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## **FAR EAST CONSORTIUM INTERNATIONAL LIMITED**

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

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

(Stock Code: 35)

### **ANNOUNCEMENT**

## **EXERCISES OF OPTIONS TO SELL SHARES BY MINORITY SHAREHOLDERS OF CARE PARK GROUP PTY LTD AND CONNECTED TRANSACTION IN RELATION TO THE ENTERING INTO THE VARIATION DEED**

### **EXERCISES OF THE SECOND ANNIVERSARY PUT OPTIONS (OPTIONS TO SELL SHARES IN CARE PARK)**

The Company wishes to announce that on 16 May 2012, pursuant to the Second Anniversary Put Options, each of the Minority Shareholders of Care Park (which is a non-wholly owned subsidiary of the Company) exercised their rights to sell some of the CP Shares held by them at the Fair Market Value, which was determined at A\$6,160 (equivalent to approximately HK\$49,280) per CP Share, to FEC Australia. The total consideration and total number of CP Shares sold by the Minority Shareholders are A\$1,416,800 (equivalent to approximately HK\$11,334,400) and 230 CP Shares respectively, representing 2.3% of the total issued share capital of Care Park.

### **THE VARIATION DEED**

Upon the exercise of the Second Anniversary Put Options by the Minority Shareholders, Care Park, FEC Australia, the Minority Shareholders and the FEC Guarantor Companies entered into the Variation Deed on 16 May 2012 to vary certain terms of the CP Shareholders Agreement in respect of, among other things, the Fourth Anniversary Put Options and Fourth Anniversary Call Options.

## LISTING RULES IMPLICATIONS

### *In respect of the exercises of the Second Anniversary Put Options*

As the exercises of the Second Anniversary Put Options granted to Warmlink, Chartbridge and Deanne Pointon are not at the discretion of the Group, on the grant of the Second Anniversary Put Options, the transaction was classified as if the Second Anniversary Put Options had been exercised pursuant to Rule 14.74(1) of the Listing Rules. On the exercise or transfer of the Second Anniversary 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. Given the Care Park Implementation Agreement and the transactions and agreements contemplated thereunder, including the exercises of the Second Anniversary Put Options, have been approved by the Independent Shareholders at the Shareholders' meeting on 19 June 2009, no further shareholders' approval is required on the exercises of the Second Anniversary Put Options.

### *In respect of the entering into the Variation Deed*

As at the date of this announcement, Chartbridge is wholly owned by Craig Williams, who is the executive Director of the Company and Warmlink is a substantial shareholder of Care Park and partially owned by Robert Belteky, who is a director of Care Park. Accordingly, Chartbridge and Warmlink are connected persons of the Company under the Listing Rules and the entering into the Variation Deed constitutes a connected transaction for the Company. Since all the relevant percentage ratios in respect of (i) granting of the Seventh Anniversary Put Options; (ii) acquisition of the Seventh Anniversary Call Options; and (iii) the cancellations of the Fourth Anniversary Put Options and the Fourth Anniversary Call Options in respect of the CP Shares held by Chartbridge, are less than 5%, the entering into the Variation Deed is subject to announcement and reporting requirements but exempt from the independent shareholders' approval requirement of the Listing Rules. On the exercise or the transfer of the Seventh Anniversary Put Options, such exercise or transfer will be announced by the Company as soon as reasonably practicable. On the exercise or the transfer of the Seventh Anniversary Call Options by the Group, the Company will comply with the then Listing Rules where applicable.

## INTRODUCTION

Reference is made to the announcements of the Company dated 7 May 2009 and 19 June 2009 and the circular of the Company dated 3 June 2009 (the "**Circular**") in relation to, among other things, the acquisition of car park interests and grant of the CP Put Options to Warmlink, Chartbridge and Deanne Pointon.

Unless the context requires otherwise, capitalized terms used in this announcement shall have the same meanings as those defined in the Circular.

## EXERCISES OF THE SECOND ANNIVERSARY PUT OPTIONS

The Board wishes to announce that on 16 May 2012, pursuant to the Second Anniversary Put Options, each of Warmlink, Chartbridge and Deanne Pointon (the “**Minority Shareholders**”), being the minority shareholders of Care Park, exercised their rights to sell some of the CP Shares held by them at the Fair Market Value, which was determined at A\$6,160 (equivalent to approximately HK\$49,280) per CP Share by an expert as appointed by the CP Shareholders in accordance with the CP Shareholders Agreement, to FEC Australia. FEC Australia is the major shareholder of Care Park holding 73.75% of the total issued share capital of Care Park immediately before the exercises of the Second Anniversary Put Options by the Minority Shareholders and a wholly-owned subsidiary of the Company.

To the best of the directors’ knowledge, information and belief having made all reasonable enquiry, Chartbridge (being wholly owned by Craig Williams who is an executive Director of the Company and a director of Care Park) and Warmlink (being a substantial shareholder of Care Park and partially owned by Robert Belteky who is a director of Care Park) are connected persons of the Company; and Deanne Pointon, save for being an employee and a shareholder of Care Park, is a third party independent of the Company and its connected persons.

The total consideration and total number of CP Shares sold by the Minority Shareholders are A\$1,416,800 (equivalent to approximately HK\$11,334,400) and 230 CP Shares respectively, representing 2.3% of the total issued share capital of Care Park.

Particulars of the CP Shares to be transferred (the “**Transferred CP Shares**”) and the exercise price are set out as follows: —

1. Chartbridge exercised the Second Anniversary Put Options to sell 100 CP Shares (representing 1.0% of total issued share capital of Care Park) at the price of A\$6,160 (equivalent to approximately HK\$49,280) per CP Share, totaling A\$616,000 (equivalent to approximately HK\$4,928,000). The maximum number of CP Shares that Chartbridge is entitled to sell under the Second Anniversary Put Options is 231.25 CP shares (representing 2.3125% of total issued share capital of Care Park) pursuant to the CP Shareholders Agreement.
2. Warmlink exercised the Second Anniversary Put Options to sell 100 CP Shares (representing 1.0% of total issued share capital of Care Park) at the price of A\$6,160 (equivalent to approximately HK\$49,280) per CP Share, totaling A\$616,000 (equivalent to approximately HK\$4,928,000). The maximum number of CP Shares that Warmlink is entitled to sell under the Second Anniversary Put Options is 350 CP shares (representing 3.5% of total issued share capital of Care Park) pursuant to the CP Shareholders Agreement.
3. Deanne Pointon exercised the Second Anniversary Put Options to sell 30 CP Share (representing 0.3% of total issued share capital of Care Park) at the price of A\$6,160 (equivalent to approximately HK\$49,280) per CP Share, totaling A\$184,800 (equivalent to approximately HK\$1,478,400). The maximum number of CP Shares that Deanne Pointon is entitled to sell under the Second Anniversary Put Options is 75 CP shares (representing 0.75% of total issued share capital of Care Park) pursuant to the CP Shareholders Agreement.

Upon completion of the exercises of the Second Anniversary Put Options, Care Park will be owned as to 76.05% by FEC Australia, 8.25% by Chartbridge, 13.00% by Warmlink and 2.70% by Deanne Pointon.

## **Completion**

Completion shall take place on 30 May 2012 in accordance with the CP Shareholders Agreement whereupon the purchase price payable by FEC Australia for the Transferred CP Shares shall be paid to the Minority Shareholders and the Minority Shareholders shall, among other things, deliver the share certificates and executed transfers for the Transferred CP Shares to FEC Australia. The purchase price payable by FEC Australia will be in cash, which is expected to be satisfied by the internal resources of the Group.

## **THE VARIATION DEED**

Upon the exercise of the Second Anniversary Put Options by the Minority Shareholders as mentioned above, all parties to the Shareholders Agreement, being Care Park, FEC Australia, the Minority Shareholders and the FEC Guarantor Companies entered into a variation deed (the “**Variation Deed**”) on 16 May 2012 to vary certain terms of the CP Shareholders Agreement to the effect, among other things, that:—

- (a) Warmlink and Pointon shall postpone the exercise of the Fourth Anniversary Put Options (i.e. in the year of 2013) for 3 years to the year of 2016 (i.e. on the seventh anniversary of CP Completion) (the “**Seventh Anniversary Put Options**”) and the exercise date of the Fourth Anniversary Call Options by FEC Australia shall be extended to the seventh anniversary of CP Completion (the “**Seventh Anniversary Call Options**”) accordingly;
- (b) Chartbridge shall abandon its right to exercise the Fourth Anniversary Put Option and the right of FEC Australia to exercise the Fourth Anniversary Call Option against Chartbridge shall be cancelled accordingly; and
- (c) each of the Second Anniversary Put Options and the Seventh Anniversary Put Options may only be exercised by the Minority Shareholders (other than Deanne Pointon and Chartbridge (in the case of the Seventh Anniversary Put Options only)) where the aggregate number of CP Shares the subject of the Second Anniversary Put Options or the Seventh Anniversary Put Options (as the case may be) exercised by all Minority Shareholders represents a minimum of 2% of all CP Shares then in issue.

The amendments to the CP Shareholders Agreement are negotiated on an arm’s length basis between the parties to the CP Shareholders Agreement.

The amendments to the CP Shareholders Agreement shall take effect from the date of the Variation Deed and, subject to such variations made therein, will not affect the validity or enforceability of the rest of the CP Shareholders Agreement. Save as disclosed above, other terms and conditions of the CP Shareholders Agreement remain the same in all material respects.

## **REASONS FOR ENTERING INTO THE VARIATION DEED**

As it is of benefit to the Company for management of Care Park to continue to hold bigger stake in the business of Care Park as they will be more incentivized to drive the performance of the business as shareholders, the Directors consider the terms of the Variation Deed are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Save for Mr. Craig Williams who has abstained from voting on the board resolution regarding the entering into the Variation Deed, none of the Directors have a material interest in the Variation Deed and the transactions contemplated thereunder.

## **INFORMATION ON CARE PARK**

The Care Park Group is principally engaged in car parking management and operations in Australia and New Zealand.

For the years ended 31 March 2011, the audited consolidated profits before taxation and minority interests and audited consolidated profits after taxation and minority interests of Care Park were approximately A\$3.7 million (equivalent to approximately HK\$29.6 million) and approximately A\$2.3 million (equivalent to approximately HK\$18.4 million) respectively. For the period from 1 July 2009 to 31 March 2010, the audited consolidated profits before taxation and minority interests and audited consolidated profits after taxation and minority interests of Care Park were approximately A\$3.3 million (equivalent to approximately HK\$26.4 million) and approximately A\$2.2 million (equivalent to approximately HK\$17.6 million) respectively. As at 31 March 2011, the consolidated net asset value of Care Park was approximately A\$37.3 million (equivalent to approximately HK\$298.4 million).

## **INFORMATION ON THE COMPANY**

The Group is principally engaged in (i) property development and investment; (ii) hotel operation and investment; and (iii) car park investment and management.

## **INFORMATION ON WARMLINK AND CHARTBRIDGE**

Chartbridge is principally engaged in investment as trustee of the Craig Williams Family Trust. Warmlink is principally engaged in investment and management as trustee of the Belteky Investments Trust.

## **LISTING RULES IMPLICATIONS**

### *In respect of the exercises of the Second Anniversary Put Options*

As the exercises of the Second Anniversary Put Options granted to Warmlink, Chartbridge and Deanne Pointon are not at the discretion of the Group, on the grant of the Second Anniversary Put Options, the transaction is classified as if the Second Anniversary Put Options had been exercised pursuant to Rule 14.74(1) of the Listing Rules. On the exercise or transfer of the Second Anniversary 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. Given the Care Park

Implementation Agreement and the transactions and agreements contemplated thereunder, including the exercises of the Second Anniversary Put Options, have been approved by the Independent Shareholders at the Shareholders' meeting on 19 June 2009, no further shareholders' approval is required on the exercises of the Second Anniversary Put Options.

*In respect of the entering into the Variation Deed*

As at the date of this announcement, Chartbridge is wholly owned by Craig Williams, who is the executive Director of the Company and Warmlink is a substantial shareholder of Care Park and partially owned by Robert Belteky, who is a director of Care Park. Accordingly, Chartbridge and Warmlink are connected persons of the Company under the Listing Rules and the entering into the Variation Deed constitutes a connected transaction for the Company. Since the all percentage ratios in respect of (i) granting of the Seventh Anniversary Put Options; (ii) acquisition of the Seventh Anniversary Call Options; and (iii) the cancellations of the Fourth Anniversary Put Options and the Fourth Anniversary Call Options in respect of the CP Shares held by Chartbridge, are less than 5%, the entering into the Variation Deed is subject to announcement and reporting requirements but exempt from the independent shareholders' approval requirement of the Listing Rules. On the exercise or the transfer of the Seventh Anniversary Put Options, such exercise or transfer will be announced by the Company as soon as reasonably practicable. On the exercise or the transfer of the Seventh Anniversary Call Options by the Group, the Company will comply with the then Listing Rules where applicable.

By order of the Board of  
**Far East Consortium International Limited**  
**Cheung Wai Hung Boswell**  
*Chief Financial Officer and Company Secretary*

Hong Kong, 16 May 2012

*As at the date of this announcement, the executive Directors are Tan Sri Dato' David CHIU, Mr. Dennis CHIU and Mr. Craig Grenfell WILLIAMS. The non-executive Director is Mr. Daniel Tat Jung CHIU. The independent non-executive Directors are Mr. Kwok Wai CHAN, Mr. Peter Man Kong WONG, and Mr. Kwong Siu LAM.*

*Unless otherwise specified, amounts in this announcement denominated in A\$ have been translated for the purpose of illustration only into Hong Kong dollars at the rate of A\$1.00: HK\$8.00. No representation is made that any amounts can be or could have been converted at the relevant dates at the above rate or any other rates at all.*

*This announcement was originally prepared in English and was subsequently translated into Chinese. In the event of any inconsistency between the two texts, the English text of this announcement shall prevail over the Chinese text.*