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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)**

### **DISCLOSEABLE TRANSACTION**

Reference is made to the announcement of the Company dated 14 September 2006 and the circular of the Company dated 5 October 2006 (the "Circular") in relation to the proposed acquisition by the Company of the entire share capital of Subang and the Remainder Debt. Capitalised terms used herein shall have the same meanings as those defined in the Circular, unless the context otherwise requires.

To provide the updated financial information of Subang, the Circular has contained the audited financial information of Subang for the year ended 31 December 2005. Set out below is a summary of the audited financial results of Subang for each of the two years ended 31 December 2005 prepared in accordance with Malaysian accounting standards, which are comparable with International Financial Reporting Standards:

	<b>2005</b> <i>RM'000</i> <i>(HK\$'000 equivalent)</i>	<b>2004</b> <i>RM'000</i> <i>(HK\$'000 equivalent)</i>
Turnover	43,636 (92,072)	43,225 (91,205)
(Loss)/profit before taxation	(18,184) ((38,368))	5,667 (11,957)
(Loss)/profit attributable to the shareholder of Subang	(18,184) ((38,368))	5,667 (11,957)

As at 31 December 2005, the audited net liabilities of Subang were approximately RM202 million (equivalent to approximately HK\$426 million). As at 31 December 2005, the audited balance of the Inter-Company Debt amounted to approximately RM352 million. Taking into account (i) the Agreed Repayment of RM120 million; and (ii) the novation of the Remainder Debt pursuant to the Novation Agreement, the net liabilities of Subang upon Completion will be reduced to approximately RM82 million (equivalent to approximately HK\$173 million) (which includes the shareholders' loan owed by Subang to the Purchaser of approximately RM232 million (equivalent to approximately HK\$490 million) immediately following the completion of the Novation Agreement). On this basis, taking into account such shareholders' loan of RM232 million (equivalent to approximately HK\$490 million) held by the Purchaser, the book value of Subang attributable to the Group upon Completion would turn positive, amounting to approximately RM150 million (equivalent to approximately HK\$317 million).

By Order of the Board

**FAR EAST CONSORTIUM INTERNATIONAL LIMITED**

**David Chiu**

*Deputy Chairman and Chief Executive Officer*

Hong Kong, 5 October 2006

*For illustration purposes, an exchange rate of RM1.00 = HK\$2.11 has been adopted.*

*As at the date of this announcement, the Board of the Company comprises four executive Directors, namely Mr. Deacon Te Ken Chiu, Tan Sri Dato' David Chiu, Mr. Dennis Chiu, Mr. Craig Grenfell Williams; three non-executive Directors, namely Madam Ching Lan Ju Chiu, Mr. Dick Tat Sang Chiu, Mr. Daniel Tat Jung Chiu; and three 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.*