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PRESS RELEASE

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FAR EAST CONSORTIUM GENERATES HK\$468.8 MILLION FROM PROPERTY DISPOSAL AND INTENDS TO TRANSFORM NEW PROPERTY ACQUISITION INTO SERVICE APARTMENTS

Locally listed Far East Consortium International Limited (“Far East Consortium” or “the Group”, stock code : 035) announced today (21 July) two major agreements – (i) The Group’s wholly-owned subsidiary FEC Properties Limited entered into an agreement with Smart View dated on 15 July, 2004 in respect of the sale of Far East Bank Mongkok Building – including the retail outlets, commercial and residential units in basement to 6th floor (excluding the cinema), unit A of 24th floor and the roof (“Property I”) at a cash consideration of HK\$468.8 million. The profit on disposal of the property based on the acquisition cost of HK\$189 million is HK\$279.8 million. Subsequent to initial deposit payments, the balance of HK\$398.48 million shall be paid on or before 15 March 2005.

(ii) The Group’s wholly owned subsidiary Far East Consortium Limited (“FECL”) and The Sun and Lidell Realty reached an agreement dated on 15 July, 2004 in respect of the purchase of the commercial property at 263 Hollywood Road (“Property II”) with a gross floor of approximately 58,738 sq. ft., for a cash consideration of HK\$118 million.

Commenting on the two transactions, Deputy Chairman of Far East Consortium Mr. David Chiu said, “The Group is principally engaged in property investment & development and hotel investment and operation in Hong Kong and China. The Directors consider the disposal of Property I will provide the opportunity for the Group to realize its assets at reasonable market price. The net proceeds will be used for repayment of existing loan of HK\$107 million and the remaining balance of HK\$361 million will be deployed for general working capital purpose.”

Mr. Chiu continued, “The acquisition of Property II will offer a good opportunity for the Group to further its investment portfolio in the property business. Property II is intended to be used as a hotel or service apartments with about 148 units by mid 2005.”

The trading of the Group’s shares will resume from 9:30 am on 22 July.

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