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Far East Consortium International Limited

(INCORPORATED IN THE CAYMAN ISLANDS WITH LIMITED LIABILITY)

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PRESS RELEASE

For Immediate Release

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Proposed Issue of Zero Coupon Convertible Bonds Due 2009 By Far East Consortium International Ltd.

Locally listed Far East Consortium International Limited (“Far East Consortium” or the “Group”) announces that on 10 March 2004, the Company entered into the Subscription Agreement with Deutsche Bank, whereby Deutsche Bank agreed to subscribe for the Firm Bonds to be issued at par by the Company in an initial aggregate principal amount of US\$60,000,000 (Approx. HK\$467,538,000). In addition, Deutsche Bank may require the Company to issue the Optional Bonds up to a further aggregate principal amount of US\$6,989,000 (approx. HK\$54,460,385) at par.

The initial conversion price is HK\$2.25, representing a premium of 30.06% over the closing price of HK\$1.73 of the Shares as quoted on the Stock Exchange on 10 March 2004. Assuming full conversion of the Bonds at the initial conversion price of HK\$2.25, The Bonds will be convertible into approx. 231.99 million Shares (subject to adjustment), representing approx. 19.86% of the issued share capital of the Company as at the date of this announcement and approx. 16.57% of the enlarged issued share capital of the Company.

The Issue Price is 100% of the principal amount of the Bonds bearing zero interest. Bondholder(s) have the right to convert their Bonds into shares at any time during the Conversion Period. Unless previously redeemed, purchased and cancelled or converted, the Company will redeem each Bond at 105.10% of its principal amount on the maturity date, which is expected to be on or before 13 April 2009.

The proceeds are currently intended to be used by the Company for the repayment of existing loans of the Company and for general working capital purposes.

According to the information from Deutsche Bank, the Firm Bonds are oversubscribed over 10 times.

Issued by : Far East Consortium International Ltd.

For Enquiries, please contact :

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