



FAR EAST CONSORTIUM INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

PROPOSED CONNECTED TRANSACTIONS

The Directors are pleased to announce that the Company, through its wholly owned subsidiary E-Cash Ventures Limited, has agreed to purchase from the Vendor approximately 15.33% equity interest in the Sale Company for a total cash consideration of HK\$120 million. The approximate 15.33% equity interest in the Sale Company represents the entire interest of the Vendor in the Sale Company. The Company already has an effective interest of approximately 6.33% in the Sale Company. Accordingly, the Company will have a maximum aggregate effective interest of approximately 21.66% in the Sale Company upon Completion subject to other existing shareholders of the Sale Company not having exercised their pre-emption rights to purchase any of the Sale Shares and Sale Loans. The Directors consider that the terms of the Agreement are determined after arm's length negotiations and in the best interest of the Company.

The Agreement constitutes a connected transaction of the Company under the Listing Rules. The Company has an approximate 8.63% equity interest in the Vendor and Mr. David Chiu, a substantial shareholder and a Director of the Company, together with his associates including Rocket High and Tokai Kanko Co., Ltd. have an approximately 22.34% indirect shareholding in the Vendor.

In addition, the Directors are also pleased to announce that Far East Consortium (B.V.I.) Limited (the wholly-owned subsidiary of the Company), together with Rocket High and Tokai Kanko Co., Ltd., signed an undertaking dated 6 December 2000 in which they have undertaken to China Rich to accept the General Offer in relation to their entire equity interest in the Vendor as described in the joint announcement of the Vendor and China Rich on condition that the General Offer is closed on or before 25 April 2001.

The Undertaking constitutes another connected transaction of the Company under the Listing Rules since Mr. David Chiu is a substantial shareholder and a Director of the Company and also a substantial shareholder of the Vendor. Nevertheless, under Rule 14.25(1), the Undertaking is only subject to disclosure requirements set out in the Listing Rules. The Agreement and the Undertaking are separate transactions, independent of each other and not inter-conditional. The reason for entering into the Undertaking is that the Directors consider the terms of the General Offer are fair and reasonable with respect to the closing price of the Vendor Shares as of 5th December 2000 and the independent non-executive Directors consider that the terms of the General Offer are fair and reasonable so far as the independent shareholders (i.e. shareholders other than Mr. David Chiu and his associates) are concerned.

The Agreement is subject to the Company's independent shareholders approval at an extraordinary general meeting to be convened and Mr. David Chiu together with his associates will abstain from voting to approve the Agreement at the extraordinary general meeting.

A circular containing further details of the Agreement will be despatched to the shareholders of the Company together with a notice of an extraordinary general meeting as soon as practicable.

DETAILS OF THE AGREEMENT

Date of the Agreement : 6 December 2000

Parties to the Agreement

The Purchaser : E-Cash Ventures Limited
The Vendor : Yoshiya International Corporation, Limited

Consideration and Particulars of the transaction

The Purchaser agrees to acquire from the Vendor the Sale Shares which are 4,600 shares of HK\$1.00 each, representing approximately 15.33% equity interest in the Sale Company, as well as the Sale Loans at the Consideration. The approximately 15.33% equity interest in the Sale Company represents the entire interest of the Vendor in the Sale Company. The Company has an effective interest of approximately 6.33% in the Sale Company and so the Company will have a maximum aggregate effective interest of approximately 21.66% in the Sale Company upon Completion subject to other existing shareholders of the Sale Company not having exercised their pre-emption rights to purchase any of the Sale Shares and Sale Loans. The Consideration is determined by reference to the 15.33% of the book value of the Property of approximately HK\$120 million and will be paid on Completion. The Consideration will be financed by internal resources and banking facilities of the Company.

The Vendor is required to first offer the Sale Shares and the Sale Loans to other existing shareholders of the Sale Company for purchase at the Consideration. If any of the Sale Shares and Sale Loans are purchased by other existing shareholders of the Sale Company, the Company will purchase the remaining balance and the Consideration payable will be reduced proportionately. In other words, the Company will have a maximum aggregate effective interest of approximately 21.66% in the Sale Company upon Completion if the other existing shareholders of the Sale Company have not exercised their rights to purchase the Sale Shares and the Sale Loans.

The Directors consider that the terms of the Agreement are determined after arm's length negotiations and in the best interest of the Company.

The Sale Company is engaged in property development and the Property is its only asset, the area of which is approximately 8.6 million square feet, and the Sale Company is the legal and beneficial owner of the Property. The Property's construction work at site has not yet commenced and the proposed amendment to zoning was gazetted in March 2000. It is expected that the environmental and ecological assessment as required under The Environmental Impact Assessment Ordinance will commence shortly. Since the Company is engaged in property investment and development business and the investment in the Property provides a good opportunity for the Company to expand its land bank portfolio, the Company together through the Purchaser would like to further invest in the Sale Company and therefore the Property.

Conditions of the Agreement and date of Completion

Completion is conditional upon the fulfillment of the following conditions within 60 days from the date of the Agreement or such later date as shall be agreed by the parties to the Agreement in writing:

- the shareholders of the Vendor (excludes the connected persons as defined in the Listing Rules) shall have passed an ordinary resolution in a general meeting approving the Agreement; and
- if required, the shareholders of the Company (excludes the connected persons as defined in the Listing Rules) shall have passed an ordinary resolution in a general meeting approving the Agreement.

Completion shall take place after all the conditions to the Agreement have been completed or such other date as the Purchaser and the Vendor may agree in writing, otherwise the Agreement shall lapse.

DETAILS OF THE GENERAL OFFER AND THE UNDERTAKING

On 6 December 2000, China Rich (as vendor), the Vendor (as purchaser) and Rocket High (as guarantor) entered into a sale and purchase agreement. The details of such agreement should be jointly announced by the Vendor and China Rich. Following completion of this agreement, China Rich will have acquired approximately 69.5% of the enlarged issued share capital of the Vendor. China Rich will therefore be obliged under the Code to make an unconditional mandatory cash offer for all the issued Vendor Shares other than those already owned by China Rich or parties acting in concert with it on completion of that agreement. The General Offer will be made by China Rich on the following basis:

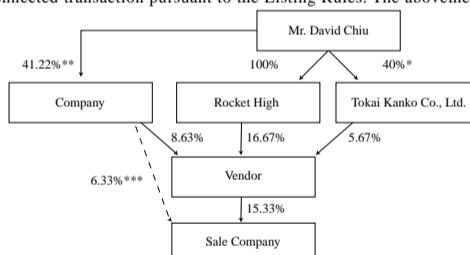
For each of the Vendor Share HK\$0.48 in cash

Rocket High, Far East Consortium (B.V.I.) Limited (the wholly-owned subsidiary of the Company) and Tokai Kanko Co., Ltd. signed an undertaking dated 6 December 2000 in which they have undertaken to China Rich to accept the General Offer in relation to their entire equity interest (in so far as the Company is concerned, this represents 41,623,666 Vendor Shares and 8.63% of the issued share capital of the Vendor) in the Vendor at a total consideration of approximately HK\$20 million as described in such announcement on condition that the General Offer is closed on or before 25 April 2001.

The Vendor and its subsidiaries are principally engaged in the investment and development of properties and investment holding. The Directors intend to use the proceeds resulting from the Undertaking as working capital purpose and future investment opportunities.

GENERAL

As the Vendor is 8.63% indirectly owned by the Company and 22.34% indirectly owned by Mr. David Chiu, a substantial shareholder and a Director of the Company, together with his associates including Rocket High and Tokai Kanko Co., Ltd., the Agreement constitutes a connected transaction pursuant to the Listing Rules. The abovementioned ownership structure of the Vendor is shown in the diagram below:



* The remaining 60% shareholding in Tokai Kanko Co., Ltd. is held by other shareholders who are not connected with Mr. David Chiu together with his associates and the Company

** Being an indirect shareholding in the Company by Mr. David Chiu together with his associates

*** The Company has an indirect effective interest of 6.33% in the Sale Company through a 19% interest in a joint venture with two of the existing shareholders in the Sale Company.

As stated above and shown in the above diagram, the Undertaking constitutes another connected transaction of the Company under the Listing Rules because Mr. David Chiu is a substantial shareholder and a Director of the Company and also a substantial shareholder of the Vendor. Nevertheless, under Rule 14.25(1), the Undertaking is only subject to disclosure requirements set out in the Listing Rules. The Agreement and the Undertaking are separate transactions, independent of each other and not inter-conditional. The reason for entering into the Undertaking is that the Directors consider the terms of the General Offer are fair and reasonable with respect to the closing price of the Vendor Shares as of 5th December 2000 and the independent non-executive Directors consider that the terms of the General Offer are fair and reasonable so far as the independent Shareholders are concerned.

The Agreement is subject to the Company's independent shareholders approval at the extraordinary general meeting and Mr. David Chiu together with his associates will abstain from voting to approve the Agreement at the extraordinary general meeting.

An independent financial adviser will be appointed to give an opinion as to whether the terms of the Agreement are fair and reasonable so far as the independent shareholders of the Company are concerned.

A circular containing further details of the Agreement will be despatched to the shareholders of the Company together with a notice of an extraordinary general meeting as soon as practicable.

Definitions

"Agreement"	the sale and purchase agreement dated 6 December 2000 between the Purchaser and the Vendor relating to the sale and purchase of the Sale Shares and the Sale Loans, as supplemented by a supplemental agreement dated 12 December 2000
"China Rich"	China Rich Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange and independent of the Company (together with its controlling shareholder), not connected with the Directors, chief executives, substantial shareholders and controlling shareholders of the Company
"Code"	the Hong Kong Code on Takeovers and Mergers
"Company"	Far East Consortium International Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange
"Completion"	completion of the Agreement
"Consideration"	a total cash consideration of HK\$120 million for the sale and purchase of the Sale Shares and the Sale Loans
"Directors"	the directors of the Company
"General Offer"	the possible unconditional mandatory cash offer to be made by China Rich for all the Vendor Shares and share option(s) issued by the Vendor
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Property"	Fung Lok Wai, Yuen Long, New Territories, Hong Kong
"Purchaser"	E-Cash Ventures Limited, a company incorporated in the British Virgin Islands with limited liability
"Rocket High"	Rocket High Investments Limited, a company incorporated in the British Virgin Islands with limited liability and beneficially and wholly-owned by Mr. David Chiu
"Sale Company"	Mutual Luck Investment Limited, a company incorporated in Hong Kong with limited liability
"Sale Loans"	the interest free loan of HK\$123,222,298 advanced by the Vendor to the Sale Company
"Sale Shares"	4,600 shares of HK\$1.00 each of the Sale Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Undertaking"	an undertaking dated 6 December 2000 signed by Rocket High, Far East Consortium (B.V.I.) Limited (the wholly-owned subsidiary of the Company) and Tokai Kanko Co., Ltd. in which they have undertaken to China Rich to accept the General Offer in relation to their entire equity interest in the Vendor on condition that the General Offer is closed on or before 25 April 2001
"Vendor"	Yoshiya International Corporation, Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Stock Exchange
"Vendor Shares"	ordinary shares of HK\$0.40 each in the capital of the Vendor

By Order of the Board
Far East Consortium International Limited
David Chiu
Deputy Chairman