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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 AND CONNECTED TRANSACTIONS IN RELATION TO THE ACQUISITION OF CAR PARK INTERESTS, PROPOSED CONVERSION OF CONVERTIBLE BONDS, WHITEWASH WAIVER AND PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

Financial adviser to Far East Consortium International Limited



SOMERLEY LIMITED

THE ACQUISITIONS

The Directors are pleased to announce that 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 CARE PARK IMPLEMENTATION AGREEMENT

The parties to the Care Park Implementation Agreement have procured or will procure (as the case may be) the entering into of the CP Transaction Agreements by the relevant parties on the date of the Care Park Implementation Agreement so that, among other things:

- the CP Transaction Entities will become wholly owned by Care Park (a wholly owned subsidiary of FEC Australia as at the date of this announcement, which is in turn wholly owned by the Company)
- Care Park will become owned as to 73.75% by FEC Australia, 14% by Warmlink, 9.25% by Chartbridge and 3% by Deanne Pointon upon CP Completion
- FEC Australia will grant the CP Put Options to Warmlink, Chartbridge and Deanne Pointon
- Warmlink, Chartbridge and Deanne Pointon will grant the CP Call Options to FEC Australia
- the FEC Guarantor Companies will guarantee the performance and obligations of FEC Australia under the CP Transaction Agreements.

The consideration of A\$29.5 million (equivalent to approximately HK\$171.1 million) in aggregate payable upon CP Completion as to A\$4.0 million (equivalent to approximately HK\$23.2 million) payable in cash (of which A\$2.0 million (equivalent to approximately HK\$11.6 million) is payable to Warmlink and A\$2.0 million (equivalent to approximately HK\$11.6 million) is payable to Chartbridge) under the CP Share Sale Agreement; as to A\$0.8 million (equivalent to approximately HK\$4.6 million) payable in cash to Deanne Pointon under the Pointon Option Agreement; and as to A\$24.7 million (equivalent to approximately HK\$143.3 million) to be settled by way of issuance of 102,328,571 CP Consideration Shares by the Company to Tan Sri Chiu or his nominee under the Chiu CP Share Sale Agreement.

THE BEST IMPACT AGREEMENT

On the same date, Apexwill, a wholly owned subsidiary of the Company, entered into the Best Impact Agreement with Tan Sri Chiu, pursuant to which Apexwill has conditionally agreed to acquire and Tan Sri Chiu has conditionally agreed to (i) sell the MC Sale Shares, representing the entire issued share capital of Best Impact; and (ii) sell and assign the benefits and interests in the Best Impact Sale Loan, for an aggregate consideration of RM52 million (equivalent to approximately HK\$114.4 million), which shall be payable in full by way of issuance of 81,714,285 MC Consideration Shares by the Company to Tan Sri Chiu or its nominee upon MC Completion.

CONSIDERATION SHARES

A total of 184,042,856 Consideration Shares (comprising the CP Consideration Shares and the MC Consideration Shares) will be allotted and issued by the Company at the Issue Price of HK\$1.40 per Share, representing a premium of 8.5% over the closing price of the Shares as at the date of this announcement, in relation to the Acquisitions.

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

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 of the CP Transaction Entities and the Best Impact Group, and their respective prospects and track records, the Board considered that the Acquisitions well fit such objective. The CP Transaction Entities and the Best Impact Group have been generating relatively stable income and cashflow streams. 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, of which 18 car parks comprising over 5,200 parking bays will be owned by the Group, in strategic locations in Australia, New Zealand and Malaysia. This provides the Group with a solid platform to build on. The Directors are of the view that the Group will benefit from the strong, stable and recurring cash inflow from the new car parking business, which is diversified from the property based assets the Group has been concentrating on.

On a longer term basis, in addition to strengthening its car park operations in Malaysia, Australia and New Zealand, the Group intends to leverage on the expertise of the management of the Care Park Group to expand its presence in car park operations to other countries in Asia. The Directors are of the view that by combining the Care Park Group's 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.

PROPOSED CONVERSION OF CONVERTIBLE BONDS

With a view 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, Tan Sri Chiu proposed to convert in full the Convertible Bond in the principal amount of HK\$331,445,000 at the conversion price of HK\$4.30 per Conversion Share.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

As at the date of this announcement, the authorized share capital of the Company is HK\$200,000,000, consisting of 2,000,000,000 Shares, of which 1,622,001,940 Shares are in issue. Pursuant to the Agreements and immediately upon CP Completion, MC Completion and the Proposed Conversion, there will be in aggregate 1,883,125,028 Shares in issue and outstanding. In order to accommodate the future expansion of the Group, the Directors propose to increase the authorized share capital of the Company from HK\$200,000,000 divided into 2,000,000,000 Shares to HK\$400,000,000 divided into 4,000,000,000 Shares.

REGULATORY REQUIREMENTS

Takeovers Code

As at the date of this announcement, Tan Sri Chiu and parties acting in concert with him hold 518,921,800 Shares, representing approximately 31.99% of the issued share capital of the Company. Following the allotment and issue of the Consideration Shares and the Proposed Conversion, Tan Sri Chiu and parties acting in concert with him will hold 780,044,888 Shares, representing approximately 41.42% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares and the Conversion Shares. Given that the allotment and issue of each of the CP Consideration Shares, the MC Consideration Shares and the Conversion Shares to Tan Sri Chiu and parties acting in concert with him will have the effect of increasing their holding of voting rights in the Company by more than 2% from the lowest percentage holding of them in the previous 12 months and thereby exceeding the 2% creeper threshold specified in Rule 26.1(c) of the Takeovers Code, Tan Sri Chiu and parties acting in concert with him will make an application to the Executive for the Whitewash Waiver. The Whitewash Waiver, if granted by the Executive, would be subject to, among other things, the approval of the Independent Shareholders at the EGM by way of poll.

It is one of the conditions of each of the Care Park Implementation Agreement, the Best Impact Agreement and the Proposed Conversion that the Whitewash Waiver be granted by the Executive and approved by the Independent Shareholders at the EGM by way of poll. If the Whitewash Waiver is not granted by the Executive or not approved by the Independent Shareholders, each of the Care Park Implementation Agreement, the Best Impact Agreement and the Proposed Conversion will not become unconditional, and each of the CP Acquisition, the MC Acquisition and the Proposed Conversion will not proceed. The CP Acquisition, the MC Acquisition and the Proposed Conversion are independent transactions and are not inter-conditional.

Listing Rules

Based on the consideration of the Acquisitions and the CP Cap Amount with respect to the CP Put Options, the Acquisitions constitute discloseable transactions for the Company under Chapter 14 of the Listing Rules. Tan Sri Chiu is a Director and substantial Shareholder who, together with his family members hold approximately 31.99% of the issued share capital of the Company as at the date of this announcement. Chartbridge (being one of the CP Vendors and party to various CP Transaction Agreements) is wholly owned by Craig Williams who is a Director. Accordingly, each of Tan Sri Chiu and Chartbridge are connected persons of the Company. Further, Robert Belteky (who, with his associates, controls Warmlink being one of the CP Vendors and party to various CP Transaction Agreements) will be appointed as the managing director of Care Park upon CP Completion, and its subsidiaries. The transactions contemplated under each of the Care Park Implementation Agreement (including the grant and exercise of the CP Put Options) and the Best Impact Agreement (involving Tan Sri Chiu, Craig Williams, Robert Belteky and their respective associates) therefore constitute connected transactions for the Company under Chapter 14A of the Listing Rules and are subject to the approval of the Independent Shareholders at the EGM by way of poll.

As the Belteky Employment Contract has a term of more than three years and may require the Group to pay compensation or make other payments equivalent to more than one year's emoluments, Independent Shareholders' approval will be sought in the EGM under Rule 13.68 of the Listing Rule.

The Capital Increase is subject to the Shareholder's approval at the EGM by way of poll.

GENERAL

The Independent Board Committee comprising all of the three independent non-executive Directors, namely Mr. Jian Yin Jiang, Mr. Kwok Wai Chan and Mr. Peter Man Kong Wong, has been established to advise and give recommendation to the Independent Shareholders on the Care Park Implementation Agreement and the transactions contemplated thereunder, the Best Impact Agreement and the transactions contemplated thereunder, and the Whitewash Waiver. As the two non-executive Directors, namely Madam Ching Lan Ju Chiu and Mr. Daniel Tat Jung Chiu are parties acting in concert with Tan Sri Chiu, they have been excluded from the Independent Board Committee. Access Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee in the same regard. The Independent Board Committee has approved the appointment of Access Capital Limited.

A circular containing, among other things, (i) further information on the Care Park Implementation Agreement and the Best Impact Agreement and the respective transactions and agreements contemplated thereunder (ii) the Proposed Conversion; (iii) the Whitewash Waiver; (iv) the Capital Increase; (v) the recommendation of the Independent Board Committee and advice of the independent financial adviser regarding the terms of the Agreements and the transactions contemplated thereunder and the Whitewash Waiver; (vi) property valuation reports for the Group, the CP Transaction Entities and the Best Impact Group; and (vii) notice of the EGM, will be despatched to the Shareholders in accordance with the Takeovers Code and the Listing Rules.

(A) THE ACQUISITIONS

The Directors are pleased to announce that 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 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.

(1) THE CARE PARK IMPLEMENTATION AGREEMENT

Date

7 May 2009 (after trading hours)

Parties

The Company, Tan Sri Chiu, Robert Belteky, Craig Williams and Deanne Pointon.

Tan Sri Chiu is a Director, Deputy Chairman and Chief Executive Officer of the Company. Craig Williams is a Director. The Directors confirm that to the best of their knowledge, information and belief, and having made all reasonable enquiries, Robert Belteky and Deanne Pointon are third parties independent of the Company and its connected persons.

Subject

The parties to the Care Park Implementation Agreement have procured or will procure (as the case may be) the entering into of the CP Transaction Agreements by the relevant parties on the date of the Care Park Implementation Agreement so that upon CP Completion:

- the CP Transaction Entities will become wholly owned subsidiaries of Care Park (a wholly owned subsidiary of FEC Australia as at the date of this announcement); and
- shares in Care Park will be owned as to 73.75% by FEC Australia (a wholly owned subsidiary of the Company), 14% by Warmlink, 9.25% by Chartbridge and 3% by Deanne Pointon.

Tan Sri Chiu, Warmlink (a company controlled by Robert Belteky and his associates) and Chartbridge (a company controlled by Craig Williams) currently own 65%, 20% and 15% respectively of the CP Transaction Entities. Pursuant to the Care Park Implementation Agreement, Chiu CP Share Sale Agreement, the CP Share Swap Agreement, the CP Share Sale Agreement and the CP Trustee Sale Agreement, Care Park and the CP Transaction Entities will undergo the CP Reorganisation, including, among other things,

1. Care Park will issue additional 6,374 CP Shares to FEC Australia;
2. Tan Sri Chiu will perform his obligations under the Care Park Implementation Agreement, including transferring his interest in each of the CP Transaction Entities to Care Park in return for 102,328,571 CP Consideration Shares to be issued by the Company to Tan Sri Chiu or his nominee;
3. Warmlink will perform its obligations under the Care Park Implementation Agreement, including transferring its interest in each of the CP Transaction Entities to Care Park in return for 1,900 CP Shares; and Chartbridge will perform its obligations under the Care Park Implementation Agreement, including transferring its interest in each of the CP Transaction Entities to Care Park in return for 1,425 CP Shares; and
4. each of Warmlink and Chartbridge will sell 500 CP Shares to FEC Australia in return for A\$2.0 million (equivalent to approximately HK\$11.6 million) each, payable in cash.

As at the date of this announcement, Deanne Pointon has an option to acquire 5% of the enlarged capital of each of CP New Zealand, CP Properties and CP Holdings (the “**Existing Pointon Option**”). Pursuant to the Pointon Option Agreement, Deanne Pointon will cancel the Existing Pointon Option in consideration of (i) FEC Australia paying her A\$0.8 million (equivalent to approximately HK\$4.6 million); and (ii) Care Park entering into the Pointon Subscription Option Agreement with her, under which, Deanne Pointon will have an option to subscribe up to 3% of the enlarged share capital of Care Park, which is expected to be 300 CP Shares upon exercise. The option pursuant to the Pointon Subscription Option Agreement is expected to be exercised by Deanne Pointon immediately after CP Completion.

Set out below is Care Park Shareholding table:

	As at the date of this announcement		Upon the completion of the CP Reorganisation		Upon the exercise of the share option pursuant to the Pointon Subscription Option Agreement by Deanne Pointon		Upon the sale of the CP Shares by each of Warmlink and Chartbridge to FEC Australia pursuant to the CP Share Sale Agreement	
FEC Australia	1	100%	6,375	65.72%	6,375	63.75%	7,375	73.75%
Warmlink	–	0%	1,900	19.59%	1,900	19.00%	1,400	14.00%
Chartbridge	–	0%	1,425	14.69%	1,425	14.25%	925	9.25%
Deanne Pointon	–	0%	–	0%	300	3.00%	300	3.00%
	<u>1</u>	<u>100%</u>	<u>9,700</u>	<u>100%</u>	<u>10,000</u>	<u>100%</u>	<u>10,000</u>	<u>100%</u>

The CP Consideration

A\$29.5 million (equivalent to approximately HK\$171.1 million) in aggregate payable upon CP Completion in the following manner:

1. as to A\$4.0 million (equivalent to approximately HK\$23.2 million) payable in cash (of which A\$2.0 million (equivalent to approximately HK\$11.6 million) to Warmlink for 500 CP Shares and A\$2.0 million (equivalent to approximately HK\$11.6 million) to Chartbridge for 500 CP Shares) by FEC Australia under the CP Share Sale Agreement;
2. as to A\$0.8 million (equivalent to approximately HK\$4.6 million) payable in cash to Deanne Pointon under the Pointon Option Agreement; and
3. as to A\$24.7 million (equivalent to approximately HK\$143.3 million) to be settled by way of issuance of a total of 102,328,571 CP Consideration Shares by the Company to Tan Sri Chiu or his nominee for Tan Sri Chiu’s interests in the CP Transaction Entities and other matters provided under the Chiu CP Share Sale Agreement.

The CP Consideration has been negotiated between the parties to the Care Park Implementation Agreement on an arms length basis with reference to (i) the unaudited combined net asset value of the Care Park Group as at 31 December 2008 of approximately A\$41.6 million (equivalent to approximately HK\$241.3 million); (ii) the growth track record of the CP Transaction Entities; (iii) the goodwill of the brand name “Care Park”; (iv) future prospects of the Care Park Group; and (v) the quality of cash flow generated by the Care Park Group.

A property valuation report containing the valuation of the properties owned by the CP Transaction Entities will be included in the circular to be despatched to the Shareholders according to the requirements under the Listing Rules and the Takeovers Code.

The CP Vendors have provided warranties that the consolidated net asset value of the Care Park Group will not be less than A\$40 million (equivalent to approximately HK\$232.0 million) upon CP Completion.

The cash portion of the CP Consideration and the related costs are proposed to be financed by the internal resources of the Group.

As set out below, the CP Transaction Entities are principally engaged in car park owning, management and operation business in Australia and New Zealand.

Conditions precedent

CP Completion shall be conditional upon the following conditions being fulfilled or waived (as the case may be):

1. obtaining approval of the Foreign Investment Review Board of Australia including (i) FEC Australia, Care Park and CP Properties receiving a written notice under the Foreign Acquisitions and Takeovers Act 1975 (Cth), by or on behalf of the Treasurer of the Commonwealth of Australia stating or to the effect that the Commonwealth Government does not object to the transactions contemplated by the Care Park Implementation Agreement, either unconditionally or on terms that do not impose unduly onerous obligations on the Company, FEC Australia, Care Park and CP Properties; or (ii) the Treasurer of the Commonwealth of Australia becoming precluded from making an order in relation to the subject matter of the Care Park Implementation Agreement and the transactions contemplated by it under the Foreign Acquisitions and Takeovers Act 1975 (Cth); or (iii) if an interim order is made under the Foreign Acquisitions and Takeovers Act 1975 (Cth) in respect of the transactions contemplated by the Care Park Implementation Agreement, the subsequent period for making a final order prohibiting the transactions contemplated by the Care Park Implementation Agreement elapsing without a final order being made;

2. the CP Vendors and Deanne Pointon obtaining written approval from BOS International Ltd, an independent financier to certain CP Transaction Entities, to the transactions contemplated under the CP Transaction Agreements on terms that are not unduly onerous;
3. the CP Vendors and Deanne Pointon delivering to FEC Australia consents to a change of control of the relevant member of the Care Park Group from counterparties of 90% of the top 30 most profitable car park leases or car park management agreements which have been entered into by Care Park Group members;
4. the passing of an ordinary resolution by the Independent Shareholders at an extraordinary general meeting by way of poll to approve, confirm and ratify the Care Park Implementation Agreement and the transactions and agreements contemplated thereunder;
5. the passing of an ordinary resolution at a shareholder meeting by the Independent Shareholders to approve the Whitewash Waiver in respect of the CP Acquisition, by way of poll;
6. the Whitewash Waiver in respect of the CP Acquisition being granted by the Executive;
7. the Listing Committee of the Stock Exchange granting listing of, and permission to deal, in the CP Consideration Shares;
8. the receipt by FEC Australia of a legal opinion by FEC Australia's solicitors that does not contain any materially adverse matter concerning the encumbrances evident from the public registers of the relevant Land Titles Offices in Australia (or equivalent government agency in each relevant Australian state) in relation to freehold property owned by the CP Transaction Entities, provided that only materially adverse matters that are included in the legal opinion as a result of a change to the facts known to FEC Australia's solicitors or a change to the facts or law known to FEC Australia's solicitors relating to the encumbrances that exist as at the date of the Care Park Implementation Agreement will be considered for the purposes of determining whether or not this condition has been satisfied;
9. during the period from the date of the Care Park Implementation Agreement to the CP Completion Date, no event occurring that would have a material adverse effect on, or there not being in existence on the CP Completion Date any material adverse change in, the financial position and operating performance of Care Park and the CP Transaction Entities (taken as a whole);
10. the signing of the CP Termination Agreement terminating all consultancy and other fee paying arrangements between the CP Vendors and Care Park Pty Ltd;

11. the delivery to FEC Australia of a completion certificate duly executed by each CP Vendor and Deanne Pointon, representing and warranting to FEC Australia that (i) the warranties given by each of them remain true and accurate and not misleading as given as at the date of the Care Park Implementation Agreement and as at the CP Completion Date and as if given at all times between the date of the Care Park Implementation Agreement and the CP Completion Date; and each of the CP Vendors has performed all of the covenants and agreements required to be performed by them under the respective CP Transaction Agreements on or prior to the CP Completion Date; and
12. FEC Australia delivering a completion certificate to a representative of the CP Vendors and Deanne Pointon, representing and warranting to each of them that the warranties given by Care Park and the FEC Guarantor Companies under the respective CP Transaction Agreements remain true and accurate and not misleading as given as at the date of the Care Park Implementation Agreement and as at the CP Completion Date and as if given at all times between the date of the Care Park Implementation Agreement and the CP Completion Date; and FEC Australia has performed all of the covenants and agreements required to be performed by it under the CP Share Sale Agreement and Care Park has performed all of the covenants and agreements required to be performed by it under the Chiu CP Share Sale Agreement on or prior to the CP Completion Date.

Each of FEC Australia and the CP Vendors are required to use all reasonable endeavours to ensure that the conditions are satisfied as expeditiously as possible and in any event within 90 days of the signing of the Care Park Implementation Agreement. The conditions in paragraphs 1, 4, 5, 6 and 7 must not be waived. The conditions in paragraphs 2, 3, 9, 10, 11 and 12 may only be waived by written agreement between the CP Vendors and FEC Australia. The conditions in paragraph 8 may be waived by FEC Australia in its absolute discretion.

CP Shareholders Agreement

On the same date of the Care Park Implementation Agreement (after trading hours), FEC Australia, Warmlink, Chartbridge and Deanne Pointon (each of them a CP Shareholder upon CP Completion and exercise of the option of the Pointon Subscription Option Agreement), Care Park and the FEC Guarantor Companies (as guarantors of FEC Australia) also entered into the CP Shareholders Agreement.

Board Composition and Shareholdings

Pursuant to the CP Shareholders Agreement, the board of Care Park will comprise five directors, three of whom will be appointed by FEC Australia, one of whom will be appointed by Warmlink and one of whom will be appointed by Chartbridge. If FEC Australia's shareholding is reduced to less than 50% of the issued share capital of Care Park, it will only have the right to appoint two directors of Care Park. If FEC Australia's shareholding is reduced to below 25% of the issued share capital of Care Park, it will only have the right to appoint one director of Care Park. Each CP Shareholder will lose the right to appoint any directors if their respective shareholding is reduced to less than 5% of the issued share capital of Care Park. The Chairman of Care Park

will be appointed by FEC Australia. Care Park will appoint Robert Belteky and Deanne Pointon as the first managing director and the first chief financial officer of Care Park respectively. While each of Robert Belteky and Deanne Pointon is employed, each of them must continue to hold at least 9% and 1.5% of the issued share capital of Care Park respectively. Robert Belteky and Deanne Pointon have solid experience in car parking operating business, and have been the managing director and the chief financial officer of the CP Transaction Entities respectively since the establishment of Care Park Pty Ltd (a wholly owned subsidiary of CP Holdings and one of the key CP Transaction Entities). The Group intends to retain both of them as the management of Care Park for its future development.

The FEC Guarantor Companies will unconditionally and irrevocably guarantee to each other party on demand, the due and punctual performance of FEC Australia's (or any majority shareholder of Care Park which is another wholly owned subsidiary of the Company) obligations under the CP Shareholders Agreement.

The CP Shareholders Agreement also sets out certain other provisions with respect to the rights of each CP Shareholder:

CP Put Options and CP Call Options

On the second anniversary of CP Completion, each of Warmlink, Chartbridge and Deanne Pointon will have the right to sell up to 25% of the CP Shares held by them as at the CP Completion Date to FEC Australia (the "Second Anniversary Put Options") at their Fair Market Value, whilst FEC Australia will have the right to acquire up to 25% of the CP Shares held by each of Warmlink, Chartbridge and Deanne Pointon as at the CP Completion Date (the "Second Anniversary Call Options") at their Fair Market Value.

On the fourth anniversary of CP Completion, each of Warmlink, Chartbridge and Deanne Pointon will have the right to sell up to 50% of the CP Shares held by them as at the CP Completion Date to FEC Australia (less any shares sold under the Second Anniversary Put Options or Second Anniversary Call Options) (the "Fourth Anniversary Put Options") at their Fair Market Value, whilst FEC Australia will have the right to acquire up to 50% of the CP Shares held by each of Warmlink, Chartbridge and Deanne Pointon as at the CP Completion Date (less any shares sold under the Second Anniversary Put Options or Second Anniversary Call Options) (the "Fourth Anniversary Call Options") at their Fair Market Value.

On the fifth anniversary of CP Completion, Chartbridge will have the right to sell all or some of its CP Shares to FEC Australia (the "Fifth Anniversary Put Options") at their Fair Market Value, whilst FEC Australia will have the right to acquire all or some of the CP Shares held by Chartbridge (the "Fifth Anniversary Call Option") at their Fair Market Value. If FEC Australia exercises the Fifth Anniversary Call Option in respect of Chartbridge, it must exercise the relevant Call Options over Warmlink's and Pointon's shares in the same proportion and on the same basis.

On the date of cessation of Robert Belteky's employment as managing director and Deanne Pointon's employment as chief financial officer respectively, each of them will have an option to sell all or some of its CP Shares to FEC Australia (the "Exit Put Options") for an amount determined in accordance with the CP Shareholders Agreement (which will not exceed their Fair Market Value), whilst FEC Australia will also at that time have the right to acquire all or some of the CP Shares held by Warmlink and Deanne Pointon respectively (the "Exit Call Option") for an amount determined in accordance with the CP Shareholders Agreement (which will not exceed their Fair Market Value).

Each of Warmlink and Deanne Pointon may not exercise its or her respective Second Anniversary Put Option, Fourth Anniversary Put Option or Exit Put Options if Robert Belteky or Deanne Pointon is respectively regarded as a Bad Leaver.

On and from the third anniversary of CP Completion, if certain events of deadlock in board decision making occur between the directors of Care Park and such deadlock is not able to be resolved by the CP Shareholders, each of Warmlink, Chartbridge and Deanne Pointon will have the right to sell all (but not part of) their respective CP Shares to FEC Australia (the "Dispute Put Options") at 50% of their Fair Market Value, whilst FEC Australia will have the right to sell all (but not part of) its CP Shares to Warmlink, Chartbridge and Deanne Pointon respectively (the "FEC Australia Dispute Put Option") at 50% of their Fair Market Value.

If a person other than a member of the Group, who did not previously do so, acquires directly or indirectly (i) shares in FEC Australia conferring 40% or more of the voting or economic interests in FEC Australia; (ii) the power to control the appointment or dismissal of the majority of the FEC Australia's directors; or (iii) the capacity to control the financial and operating policies or the management of FEC Australia ("Change of Control"), each of Warmlink, Chartbridge and Deanne Pointon will have an option to purchase all (but not part only) of the CP Shares held by FEC Australia at their Fair Market Value. However, it will not be a Change of Control of FEC Australia where it is caused by a person, who did not previously do so, acquiring directly or indirectly (i) shares in the Company or its ultimate holding company (as applicable); (ii) the power to control the appointment or dismissal of the majority of directors of the Company or its ultimate holding company (as applicable); or (iii) the capacity to control the financial and operating policies or the management of the Company or its ultimate holding company (as applicable). As the Change of Control is in the control of the Company, the Company will comply with relevant Listing Rules requirement if it takes any steps which will trigger a Change of Control.

If a person, who did not previously do so, acquires directly or indirectly (i) a legal or beneficial interest in shares in Warmlink or Chartbridge conferring 40% or more of the voting or economic interests in Warmlink or Chartbridge; (ii) the power to control the appointment or dismissal of the majority of the Warmlink's or Chartbridge's directors; (iii) the capacity to control the financial and operating policies or the management of Warmlink or Chartbridge; (iv) a distribution from the Warmlink trust or the Chartbridge trust and that person is not Robert Belteky or Craig Williams or their respective immediate family members; or (v) the right to appoint the trustee of the Warmlink trust or the Chartbridge trust, then each other CP

Shareholder will have an option to purchase all (but not part only) of the CP Shares held by Warmlink or Chartbridge as applicable (the “Change of Control Options”) at their Fair Market Value.

Where a CP Shareholder either (i) materially breaches a material term of the CP Shareholders Agreement; or (ii) is subject to an insolvency event, then each other CP Shareholder will have an option to purchase all (but not part only) of the CP Shares held by that party at their Fair Market Value.

The exercise of the Second Anniversary Put Options, Fourth Anniversary Put Options, Fifth Anniversary Put Options, Exit Put Options and Dispute Put Options by each of Warmlink, Chartbridge and Deanne Pointon (as the case may be) are not at the discretion of FEC Australia and shall be subject to:

- a cap on consideration of A\$5.306 million, A\$3.470 million and A\$1.224 million (equivalent to approximately HK\$30.8 million, HK\$20.1 million and HK\$7.1 million respectively) (collectively, the “CP Cap Amount”) for all sales to FEC Australia of CP Shares by Warmlink, Chartbridge and Deanne Pointon respectively pursuant to the CP Put Options; and
- members of the Care Park Group obtaining any consent or waiver required to avoid a material breach or trigger a material right of the financier under any material loan agreement or associated security document entered into by members of the Care Park Group.

In the event that the amount payable by FEC Australia under the CP Put Options exceeds the CP Cap Amount, the Company will comply with relevant Listing Rules requirement to the extent of any excess over the CP Cap Amount and/or the number of CP Shares to be transferred to FEC Australia pursuant to the relevant put options will be reduced to the extent necessary to ensure that the amount payable by FEC Australia will not exceed the CP Cap Amount.

The Company will comply with the relevant Listing Rules requirement upon the exercise of its Second Anniversary Call Options, Fourth Anniversary Call Options, Fifth Anniversary Call Options, Exit Call Options, FEC Australia Dispute Put Option and the Change of Control Options.

First right of refusal, drag-along right and tag-along right

No CP Shareholder may sell any of its CP Shares to a third party for the first 3 years from the CP Completion Date. If a CP Shareholder thereafter wishes to sell all or some of its CP Shares, the other CP Shareholders will each have a first right of refusal over the CP Shares. If only one of the other CP Shareholders exercises its right, that CP Shareholder will acquire all of the CP Shares that are available for purchase. If two or all of the CP Shareholders exercise their rights, the CP Shares will be allocated among them in proportion to their then existing shareholdings. The Company will comply with the relevant Listing Rules requirement upon the exercise of the right of first refusal under the CP Shareholders Agreement by FEC Australia.

If FEC Australia wishes to sell all of its CP Shares to a third party, and those CP Shares are not acquired by the other CP Shareholders under their right of first refusal under the CP Shareholders Agreement, FEC Australia will have a right to force other CP Shareholders to sell the CP Shares held by them to the same purchaser on the same terms (the “Drag-along Right”).

If FEC Australia wishes to sell all of its CP Shares to a third party and does not exercise its Drag-along Right, the other CP Shareholders will have a “tag-along” right to require FEC Australia to use its best endeavours to ensure its CP Shares are also sold to the purchaser. If a CP Shareholder exercises a tag along right (the “Tagging Shareholder”), FEC Australia will not be permitted to sell its CP Shares to the purchaser unless the Tagging Shareholders’ CP Shares are also sold to that purchaser on the same terms.

Business Opportunities

Where a CP Shareholder (the “Referring CP Shareholder”) becomes aware of a business opportunity, including but not limited to, the opportunity to own, operate or manage a public commercial car park within Australia and New Zealand (the “Business Opportunity”), the Referring CP Shareholder must as soon as reasonably practicable provide written notice to Care Park setting out the terms of the Business Opportunity as made available to the Referring CP Shareholder. If Care Park wishes to proceed with the Business Opportunity, the Referring CP Shareholder must use its best endeavors to make the Business Opportunity available to Care Park.

If (i) Care Park elects not to proceed with the Business Opportunity; (ii) Care Park makes no election within 30 days of receipt of the notice from the Referring CP Shareholder in relation to the Business Opportunity indicating whether it wishes to proceed with the Business Opportunity or not; or (iii) the Business Opportunity cannot be made available to Care Park, then the Referring CP Shareholder may proceed with the Business Opportunity but only on terms no more favorable as a whole to the Referring CP Shareholder than those which would have been offered to Care Park.

Notwithstanding the foregoing, where a CP Shareholder or its associates buys or builds a building which contains a public commercial car park within Australia and New Zealand, such CP Shareholder is required to offer Care Park either the right to purchase such car park on arm’s length commercial terms; or the right to manage the car park on arm’s length commercial terms. The Company will comply with the relevant Listing Rules requirement when such situation arises.

Belteky Employment Contract

On or before CP Completion, as required under the Care Park Implementation Agreement, Care Park Pty Ltd (being one of the CP Transaction Entities) and Robert Belteky will enter into the Belteky Employment Contract.

Pursuant to the Belteky Employment Contract, Robert Belteky will be appointed as the managing director of Care Park and all its subsidiaries from the CP Completion Date for a period of 10 years (the “Belteky Employment Period”). The Belteky Employment Contract may be terminated by Care Park Pty Ltd without notice during the Belteky Employment Period including if Robert Belteky (a) engages in fraud or wilful misconduct; (b) commits a serious and persistent breach of the Belteky Employment Contract; (c) commits an act which is outside the scope of Robert Belteky’s employment and which brings Care Park Pty Ltd into disrepute, having regard to the nature of Care Park Pty Ltd’s business; (d) is unable to perform the inherent requirements of his position; or (e) is convicted of an offence and punished by imprisonment.

Care Park Pty Ltd will initially pay Robert Belteky a salary of A\$300,000 (equivalent to approximately HK\$1.7 million) for each year of service and make superannuation contribution on his behalf. The rate of superannuation contribution will be made at a rate not less than 9% (or such other higher percentage that may be prescribed by S.19(2) of the Superannuation Guarantee (Administration) Act 1992 (Cth) of Australia).

Robert Belteky will also be entitled to a first year performance bonus of not more than A\$250,000 (equivalent to approximately HK\$1.5 million), subject to the performance of the Care Park Group. In the subsequent years during the Belteky Employment Period, subject to meeting performance, and financial and operational targets to be set by the board of directors of Care Park Pty Ltd, Robert Belteky may, at the sole discretion of the board of directors of Care Park Pty Ltd, be entitled to a performance bonus of up to A\$100,000 (equivalent to approximately HK\$0.6 million) in each subsequent year.

(2) THE BEST IMPACT AGREEMENT

Date

7 May 2009 (after trading hours)

Parties

Vendor: Tan Sri Chiu

Purchaser: Apexwill Limited, a wholly owned subsidiary of the Company

Tan Sri Chiu is a Director, Deputy Chairman and Chief Executive Officer of the Company.

Assets to be acquired

The MC Sale Shares, representing the entire issued share capital of Best Impact and the benefits and interests in the Best Impact Sale Loan. As at the date of this announcement, there is no Best Impact Sale Loan outstanding. As will be detailed below, the principal assets of Best Impact will be its indirect interests in the Malaysia Car Parks, representing certain car parks located in Malaysia, upon MC Completion.

Consideration

RM52 million (equivalent to approximately HK\$114.4 million) payable in full by way of issuance of 81,714,285 MC Consideration Shares by the Company to Tan Sri Chiu or his nominee upon the MC Completion.

The MC Consideration has been agreed between Apexwill and Tan Sri Chiu on arm's length basis with reference to (i) recent transaction prices of car parks in Kuala Lumpur, Malaysia; (ii) the future prospects of the Best Impact Group; and (iii) the quality of cash flow generated by the Malaysia Car Park.

A property valuation report containing valuation of the Malaysia Car Parks will be included in the circular to be despatched to the Shareholders according to the requirements under the Listing Rules and the Takeovers Code.

Conditions precedent

MC Completion shall be conditional upon the following conditions being fulfilled or waived (as the case may be):

1. the warranties as set out in the Best Impact Agreement remaining true and accurate and not misleading in all material respect at MC Completion as given as of the date of the Best Impact Agreement and as of the MC Completion Date and as if given at all times between the date of the Best Impact Agreement and the MC Completion Date;
2. Apexwill notifying Tan Sri Chiu in writing that it is satisfied upon conducting due diligence on the Best Impact Group as to (i) the respective financial, legal, contractual, taxation and trading positions of each member of the Best Impact Group; and (ii) the title to the Malaysia Car Park.
3. Tan Sri Chiu having performed all of the covenants and agreements required to be performed by it under the Best Impact Agreement on or prior to the MC Completion Date;
4. all necessary consents required to be given by third parties to Tan Sri Chiu for the completion by Tan Sri Chiu of the transactions contemplated under the Best Impact Agreement having been granted (including the Stock Exchange, and relevant governmental or official authorities), and being in full force and effect, for the sale and purchase of the MC Sale Shares and no applicable statute, regulation or decision which would prohibit, restrict or materially delay the sale and purchase of the MC Sale Shares or the operation of the business of any member of the Best Impact Group after MC Completion having been proposed, enacted or taken by any governmental or official authority;

5. no bona fide investigation, action, suit, injunction, order or proceedings being in effect, pending or genuinely threatened as of the MC Completion Date before any court of competent jurisdiction or by any relevant governmental body which seeks to restrain, prohibit, impose limitations or conditions or otherwise challenge the transactions contemplated by the Best Impact Agreement;
6. Tan Sri Chiu having provided evidence satisfactory to Apexwill that the sale and purchase of the Malaysia Car Parks have been completed and Target Term has become the sole and beneficial owner of the Malaysia Car Parks and obtained exclusive vacant possession of the Malaysia Car Parks free of all encumbrances;
7. the receipt by Apexwill of a legal opinion by a firm of qualified lawyers in Malaysia in form and substance satisfactory to Apexwill in relation to the subject matter of the Best Impact Agreement, including, without limitation, the due incorporation, good standing and valid existence of Target Term and Best Impact possess good and marketable beneficial interest to the Malaysia Car Parks and there will be no legal impediment under Malaysian law for Apexwill to acquire the Malaysia Car Parks and operate them as car parks;
8. the receipt by Apexwill of a valuation report in respect of the Malaysia Car Parks prepared by a firm of independent valuers acceptable to Apexwill, and on normal assumptions and bases acceptable to Apexwill, showing that the aggregate market value of the Malaysia Car Parks as at 31 March 2009 is no less than RM52 million (equivalent to approximately HK\$114.4 million);
9. during the period from the date of the Best Impact Agreement to the MC Completion Date, there not having occurred any material adverse effect on, or there not being in existence on the MC Completion Date any material adverse change in, the financial position and operating performance of the Best Impact Group as a whole;
10. the passing of an ordinary resolution by the Independent Shareholders at an extraordinary general meeting by way of poll to approve the Best Impact Agreement and the transactions contemplated thereunder;
11. the Stock Exchange granting listing of and permission to deal, in the MC Consideration Shares;
12. the passing of an ordinary resolution by the Independent Shareholders at an extraordinary general meeting by way of poll to approve the Whitewash Waiver in respect of the MC Acquisition;
13. the Whitewash Waiver in respect of the MC Acquisition being granted by the Executive; and
14. if so required, the relevant Malaysian government authorities having approved the transaction under the Best Impact Agreement.

Tan Sri Chiu shall use its best endeavours to procure the fulfilment of the above conditions on or before 6 months from the date of the Best Impact Agreement (or such later date as may be agreed between Apexwill and Tan Sri Chiu). In the event that any of the above conditions have not been fulfilled (or otherwise waived by Apexwill in writing provided that the conditions 10, 11, 12, 13 and 14 cannot be waived) on or before 6 months from the date of the Best Impact Agreement (or such later date as may be agreed between Apexwill and Tan Sri Chiu), then Apexwill shall not be bound to proceed with the purchase of the MC Sale Shares and the Best Impact Agreement shall cease to be of any effect save in respect of claims arising out of any antecedent breach of the Best Impact Agreement.

The Plaza Damas Option Agreement

On 13 March 2009, Mayland Universal entered into the Plaza Damas Option Agreement with Target Term, pursuant to which, Mayland Universal has granted Target Term a right of first refusal in respect of car park bays comprised within Plaza Damas 3, at a price to be determined by Mayland Universal. Target Term is not bounded to acquire the subject car park bays but have the right of first refusal to acquire such car park bays. Target Term has paid RM10 (equivalent to approximately HK\$22.0) to Mayland Universal in respect of the Plaza Damas Option Agreement.

The Company will comply with the relevant Listing Rules requirement upon exercise of the right of first refusal under the Plaza Damas Option Agreement.

(3) CONSIDERATION SHARES

The Consideration Shares will be issued at the Issue Price of HK\$1.40 per Share and represent:

- (i) a premium of approximately 8.5% over the closing price of HK\$1.29 per Share as quoted on the Stock Exchange on 7 May 2009, being the date of this announcement;
- (ii) a premium of approximately 27.3% over the average closing price per Share of approximately HK\$1.10 for the last ten trading days up to and including 7 May 2009;
- (iii) a premium of approximately 41.4% over the average closing price per Share of approximately HK\$0.99 for the last thirty trading days up to and including 7 May 2009; and
- (iv) a discount of approximately 53.3% to the unaudited consolidated net assets value attributable to equity holders of the Company per Share of approximately HK\$3.0 as at 30 September 2008 (as calculated by the equity attributable to equity holders of the Company of approximately HK\$4,828,348,000 as at 30 September 2008 and the number of outstanding Shares of 1,607,014,952 as at 30 September 2008, both extracted from the Company's 2008/09 interim report).

When allot and issue, CP Consideration Shares will represent approximately:

- (i) 6.31% of the existing issued share capital of the Company;
- (ii) 5.93% of the issued share capital of the Company as enlarged by the CP Consideration Shares but prior to the allotment and issue of the MC Consideration Shares and the Conversion Shares;
- (iii) 5.67% of the issued share capital of the Company as enlarged by the Consideration Shares but prior to the allotment and issue of the Conversion Shares; and
- (iv) 5.43% of the issued share capital of the Company as enlarged by the Consideration Shares and the Conversion Shares.

When allot and issue, the MC Consideration Shares will represent approximately:

- (i) 5.04% of the existing issued share capital of the Company;
- (ii) 4.80% of the issued share capital of the Company as enlarged by the MC Consideration Shares but prior to the allotment and issue of the CP Consideration Shares and the Conversion Shares;
- (iii) 4.52% of the issued share capital of the Company as enlarged by the Consideration Shares but prior to the allotment and issue of the Conversion Shares; and
- (iv) 4.34% of the issued share capital of the Company as enlarged by the Consideration Shares and the Conversion Shares.

The Consideration Shares are to be issued by the Company under specific mandates. The Consideration Shares, when fully paid, will rank *pari passu* in all respects with all the Shares in issue on the date of the respective completion. An application will be made to the Stock Exchange by the Company for the listing of, and permission to deal in, the Consideration Shares.

The Directors (excluding the independent non-executive Directors whose opinion will be subject to the advice from the independent financial adviser) consider that the terms of the Consideration Shares, including the Issue Price, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

(4) INFORMATION ON THE CARE PARK GROUP

To facilitate the CP Acquisition, Care Park was incorporated on 27 April 2009 to acquire the interests in the CP Transaction Entities. Upon CP Completion, the Care Park Group will be principally engaged in car parking management and operations in Australia and New Zealand. Founded in 1998, Care Park Pty Ltd (which is a wholly owned subsidiary of CP Holdings and one of the key CP Transaction Entities) is one of the major car park management operators in Australia and New Zealand, operating around 200 car parks throughout Australia and New Zealand. Apart from being an operator and manager of car parks, the CP Transaction Entities also have ownership interests in a portfolio of 15 car park properties. The CP Transaction Entities also provide on-street parking management services and cash collections to local authorities in the form of parking enforcement and local law services, parking meter and ticket machines revenue collection and equipment maintenance, covering over 2,000 parking meters.

Set out below are the major car parks to be owned by the Care Park Group upon CP Completion:

Location	Number of bays
11-19 Roper Street, Adelaide, SA, Australia	715
13-19 Bank Street, Adelaide, SA, 5000, Australia	330
Northbank Place, Flinders Street, Melbourne, Vic, Australia (an agreement has been entered into by one of the CP Transaction Entities to acquire such car park. The agreement is expected to be completed by the end of May).	196
Quadrant Plaza, 94-98 York Street, Tas, Australia	370
344 Queen Street, Brisbane, Qld, Australia	54

Further details of other car parks to be owned by the Care Park Group upon CP Completion will be set out in the circular to be despatched to the Shareholders in accordance with the Listing Rules and the Takeovers Code.

Set out below are the major car parks managed by the Care Park Group:

Location	Number of bays
Victoria Gardens Shopping Centre, Richmond, Australia	3,000
Wellington International Airport, Stewart Duff Drive, Wellington, New Zealand	1,750
Mackay Airport, Boundary Road, Mackay, Australia	1,500
Auckland University, Grafton Road, Auckland, New Zealand	1,200
Courtenay Central, 190 Wakefield Street, Wellington, New Zealand	1,050
333 Exhibition Street, Melbourne, Australia	697

The numbers of car parks managed by the CP Transaction Entities have been increasing rapidly in the past few years. Set out below are the numbers of car parks managed by the CP Transaction Entities for the past 3 years:

	As at 30 June		
	2008	2007	2006
the number of car parks managed by the CP Transaction Entities	190	155	129

Set out below is a summary of the audited combined financial results of the CP Transaction Entities (other than CP New Zealand) prepared in accordance with Australian Accounting Standards for each of the two years ended 30 June 2007 and 2008. In assessing the performance of the CP Transaction Entities, the Shareholders should be aware that (i) the arrangements for the consultancy and guarantee fees will be terminated pursuant to the Termination Agreement upon CP Completion; and (ii) the CP Transaction Entities did not have a single parent entity which has the power to govern the financial and operating policies so as to obtain benefits from the CP Transaction Entities' activities, therefore, the distribution of profits of each of the CP Transaction Entities were based on their respective financial position (instead of

financial position on a combined basis), in particular, depreciation and amortisation – property improvement was not recognised in the book of the relevant individual CP Transaction Entities and were treated as distributable profit:

	For the/as at year ended 30 June			
	2008 <i>A\$'000</i>	2007 <i>A\$'000</i>	2008 <i>HK\$'000</i> <i>equivalent</i>	2007 <i>HK\$'000</i> <i>equivalent</i>
Revenue	35,452.7	31,586.6	205,625.7	183,202.3
Profit before income tax, interest, depreciation, and consultancy and guarantee fees	6,324.1	5,077.8	36,679.8	29,451.2
Interest	1,752.8	1,496.9	10,166.2	8,682.0
Depreciation and amortisation				
– property improvement	1,731.7	1,418.3	10,043.9	8,226.1
– furniture, equipment, motor vehicle and others	519.9	441.9	3,015.4	2,563.0
Consultancy and guarantee fees (<i>Note 1</i>)	1,048.3	453.8	6,080.1	2,632.0
Profit before income tax	1,271.4	1,266.9	7,374.1	7,348.0
Profit after income tax	724.9	760.2	4,204.4	4,409.2
Net asset value	39,667.7	34,268.0	230,072.7	198,754.4
Aggregate financial liabilities less cash	15,436.7	15,803.7	89,532.9	91,661.5

Set out below is a summary of the audited financial results of CP New Zealand prepared in accordance with generally accepted accounting practice in New Zealand for each of the two years ended 31 March 2007 and 2008 (Note 2):

	For the/as at year ended 31 March			
	2008 <i>NZ\$'000</i>	2007 <i>NZ\$'000</i>	2008 <i>HK\$'000</i> <i>equivalent</i>	2007 <i>HK\$'000</i> <i>equivalent</i>
Profit before income tax	186.5	205.7	828.1	913.3
Net profit after income tax	107.6	127.8	477.7	567.4
Net asset value	565.4	457.8	2,510.4	2,032.6

Notes:

1. Consultancy and guarantee fees were charged by the CP Vendors or their associates to Care Park Pty Ltd (one of the CP Transaction Entities) during the periods under review for consultancy and guarantee services rendered by the CP Vendors to Care Park Pty Ltd Pursuant to the CP Termination Agreement, such consultancy and guarantee fees will not be charged by the CP Vendors to Care Park Pty Ltd. upon CP Completion. There were no consultancy and guarantee fees charged by the CP Vendors to CP New Zealand during the periods under review.
2. The auditor of CP New Zealand has issued the auditor's report with a qualified opinion. Set out below is the relevant paragraph as extracted from the auditor's report of CP New Zealand:

“The Company's reported revenue includes gross revenue from car parks which are subject to a management contract whereby the company effectively acts agents. The associated debtors and creditors, which represent the obligation to pay over the cash collected to the car park owners, are recorded in the Statement of Financial Position at year end. The effect of this treatment is that both the total revenue and total expenditure include this agency revenue and expenditures, whilst the reported net surplus is unaffected. Similarly the debtors and creditors balances include the agency revenue receivable and payable to the car park owners, whilst the reported net asset position remains unaffected. The adopted treatment is a departure from the definitions outlined from revenue and assets and the corresponding expenditure and liabilities in the Statement of Concepts for General Purpose Financial Reporting issued by Institute of Chartered Accountants of New Zealand.”

Unaudited combined turnover of the CP Transaction Entities (including CP New Zealand) for the six months ended 31 December 2008 was A\$25.3 million (equivalent to approximately HK\$146.7 million) and unaudited combined net asset value of the CP Transaction Entities (including CP New Zealand) as at 31 December 2008 was A\$41.6 million (equivalent to approximately HK\$241.3 million).

(5) INFORMATION OF THE BEST IMPACT GROUP

To facilitate the MC Acquisition, Best Impact and Target Term were incorporated on 7 January 2009 and 12 November 2008 respectively. Upon the completion of the acquisition of the Malaysia Car Parks, the Best Impact Group will be principally engaged in investing and operating the Malaysia Car Parks.

Set out below are the details of the Malaysia Car Parks:

Particulars	Number of bays
1,688 car parks bays together with 62 units of Accessory Parcels (car park bays) (a total of 1,750 car park bays) located in Phase 1 and Phase 2, Plaza Damas, Jalan and Petak No. 48, Tingkat No. 3, Bangunan No. M1-C, Petak Aksesori No. A99	1,750
420 car park bays located within a 7 storey elevated car park area of Windsor and Waldorf Tower Service Apartments, Plaza Damas and Parcel No. B-2-03, (Type C), Storey No. 21, Windsor Tower Service Apartment, Plaza Damas	420
A total of 64 car park bays located on the 7th Floor within a thirty 33 storey Hotel & Serviced Apartments building known as Maytower	64

Plaza Damas is an integrated commercial development comprising shop-lots, business offices, high-rise condominiums, service apartments and a multi-storey shopping centre (Hartamas Shopping Centre), located in Sri Hartamas, Kuala Lumpur, Malaysia. Windsor and Waldorf Tower are two of the high-rise condominiums located within the Plaza Damas. The car parks of Plaza Damas, and Windsor and Waldorf Tower can be linked up to create synergies and greater market share in the area. In addition, a newly opened college campus as attached to and a new shopping mall at the opposite of the Plaza Damas are bringing traffic and more business opportunities to the car parks attached to Plaza Damas, and Windsor and Waldorf Tower. Car parks in Windsor and Waldorf Tower was only in commercial operation since the fourth quarter of 2008. Maytower is a high-rise building comprising office, hotel & service apartments located within the town centre of Kuala Lumpur, Malaysia.

Since the Best Impact Group has not had any operations since its incorporation other than the acquisitions of the Malaysia Car Parks, the Best Impact Group has not prepared financial statements from the date of its incorporation up to the date of this announcement. The Best Impact Group does not have any material assets and liabilities as at the date of this announcement.

For illustration purpose only, the unaudited combined total book asset value before revaluation of the Malaysia Car Parks as at 31 December 2008 amounted to approximately RM13.8 million (equivalent to approximately HK\$30.4 million) and the unaudited combined car parking revenue of the Malaysia Car Parks for each of the two years ended 31 December 2008 amounted to approximately RM5.0 million (equivalent to approximately HK\$11.0 million) each year. It is one of the conditions precedent of the Best Impact Agreement that the aggregate market value of the Malaysia Car Parks as at 31 March 2009 as assessed by an independent valuer shall be no less than RM52 million (equivalent to approximately HK\$114.4 million).

No audited financial statement was prepared by Tan Sri Chiu for the Malaysia Car Parks as they are assets held by several companies controlled by Tan Sri Chiu (the “Tan Sri Chiu Companies”) before MC Completion and are not separate legal entities. Tan Sri Chiu Companies hold assets other than the Malaysia Car Parks and they did not prepare separate financial statements for the Malaysia Car Parks as certain expenses, such as repair and maintenance expenses and certain salaries and wages, cannot be separated between the Malaysia Car Parks and other assets held by Tan Sri Chiu Companies. As such, only the net asset value and the turnover attributable to the Malaysia Car Park, which can be extracted directly from the unaudited management accounts of the Tan Sri Chiu Companies are disclosed in this announcement.

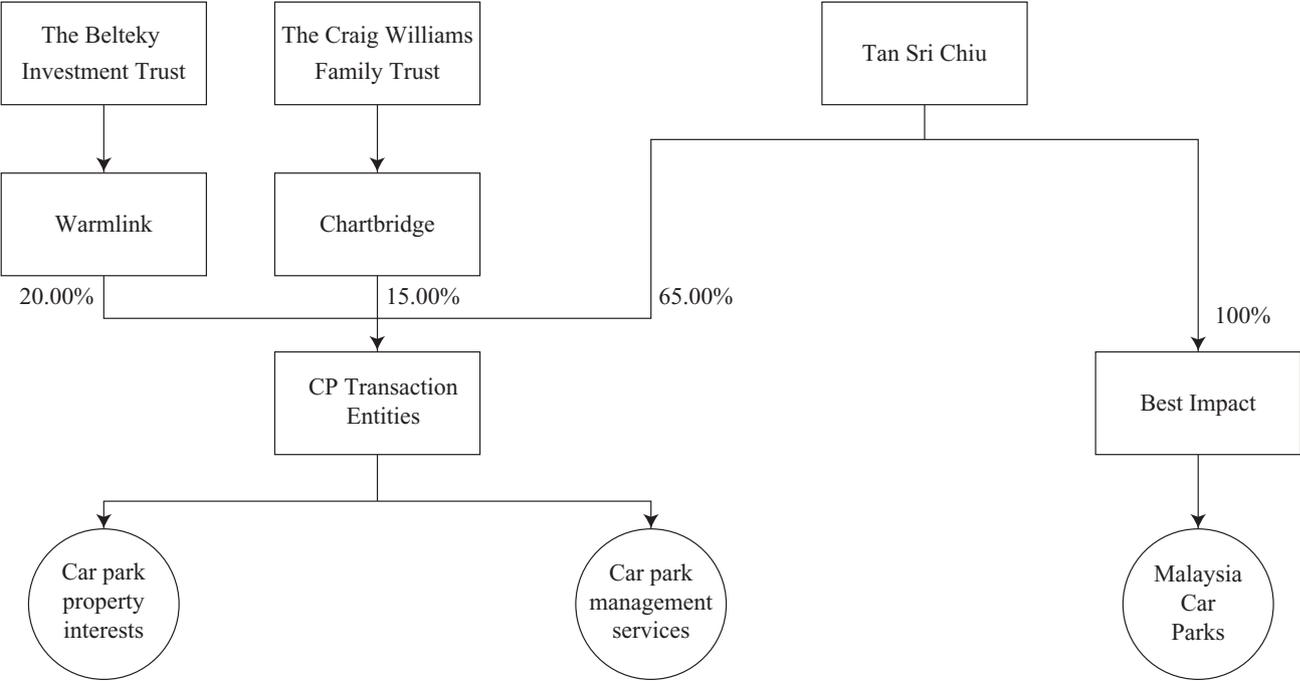
(6) REASONS FOR AND BENEFITS OF THE ACQUISITIONS

The current principal activities of the Group are hotel investment and operations, property development, and property investment and leasing.

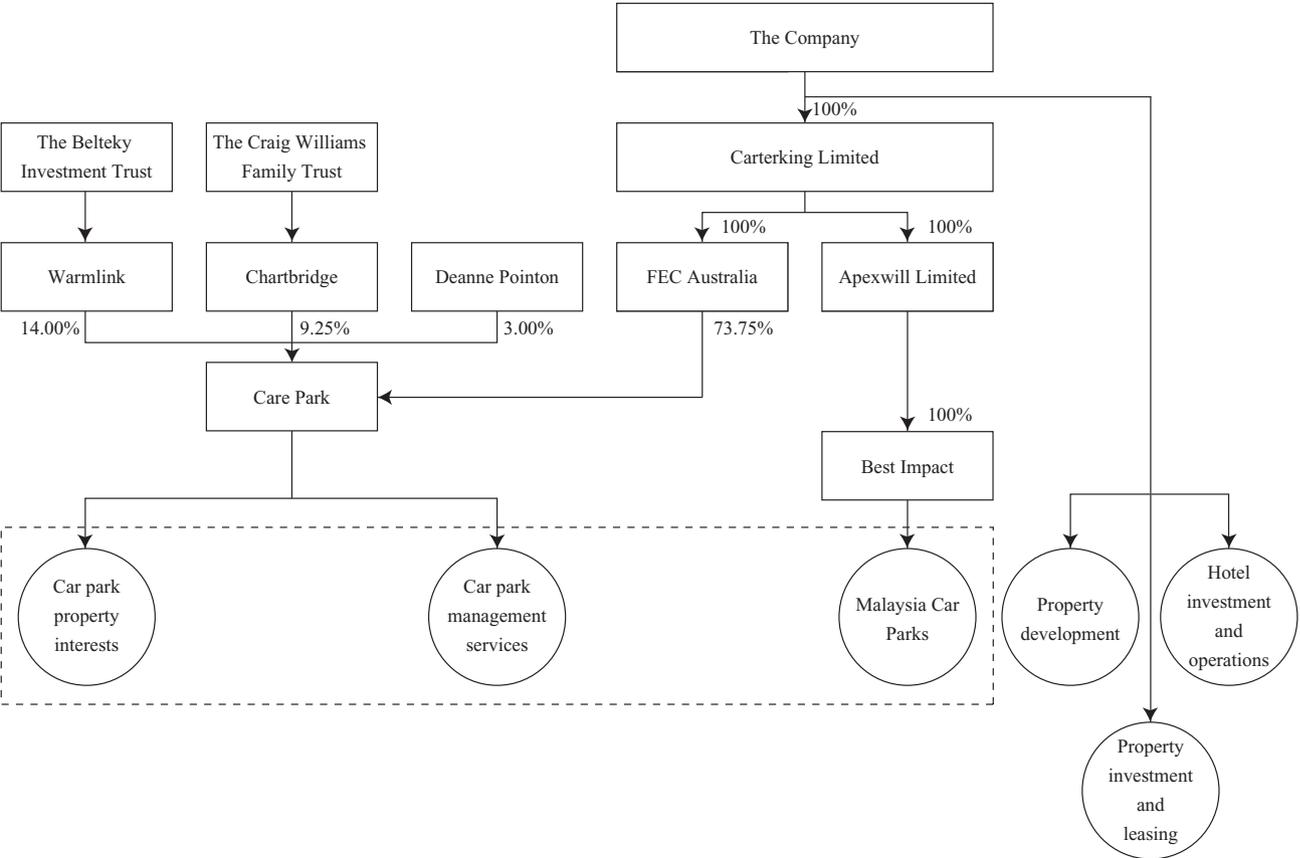
The Group has been considering its strategic initiatives to increase its exposure in the real estate business with stable and recurring cashflow streams. Having considered the nature of the business of the CP Transaction Entities and the Best Impact Group, and their respective prospects and track records, the Board considered that the Acquisitions well fit such objective. The CP Transaction Entities and the Best Impact Group have been generating relatively stable income and cashflow streams. 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, of which 18 car parks comprising over 5,200 parking bays will be owned by the Group, and provides the Group with a solid platform to build on. The Directors are of the view that the Group will benefit from the strong, stable and recurring cash inflow from the new car parking business, which is diversified from the property based assets the Group has been concentrating on.

Set out below are the simplified structure chart of the Group, the Care Park Group and the Best Impact Group immediately before and after CP Completion and MC Completion:

Immediately before CP Completion and MC Completion



Immediately after CP Completion and MC Completion



The Group also targets to strengthen its new car park operating business upon CP Completion and MC Completion. The Care Park Group will continue to explore new car park management contracts and acquire new car parks in Australia and New Zealand, whilst the Best Impact Group will seek to further enhance its business performance, taking steps such as car parking rates review, to maximise the profits of the Best Impact Group. For instance, the car parking rate of covered car park in Plaza Damas, which contributed substantial portion of profits of the Malaysia Car Parks, increased its car parking rate of the first two hours from RM1.5 per hour (equivalent to approximately HK\$3.3) to RM2.0 (equivalent to approximately HK\$4.4) with effect from 1 March 2009. The Company is of the view that the profits generated from the Best Impact Group will increase as a result of the change of car parking hourly rate based on the strong demand for car park bays in Plaza Damas. The Service Agreement has been entered into between Target Term and Mayland, a company controlled by Tan Sri Chiu, to facilitate the MC Acquisition. Pursuant to the Service Agreement, the Malaysia Car Parks will be managed by Mayland immediately upon the MC Completion for a transitional period of not longer than 1 year. The transactions contemplated under the Service Agreement are expected to constitute *de minimus* transactions of the Company.

On a longer term basis, in addition to strengthening its operations in Malaysia, Australia and New Zealand, the Group intends to leverage on the expertise of the management of the Care Park Group to expand its presence in car park operations to other countries in Asia. The Directors are of the view that by combining the Care Park Group's 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.

Upon CP Completion and MC Completion, the respective financial results of the Care Park Group and the Best Impact Group will be consolidated into the Group's financial statements.

The Directors (excluding the independent non-executive Directors whose opinion will be subject to the advice from an independent financial adviser) consider that the terms of the Care Park Implementation Agreement and the Best Impact Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

(B) PROPOSED CONVERSION OF CONVERTIBLE BONDS

With a view 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, Tan Sri Chiu proposed to convert in full the Convertible Bond in the principal amount of HK\$331,445,000 at the conversion price of HK\$4.30 per Conversion Share. The Convertible Bond was issued to Tan Sri Chiu in relation to the acquisition of the issued share capital in Jade River Profits Limited and the relating shareholders loan which was announced by the Company in 21 December 2006.

The Conversion Price of HK\$4.30 per Share represents:

- (i) a premium of approximately 233.3% over the closing price of HK\$1.29 per Share as quoted on the Stock Exchange on 7 May 2009, being the date of this announcement;
- (ii) a premium of approximately 291.0% over the average closing price per Share of approximately HK\$1.10 for the last ten trading days up to and including 7 May 2009;
- (iii) a premium of approximately 334.3% over the average closing price per Share of approximately HK\$0.99 for the last thirty trading days up to and including 7 May 2009; and
- (iv) a premium of approximately 43.3% over the audited consolidated net assets value attributable to equity holders of the Company per Share of approximately HK\$3.0 as at 30 September 2008 (as calculated by the equity attributable to equity holders of the Company of approximately HK\$4,828,348,000 as at 30 September 2008 and the number of outstanding Shares of 1,607,014,952 as at 30 September 2008, both extracted from the Company's interim report 2008/09).

The conversion price of HK\$4.30 is significantly higher than the prevailing Share price and should therefore be seen as a further sign of confidence of Tan Sri Chiu to the Company. It should also improve sentiment for the market as it is reassured that the potential overhang of a repayment of approximately HK\$331 million in cash has been removed.

Subject to the passing at the EGM by the Independent Shareholders of ordinary resolution to approve the Whitewash Waiver in respect of the Proposed Conversion, Tan Sri Chiu will convert the Convertible Bonds in full.

(C) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

As at the date of this announcement, the authorized share capital of the Company was HK\$200,000,000, consisting of 2,000,000,000 Shares, of which 1,622,001,940 Shares had been issued. Pursuant to the Agreements and immediately upon CP Completion, MC Completion and the Proposed Conversion, there will be in aggregate 1,883,125,028 Shares in issue and outstanding. In order to accommodate the future expansion of the Group, the Directors propose to increase the authorized share capital of the Company from HK\$200,000,000 divided into 2,000,000,000 Shares to HK\$400,000,000 divided into 4,000,000,000 Shares. The Capital Increase is conditional upon the passing of an ordinary resolution by the Shareholders at the EGM.

(D) SHAREHOLDING STRUCTURE

Set out below are the shareholding structures of the Company (i) as at the date of this announcement; (ii) immediately upon CP Completion but before MC Completion and the Proposed Conversion; (iii) immediately upon MC Completion but before CP Completion and the Proposed Conversion; (iv) immediately upon the Proposed Conversion but before CP Completion and MC Completion; and (v) immediately upon CP Completion, MC Completion and the Proposed Conversion:

Shareholders	As at the date of this announcement		Immediately upon CP Completion but before MC Completion and the Proposed Conversion		Immediately upon MC Completion but before CP Completion and the Proposed Conversion		Immediately upon the Proposed Conversion but before CP Completion and MC Completion		Immediately upon CP Completion, MC Completion and the Proposed Conversion	
	Shares	%	Shares	%	Shares	%	Shares	%	Shares	%
The Chiu Family and its concert parties (Note 1)	518,921,800	31.99	621,250,371	36.03	600,636,085	35.26	596,002,032	35.08	780,044,888	41.42
Penta (Note 2)	469,074,397	28.92	469,074,397	27.20	469,074,397	27.53	469,074,397	27.61	469,074,397	24.91
Sub-total	987,996,197	60.91	1,090,324,768	63.23	1,069,710,482	62.79	1,065,076,429	62.69	1,249,119,285	66.33
Public Shareholders	634,005,743	39.09	634,005,743	36.77	634,005,743	37.21	634,005,743	37.31	634,005,743	33.67
Total	1,622,001,940	100.00	1,724,330,511	100.00	1,703,716,225	100.00	1,699,082,172	100.00	1,883,125,028	100.00

Notes:

1. Among the 518,921,800 Shares held by the Chiu Family,
 - (i) 129,098,058 Shares are held by various companies controlled by Mr. Deacon Te Ken Chiu, the father of Tan Sri Chiu and 11,912,255 Shares are held by Mr. Deacon Te Ken Chiu directly;
 - (ii) 367,525,574 Shares are held by Sumptuous Assets Limited and Modest Secretarial Services Limited, both controlled by Tan Sri Chiu and 820,002 Shares are held by Tan Sri Chiu directly;
 - (iii) 1,303,160 Shares are held by Chiu Capital N.V., a company controlled by Mr. Dennis Chiu, the younger brother of Tan Sri Chiu and 8,633 Shares are held by Mr. Dennis Chiu directly;
 - (iv) 3,877,218 Shares are held by First Level Holdings Limited, a company controlled by Mr. Dennis Chiu and Mr. Daniel Tat Jung Chiu, the younger brother of Tan Sri Chiu;
 - (v) 44,561 Shares are held by Mr. Daniel Chiu;
 - (vi) 1,485,810 Shares are held by Madam Ching Lan Ju Chiu; and
 - (vii) 2,846,529 Shares are held by other members of the Chiu Family
2. As far as is known by the Directors, Penta is interested in those Shares through certain companies controlled by it, is an investment manager and is beneficially owned by John Zwaanstra.

(E) REGULATORY IMPLICATIONS

Takeovers Code

Application for Whitewash Waiver

As at the date of this announcement, Tan Sri Chiu and parties acting in concert with him hold 518,921,800 Shares, representing approximately 31.99% of the issued share capital of the Company. Following the allotment and issue of the Consideration Shares and the Proposed Conversion, Tan Sri Chiu and parties acting in concert with him will hold 780,044,888 Shares, representing approximately 41.42% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares and the Conversion Shares. Given that the allotment and issue of each of the CP Consideration Shares, the MC Consideration Shares and the Conversion Shares to Tan Sri Chiu and parties acting in concert with him will have the effect of increasing their holding of voting rights in the Company by more than 2% from the lowest percentage holding of them in the previous 12 months and thereby exceeding the 2% creeper threshold specified in Rule 26.1(c) of the Takeovers Code, Tan Sri Chiu will make an application to the Executive for the Whitewash Waiver, which if granted by the Executive, would be subject to, among other things, the approval of the Independent Shareholders at the EGM by way of poll.

Based on notifications received by the Company under the Securities and Futures Ordinance up to the date of this announcement, Penta has declared an interest in 469,074,397 Shares, representing approximately 28.92% of the issued share capital of the Company, and is presumed to be acting in concert with the Chiu Family under class (1) of the definition of acting in concert under the Takeovers Code. On the basis of such notifications, Penta and the Chiu Family in aggregate hold approximately 60.91% of the total issued share capital of the Company as at the date of this announcement and will hold approximately 66.33% of the total issued share capital of the Company as enlarged by the issue of the Consideration Shares and the Conversion Shares.

It is one of the conditions of each of the Care Park Implementation Agreement, the Best Impact Agreement and the Proposed Conversion that the Whitewash Waiver be granted by the Executive and approved by the Independent Shareholders at the EGM by way of poll. If the Whitewash Waiver is not granted by the Executive or not approved by the Independent Shareholders, each of the Care Park Implementation Agreement, the Best Impact Agreement and the Proposed Conversion will not become unconditional, and each of the CP Acquisition, the MC Acquisition and the Proposed Conversion will not proceed. In addition, the CP Acquisition, the MC Acquisition and the Proposed Conversion are independent transactions and are not inter-conditional.

Each of Tan Sri Chiu and his concert parties (including his family members) have confirmed that he or she has not acquired voting rights in the Company nor dealt in any securities of the Company during the six months prior to the date of this announcement.

Based on the disclosure of interest notices filed by Penta Asia Long/Short Fund, Ltd. (a company controlled by Penta), it acquired 4,300,000 Shares on 10 November 2008 and disposed of 9,333,000 Shares on 4 February 2009, 18,333,000 Shares on 5 February 2009 and 9,333,000 Shares on 10 February 2009 (collectively the “Transfers”). As clarified by Penta, the Transfers represent transfers of Shares between Penta Long/Short Fund, Ltd and other funds and accounts managed by Penta (“Other Penta Funds”). As the interests in Shares held by each of these Other Penta Funds were less than the level for a notifiable interest, Other Penta Funds did not incur any disclosure obligation as a result of the Transfers. As confirmed by Penta, (i) the Transfers represent transfers of Shares between funds and managed accounts all of which are managed by Penta on a discretionary basis. These Transfers were effected for the purposes of re-balancing the investment portfolio within funds and managed accounts under Penta’s discretionary management. These Transfers represent “book entries” within Penta’s funds and managed accounts, not involving any trades being crossed or shares bought or sold on the Stock Exchange; and (ii) save for the Transfers, it has not dealt in any Shares during the six months prior to the date of this announcement.

Each of Robert Belteky, Craig Williams and Deanne Pointon has confirmed that each of them does not directly or indirectly hold any Shares as at the date of this announcement.

Other arrangements

As at the date of this announcement,

- (i) there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the Shares and which might be material to the Whitewash Waiver;
- (ii) save for the Agreements, there is no other agreement or arrangement to which Tan Sri Chiu is a party which relates to the circumstances in which he may or may not invoke or seek to invoke a precondition or a condition to the Acquisitions or the Whitewash Waiver;
- (iii) there is no outstanding derivative in respect of relevant securities (as defined in the Takeovers Code) in the Company which has been entered into by Tan Sri Chiu or any person acting in concert with him;
- (iv) save for the Convertible Bond, neither Tan Sri Chiu nor any parties acting in concert with him holds any convertible securities, warrants or options of the Company; and
- (v) there are no relevant securities (as defined in the Takeovers Code) in the Company which Tan Sri Chiu or any person acting in concert with him has borrowed or lent.

Listing Rules

Based on the consideration of the Acquisitions and the CP Cap Amount with respect to the exercise of the CP Put Options, the Acquisitions constitute discloseable acquisitions for the Company under Chapter 14 of the Listing Rules. Tan Sri Chiu is a Director and substantial Shareholder who, together with his family members hold approximately 31.99% of the issued share capital of the Company as

at the date of this announcement. Chartbridge (being one of the CP Vendors and party to various CP Transaction Agreements) is wholly owned by Craig Williams who is a Director. Accordingly, each of Tan Sri Chiu and Chartbridge are connected persons of the Company. Further, Robert Belteky (who, with his associates, controls Warmlink being one of the CP Vendors and party to various CP Transaction Agreements) will be appointed as the managing director of Care Park upon CP Completion, and its subsidiaries. Pursuant to Rule 14A.13(1)(b) of the Listing Rules, transactions between Warmlink and Robert Belteky, and the Group will be connected transaction as Warmlink is a substantial shareholder of the CP Transaction Entities prior to CP Completion and Robert Belteky will become a controller of Care Park upon CP Completion. The transactions contemplated under each of the Care Park Implementation Agreement (including the grant and exercise of the CP Put Options) and the Best Impact Agreement (involving Tan Sri Chiu, Craig Williams, Robert Belteky and their respective associates) therefore also constitute connected transactions for the Company under Chapter 14A of the Listing Rules and are subject to the approval of the Independent Shareholders at the EGM by way of poll. The CP Put Options to be granted to Warmlink, Chartbridge and Deanne Pointon are not at the discretion of the Group. As such, pursuant to Rule 14.74(1) of the Listing Rules, on the grant of the CP Put Options, the transaction is classified as if the CP Put Options had been exercised and on the exercise or transfer of the CP Put Options, such exercise or transfer must be announced by the Company as soon as reasonably practicable pursuant to Rule 14.74(2) of the Listing Rules.

Prior to CP Completion, Robert Belteky and his associates (which includes Warmlink) will not be connected persons of the Company. After CP Completion, Robert Belteky, Warmlink and associates will become connected persons of the Company. The exercise of any CP Put Options by either of Chartbridge or Warmlink will therefore constitute a connected transaction. Pursuant to Rule 14A.69(1) of the Listing Rules, on the grant of the CP Put Options, the transaction is classified as if the CP Put Options had been exercised and on the expiry, exercise or transfer of the CP Put Options, such expiry, exercise or transfer must be announced by the Company as soon as reasonably practicable pursuant to Rules 14A.69(2) and (3) of the Listing Rules. Independent Shareholders approval will be sought at the EGM for the CP Shareholders Agreement which contains the terms of the grant and exercise of the CP Put Options to Warmlink and Chartbridge (which is subject to the CP Cap Amount) pursuant to Chapter 14A of the Listing Rules.

As the Belteky Employment Contract has a term of more than three years and may require the Group to pay compensation or make other payments equivalent to more than one year's emoluments, Independent Shareholders' approval for the Belteky Employment Contract will be sought in the EGM under Rule 13.68 of the Listing Rules.

The Capital Increase is subject to the Shareholder's approval at the EGM by way of poll.

(F) EXTRAORDINARY GENERAL MEETING

The EGM will be held to consider and, if thought fit, approve, among others, the Care Park Implementation Agreement and the transactions and agreements contemplated thereunder (including the CP Shareholders Agreement which contains the terms of the grant and exercise of the CP Put

Options and the Belteky Employment Contract), the Best Impact Agreement and the transactions contemplated thereunder, the Whitewash Waiver and the Capital Increase. Notice of the EGM will be contained in the circular to be despatched to the Shareholders in connection therewith.

The Chiu Family and its concert parties (including Penta (being the presumed concert party of the Chiu Family)) are required to abstain from voting in respect of the resolution to approve the Whitewash Waiver.

Tan Sri Chiu and parties acting in concert with him, and Warmlink, Chartbridge and Deanne Pointon and their respective associates (to the extent they hold Shares at the time of the EGM), all having interests in the Care Park Implementation Agreement and the transactions and agreements contemplated thereunder (including the grant and exercise of the CP Put Options and the Belteky Employment Contract) different from the Independent Shareholders, and Penta and parties acting in concert with it, will abstain from voting in respect of the resolution for approval of the Care Park Implementation Agreement and the transactions contemplated thereunder (including the grant and exercise of the CP Put Options and the Belteky Employment Contract).

Tan Sri Chiu and parties acting in concert with him, having interests in the Best Impact Agreement different from the Independent Shareholders, and Penta and parties acting in concert with it, will abstain from voting in respect of the resolution for approval of the Best Impact Agreement and the transactions contemplated thereunder.

Mr. Chris Hoong, the managing director of the Company, and parties acting in concert with him will also abstain from voting as he is actively involved in the Acquisitions, the Proposed Conversion and the Whitewash Waiver.

Save as mentioned above, there is no other Shareholder having interests in the Care Park Implementation Agreement and the transactions and agreements contemplated thereunder (including the grant and exercise of the CP Put Options and the Belteky Employment Contract), the Best Impact Agreement and the transactions contemplated thereunder and/or the Whitewash Waiver different from the Independent Shareholders, thus there is no other Shareholder who will abstain from voting in respect of the resolution for approval the Care Park Implementation Agreement and the transactions and agreement contemplated thereunder (including the grant and exercise of the CP Put Options and the Belteky Employment Contract), the Best Impact Agreement and the transactions contemplated thereunder and/or the Whitewash Waiver.

There is no Shareholder having interests in the Capital Increase which are different from other Shareholders, therefore no Shareholder is required to abstain from voting in respect of the proposed resolution for approval of the Capital Increase.

(G) GENERAL

The Company has two non-executive Directors, namely Madam Ching Lan Ju Chiu and Mr. Daniel Tat Jung Chiu and three independent non-executive Directors, namely Mr. Jian Yin Jiang, Mr. Kwok Wai Chan and Mr. Peter Man Kong Wong. The Independent Board Committee comprising all of the

three independent non-executive Directors, namely Mr. Jian Yin Jiang, Mr. Kwok Wai Chan and Mr. Peter Man Kong Wong, has been established to advise and give recommendation to the Independent Shareholders on the Care Park Implementation Agreement and the transactions contemplated thereunder (including the grant and exercise of the CP Put Options and the Belteky Employment Contract), the Best Impact Agreement and the transactions contemplated thereunder, and the Whitewash Waiver. Each of Mr. Jian Yin Jiang, Mr. Kwok Wai Chan and Mr. Peter Man Kong Wong has no material interest in the Care Park Implementation Agreement and the transactions contemplated thereunder (including the grant and exercise of the CP Put Options and the Belteky Employment Contract), the Best Impact Agreement and the transactions contemplated thereunder, the Proposed Conversion and the Whitewash Waiver, therefore, each of them are regarded as eligible to be a member of the Independent Board Committee. As Madam Ching Lan Ju Chiu and Mr. Daniel Tat Jung Chiu are parties acting in concert with Tan Sri Chiu, they have been excluded from the Independent Board Committee. Access Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee in the same regard. The Independent Board Committee has approved the appointment of Access Capital Limited.

A circular containing, among other things, (i) further information on the Care Park Implementation Agreement and the Best Impact Agreement and the respective transactions and agreements contemplated thereunder; (ii) the Proposed Conversion; (iii) the Whitewash Waiver; (iv) the Capital Increase; (v) the recommendation of the Independent Board Committee of the Company and advice of the independent financial adviser regarding the terms of the Agreements and the transactions contemplated thereunder and the Whitewash Waiver; (vi) property valuation reports for the Group, the CP Transaction Entities and the Best Impact Group; and (vii) notice of the EGM, will be despatched to the Shareholders as soon as practicable in accordance with the Takeovers Code and the Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Acquisitions”	the transactions contemplated in each of the Care Park Implementation Agreement and the Best Impact Agreement
“acting in concert”	has the meanings ascribed to it in the Takeovers Code
“Agreements”	the Care Park Implementation Agreement and all agreements referred to or contemplated by the Care Park Implementation Agreement, and the Best Impact Agreement
“Apexwill”	Apexwill Limited, a company incorporated in the BVI and a wholly owned subsidiary of the Company
“associate(s)”	has the meaning ascribed thereto under the Listing Rules

“Bad Leaver”	a person that has ceased to be employed by Care Park Pty Ltd in circumstances where such person’s employment has been validly terminated by Care Park by reason of fraud, gross negligence or wilful misconduct or such person has voluntarily terminated their employment prior to the expiry of any fixed term under their employment contract, except where such voluntary termination has occurred by reason of death, permanent injury or disability of that person or a spouse or child of that person in circumstances where the person leaves to care for that spouse or child; or following action by the employer which constitutes a repudiation of the employment contract
“Belteky Employment Contract”	the proposed employment contract to be entered into between Care Park Pty Ltd and Robert Belteky
“Best Impact”	Best Impact Limited, a company incorporated in the BVI with limited liability and a company wholly owned by Tan Sri Chiu as at the date of this announcement
“Best Impact Agreement”	the conditional agreement dated 7 May 2009 entered into between Apexwill and Tan Sri Chiu in relation to the MC Acquisition
“Best Impact Group”	Best Impact and its subsidiaries
“Best Impact Sale Loan”	loans granted by Tan Sri Chiu to the members of the Best Impact Group that remain outstanding unpaid as at the MC Completion Date and all accrued interest thereon, if any, and all rights and benefits of Tan Sri Chiu relating thereto
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Capital Increase”	the proposed increase in authorized share capital of the Company from HK\$200,000,000 to HK\$400,000,000
“Care Park”	Care Park Group Pty Ltd, a company incorporated in Victoria, Australia with limited liabilities
“Care Park Group”	Care Park and its subsidiaries upon CP Completion

“Care Park Implementation Agreement”	the conditional deed dated 7 May 2009 entered into among Tan Sri Chiu, the Company, Robert Belteky, Craig Williams and Deanne Pointon in relation to, among other things, the CP Reorganisation, the CP Acquisition and the entering into each of the CP Transaction Agreements
“Chartbridge”	Chartbridge Pty Limited, a company incorporated in Australia with limited liability and beneficially wholly owned by Craig Williams, as trustee of the Craig Williams Family Trust
“Chiu CP Share Sale Agreement”	the share sale agreement dated 7 May 2009 entered into among Tan Sri Chiu, Care Park and the FEC Guarantor Companies in relation to the swap of the shares of the CP Transaction Entities held by Tan Sri Chiu with the CP Consideration Shares to be issued by the Company
“Chiu Family”	Tan Sri Chiu and his family members
“Company”	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
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Consideration Shares”	CP Consideration Shares and MC Consideration Shares
“Conversion Shares”	77,080,232 Shares to be issued by the Company under the Proposed Conversion
“Convertible Bond”	the zero coupon convertible bond in the principal amount of HK\$331,445,000 at the conversion price of HK\$4.30 per conversion Share
“CP Acquisition”	the acquisition by FEC Australia from the CP Vendors of their interests in the CP Transaction Entities
“CP Call Options”	the Second Anniversary Call Options, Fourth Anniversary Call Options, Fifth Anniversary Call Options, Exit Call Options and FEC Australia Dispute Put Options and the Change of Control Options (each of them is defined under the section headed “CP Put Options and CP Call Options” in this announcement)

“CP Cap Amount”	consideration of A\$5.306 million, A\$3.470 million and A\$1.224 million (equivalent to approximately HK\$30.8 million, HK\$20.1 million and HK\$7.1 million respectively)
“CP Completion”	completion of the transactions contemplated under the Care Park Implementation Agreement.
“CP Completion Date”	date of CP Completion
“CP Consideration”	the consideration of A\$29.5 million (equivalent to approximately HK\$171.1 million) for the CP Acquisition and the transactions contemplated under the CP Share Swap Agreement, Chiu CP Share Sale Agreement and CP Share Sale Agreement, payable in the manner as described in the section headed “The CP Consideration” in this announcement
“CP Consideration Shares”	102,328,571 new Shares to be allotted and issued at the Issue Price to satisfy in part of the CP Consideration
“CP Holdings”	Care Park Holdings Pty Ltd, a company incorporated in Victoria, Australia and one of the CP Transaction Entities
“CP New Zealand”	Care Park New Zealand Ltd, a company incorporated in New Zealand and one of the CP Transaction Entities
“CP Properties”	Care Park Properties Pty Ltd, a company incorporated in Victoria, Australia and one of the CP Transaction Entities
“CP Put Options”	the Second Anniversary Put Options, Fourth Anniversary Put Options, Fifth Anniversary Put Options, Exit Put Options and Dispute Put Options (each of them is defined under the section headed “CP Put Options and CP Call Options” in this announcement)
“CP Reorganisation”	the reorganisation involving, among other things, the swap by Warmlink and Chartbridge of their shares in the CP Transaction Entities for CP Shares under the CP Share Swap Agreement and the swap by Chiu of his shares in the CP Transaction Entities for CP Consideration Shares under the Chiu CP Share Sale Agreement.
“CP Shareholders”	the holders of the CP Shares

“CP Shareholders Agreement”	the shareholder agreement dated 7 May 2009 entered into among FEC Australia, Warmlink, Chartbridge and Deanne Pointon (each of them as shareholder of Care Park upon CP Completion) and the FEC Guarantor Companies (as guarantor of FEC Australia)
“CP Shares”	ordinary shares in the issued share capital of Care Park.
“CP Share Sale Agreement”	share sale agreement dated 7 May 2009 entered into among Warmlink (as seller), Chartbridge (as seller), FEC Australia (as buyer), Tan Sri Chiu (as warrantor), Deanne Pointon (as warrantor) and the FEC Guarantor Companies (as guarantors of FEC Australia), in relation to the sale of 500 CP Shares held by Warmlink and 500 CP Shares held by Chartbridge to FEC Australia.
“CP Share Swap Agreement”	the share swap agreement dated 7 May 2009 entered into among Warmlink, Chartbridge and Care Park in relation to (i) the swap by Warmlink of all of the shares in the CP Transaction Entities held by it for 1,900 CP Shares and the swap by Chartbridge of all of the shares in the CP Transaction Entities held by it for 1,425 CP Shares.
“CP Termination Agreement”	the termination agreement dated 7 May 2009 entered into among Care Park Pty Ltd and the CP Vendors regarding the termination of the consultancy and other fees paying arrangement between Care Park Pty Ltd and the CP Vendors
“CP Transaction Agreements”	collectively, the Chiu CP Share Sale Agreement, the CP Share Swap Agreement, the CP Trustee Sale Agreement, Pointon Option Agreement, Pointon Subscription Option Agreement, the CP Share Sale Agreement, the CP Shareholders Agreement, the Belteky Employment Contract and the proposed employment contract to be entered into between Care Park Pty Ltd and Deanne Pointon
“CP Transaction Entities”	each of the entities to be acquired by Care Park on or before CP Completion as set out in the Care Park Implementation Agreement

“CP Trustee Companies”	each of Shepparton Car Park Pty Ltd ACN 079 932 924 (as trustee of Shepparton Car Park Trust), 344 Queen Carpark Pty Ltd ACN 069 163 239 (as trustee of 344 Queen Carpark Trust), 19 Bank Street Pty Ltd ACN 063 393 582 (as trustee of 19 Bank Street Trust), Roper Street Carpark Pty Ltd ACN 070 040 069 (as trustee of Roper Street Carpark Unit Trust), Quadrant Plaza Pty Ltd ACN 059 404 045 (as trustee of Quadrant Plaza Unit Trust), 124 York Street Pty Ltd ACN 069 881 447 (as trustee of Launceston York Carpark Trust), 13 Roper St Pty Ltd ACN 069 600 817 (as trustee of KC Roper Street Trust), Roper Debt Pty Ltd ACN 069 881 465 (as trustee of Ficon Roper Street Trust) and 124 York Street Pty Ltd ACN 069 881 447 (as trustee of 94 York Street Trust)
“CP Trustee Sale Agreement”	the share sale agreement dated 7 May 2009 entered into between Tan Sri Chiu, Warmlink, Chartbridge and CP Properties in respect of the transfer by the CP Vendors of all of their shares in the CP Trustee Companies to CP Properties
“CP Vendors”	Tan Sri Chiu, Warmlink and Chartbridge
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held to consider and, if thought fit, approve, among others, the Care Park Implementation Agreement and the transactions and agreements contemplated thereunder (including the CP Shareholders Agreement which contains the terms of the CP Put Options, and the Belteky Employment Contract), the Best Impact Agreement and the transactions contemplated thereunder, the Whitewash Waiver and the Capital Increase
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong or any of his delegates
“Fair Market Value”	the value of the CP Shares from time to time as determined by an expert as appointed by the CP Shareholders in accordance with the CP Shareholders Agreement
“FEC Australia”	FEC Care Park Holdings (Australia) Pty Limited, a company incorporated in Victoria, Australia and a wholly owned subsidiary of the Company

“FEC Guarantor Companies”	Far East Consortium (Australia) Pty Limited, Royal Domain Towers Pty Limited, Far East Rockman Hotels (Australia) Pty Limited and Bradney Proprietary Limited, all being wholly owned subsidiaries of the Company and acting as guarantors of FEC Australia in respect of the Chiu CP Share Sale Agreement, the CP Share Sale Agreement and the CP Shareholders Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Shareholders”	Shareholders other than (i) the Chiu Family and parties acting in concert with it (including Penta, the presumed concert party of the Chiu Family); (ii) to the extent they hold Shares at the time of the EGM, Warmlink, Chartbridge and Deanne Pointon and their respective associates; (iii) Mr. Chris Hoong (the managing director of the Company) and parties acting in concert with him; and (iv) those who are involved in, or interested in, the Acquisitions, the Proposed Conversion and/or the Whitewash Waiver
“Independent Third Party”	a third party independent of the Company and its connected persons
“Issue Price”	the issue price of HK\$1.40 per Consideration Share
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Malaysia Car Parks”	the car park assets and other properties to be held by the Best Impact Group before MC Completion
“Mayland”	Malaysia Land Berhad, a company incorporated in accordance with Malaysian Companies Legislation and controlled by Tan Sri Chiu
“Mayland Universal”	Mayland Universal Sdn Bhd., a company incorporated in accordance with Malaysian Companies Legislation and controlled by Tan Sri Chiu
“MC Acquisition”	the acquisition by Apexwill from Tan Sri Chiu of the MC Sale Shares
“MC Completion”	completion of the transactions contemplated under the Best Impact Agreement

“MC Consideration”	the consideration of RM52 million (equivalent to approximately HK\$114.4 million) for the MC Acquisition
“MC Consideration Shares”	81,714,285 new Shares to be allotted and issued at the Issue Price to satisfy the MC Consideration
“MC Sale Shares”	1 ordinary share of US\$1.00 each in Best Impact
“Penta”	Penta Investment Advisers Ltd.
“Plaza Damas Option Agreement”	the option agreement dated 13 March 2009 entered into between Mayland Universal and Target Term relating to the grant of the right of first refusal by Mayland to Target Term for the purchase of the car parks at Plaza Damas Phase 3
“Pointon Option Agreement”	the option cancellation and new option deed entered into between Deanne Pointon, CP New Zealand, CP Properties, CP Holdings, FEC Australia and Care Park dated 7 May 2009
“Pointon Subscription Option Agreement”	the subscription option agreement entered into between Deanne Pointon and Care Park dated 7 May 2009
“Proposed Conversion”	the proposed conversion in full of the Convertible Bond at the conversion price of HK\$4.30 per conversion Share proposed by Tan Sri Chiu
“Service Agreement”	the conditional agreement dated 13 March 2009 entered into between Target Term and Mayland in relation to car parks planning and management professional services for the operation and management of the Malaysia Car Parks
“Shareholders”	the holders of the Shares
“Shares”	ordinary shares of HK\$0.10 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

“Tan Sri Chiu”	Tan Sri Dato’ David Chiu, the Deputy Chairman, Chief Executive Officer and an executive Director of the Company
“Target Term”	Target Term Sdn. Bhd., a limited liability company incorporated in accordance with the Malaysian Companies Legislation and is a wholly owned subsidiary of Best Impact
“Warmlink”	Warmlink Pty Limited, a company incorporated in Australia with limited liability and beneficially wholly owned by Robert Belteky, as trustee of the Belteky Investments Trust
“Whitewash Waiver”	a waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code from the obligation of Tan Sri Chiu to make a mandatory general offer for all the Shares other than those held by Tan Sri Chiu and parties acting in concert with him as a result of the issue of each of the CP Consideration Shares, the MC Consideration Shares and the Conversion Shares
“A\$”	Australian Dollars, the lawful currency of Australia
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“RM”	Malaysian Ringgit, the lawful currency of Malaysia
“NZ\$”	New Zealand, the lawful currency of New Zealand
“US\$”	United States Dollars, the lawful currency of the United States of America
“%”	per cent.

By Order of the Board
FAR EAST CONSORTIUM INTERNATIONAL LIMITED
Bill Kwai Pui Mok
Chief Financial Officer and Company Secretary

Hong Kong, 7 May 2009

For illustration purposes only, exchange rates of A\$1.00 = HK\$5.80, RM1.00 = HK\$2.20 and NZ\$1.00 = HK\$4.44 have been adopted.

As at the date of this announcement, the Board comprises four executive Directors namely Mr. Deacon Te Ken Chiu, Tan Sri Chiu, Mr. Dennis Chiu and Mr. Craig Grenfell Williams; two non executive Directors namely Madam Ching Lan Ju Chiu and Mr. Daniel Tat Jung Chiu; and three independent non-executive Directors namely Mr. Jian Yin Jiang, Mr. Kwok Wai Chan and Mr. Peter Man Kong Wong.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any such statement contained in this announcement misleading.

In case of discrepancy, the English version of this announcement shall prevail over the Chinese version thereof.