsidiaries of the Company; (ii) the pension fund of the Company or of a subsidiary of the Company; and (iii) any advisers to the Company (as specified in class (2) of the definition of "associate" under the Takeovers Code) had any interest in the Shares, convertible securities, warrants, options or derivatives of the Company.

(i) Save for interests of Penta as disclosed in the section headed "regulatory implications" in the letter from the Board in this circular, as at the Latest Practicable Date, no Shares, convertible securities, warrants, options or derivatives of the Company were managed on a discretionary basis by fund managers connected with the Company.

(j) As at the Latest Practicable Date, save for the CP Transaction Agreements, the Best Impact Agreement and the Proposed Conversion, there was no agreement or arrangement between any Director and any other person which is conditional on or dependent upon the outcome of the Acquisitions and/or the Proposed Conversion and/or the Whitewash Waiver or otherwise connected with the Acquisitions and/or the Proposed Conversion and/or the Whitewash Waiver.

(k) Save as disclosed in the letter from the Board and the section headed "Directors' Interest" in this appendix, Tan Sri Chiu or any parties acting in concert with him (including Sumptuous) did not hold any shares, convertible securities, warrants, options or other derivatives of the Company. Save as disclosed in the letter from the Board, none of Tan Sri Chiu or any parties acting in concert with him (including Sumptuous) had dealt for value in any shares, convertible securities, warrants, options or other derivatives of the Company during the Relevant Period.

(l) As at the Latest Practicable Date, none of the Directors has expressed his or her intention, in respect of their own beneficial shareholdings, to vote for or against the resolutions to be proposed at the EGM.

(m) No agreement, arrangement or understanding (including any compensation arrangement) exists between Tan Sri Chiu or any person acting in concert with him (including Sumptuous) and any of the Directors, recent Directors, Shareholders or recent Shareholders having any connection with or dependance upon the Acquisitions and/or the Proposed Conversion and/or the Whitewash Waiver.

(n) The Company does not hold nor has dealt in any shares, convertible securities, warrants, options or derivatives of Sumptuous.

(o) Sumptuous is wholly owned by Tan Sri Chiu. None of the Directors has dealt for value in any shares, convertible securities, warrants, options or derivatives of Sumptuous during the Relevant Period.

7. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against the Company or any of its subsidiaries.

8. MATERIAL CONTRACTS

The following contracts, not being contracts in the ordinary course of business, have been entered into by the Group after the date two years preceding the date of the Announcement and up to the Latest Practicable Date:

(a) The agreement dated 29 June 2007 entered into between Wu Han Far East Dorsett Hotel Management Company Limited, an indirect wholly-owned subsidiary of the Company, as purchaser and Wu Han Jiang Long Real Estate Building Development Co., Ltd as vendor for the sale and purchase of the building complex which mainly consists of (i) the land use right of a plot of land located in No 118, Jiang Han Street, Jiang An District, Wu Han with a site area of approximately 5,409 s.q.m.; and (ii) the properties titles of the property, namely 港澳中心 (Hong Kong and Macau Centre), situated on such plot of land at the consideration of RMB420,000,000 (equivalent to approximately HK$432,600,000);

(b) the five unconditional pre-sale contracts dated 3 June 2008 entered into between 上海建華房地產開發經營有限公司 (Shanghai Jianhua Property Development Co., Ltd.), as vendor and 錦秋(上海)置業發展有限公司 (Ching Chu (Shanghai) Real Estate Development Company Limited), an indirect wholly-owned subsidiary of the Company, as purchaser in relation to the acquisition for (i) the land use right of a plot of land located in Nos. 769-800, Hua Mu Road, Pudong District, Shanghai, with a site area of 3,990 s.q.m.; and (ii) the properties titles of a property, namely 建華東方大廈 (Jianhua Oriental Apartment), situated on such plot of land at the consideration of RMB280,000,000 (equivalent to approximately HK$316,500,000);

(c) the sale contract dated 24 November 2008 entered into between Far East Consortium (Australia) Pty Ltd., an indirect wholly-owned subsidiary of the Company as purchaser and Soldis Capital Pty Ltd., as vendor in relation to the acquisition for (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 at the consideration of A$33,100,000 (equivalent to approximately HK$165,200,000);

(d) the CP Transaction Agreements;

(e) the Best Impact Agreement;

(f) the Care Park Implementation Agreement; and

(g) the Plaza Damas Option Agreement.

9. EXPERTS AND CONSENTS

(a) The following are the qualifications of the experts who have given their opinions and advice which are included in this circular:

Name	**Qualification**
Access Capital	a licensed corporation to carry on type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO
Urbis Valuations Pty Ltd	independent professional valuer
Raine & Horne International Zaki + Partners Sdn. Bhd.	independent professional valuer
DTZ Debenham Tie Leung Limited	independent professional valuer
Khong & Jaafar Sdn Bhd	independent professional valuer
Jones Lang LaSalle	independent professional valuer
CB Richard Ellis (V) Pty Ltd	independent professional valuer
Lawson David & Sung Surveyors Limited	independent professional valuer
廣東華盈律師事務所	PRC legal adviser
上海昊坤律師事務所	PRC legal adviser
四川合泰律師事務所	PRC legal adviser

Dewell & Partners	PRC legal adviser
Syed Alwi, Ng & Co.	Malaysian legal adviser

(b) Neither Access Capital, Urbis Valuations Pty Ltd., Raine & Horne International Zaki + Partners Sdn. Bhd., DTZ Debenham Tie Leung Limited, Khong & Jaafar Sdn Bhd, Jones Lang LaSalle, CB Richard Ellis (V) Pty Ltd, Lawson David & Sung Surveyors Limited, 廣東華盈律師事務所，上海昊坤律師事務所，四川合泰律師事務所，Dewell & Partners nor Syed Alwi, Ng & Co. has any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

(c) Access Capital, Urbis Valuations Pty Ltd., Raine & Horne International Zaki + Partners Sdn. Bhd., DTZ Debenham Tie Leung Limited, Khong & Jaafar Sdn Bhd, Jones Lang LaSalle, CB Richard Ellis (V) Pty Ltd, Lawson David & Sung Surveyors Limited, 廣東華盈律師事務所，上海昊坤律師事務所，四川合泰律師事務所，Dewell & Partners and Syed Alwi, Ng & Co. have given and have not withdrawn their respective written consent to the issue of this circular with the inclusion of their respective opinions or letters and/or the references to their names and/or their opinions or letters in the form and context in which they are respectively included.

(d) Neither Access Capital, Urbis Valuations Pty Ltd., Raine & Horne International Zaki + Partners Sdn. Bhd., DTZ Debenham Tie Leung Limited, Khong & Jaafar Sdn Bhd, Jones Lang LaSalle, CB Richard Ellis (V) Pty Ltd, Lawson David & Sung Surveyors Limited, 廣東華盈律師事務所，上海昊坤律師事務所，四川合泰律師事務所，Dewell & Partners nor Syed Alwi, Ng & Co. had any direct or indirect interest in any asset which had been acquired or disposed of by, or leased to any member of the Group, or was proposed to be acquired or disposed of by, or leased to any member of the Group since 31 March 2008, the date to which the latest published audited financial statements of the Group were made up.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection (i) during normal business hours (other than Saturdays, Sundays and public holidays) at the principal office of the Company at 16th Floor, Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong; (ii) on the website of the SFC (www.sfc.hk); and (iii) on the website of the Company (www.fecil.com.hk) from the date of this circular up to and including the date of the EGM:

(a) the Memorandum of Association and the Articles of Association of the Company;

(b) the Memorandum of Association and the Articles of Association of Sumptuous;

(c) the 2007 and 2008 annual reports of the Company containing audited consolidated financial statements of the Group for the two years ended 31 March 2007 and 2008, and 2008-09 interim report of the Company containing unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2008;

(d) the letter of recommendation from the Independent Board Committee to the Independent Shareholders, the text of which is set out in the section headed "Letter from the Independent Board Committee" in this circular;

(e) the letter from Access Capital containing its advice to the Independent Board Committee and the Independent Shareholders, the text of which is set out in the section headed "Letter from Access Capital" in this circular;

(f) the valuation report from Urbis Valuations Pty Ltd. in respect of the property interest of the CP Transaction Entities, the text of which is set out in Appendix II to this circular;

(g) the valuation report from Raine & Horne International Zaki + Partners Sdn. Bhd. in respect of the property interest of the Best Impact Group, the text of which is set out in Appendix III to this circular;

(h) the valuation reports from each of DTZ Debenham Tie Leung Limited, Raine & Horne International Zaki + Partners Sdn. Bhd., Khong & Jaafar Sdn Bhd, Jones Lang LaSalle, CB Richard Ellis (V) Pty Ltd and Lawson David & Sung Surveyors Limited in respect of the property interest of the Group, the texts of which are set out in Appendix IV to this circular;

(i) the written consents referred to in the paragraph headed "Experts and Consents" in this appendix;

(j) the service contracts referred to in the paragraph headed "Service Contracts" in this Appendix; and

(k) the material contracts referred to in the paragraph headed "Material Contracts" in this Appendix.

11. MISCELLANEOUS

(a) The qualified accountant and secretary of the Company is Bill Kwai Pui Mok, *MBA, AICPA, HKICPA*.

(b) The Hong Kong branch share registrar and transfer office of the Company is Tricor Standard Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.

(c) The registered address of Somerley Limited is 10th Floor, The Hong Kong Club Building, 3A Chater Road, Central, Hong Kong.

(d) The registered address of Access Capital is Suite 606, 6/F, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong.

(e) The address of Tan Sri Chui is 16/F., Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong.

(f) The address of Sumptuous is 16/F., Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong. Its sole director is Tan Sri Chiu.

(g) In the event of inconsistency, the English texts of this circular and the accompanying form of proxy shall prevail over the Chinese texts.

FAR EAST CONSORTIUM INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)
Website: http://www.fecil.com.hk
(Stock code: 35)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**Meeting**") of the above mentioned company (the "Company") will be held at the Xinhua Room, Mezzanine Floor, Cosmopolitan Hotel, 387-397 Queen's Road East, Wan Chai, Hong Kong on Friday, 19 June 2009 at 3:00 p.m. for the purpose of considering and, if thought fit, passing the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

1. "**THAT**

(a) the Implementation Deed dated 7th May 2009 ("**Implementation Agreement**") (a copy of which has been produced to the Meeting and marked "A" and signed by the chairman of the Meeting for the purpose of identification) entered into between the Company, Tan Sri Dato' David Chiu ("**Chiu**"), Robert Paul Belteky ("**Belteky**"), Craig Grenfell Williams and Deanne Pointon ("**Pointon**") whereby the parties have conditionally agreed to procure a series of transactions principally pursuant to and contemplated under the agreements described in paragraphs (b) to (i) below ("**Transactions**"), such that, among others: (i) Care Park Group Pty Ltd ("**CPG**") (a wholly owned subsidiary of FEC Care Park Holdings (Australia) Pty Ltd ("**FEC Care Park**") (which is also a wholly owned subsidiary of the Company) as at the date of this notice) shall acquire the entire interest in the entities existing in Australia and New Zealand through which a car park business is operated ("**CP Transaction Entities**"), details of which are set out in the circular dated 3rd June 2009 ("**Circular**"); (ii) the Company shall issue 102,328,571 shares in the Company to Chiu pursuant to the Chiu Sale Agreement as described in paragraph (d); (iii) CPG shall, through the collective effect of the agreements described in paragraphs (b), (c), (d) and (e), upon completion of the Transactions, have 10,000 shares on issue which will be held as to 73.75% by FEC Care Park, 14% by Warmlink Pty Limited ("**Warmlink**"), 9.25% by Chartbridge Pty Limited ("**Chartbridge**") and 3% by Pointon upon the terms and conditions therein contained, details of which are set out in the Circular and (iv) CPG shall grant Warmlink, Chartbridge and Pointon the right to sell shares in CPG to FEC Care Park ("**CP Put Options**") upon the terms and conditions contained in the Shareholders Agreement as described in paragraph (g), details of which are set out in the Circular, be and is hereby approved, confirmed and ratified in all respects and the transactions contemplated under the Implementation Agreement be and are hereby approved;

(b) the Minority Swap Agreement dated 7th May 2009 ("**Share Swap Agreement**") (a copy of which has been produced to the Meeting and marked "B" and signed by the chairman of the Meeting for the purpose of identification) entered into between (i) CPG; (ii) Chartbridge in its capacity as trustee of the Craig Williams Family Trust; and (iii) Warmlink in its capacity as trustee of the Belteky Investments Trust, whereby Chartbridge will swap all of the shares in the CP Transaction Entities held by it for 1,425 shares in CPG and Warmlink will swap all of the shares in the CP Transaction Entities held by it for 1,900 shares in CPG, upon the terms and conditions therein contained, details of which are set out in the Circular, be and is hereby approved, confirmed and ratified in all respects and the transactions contemplated under the Minority Swap Agreement be and are hereby approved;

(c) the Minority Share Sale Agreement dated 7th May 2009 ("**Minority Agreement**") (a copy of which has been produced to the Meeting and marked "C" and signed by the chairman of the Meeting for the purpose of identification) entered into between (i) FEC Care Park; (ii) Chiu; (iii) Chartbridge in its capacity as trustee of the Craig Williams Family Trust; (iv) Warmlink in its capacity as trustee of the Belteky Investments Trust; (v) Pointon; (vi) Far East Consortium (Australia) Pty Ltd in its own capacity and as trustee of the 360 St Kilda Road Unit Trust ("**FEC Australia**"); (vii) Royal Domain Towers Pty Ltd in its own capacity and as trustee of the 370 St Kilda Road Unit Trust ("**Royal Domain**"); (viii) Far East Rockman Hotels (Australia) Pty Ltd ("**Rockman**"); and (ix) Bradney Proprietary Limited in its own capacity and as trustee of the 265 Exhibition Street Unit Trust ("**Bradney**") (parties (vi) to (ix) the "**FEC Guarantor Companies**") whereby FEC Care Park has conditionally agreed to acquire and each of Warmlink and Chartbridge has conditionally agreed to sell 500 ordinary shares each in the share capital of CPG, for an aggregate consideration of A$4.0 million, which shall be payable in cash upon the terms and conditions therein contained, details of which are set out in the Circular, be and is hereby approved, confirmed and ratified in all respects and the transactions contemplated under the Minority Agreement be and are hereby approved;

(d) the Chiu Sale Agreement dated 7th May 2009 ("**Chiu Agreement**") (a copy of which has been produced to the Meeting and marked "D" and signed by the chairman of the Meeting for the purpose of identification) entered into between (i) Chiu; (ii) CPG; (iii) the FEC Guarantor Companies; whereby CPG has conditionally agreed to acquire and Chiu has conditionally agreed to sell (i) 65 ordinary shares in the issued share capital of Care Park Holdings Pty Ltd ("**CPH**"), a company incorporated in Victoria, Australia; (ii) 65 ordinary shares in the issued share capital of Care Park New Zealand Limited ("**CPN**"), a company incorporated in New Zealand; and (iii) 65 ordinary shares in the issued share capital of Care Park Properties Pty Ltd ("**CPP**"), a company incorporated in Victoria, Australia, for an aggregate consideration of A$24.7 million by way of an issue of 102,328,571 new shares in the Company to be allotted at the issue price of HK$1.4 to Chiu or his nominee ("**CP Consideration Shares**") upon the terms and conditions therein contained, details of which are set out in the Circular, be and is hereby approved, confirmed and ratified in all respects and the transactions contemplated under the Chiu Agreement be and are hereby approved;

(e) the Option Cancellation and New Option Deed ("**Option Cancellation Deed**") dated 7th May 2009 (a copy of which has been produced to the Meeting and marked "E" and signed by the chairman of the Meeting for the purpose of identification) entered into between (i) CPN; (ii) CPP; (iii) CPH; (iv) FEC Care Park; (v) CPG; and (vi) Pointon whereby Pointon has conditionally agreed to cancel her option to acquire 5% of the capital of each of CPN, CPP and CPH in consideration of (i) payment by FEC Care Park of A$0.8 million in cash; and (ii) CPG entering into a new subscription of option agreement with Pointon ("**Pointon Subscription Option Agreement**") (details of which are set out in the Circular), under which CPG grants Pointon an option to acquire shares equivalent to 3% of CPG's issued capital (which is expected to be exercised immediately after completion under the Implementation Agreement), details of which are set out in the Circular, be and is hereby approved, confirmed and ratified in all respects and the transactions and agreements contemplated under the Option Cancellation Deed (including the Pointon Subscription Option Agreement) be and are hereby approved;

(f) conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited ("**Stock Exchange**") granting the listing of, and permission to deal in the CP Consideration Shares, the creation and issue of the CP Consideration Shares subject to the terms and conditions of the Implementation Agreement be and is hereby approved and that the Directors of the Company (or a duly authorized committee thereof or any persons authorized by them) be and are hereby authorized to allot and issue the CP Consideration Shares upon completion of the transactions contemplated by the Implementation Agreement;

(g) the Shareholders' Agreement dated 7th May 2009 (a copy of which has been produced to the Meeting and marked "F" and signed by the chairman of the Meeting for the purpose of identification) entered into between (i) Warmlink; (ii) Chartbridge; (iii) Pointon; (iv) FEC Care Park; and (v) FEC Guarantor Companies ("**Shareholders Agreement**") whereby, among other things, FEC Care Park agrees to grant Warmlink, Chartbridge and Pointon the CP Put Options subject to a cap of $5.306 million, A$3.470 million and A$1.224 million (equivalent to approximately HK$30.8 million, HK$20.1 million and HK$7.1 million) respectively ("**CP Cap Amount**"), details of which are set out in the Circular, upon the terms and conditions therein contained, details of which are set out in the Circular, be and is hereby approved, confirmed and ratified in all respects and the transactions and agreements contemplated under the Shareholders Agreement be and are hereby approved; and the acquisition at any time by FEC Care Park of shares in CPG pursuant to the exercise of any or all of the CP Put Options (subject to the CP Cap Amount), as contemplated by the Shareholders Agreement, be and are hereby approved, confirmed and ratified in all respects;

(h) the Belteky Employment Agreement ("**Belteky Employment Agreement**") to be entered into on or prior to completion of the transactions contemplated under the Implementation Agreement (a copy of which has been produced to the Meeting and marked "G" and signed by the chairman of the Meeting for the purpose of identification) entered into between (i) Belteky; (ii) Care Park Pty Ltd, a subsidiary of CPG, whereby Belteky will be appointed as the managing director of CPG and all its subsidiaries from the date of completion of the transactions contemplated under the Implementation Agreement for a period of 10 years details of which are set out in the Circular, be and is hereby approved; and

(i) the Directors of the Company or any committee thereof or any persons authorized by them be and are hereby authorized to take all actions and execute all and such further documents or deeds as they may consider necessary or desirable for the purpose of implementing and giving effect to the transactions contemplated by the Implementation Agreement, the Share Swap Agreement, the Chiu Agreement, the Minority Agreement, the Option Cancellation Deed, the Shareholders Agreement (including the grant of the CP Put Options and the acquisition of shares in CPG pursuant to the exercise of the CP Put Options) and the Belteky Employment Agreement."

2. "**THAT**

(a) the Sale and Purchase Agreement dated 7th May 2009 ("**Best Impact Agreement**") (a copy of which has been produced to the Meeting and marked "H" and signed by the chairman of the Meeting for the purpose of identification) entered into between Tan Sri Dato' David Chiu ("**Chiu**") and Apexwill Limited ("**Apexwill**") whereby Apexwill has conditionally agreed to acquire and Chiu has conditionally agreed to sell one ordinary share of US$1.00 each in Best Impact Limited ("**Best Impact**"), representing the entire issued share capital of Best Impact and the benefits and interest in the shareholders loan of Best Impact as at the date of completion of the Best Impact Agreement at the consideration of RM52 million, which shall be settled by way of issuance of 81,714,285 new shares of the Company to be allotted at the issue price of HK$1.4 to Chiu ("**BI Consideration Shares**") upon the terms and conditions contained therein, details of which are set out in the circular dated 3rd June 2009, be and is hereby approved, confirmed and ratified in all respects and the transactions contemplated under the Best Impact Agreement be and is hereby approved;

(b) conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in the BI Consideration Shares, the creation and issue of the BI Consideration Shares subject to the terms and conditions of the Best Impact Agreement be and are hereby approved and that the Directors of the Company (or a duly authorized committee thereof or any persons authorized by them) be and are hereby authorized to allot and issue the BI Consideration Shares upon completion of the transactions contemplated by the Best Impact Agreement;

(c) the Directors of the Company or any committee thereof or any persons authorized by them be and are hereby authorized to take all actions and execute all and such further documents or deeds as they may consider necessary or desirable for the purpose of implementing and giving effect to the transactions contemplated by the Best Impact Agreement."

3. "**THAT** the authorised share capital of the Company be increased from HK$200,000,000, divided into 2,000,000,000 shares of HK$0.1 each ("**Shares**") to HK$400,000,000 divided into 4,000,000,000 Shares by the creation of an additional 2,000,000,000 Shares ranking pari passu in all respects with existing issued and unissued Shares be and is hereby approved."

4. "**THAT** subject to and conditional on the passing of resolution 1 as set out in the notice convening this Meeting, and subject and pursuant to Note 1 of the "Notes on dispensations from Rule 26" of the Hong Kong Code on Takeovers and Mergers ("**Code**"), it is hereby confirmed, consented to, agreed and approved that Tan Sri Dato David Chiu ("**Chiu**") and parties acting in concert with him shall not be obliged to make any general offer for shares of HK$0.1 each ("**Shares**") in issue in the capital of the Company held by shareholders of the Company (other than those held by Chiu and parties acting in concert with him at the relevant time) which would otherwise have to be made under Rule 26 of the Code as a result of the allotment and issue of the CP Consideration Shares (as defined in ordinary resolution 1 as set out in the notice convening this Meeting)."

5. "**THAT** subject to and conditional on the passing of resolution 2 as set out in the notice convening this Meeting, and subject and pursuant to Note 1 of the "Notes on dispensations from Rule 26" of the Hong Kong Code on Takeovers and Mergers ("**Code**"), it is hereby confirmed, consented to, agreed and approved that Tan Sri Dato David Chiu ("**Chiu**") and parties acting in concert with him shall not be obliged to make any general offer for shares of HK$0.1 each ("**Shares**") in issue in the capital of the Company held by shareholders of the Company (other than those held by Chiu and parties acting in concert with him at the relevant time) which would otherwise have to be made under Rule 26 of the Code as a result of the allotment and issue of the BI Consideration Shares (as defined in ordinary resolution 2 as set out in the notice convening this Meeting)."

6. "**THAT** subject and pursuant to Note 1 of the "Notes on dispensations from Rule 26" of the Hong Kong Code on Takeovers and Mergers ("**Code**"), it is hereby confirmed, consented to, agreed and approved that Tan Sri Dato David Chiu ("**Chiu**") and parties acting in concert with him shall not be obliged to make any general offer for shares of HK$0.1 each ("**Shares**") in issue in the capital of the Company held by shareholders of the Company (other than those held by Chiu and parties acting in concert with him at the relevant time) which would

otherwise have to be made under Rule 26 of the Code as a result of the allotment and issue of Shares as a result of the conversion in full of the zero coupon convertible bond in the principal amount of HK$331,445,000 by Chiu, details of which are set out in the circular dated 3rd June 2009."

By Order of the Board
Bill Kwai Pui Mok
Chief Financial Officer and Company Secretary

Dated 3 June 2009

Notes:

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and, on a poll, to vote on his/her behalf. A proxy need not be a member of the Company.

2. To be valid, a form of proxy, together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Company's registrar, Tricor Standard Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 48 hours before the time appointed for holding the Meeting or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude shareholders from attending the Meeting and voting in person.

3. A form of proxy for use at the Meeting is enclosed.

4. In the case of joint holders of any share, any one of such holders may vote at the Meeting either personally or by proxy in respect of such share, but if more than one of such joint holders is present at the Meeting either personally or by proxy, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the other joint holder(s) and for this purpose, seniority will be determined by the order in which the names stand in the register of members in respect of joint holders.

5. The vote at the Meeting will be taken by poll.