



Far East Consortium International Limited

PRESS RELEASE

For Immediate Release

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FAR EAST CONSORTIUM COMPLETES ACQUISITION OF TWO HOTELS

The Board of Directors of locally listed Far East Consortium International Limited ("Far East Consortium") announced on January 29, 2001, the completion of the agreements made on October 24, 2000, relating to the acquisition of two hotels, namely, Pearl Garden Hotel and Pearl Seaview Hotel, for a total consideration of HK\$338 million. The names for Pearl Garden Hotel and Pearl Seaview Hotel are changed to Dorsett Garden Hotel and Dorsett Seaview Hotel respectively.

Situated at 30-36 Nanking Street, Kowloon, Dorset Garden Hotel commenced its operation in 1997. It is a three-star hotel comprises of 100 rooms and maintains an occupancy rate of approximately 96%. Located at 262-276 Shanghai Street, Dorset Seaview Hotel is also a three-star hotel which commenced its operation in 1995. It has a total of 257 rooms and an occupancy rate of approximately 87%.

Commenting on the acquisition, Deputy Chairman of Far East Consortium, Mr. David Chiu stated, "Existing staff will be retained to manage and operate the two hotels after the acquisition. Situated in prime locations, the two hotels have maintained a relatively high occupancy rate, thus we anticipate a very steady revenue contribution from the operations. On the other hand, tourism has shown signs of recovery, especially reflected in the accelerating growth in the number of tourists from the PRC. The surge in demand for 3-star hotels will inevitably increase the growth potential of our hotel investment."

Looking to the future, Mr. Chiu continued, "The Group will take strategic steps to sell overseas assets, to further our investment in local property and hotel sectors. Our target is to increase our ownership of local hotel rooms from the existing 357 to a total of 1,000, at the same time, we will also expand our business in the service apartment sector."

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