

## PRESS RELEASE

For Immediate Release

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### FAR EAST CONSORTIUM EXPANDS INTO CAR PARK OPERATIONS ACQUISITIONS THROUGH NEW SHARES ISSUANCE AND CASH

Far East Consortium International Limited (the “Group” - stock code : 035) announced : The Group is expanding its business into car park operations. Through the acquisitions, the Group will become one of the largest independent car park operators in the Asia Pacific region, with approximately 200 car parks comprising over 42,600 parking bays under its management in strategic locations in Australia, New Zealand and Malaysia, among which 18 car parks comprising over 5,200 parking bays will be owned by the Group.

The aggregate consideration of HK\$286 million will be settled by way of issuance of 184 million shares to Mr. David Chiu, major shareholder of the Group, at an issue price of HK\$1.40 per share (representing a premium of 8.5% over the closing price of the shares as at May 07), and the balance will be payable by cash. Moreover, in order to further enhance the Group’s liquidity and capital base, to decrease the Group’s gearing ratio and to demonstrate the controlling shareholder’s continuing support, Mr. David Chiu proposed to convert in full the convertible bond in the principal amount of HK\$331,445,000 at a conversion price of HK\$4.3 per conversion share (representing a premium of 233.3% over the closing price of the shares as at May 07). Upon completion of the acquisitions and the proposed bonds conversion, shareholdings of Mr. David Chiu in the Group will increase from 31.99% to 41.42%.

The Directors believe that the Group has been considering its strategic initiatives to increase its exposure in the real estate business with stable and recurring cashflow streams. Having considered the nature of the business and the prospects and track records of the aforesaid acquisitions, the Board considered the acquisitions will fit such objective. The related entities being acquired have been generating relatively stable income and cashflow streams. This provides the Group with a solid platform to build on. The Directors believe that the Group will benefit from the strong, stable and recurring cash flow from the new car parking business, which is a strategic diversification from the property based assets the Group has been concentrating on.

In the long run, in addition to strengthening our car park operations in Malaysia, Australia and New Zealand, the Group intends to leverage on its expertise in car park management, and expand its presence in car park operations to other countries in Asia. The Directors are confident that by combining our expertise in car park management, operation and acquisition and the Group’s knowledge in the Asia property market, the Group can further develop the car park business across Asia.

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