



Far East Consortium International Limited

(Incorporated in the Cayman Islands with limited liability)

PRESS RELEASE

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FAR EAST CONSORTIUM ANNOUNCES INTERIM RESULT

Locally listed Far East Consortium International Limited ("Far East Consortium") announced today its unaudited consolidated results for the six months ended September 30, 2000. Turnover was HK\$393.4 million as compared to HK\$377.6 million in the corresponding period of 1999. Profit attributable to shareholders was HK\$22.65 million (same period in 1999 : HK\$30.25 million). Earnings per share amounted to 2.40 cents (same period in 1999 : 3.3 cents).

The Board of Directors do not recommend the payment of interim dividend.

Commenting on the period under review, Deputy Chairman of Far East Consortium, Mr. David Chiu said, "The main projects under development in Hong Kong include a 35-storey commercial-residential development on Baker Street, Hunghom, with expected completion date in March 2001 and expected sales launch in the first half of 2001; a 15 detached house development in Pak Shek Wo, Sai Kung will commence in early 2001; construction of a three star hotel on Anchor Street, Tai Kok Tsui will commence by mid 2001; and a residential development in Yuen Long will also begin in mid 2001."

Mr. Chiu continued, "Subsequent to September 30, the Group has increased its land bank and property portfolio through acquisition of two properties at Sai Kung and Hung Shiu Kui with an approximate land area of 30,000 sq. ft. each and purchase of a property in mid-levels, Central. In addition, the Group has also agreed to acquire up to a maximum of 15.33% interest in the property located at Fung Lok Wai, Yuen Long with a land area of about 8,610,000 sq. ft."

Turning to overseas investment, Mr. Chiu said, "Over 2,000 homes have been sold for California Gardens in Shanghai. Preparation work for the construction work of New Time Plaza, a residential tower in Guangzhou, is also in progress and sales are expected to commence next year. In Malaysia, we have 3 major developments, in which sales are in progress for 2 of them, and the remaining is expected to be launched next year. As for the St Kilda Road development in Australia, all units of Phase 1 and Phase 2 have been 100% presold, construction is expected to complete in June 2001."

Far East Consortium has entered two agreements to acquire the Pearl Garden Hotel and the Pearl Seaview Hotel in June this year. The 2 hotels, comprise of 356 rooms, have maintained an occupancy rate of around 95%. Mr. Chiu stated, "The acquisitions will provide an opportunity for Far East Consortium to further its

hotel business and contribute a steady income to the Group. The 3 hotels situated in Melbourne, Kuala Lumpur and the United States have continued to perform satisfactorily in the period under review."

Regarding the investment sector, the National Highway 311 in Henan Province is expected to be completed by the year end. It is expected that the Group's 68% interest in the 44 km highway will generate a steady return to the Group's investments. The boiler factory in Guangzhou had a moderate performance during the period and the Board believes that the operation will gradually improve.

Looking to the future, Mr. Chiu said, "The Group will undertake the corporate strategy to continue the disposal of the non-core assets overseas; to continue our investment in the star hotels in Hong Kong; to increase our land bank portfolio and to carry on our investment in the Hong Kong property development, to ensure effective utilization of our financial resources in the property development and hotel business in Hong Kong," Mr. Chiu concluded, "The Group has full confidence in Hong Kong and the Board is optimistic in bringing a satisfactory return to its shareholders."

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