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# **FAR EAST CONSORTIUM INTERNATIONAL LIMITED**

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

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

(Stock Code: 35)

## **NOTICE TO BONDHOLDERS OF ADJUSTMENT TO CONVERSION PRICE**

### **HK\$754,400,000 Zero Coupon Convertible Bonds due 2009 (the "Bonds")**

**NOTICE IS HEREBY GIVEN** that the Conversion Price of the Bonds of Far East Consortium International Ltd (the "Company"), convertible into common shares of the Company, has been adjusted pursuant to Condition 6(D) Conversion Price Reset of the Terms and Conditions of the Bonds in the Offering Circular dated 9 December 2004. Pursuant to Condition 6(D) Conversion Price Reset which provides, amongst the other provisions, that if the average of the closing price of the Shares (the "Average Market Price") for the period of 10 consecutive Trading Days immediately prior to 18 January 2006 (the "Reset Date") is less than the Conversion Price on the Reset Date, the Conversion Price shall be adjusted on a one-time basis on the Reset Date so that the Average Market Price will become the adjusted Conversion Price with effect from the Reset Date. Condition 6(D)(i) further provides that any such adjustment to the Conversion Price shall be limited such that the adjusted Conversion Price in no event shall be less than 80 per cent. of the Conversion Price prevailing on 18 January 2006.

As a result of the Average Market Price for the period of 10 consecutive Trading Days immediately prior to 18 January 2006 amounting to HK\$2.81 is less than the Conversion Price of HK\$4.00 on the Reset Date, the Conversion Price has been adjusted from HK\$4.00 to HK\$3.20, effective as from 18 January 2006.

Upon full conversion of the Bonds (including the Firm Bonds and the Optional Bonds) at the adjusted Conversion Price of HK\$3.20 (subject to adjustment), the Conversion Shares will be issued slightly in excess of the general mandate granted by the Shareholders in the Company's annual general meeting held on 25 August 2004 (the "General Mandate"). The Company will consider the option, where applicable, to make a cash settlement payment to the relevant Bondholder to satisfy such Convertible Right in full or in part pursuant to the Subscription Agreement to comply with the General Mandate. The Company will seek, where applicable, to obtain further listing approval in this regard.

By order of the Board of  
**Far East Consortium International Limited**  
**David Chiu**  
*Deputy Chairman and Chief Executive Officer*

Hong Kong, 19 January 2006

*As at the date of this announcement, the Board of Directors of the Company comprises executive directors namely Mr. Deacon Te Ken Chiu, Tan Sri Dato' David Chiu, Mr. Dennis Chiu, Mr. Craig Grenfell Williams; non-executive directors namely Mrs. Ching-Lan Ju Chiu, Mr. Dick Tat Sang Chiu, Mr. Daniel Tat Jung Chiu and independent non-executive directors namely Mr. David Kwok Kwei Lo, Mr. Jian Yin Jiang and Mr. Kwok Wai Chan.*

*Please also refer to the published version of this announcement in South China Morning Post and Hong Kong Economic Times.*