Overview and Intent

First Cathay International Investments Group

First Cathay-Global Real Estate Funds (2)

OVERVIEW

This overview and the accompanying files presents background information and details of selected international real estate investment and development dealings and related financial transactions of Serge de Kantzow.

Today, Serge de Kantzow heads First Cathay International Investment Group (FCIIGL), a private real estate investment and development collaborative. FCIIGL is based in Australia with business operations registered and domiciled in the Cayman Islands, Shanghai (PRC), Beijing (PRC), Chongqing (PRC), British Virgin Islands, Luxembourg (Belgium) and Singapore.

For over 40 years the Group through its principal shareholder, Serge de Kantzow and multiple international joint participants has successfully undertaken real estate investment and development in specific international growth and countercyclical markets.

The Group pursues the highest standards of excellence in all real estate projects and dealings.

Recent dealings account for some US$5 billion in value.

Investment in Real Estate - The Art

Serge de Kantzow has stated his development philosophy as follows: -

> *"The essence of the art of real estate investment is informed intuition. Reasoned analysis only takes a real estate investor so far and then he must take a leap of faith into a future uncertain by definition.*
>
> *Sometimes the very best and most outstanding property investment successes have so out-distanced the most prosaic fundamentals of supply and demand as to almost be conceived in defiance of them - yet they have been the most rewarding of all".*

TALENT AND CURRENT PROPERTY SELECTION PREFERENCES –

SUMMARY ONLY

FCIIGL brings to property transactions the foremost creative property expertise, concept developers, property financiers, unequalled and persuasive deal makers. It identifies potentially active property markets and specific properties within those markets capable of generating both immediate and increasing cash flows (from rentals) and, most importantly, the prospect of early capital growth. First Cathay enters these markets, secures those properties and then sets about creating value for the investor or developer.

Stalled and Static Real Estate Investment Projects – a more recent focus

The global financial crisis has presented some outstanding buying opportunities for the astute and informed investor. Recently, FCIIGL's new focus has been on real estate investment (including related portfolio development projects), which for a variety of reasons, have stalled, not proceeded or have failed to reach the existing owner's or lender's expectations.

These investments are identified and selected for due diligence investigation and potential purchase, because: -

1. They are completed buildings – some may even offer further development potential.

2. They are usually the best located in the cities or regions where they have been established.

3. They represent the optimum design for the purpose they have been developed.

4. They have been completed within recent years and in some cases, offer continuing tax benefits generated from continuing depreciation allowances

5. They are usually fully leased, with strong tenancies and longer lease terms.

6. They offer both immediate and future cash flow increases (escalating lease rentals) but also the certain prospect of a much higher capital revaluation - over both short and long term investment horizons.

7. They can now be purchased – in some cases together with a portfolio of similar investment buildings.

8. They can be purchased with existing financing in place – a valuable component in negotiations.

9. Because of the building's current ownership and shareholding structure, often such structures can be acquired. Such structures can offer multiple benefits and means to purchase the underlying real estate – the benefits of lower transfer costs, existing finance, a stable ownership tenure with, in some cases – joint shareholdings, currency protection and tax minimization.

Apart from its role as principal (owner/investor), First Cathay provides the one of the world's leading real estate investment advisory services to a select clientele.

More recently this focus has been on Chinese investors wishing to diversify their available investment funds into prime international real estate investments.

On occasions First Cathay has become a joint venture partner with investors. For this reason and, because of the size of the potential market for prime international real estate, First Cathay may, in the near future, pursue stock exchange listing in Shanghai and later Singapore or Hong Kong.

TWO INTERNATIONAL REAL ESTATE INVESTMENT FUNDS

In partnership with two existing real estate investment houses in China (the Chinese Interests), FCIIGL proposes to establish two dedicated international real estate investment funds. The investment objectives for each fund are as follows:

1: First Cathay – Global International Real Estate Performance Fund – FC-GIREPF :

This Fund will invest in prime international investment real estate. These investments will be acquired because they offer strong rental sustainability and superior capital growth prospects over a longer term.

The selected investments may be in direct property, high quality property investment portfolios, high growth investment funds or real estate-owning companies. A feature of each property acquisition will be the active management of these assets once they become investments of the Fund.

The performance of this Fund will be a function of identifying the right asset at the right time, negotiating a substantially discounted purchase price to market, favorable terms of purchase and the transition of existing finance - to the Fund.

The Fund will be based in Shanghai and Hong Kong - a private and open ended fund.

2: First Cathay-Global Rapid Response International Real Estate Fund – FC-GRRIREF:

This Fund will invest in real estate which offers the prospect of a quick sale with the prospect of substantial profits to the Fund – a high performance Fund. A feature of this Fund will be its ability to identify the opportunity, rapidly assess its prospects for a quick turn-around, undertake the required negotiations and secure the asset for the fund.

Such assets will only be acquired where the immediate potential buyers of the asset and, the likely purchase price they will pay the Fund, are known to the Fund managers prior to the Fund purchasing the asset.

The Fund will be based in Shanghai and Hong Kong (a private and open ended fund).