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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or other 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 with the accompanying form of proxy to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or the transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)

**MAJOR TRANSACTION INVOLVING
DISPOSAL OF A PROPERTY-HOLDING SUBSIDIARY
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A letter from the Board is set out on pages 3 to 9 of this circular.

A notice convening the extraordinary general meeting of Far East Consortium International Limited to be held at Xinhua Room, Mezzanine Floor, Cosmopolitan Hotel, 387-397 Queen's Road East, Wanchai, Hong Kong on Friday, 20 July 2012 at 11:00 a.m. is set out on pages N-1 to N-2 of this circular. Whether or not you are able to attend the extraordinary general meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to Far East Consortium International Limited's share registrar in Hong Kong, Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the extraordinary general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the extraordinary general meeting or at any adjournment thereof should you so wish.

26 June 2012

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DEFINITIONS

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

“associate”	has the meaning ascribed thereto in the Listing Rules;
“Board”	board of FEC Directors;
“Company”	Hong Kong (SAR) Hotel Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Seller;
“Completion”	the completion of the sale and purchase of the Sale Shares and the Sale Loan under the Sale and Purchase Agreement pursuant to the terms and conditions thereof;
“Consideration”	the aggregate consideration payable by the Purchaser to the Seller for the Sale Shares and the Sale Loan in the amount of HK\$800,000,000, subject to adjustment according to the net current assets of the Company as at the date of Completion;
“Disposal”	the disposal of the Sale Shares and the Sale Loan by the Seller to the Purchaser pursuant to the Sale and Purchase Agreement;
“FEC”	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;
“FEC Directors”	the directors of FEC;
“FEC EGM”	an extraordinary general meeting of FEC to be held at Xinhua Room, Mezzanine Floor, Cosmopolitan Hotel, 387-397 Queen’s Road East, Wanchai, Hong Kong on Friday, 20 July 2012 at 11:00 a.m.;
“FEC Group”	FEC and its subsidiaries;
“FEC Shares”	ordinary share(s) of HK\$0.10 each in the share capital of FEC;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Hotel”	the hotel which is currently known as “Dorsett Regency Hotel, Hong Kong” erected on the Property;
“Joint Announcement”	the joint announcement of FEC and KHI dated 25 May 2012 in relation to the Disposal;

DEFINITIONS

“KHI”	Kosmopolito Hotels 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 (Stock Code: 2266) and a non wholly-owned subsidiary of FEC;
“KHI Directors”	the directors of KHI;
“KHI Group”	KHI and its subsidiaries;
“Latest Practicable Date”	21 June 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Property”	all those pieces or parcels of ground together with the messuages erections and buildings constructed thereon and now known as No.18 Davis Street, Hong Kong (formerly known as Nos.12, 14, 16, 18, 20 and 22 Davis Street, Hong Kong);
“Purchaser”	CCB Properties (Hong Kong) Holdings Limited, a company incorporated in Hong Kong with limited liability;
“Sale and Purchase Agreement”	the sale and purchase agreement dated 25 May 2012 and entered into among the Seller, the Purchaser and KHI in relation to the Disposal;
“Sale Loan”	the shareholder’s loan which will be outstanding and owing at Completion by the Company to the Seller, and which amounted to approximately HK\$301.5 million as at the Latest Practicable Date;
“Sale Shares”	10,000 shares of HK\$1 in the Company representing the entire issued share capital of the Company;
“Seller”	Havena Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of KHI;
“SFO”	the Securities and Futures Ordinance, Chapter 571, Laws of Hong Kong;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	The Code on Takeovers and Mergers of Hong Kong; and
“%”	per cent.

LETTER FROM THE BOARD



FAR EAST CONSORTIUM INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

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

(Stock Code: 35)

Executive Directors:

Tan Sri Dato' CHIU David
Mr. CHIU Dennis
Mr. Craig Grenfell WILLIAMS

Non-executive Director:

Mr. CHIU Tat Jung Daniel

Independent Non-executive Directors:

Mr. CHAN Kwok Wai
Mr. WONG Man Kong Peter
Mr. LAM Kwong Siu

Registered office:

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

***Principal place of business
in Hong Kong:***

16th Floor,
Far East Consortium Building,
121 Des Voeux Road Central,
Hong Kong

26 June 2012

To the shareholders

Dear Sir or Madam,

**MAJOR TRANSACTION INVOLVING
DISPOSAL OF A PROPERTY-HOLDING SUBSIDIARY
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

Reference is made to the Joint Announcement made by FEC and KHI dated 25 May 2012 in relation to the Disposal.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, inter alia, (i) further information regarding the Disposal; (ii) financial and other information of the FEC Group as required under the Listing Rules; (iii) the valuation report in relation to the Property; and (iv) the notice of the FEC EGM.

2. THE DISPOSAL

On 25 May 2012, the Seller, the Purchaser and KHI entered into the Sale and Purchase Agreement, whereby the Seller has agreed to sell, and the Purchaser has agreed to purchase, the Sale Shares and the Sale Loan at the Consideration and KHI has agreed to guarantee the due performance by the Seller of its obligations and responsibilities under the Sale and Purchase Agreement.

Parties

- (a) Havena Holdings Limited, a wholly-owned subsidiary of KHI and a non wholly-owned subsidiary of FEC, as the Seller;
- (b) CCB Properties (Hong Kong) Holdings Limited, as the Purchaser; and
- (c) Kosmopolito Hotels International Limited, as guarantor of the Seller.

To the best of the knowledge, information and belief of the FEC Directors having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are third parties independent of FEC and the connected persons (as defined under the Listing Rules) of FEC.

Assets to be disposed of

Pursuant to the Sale and Purchase Agreement, the Seller has agreed to sell, and the Purchaser has agreed to purchase, the Sale Shares, representing the entire issued share capital of the Company, and the Sale Loan, representing the entire amount of the shareholder's loan owing by the Company to the Seller.

The Company is a company incorporated in Hong Kong with limited liability on 16 February 1993. The principal activity of the Company is the development, operation and management of the Hotel located at 18 Davis Street, Hong Kong and the related facilities and the Company is the registered and beneficial owner of the Property.

The audited net liabilities of the Company as at 31 March 2012 were HK\$159 million. The net profits of the Company before and after taxation for the year ended 31 March 2012 were HK\$8.6 million and the net losses of the Company before and after taxation for the year ended 31 March 2011 were HK\$0.4 million.

The Company is currently an indirect wholly-owned subsidiary of KHI. After Completion, KHI will no longer have any interests in the Company and the Company will cease to be a subsidiary of the KHI Group. Moreover, the KHI Group will cease to own and operate the Hotel and the Hotel will cease to make use of the Dorsett trademark with immediate effect after Completion.

LETTER FROM THE BOARD

Consideration

The aggregate consideration for the Sale Shares and the Sale Loan is HK\$800,000,000, out of which:

- (a) the consideration for the sale and assignment of the Sale Loan shall be an amount equal to the Sale Loan on a dollar for dollar basis (the “**Loan Consideration**”); and
- (b) the Consideration less the Loan Consideration shall be the consideration for the purchase of the Sale Shares.

The Consideration shall be satisfied in the following manner:

- (a) a sum of HK\$80,000,000 has been paid by the Purchaser to the Seller upon signing of the Sale and Purchase Agreement as deposit; and
- (b) the balance of the Consideration is to be paid by the Purchaser to the Seller upon Completion, after deduction of approximately HK\$175,000,000 for full repayment of the outstanding mortgage loan due and owing by the Company.

After Completion, the amount of current assets and current liabilities of the Company as at the date of Completion shall be audited by the auditors engaged by KHI and reviewed by the auditors engaged by the Purchaser. If such amount of current assets exceed such amount of current liabilities, the Purchaser shall pay to the Seller the excess thereof. If such amount of current assets are less than such amount of current liabilities, the Seller shall pay to the Purchaser the shortfall thereof.

The Consideration was arrived at after arm’s length negotiations between the Seller and the Purchaser.

The Consideration reflects the fair value of the assets (including the Property) held by the Company.

Condition precedent

Completion is conditional upon the approval by the shareholders of KHI and approval by the shareholders of FEC (in the manner as provided under the Listing Rules or the applicable laws, rules and regulations) of the Sale and Purchase Agreement and the transactions contemplated thereunder in compliance with the requirements of the Listing Rules.

If the above condition is not fulfilled by 31 August 2012 (or such other date as the parties may agree), the deposit paid to the Seller shall be returned to the Purchaser, whereupon the Sale and Purchase Agreement shall lapse and no party to such agreement shall have any claim or liability to the others save for antecedent breaches.

LETTER FROM THE BOARD

As further described in the paragraph headed “Listing Rules Implications” below, written approval by the shareholders of KHI in lieu of holding a shareholders’ meeting pursuant to Rule 14.44 of the Listing Rules has been obtained. The part of the condition of approval by the shareholders of KHI has already been fulfilled as at the Latest Practicable Date.

Warranties and indemnities by the Seller

Customary warranties (including those in relation to title to assets, accounts, litigations, etc.) have been given by the Seller to the Purchaser pursuant to the Sale and Purchase Agreement. At Completion, a deed of tax indemnity would be entered into by the Seller pursuant to which the Seller shall agree to indemnify the Purchaser in respect of any claim for any liability to Hong Kong taxation against the Company resulting from (i) any transaction of or any income or gain or profit earned, accrued or received by the Company on or before Completion; (ii) any disallowance or refusal of any relief claimed by the Company up to and including the date of Completion; and (iii) the revaluation or gain or appreciation in value of the Property up to the amount of the Consideration on or before the seventh anniversary of the tax assessment year end following the date of Completion. The liabilities of the Seller under the aforesaid item (iii) shall cease upon any form of change in ownership of the Property held by the Company or of the shareholding of the Company directly held by the Purchaser (or any agreement to do any of these being entered into) after Completion.

The aggregate maximum liability of the Seller in respect of all claims under the Sale and Purchase Agreement (including the tax deed) shall not exceed HK\$400,000,000 or, where any claim has been made for breach of warranties on title to and ownership of the Sale Shares, the Sale Loan and the Property, not exceed HK\$800,000,000.

Completion

Completion shall take place on 28 September 2012 or such other date as may be agreed between the Seller and the Purchaser in writing.

Guarantee

KHI has as primary obligor guaranteed to the Purchaser the due performance by the Seller of its obligations and responsibilities under the Sale and Purchase Agreement and the deed of tax indemnity referred to above.

INFORMATION ON FEC, KHI AND THE PURCHASER

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

KHI is an investment holding company. The principal business activities of the KHI Group comprise developing, owning and operating value, mid-scale, upscale and boutique hotels, property investment and development. KHI is a subsidiary of the FEC Group.

The Purchaser is principally engaged in investment holding.

LETTER FROM THE BOARD

REASONS FOR AND BENEFIT OF THE DISPOSAL

The KHI Directors consider the Disposal would enable the KHI Group to realize the long term investment return which KHI Group has created for KHI having developed, and since commencement of operations, operated the Hotel at the full market valuation. Moreover, the Disposal would provide additional cash resources for the KHI Group to further broaden the portfolio of KHI by taking advantage of other attractive investment opportunities in Hong Kong and/or overseas. The FEC Directors consider that FEC, as the ultimate holding company of KHI, would in turn benefit from the Disposal.

The FEC Directors concur with the view of the KHI Directors and are of the view that the Sale and Purchase Agreement is on normal commercial terms which are fair and reasonable and the entering into of the Sale and Purchase Agreement is in the interests of the FEC Group, the KHI Group, and the respective shareholders of FEC and KHI as a whole.

FINANCIAL EFFECT OF THE DISPOSAL

The KHI Directors estimate that upon Completion, the KHI Group is expected to record a gain from the Disposal of approximately HK\$450,000,000, being the difference between the estimated net proceeds from the Disposal of approximately HK\$800,000,000 and the book value of the Company of approximately HK\$320,000,000 in the accounts of the KHI Group and after deducting all relevant fees and expenses.

The FEC Directors estimate that upon Completion, the FEC Group is expected to record a gain from the Disposal of approximately HK\$329,000,000, being the estimated net proceeds from the Disposal of approximately HK\$800,000,000 deducting the book value of the Company of approximately HK\$320,000,000 in the accounts of the FEC Group and all relevant fees and expenses and the non-controlling shareholders' interest of the Disposal of approximately HK\$121,000,000.

It is expected that upon Completion, the total assets of the KHI Group will be increased by approximately HK\$275,000,000 and the total liabilities of the KHI Group will be decreased by approximately HK\$175,000,000.

It is expected that upon Completion, the total assets of the FEC Group will be increased by approximately HK\$275,000,000 and the total liabilities of the FEC Group will be decreased by approximately HK\$175,000,000.

USE OF PROCEEDS

As advised and confirmed by KHI, the KHI Directors expect that the net proceeds from the Disposal will be used as general working capital. As advised and confirmed by KHI, the KHI Directors may consider recommending part of the profit arising from the Disposal to be distributed as dividends to the shareholders of KHI.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

KHI is a non wholly-owned subsidiary of FEC and the Seller is a wholly-owned subsidiary of KHI and a non wholly-owned subsidiary of FEC. As at least one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal is greater than 25% but less than 75% for FEC, the Disposal constitutes a major transaction of FEC under Chapter 14 of the Listing Rules.

Under the Listing Rules, the Disposal is subject to the approval of the shareholders of FEC. To the best of the FEC Directors' knowledge, information and belief and having made all reasonable enquiries, no shareholder of FEC has a material interest in the Disposal. Accordingly, no shareholder of FEC would be required to abstain from voting on the resolution(s) to approve the Disposal at the FEC EGM.

Under the Listing Rules, the Disposal (constituting a major transaction of KHI) is also subject to the approval of the shareholders of KHI. As at the Latest Practicable Date, FEC, through its wholly-owned subsidiary, Ample Bonus Limited, held 1,462,000,000 shares of KHI, representing approximately 73.1% of the issued share capital of KHI. Since none of the shareholders of KHI is required to abstain from voting on the Disposal, written approval by Ample Bonus Limited of the Disposal has been obtained for the purpose of written approval by the shareholders of KHI in lieu of holding shareholders' meeting pursuant to Rule 14.44 of the Listing Rules.

FEC EGM

A notice convening the FEC EGM to be held at Xinhua Room, Mezzanine Floor, Cosmopolitan Hotel, 387-397 Queen's Road East, Wanchai, Hong Kong on Friday, 20 July 2012 at 11:00 a.m., for the purpose of considering and, if thought fit, approving the Sale and Purchase Agreement and the transactions contemplated thereunder is set out on pages N-1 to N-2 of this circular. A form of proxy for use at the FEC EGM is enclosed. Whether or not you intend to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to FEC's share registrar in Hong Kong, Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the FEC EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the FEC EGM or at any adjournment thereof should you so wish.

RECOMMENDATION

The FEC Directors are of the opinion that the Sale and Purchase Agreement is on normal commercial terms which are fair and reasonable and the Disposal and the transactions contemplated thereunder are in the interests of FEC and the shareholders of FEC as a whole. Accordingly, the FEC Directors recommend the shareholders of FEC to vote in favour of the ordinary resolution to be proposed at the FEC EGM to approve the Disposal.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

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

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

INDEBTEDNESS STATEMENT**Debt securities**

At the close of business on 7 May 2012, the FEC Group had outstanding convertible bonds with carrying value of approximately HK\$30 million.

Borrowings

As at the close of business on 7 May 2012, the FEC Group had outstanding borrowings of approximately HK\$6,739 million, comprising secured bank and other borrowings of approximately HK\$6,662 million, borrowings from related companies and non-controlling interests of approximately HK\$46 million and HK\$30 million respectively and finance lease obligations of approximately HK\$1 million. The secured borrowings are secured by certain of the FEC Group's assets with aggregated carrying value of approximately HK\$10,142 million.

Contingent Liabilities

At the close of business on 7 May 2012, there were counter-claims for an amount of HK\$26 million by a contractor in connection with the construction of a hotel owned by a subsidiary against which the subsidiary has initiated a lawsuit for unsatisfactory performance of the contractor. The FEC Directors are of the view that the counter-claims would not have a material adverse impact on the financial position of the FEC Group.

Commitments

At the close of business on 7 May 2012, the FEC Group has authorized capital expenditure not provided for in these financial statements amounting to approximately HK\$697 million of which approximately HK\$359 million was contracted for.

Disclaimers

Save as disclosed above and apart from intra-group liabilities, at the close of business on 7 May 2012, the FEC Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance lease commitments, guarantees or other material contingent liabilities.

WORKING CAPITAL

In the absence of unforeseen circumstances, the FEC Directors are of the opinion that, after taking into account the FEC Group's financial resources, banking facilities presently available and the estimated net proceed from the Disposal, the FEC Group will have sufficient working capital for its business for the next twelve months from the date of this circular.

FINANCIAL AND TRADING PROSPECTS

The FEC Group is a conglomerate with its core business in property development, hotel investment and operation, car park investment and management and property investment.

The FEC Group launched a number of property development projects for presale in the last financial year.

As at 31 March 2012, the FEC Group recorded cumulative presales of properties under development of approximately 743,000 sq. ft. gross floor area ("GFA") with a value of approximately HK\$4.3 billion from Star Ruby, Hong Kong and Upper West Side, Australia. Together with cumulative presale recorded at KHI with a value of HK\$500 million, the FEC Group's total cumulative presale as at 31 March 2012 came to HK\$4.8 billion. Following the financial year end, the FEC Group launched 288 apartments for presale in its California Garden project in Shanghai. Other new residential development projects/phases for launch in the coming 24 months include projects in Guangzhou, Shanghai, Hong Kong and Malaysia. Total GFA of the properties available for sale and presale will amount to approximately 3.5 million sq. ft. during this period. With current presales and anticipated projects in the pipeline, the FEC Group expects financial performance from property development business to be strong in the coming years.

The FEC Group will continue to focus its future projects in the regions where it has an existing presence. The diversified location of its presence allows the FEC Group to take advantage of property cycle in different markets and the effect of cyclical risks can therefore be reduced. Its current development pipeline together with its land bank amounted to approximately 10 million sq. ft. in GFA as at 31 March 2012, which is sufficient for property development in the coming 6 to 7 years. The FEC Group will continue to search for attractive development opportunities to replenish its pipeline going forward.

KHI being a hotel developer, owner and operator has business spreading over Hong Kong, the PRC, Malaysia, Singapore and United Kingdom. During the financial year 2012, KHI continued to achieve a strong growth in both room rates and occupancy rates with average daily revenue per available room at HK\$663, representing an increase of 23.9% as compared with last year. Currently, KHI owns/manages 16 hotels of approximately 4,000 rooms. This is expected to increase to more than 7,000 rooms over the next few years. Such increase will continue to drive operating growth.

The recent transaction of the Disposal has again proven the Group's capability in creating value for shareholders. The FEC Group will continue its strategy to recycle the capital selling smaller hotels and investing in bigger ones with greater number of rooms. With this recently announced disposal,

together with the FEC Group's hotel development pipeline and expected contribution from sale of serviced apartments in Singapore (namely Dorsett Regency Residences) and Malaysia (namely Dorsett Place Waterfront, Subang), it is anticipated that KHI will continue its high growth in the coming few years.

The FEC Group's car parks have continued to grow with revenue reaching HK\$537 million for the year ended 31 March 2012, representing an increase of 15.7% as compared with last year. Steady growth in the business has strengthened recurring cashflow stream. As at 31 March 2012, the FEC Group managed more than 250 car parks, consisting a car park management portfolio of approximately 49,000 car park bays. In this portfolio, self owned car parks totaled 20 car parks with approximately 5,600 car park bays. These car parks are located in Australia and Malaysia. During the financial year 2012, approximately 3,000 car parks bays under management were added to the portfolio. With steady increase in the number of car park bays under management, the car park business is expected to continue to contribute to the FEC Group with stable income and cash flow.

Investment properties of the FEC Group mainly comprise retail and office buildings located in Shanghai, Hong Kong, Melbourne, Singapore and Malaysia. These investment properties provide the FEC Group with rental income. On 30 March 2012, the FEC Group announced the sale of an investment property (namely, 51 strata units in Parkway Centre) in Singapore. The sale will provide additional capital for the FEC Group for future expansion. The property investment business will continue to provide the FEC Group with solid cashflow stream.

With total assets of approximately HK\$24.1 billion including the valuation surplus on hotel assets amounting to HK\$7,750 million which is not recorded in the consolidated financial statements, the net gearing ratio of the FEC Group was 28.8% as at 31 March 2012. The FEC Group believes that it has strong financing capacity for its future developments and to capture new business opportunity that may arise.

The following is the text of a letter and valuation certificate, prepared for the purpose of incorporation in this circular received from DTZ Debenham Tie Leung Limited, an independent valuer, in connection with its valuation as at 31 March 2012 of the Property.



16th Floor
Jardine House
1 Connaught Place
Central
Hong Kong

26 June 2012

The Directors
Far East Consortium International Limited
16th Floor, Far East Consortium Building
121 Des Voeux Road Central
Central
Hong Kong

Dear Sirs,

**Re: Dorsett Regency Hotel, Hong Kong, Nos. 12-22 Davis Street, Kennedy Town, Hong Kong.
(the “Property”)**

Instructions, Purpose & Date of Valuation

We refer to your instructions for us to carry out market valuation of the Property which is held by Far East Consortium International Limited (the “Company”) and/or its subsidiaries (together referred to as the “Group”). 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 value of the Property as at 31 March 2012 (the “date of valuation”).

Basis of Valuation and Assumption

Our valuation of the 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 the 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.

Our valuation is carried out and stated on 100% interest basis.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the Property nor any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of any onerous nature which could affect its value.

In valuing the Property, we have complied with requirements set out in Chapter 5 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.

Valuation Methodology

We have valued the Property by direct comparison method by making reference to comparable transactions as available in the relevant market and where appropriate, by capitalising the net rental income derived from the existing tenancies with due allowance for the reversionary potential of the Property.

According to the information provided by the Group, the potential tax liability of property which would arise on disposal of the Property is profit tax of 16.5% of the net profit upon disposal, save for deduction of any profit which is capital in nature.

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, statutory notices, easements, tenure, identification of land and buildings, completion date of building, lettings, particulars of occupancy, identification of property, floor plans and areas, site areas and number of parking spaces interests attributable to the Group and all other relevant matters.

Title Investigation

We have not been provided with copies of the title documents relating to the Property but have caused searches to be made at the Land Registry in Hong Kong. However, we have not searched the original documents to verify ownership or to ascertain any amendments. All documents have been used for reference only and all dimensions, measurements and areas are approximate. No on-site measurement has been taken.

Property Inspection

Our DTZ Hong Kong office valuer Amy Ho in April 2012 has inspected the exterior and, wherever possible, the interior of the Property. However, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are, however, not 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.

We enclose herewith our valuation certificate.

Yours faithfully,
For and on behalf of
DTZ Debenham Tie Leung Limited
K. B. Wong
MHKIS, MRICS, RPS (GP)
Senior Director

Note: Mr. K.B. Wong is a Registered Professional Surveyor (General Practice) who has over 25 years' experience in valuation of properties in Hong Kong.

VALUATION CERTIFICATE

Property held by and operated by the Group for owner occupation

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 March 2012
Dorsett Regency Hotel, Hong Kong, Nos. 12-22 Davis Street, Kennedy Town, Hong Kong	The Property comprises a 30-storey hotel providing a total of 209 guest rooms and a restaurant completed in 2011.	Various mobile phone base stations and antennae are let under various licences, all will expire in August 2013. The total monthly licence fee is HK\$60,000.	HK\$800,000,000
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 has a total gross floor area of approximately 6,818.63 sq.m. (73,396 sq.ft.). The registered site area of the Property is about 461.35 sq.m. (4,966 sq.ft.). The Property is located at Davis Street, Kennedy Town in Hong Kong. The general locality is characterized by residential developments. The Property is held under a Government Lease for a term of 999 years from 24 September 1883. The Government rent payable for the lots is HK\$72 per annum.	The remainder of the property is operated by the Group as a hotel.	

Notes:

- (1) The registered owner of the Property is Hong Kong (SAR) Hotel Limited.
- (2) The Property is subject to a Debenture, a Supplement to security documents and Second Supplement to security documents all in favour of Hang Seng Bank Limited.
- (3) The Property is subject to a Licence for Removal of Trades in Offensive Trade Clause.
- (4) The Property is granted with a hotel/guesthouse licence for a period from 23 June 2011 to 22 June 2012 under the Hotel and Guesthouse Accommodation Ordinance Cap. 349 by the Hotel and Guesthouse Accommodation Authority.
- (5) The Property is zoned for "Residential (Group A)" uses under Kennedy Town & Mount Davis Outline Zoning Plan No. S/H1/19.

1. RESPONSIBILITY STATEMENT

This circular, for which the FEC Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to FEC. The FEC Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS BY DIRECTORS AND CHIEF EXECUTIVE

As at the Latest Practicable Date, the FEC Directors and the chief executive of FEC had the following interests and short positions in FEC Shares, underlying FEC Shares or debentures of FEC or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to FEC and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director or chief executive of FEC was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to FEC and the Stock Exchange:

(a) Long positions in FEC Shares

Name of FEC Director	Capacity	Number of FEC Shares held	Approximate percentage of issued FEC Shares as at the Latest Practicable Date
Tan Sri Dato Chiu David	Beneficial owner	13,607,249	0.69%
	Interest of spouse	557,000 ⁽ⁱ⁾	0.03%
	Interest of controlled corporations	685,862,201 ⁽ⁱ⁾	35.00%
Mr. Chiu Dennis	Beneficial owner	10,373	0.00%
	Interest of controlled corporations	5,301,849 ⁽ⁱⁱ⁾	0.27%
Mr. Chiu Tat Jung Daniel	Beneficial owner	44,561	0.00%
	Interest of controlled corporation	3,877,218 ⁽ⁱⁱⁱ⁾	0.20%

Notes:

- (i) 685,849,880 FEC Shares were held by Sumptuous Assets Limited and 12,321 FEC Shares were held by Modest Secretarial Services Limited, companies controlled by Tan Sri Dato' Chiu David and 557,000 FEC Shares were held by Ms. Ng Nancy, spouse of Tan Sri Dato' Chiu David.
- (ii) 1,424,631 FEC Shares were held by Chiu Capital N.V., a company controlled by Mr. Chiu Dennis, and 3,877,218 FEC Shares were held by First Level Holdings Limited, a company controlled by Mr. Chiu Dennis and Mr. Chiu Tat Jung Daniel.
- (iii) These FEC Shares were held by First Level Holdings Limited, a company controlled by Mr. Chiu Dennis and Mr. Chiu Tat Jung Daniel, and were entirely duplicated and included in the corporate interest of Mr. Chiu Dennis.

(b) Interests in associated corporations

Name of FEC Director	Name of associated corporation	Capacity	Approximate percentage of the relevant issued share capital of the associated corporation as at the Latest Practicable Date	
			Number of ordinary shares of the associated corporation held	
Tan Sri Dato Chiu David	KHI	Interest of spouse	8,355 ⁽ⁱ⁾	0.00%
		Interest of controlled corporations	1,469,773,254 ⁽ⁱ⁾	73.49%
	Oi Tak Enterprises Limited	Interest of controlled corporation	250,000 ⁽ⁱⁱ⁾	25.00%
Mr. Chiu Dennis	KHI	Beneficial owner	30	0.00%
		Interest of controlled corporations	78,423 ⁽ⁱⁱⁱ⁾	0.00%
Mr. Chiu Tat Jung Daniel	KHI	Interest of controlled corporation	58,158 ^(iv)	0.00%
Craig Grenfell Williams	Care Park Group Pty. Ltd.	Beneficiary of a discretionary trust	825 ^(v)	8.25%

Notes:

- (i) 7,773,254 shares in KHI were held by Sumptuous Assets Limited, a company controlled by Tan Sri Dato' Chiu David. 1,462,000,000 shares in KHI were held by Ample Bonus Limited, a wholly owned subsidiary of FEC. Tan Sri Dato' Chiu David owned approximately 35.7% interest in the issued share capital of FEC and was therefore deemed to have an interest in the shares in KHI held by Ample Bonus Limited. 8,355 shares in KHI were held by Ms. Ng Nancy, spouse of Tan Sri Dato' Chiu David.
- (ii) These shares in Oi Tak Enterprises Limited were held by Commodious Property Limited, a company controlled by Tan Sri Dato' Chiu David.
- (iii) 20,265 shares in KHI were held by Chiu Capital N.V., a company controlled by Mr. Chiu Dennis, and 58,158 shares in KHI were held by First Level Holdings Limited, a company controlled by Mr. Chiu Dennis and Mr. Chiu Tat Jung Daniel.
- (iv) These shares in KHI were held by First Level Holdings Limited, a company controlled by Mr. Chiu Dennis and Mr. Chiu Tat Jung Daniel, and are entirely duplicated and included in the interest of controlled corporation of Mr. Chiu Dennis.
- (v) These shares in Care Park Group Pty. Ltd. were held by Chartbridge Pty Ltd in its capacity as the trustee of The Craig Williams Family Trust, and Mr. Craig Grenfell Williams, as a beneficiary of The Craig Williams Family Trust, was deemed to be interested in these shares.

Save as disclosed above, as at the Latest Practicable Date, none of the FEC Directors or the chief executive of FEC had any interests or short positions in the FEC Shares, underlying FEC Shares and/or debentures of FEC and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to FEC and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such FEC Director or chief executive of FEC was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to FEC and the Stock Exchange.

3. SUBSTANTIAL SHAREHOLDERS

- (a) As at the Latest Practicable Date, so far as was known to the FEC Directors or chief executive of FEC, the persons (“FEC Substantial Shareholders”) (other than the FEC Directors or the chief executive of FEC) who had an interest or short position in FEC Shares or underlying FEC Shares which would fall to be disclosed to FEC under the provisions of Divisions 2 and 3 of Part XV of the SFO were as follows:

Name of FEC Substantial Shareholder	Capacity	Number of FEC Shares held	Approximate percentage of issued FEC Shares as at the Latest Practicable Date
Sumptuous Assets Limited	Beneficial owner	685,849,880 ⁽ⁱ⁾ (long position)	35.00%
Penta Investment Advisers Limited	Investment manager	559,505,933 ⁽ⁱⁱ⁾ (long position)	28.5%
Mr. Chiu Te Ken Deacon	Beneficial owner	13,022,647 (long position)	0.65%
	Interest of controlled corporations	141,060,351 ⁽ⁱⁱⁱ⁾ (long position)	7.20%
	Interest of spouse	1,624,301 ⁽ⁱⁱⁱ⁾ (long position)	0.08%

Notes:

- (i) The interests of Sumptuous Assets Limited were also disclosed as the interests of Tan Sri Dato’ Chiu David in the above section headed “DISCLOSURE OF INTERESTS BY DIRECTORS AND CHIEF EXECUTIVE”. Tan Sri Dato’ Chiu David is a director of Sumptuous Assets Limited.
- (ii) As far as was known to the FEC Directors, as at the Latest Practicable Date, the funds and managed accounts to which Penta Investment Advisers Limited is the investment adviser were interested in 559,505,933 FEC Shares and derivative interests equivalent to 13,515,764 underlying FEC Shares.
- (iii) 141,060,351 FEC Shares were held by various companies controlled by Mr. Chiu Te Ken Deacon and 1,624,301 FEC Shares were held by Mrs. Chiu Ju Ching Lan, spouse of Mr. Chiu Te Ken Deacon.

Save as disclosed above, as at the Latest Practicable Date, the FEC Directors and the chief executive of FEC were not aware of any other persons who had an interest or short position in the FEC Shares or underlying FEC Shares which would fall to be disclosed to FEC under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, 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 other member of the FEC Group or had any options in respect of such capital.

- (b) As at the Latest Practicable Date, so far as was known to the FEC Directors, the following FEC Director is also director or employee of Sumptuous Assets Limited:

Name of FEC Director	Position held in Sumptuous Assets Limited
Tan Sri Dato Chiu David	director

4. FEC DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the FEC Directors had any existing and proposed service contract with any members of the FEC Group other than contracts expiring or determinable by the relevant member of the FEC Group within one year without payment of compensation (other than statutory compensation).

5. COMPETING INTERESTS

As at the Latest Practicable Date, to the best of the knowledge of the FEC Directors, none of the FEC Directors or their respective associates had any interest in a business, which competes or may compete with the businesses of the FEC Group.

6. INTEREST IN CONTRACTS AND ASSETS

As at the Latest Practicable Date, to the best of the knowledge of the FEC Directors, none of the FEC Directors or proposed directors of FEC had any direct or indirect interest in any assets which had been, since 31 March 2011, being the date to which the latest published audited accounts of FEC were made up, acquired or disposed of by, or leased to, any member of the FEC Group or are proposed to be acquired or disposed of by, or leased to, any member of the FEC Group.

As at the Latest Practicable Date, save as disclosed hereunder, none of the FEC Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which is significant in relation to the business of the FEC Group.

As disclosed in the joint announcement of FEC and KHI dated 11 October 2011, on 11 October 2011, Subang Jaya Hotel Development Sdn Bhd ("**Subang Jaya**"), a wholly-owned subsidiary of KHI, entered into an agreement with Mayland Valiant Sdn Bhd ("**Mayland Valiant**") to jointly develop certain portion of the land plot where the KHI Group's Grand Dorsett Subang Hotel is situated at. Mayland Valiant is responsible for the development activities and the subsequent sales of the 1,989 units. Subang Jaya will be entitled to 50% of the profit or loss from the development. Mayland Valiant

is wholly owned by Malaysia Land Properties Sdn Bhd (“**Mayland Properties**”) which in turn is a wholly-owned subsidiary of Prestige Aspect Sdn Bhd, the majority equity interest of which is owned by Tan Sri Dato’ Chiu David, an executive Director, chairman and chief executive officer of FEC, and a non-executive Director and Chairman of KHI. Tan Sri Dato’ Chiu David is also the chief executive officer of Mayland Properties.

7. EXPERT AND CONSENT

The following are the qualifications of the expert who has been named in this circular or has given its opinion or advice which is contained in this circular:

Name	Qualification
DTZ Debenham Tie Leung Limited	Property valuers

As at the Latest Practicable Date, the above expert did not have:

- (a) any direct or indirect interest in any assets which have been, since 31 March 2011 (being the date to which the latest published audited accounts of FEC were made up), acquired or disposed of by, or leased to, any member of the FEC Group, or are proposed to be acquired or disposed of by, or leased to, any member of the FEC Group; and
- (b) any shareholding in any member of the FEC Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the FEC Group.

The above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter or report and the references to its name in the form and context in which it appears.

8. LITIGATION

No member of the FEC Group was engaged in any litigation or arbitration or claims of material importance, and no such litigation or arbitration or claim of material importance was known to the FEC Directors to be pending or threatened by or against any members of the FEC Group, as at the Latest Practicable Date.

9. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, none of the FEC Directors was aware of any material adverse change to the financial or trading position of the FEC Group since 31 March 2011, being the date to which the latest published audited financial statements of FEC were made up.

10. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by the members of the FEC Group within the two years immediately preceding the date of this circular and are or may be material:

- (a) the bought and sold notes dated 26 August 2010 for the transfer of 2 shares in Esmart Management Limited by Far East Consortium Limited (“**FECL**”) to the Seller for a consideration of HK\$2.00;
- (b) the bought and sold notes dated 26 August 2010 for the transfer of 1 share in Panley Limited by FECL to the Seller for a consideration of HK\$1.00;
- (c) the bought and sold notes dated 27 August 2010 for the transfer of 2 shares in Ruby Way Limited by FECL to the Seller for a consideration of HK\$2.00;
- (d) the share transfer form dated 30 August 2010 for the transfer of 1 share in Tang Hotel Pte. Ltd. by Madison Lighters & Watches Company Limited to Tang Hotel Investments Pte. Ltd. for a consideration of 1.00 Singapore dollar;
- (e) the corporate investor agreement dated 2 September 2010 entered into by and among KHI, Chow Tai Fook Nominee Limited, Credit Suisse (Hong Kong) Limited (“**Credit Suisse**”), Morgan Stanley Asia Limited (“**Morgan Stanley**”) and The Royal Bank of Scotland N.V., Hong Kong Branch (“**RBS**”) pursuant to which Chow Tai Fook Nominee Limited agreed to subscribe for offer shares in KHI for a consideration of HK\$100,000,000;
- (f) the deed of indemnity dated 10 September 2010 signed by Ample Bonus Limited, a direct wholly-owned subsidiary of FEC, (“**Ample Bonus**”) and FEC in favour of KHI in connection with the global offering of the shares of KHI;
- (g) the deed of non-competition undertaking dated 10 September 2010 signed by Tan Sri Dato’ Chiu David and FEC in favour of KHI pursuant to which FEC has, among other things, undertaken that for so long as FEC and its subsidiary (excluding KHI and its subsidiaries) remain the controlling shareholders of KHI, each of them would not engage in any business that is in competition with hotel investment, operation, management and development;
- (h) the bought and sold notes dated 13 September 2010 for the transfer of 2 shares in Everkent Development Limited by FECL to the Seller for a consideration of HK\$2.00;
- (i) the instrument of transfer dated 14 September 2010 for the transfer of 1 share in Giovanna Holdings Limited by KHI to FECL for a consideration of US\$1.00;
- (j) the instrument of transfer dated 17 September 2010 for the transfer of 1 share in Full Benefit Limited by FECL to KHI for a consideration of US\$1.00;

- (k) the instrument of transfer dated 17 September 2010 for the transfer of 1 share in the Seller by FECL to KHI for a consideration of US\$1.00;
- (l) the instrument of transfer dated 17 September 2010 for the transfer of 1 share in Wonder China Investments Limited by FECL to KHI for a consideration of US\$1.00;
- (m) the instrument of transfer dated 17 September 2010 for the transfer of 2 shares in Jade River Profits Limited by FECL to KHI for a consideration of US\$2.00;
- (n) the instrument of transfer dated 17 September 2010 for the transfer of 1 share in Rosicky Limited by FECL to KHI for a consideration of US\$1.00;
- (o) the form of transfer of securities dated 17 September 2010 for the transfer of 5,000,000 shares in Dorsett Regency Hotel (M) Sdn. Bhd. by FEC Development (Malaysia) Sdn. Bhd. to KHI for a consideration of 5,000,000.00 Malaysian Ringgit;
- (p) the share transfer form dated 17 September 2010 for the transfer of 2 shares in Tang Hotel Investments Pte. Ltd. by Madison Lighters & Watches Company Limited to KHI for a consideration of 2.00 Singapore dollars;
- (q) the Hong Kong underwriting agreement dated 27 September 2010 relating to the Hong Kong public offering of the shares of KHI entered into amongst KHI, FEC, Ample Bonus, Credit Suisse, Morgan Stanley, RBS, China Everbright Securities (HK) Limited, Taifook Securities Company Limited and Sun Hung Kai International Limited;
- (r) the international underwriting agreement dated 4 October 2010 entered into by FEC with Ample Bonus, Credit Suisse, Morgan Stanley and RBS (together the “**Joint Global Coordinators**”) and the international underwriters in relation to the international offering and the preferential offering of the shares of KHI;
- (s) the stock borrowing agreement dated 4 October 2010 entered into between Ample Bonus and Credit Suisse, the stabilizing manager appointed in connection with the global offering of the shares of KHI, pursuant to which Ample Bonus agreed to lend and Credit Suisse agreed to borrow up to 81,000,000 shares in KHI;
- (t) the price determination agreement dated 4 October 2010 entered into between Ample Bonus, KHI and the Joint Global Coordinators in relation to the initial public offering of the shares of KHI;
- (u) the share repurchase agreement dated 16 April 2012 entered into by FEC and Penta Investment Advisers Limited pursuant to which FEC has conditionally agreed to acquire and Penta Investment Advisers Limited has conditionally agreed to dispose of 230,000,000 ordinary shares in the share capital of FEC (representing approximately 11.7% of the issued share capital of FEC as at 16 April 2012) at the total consideration of HK\$282,900,000;

- (v) the variation deed dated 16 May 2012 entered into amongst (i) Care Park Group Pty Ltd., a non-wholly owned subsidiary of FEC (ii) FEC Care Park Holdings (Australia) Pty Limited, a wholly-owned subsidiary of FEC (“**FEC Australia**”) (iii) Warmlink Pty Limited (“**Warmlink**”), Chartbridge Pty Limited (“**Chartbridge**”), Deanne Pointon (together, the “**Minority Shareholders**”) and (iv) Far East Consortium (Australia) Pty Limited, Royal Domain Towers Pty Limited, Far East Rockman Hotels (Australia) Pty Limited and Bradney Proprietary Limited, all being indirect wholly owned subsidiaries of FEC, in relation to the variation of certain terms of the shareholders agreement dated 7 May 2009 entered into amongst them. The terms that were varied include, amongst others, (i) the extension of the exercise date of the put options by Warmlink and Deane Pointon and the call options by FEC Australia from 2013 to 2016 and (ii) the cancellation of the exercise of the fourth anniversary put option and call option in 2013 by Chartbridge and FEC Australia respectively; and
- (w) the Sale and Purchase Agreement.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at the principal place of business of FEC in Hong Kong at 16th Floor, Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong from the date of this circular up to and including the date of the FEC EGM:

- (a) the memorandum and articles of association of FEC;
- (b) the material contracts referred to in the paragraph headed “Material Contracts” in this Appendix;
- (c) the Valuation Report, the text of which is set out on pages II-1 to II-4 in this circular;
- (d) the written consent of the expert referred to in the paragraph headed “Expert and consent” in this Appendix;
- (e) the annual reports of FEC for the two financial years ended 31 March 2010 and 31 March 2011;
- (f) the interim report of FEC and its subsidiaries for the six months ended 30 September 2011; and
- (g) circulars issued by FEC since 31 March 2011 pursuant to Chapters 14 and 14A of the Listing Rules.

12. MISCELLANEOUS

- (a) The registered office of FEC is at P.O. Box 1043, Ground Floor, Caledonian House, Mary Street, George Town, Grand Cayman, Cayman Islands, British West Indies.
- (b) The principal office of FEC is at 16th Floor, Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong.
- (c) The share registrar and transfer office of FEC is Tricor Standard Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (d) The company secretary of FEC is Mr. CHEUNG Wai Hung Boswell who is a member of the Hong Kong Institute of Certified Public Accountants.
- (e) In the event of any inconsistency, the English language text of this circular shall prevail over the Chinese language text.

NOTICE OF FEC EGM



FAR EAST CONSORTIUM INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

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

(Stock Code: 35)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (“Meeting”) of Far East Consortium International Limited (“FEC”) will be held at Xinhua Room, Mezzanine Floor, Cosmopolitan Hotel, 387-397 Queen’s Road East, Wanchai, Hong Kong on Friday, 20 July 2012 at 11:00 a.m. for the purpose of considering and, if thought fit, passing the following resolution which will be proposed (with or without amendment) as an ordinary resolution:-

ORDINARY RESOLUTION

“THAT:

- (a) the sale and purchase agreement dated 25 May 2012 entered into among Havena Holdings Limited (a wholly-owned subsidiary of Kosmopolito Hotels International Limited and a non wholly-owned subsidiary of FEC) as seller, CCB Properties (Hong Kong) Holdings Limited as purchaser and Kosmopolito Hotels International Limited as the seller’s guarantor (a copy of which has been produced to this Meeting and signed by the Chairman of the Meeting for the purposes of identification) in relation to the disposal by the seller to the purchaser of the entire issued share capital of and the assignment of shareholders’ loan due from Hong Kong (SAR) Hotel Limited for an aggregate consideration of HK\$800,000,000 (subject to adjustment) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (b) the directors of FEC be and are hereby authorised, for and on behalf of FEC, to do all things and acts and to sign and execute all documents, instruments or agreements which they may, in their absolute discretion, consider necessary, desirable or expedient for the purposes of implementing the sale and purchase agreement and/or in connection therewith.”

By Order of the Board of
Far East Consortium International Limited
CHEUNG Wai Hung Boswell
Chief Financial Officer and Company Secretary

Hong Kong, 26 June 2012

NOTICE OF FEC EGM

Notes:

1. For determining the entitlement to attend and vote at the Meeting, the Register of Members of FEC will be closed from Wednesday, 18 July 2012 to Friday, 20 July 2012, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Meeting, unregistered holders of shares should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with FEC's share registrar in Hong Kong, Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 17 July 2012.
2. A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote in his/her stead. A proxy need not be a member of FEC but must be present in person to represent the member.
3. In order to be valid, a form of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be deposited at FEC's share registrar in Hong Kong, Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the Meeting or any adjournment thereof if you so wish.
4. Where there are joint registered holders of any share, any one of such joint holders may vote, either in person, or by proxy, in respect of such share as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the Meeting or any adjournment thereof, the most senior shall alone be entitled to vote, whether in person or by proxy. For this purpose, seniority shall be determined by the order in which the name stands first in the Register of Members of FEC in respect of such joint holding.
5. The resolution set out in the notice will be decided by poll at the Meeting.

As at the date of this notice, the executive directors of FEC are Tan Sri Dato' CHIU David, Mr. CHIU Dennis and Mr. Craig Grenfell WILLIAMS; the non-executive director is Mr. CHIU Tat Jung Daniel; the independent non-executive directors are Mr. CHAN Kwok Wai, Mr. WONG Man Kong Peter and Mr. LAM Kwong Siu.