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For Immediate Release

July 20, 2008

FAR EAST CONSORTIUM ANNOUNCES FINAL RESULT

Locally listed Far East Consortium International Limited (“The Group”- stock code:035) announced today its audited consolidated results for the year ended 31st March, 2008. Revenue for the financial year increased by 147% to HK\$2,160 million (corresponding period last year: HK\$875 million), gross profit increased by 149% to HK\$1,079 million (corresponding period last year HK\$433 million), profits attributable to shareholders decreased 17% to HK\$443.4 million (corresponding period last year: HK\$536.4 million), or HK\$27.8 cents per share (corresponding period last year: HK\$37.2 cents per share).

The Board of Directors recommends a payment of final dividend of HK\$10 cents (corresponding period last year: HK\$8 cents). The Register of Members of the Company will be closed from, 19th, August, 2008 to 22nd August, 2008, both days inclusive.

Commenting on the period under review, Deputy Chairman of Far East Consortium, Mr. David Chiu said, “ The exceptional growth of the Group in FY2008 was mainly driven by the strong performance of our hotel operations and the increase of property sales.

On the sector of property development, the sales of California Garden in Shanghai have been doing well, approximately 80% of 1172 residential units have been sold since launch. Over 70% of these sold units were delivered to buyers by the year-end.

According to the present development plan, California Gardens still has a balance of about 6,000 residential units to be developed over the next five to six years. The whole project is expected to complete by 2014.

Other than California Gardens, the Group has three property development projects in Guangzhou with a total attributable gross floor area of over 1.5 million square feet. All these three projects consist of residential and commercial development and are scheduled to be completed by 2009 and 2010.

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“Apart from focusing on the property development in China continuously, the Group will also seek for attractive property development projects when opportunities arise. During the year, our luxury property project, the Cove, was sold as a whole lot for HK\$120 million. Before the end of the year, the Group acquired an 88% ownership of an old commercial-cum-residential development in Sham Shui Po. Presently, we have six property projects under development,” Mr. Chiu said.

Reviewing the operations of the hotel division, Mr. Chiu stated, “During the year, the Group opened one new hotel, Grand Dorsett Labuan Hotel, in Malaysia. Our hotel portfolio has now increased from nine hotels to ten hotels, or from 2,371 rooms to 2,549 rooms. In addition, the Group also entered into a hotel management contract to manage a 237-room hotel in Penang, Malaysia.”

During the year, the Group acquired two hotel development projects on Hong Kong Island. The first one is a 55-room boutique hotel at Jervois Street, Sheung Wan and is expected to open for business in the first quarter of 2010. The second one is a 148-room boutique hotel at Hill Street and is scheduled to open by the end of 2010.

Mr. Chiu continued, “On top of the organic growth from our existing hotel portfolio, we will further enhance the growth of our hotel division with new developments and acquisitions. At the year date, we have five hotels under development in Hong Kong, two in Malaysia and two in China. When all these hotels are completed over the next one to three years, the size of our portfolio will be doubled in terms of the number of hotel rooms.”

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Subsequent to balance sheet date, the Group entered into the transactions as follows:

- i) The Group purchased an industrial building, Toppo Tower, in Kwai Chung and plans to refurbish the building into a 4-star hotel with 650 rooms. The hotel is scheduled to open in early 2010.
- ii) The Group purchased a brand new apartment building, namely Jianhua Oriental Apartment, in Pudong District, Shanghai, the PRC at a consideration of RMB280 million. The hotel is scheduled to commence operation in early 2009.
- iii) The Group acquired a 51% interest in the hotel project in Zhuji city, Zhejiang Province, at a consideration of HK\$115 million. The hotel is scheduled to commence operation in early 2009.

“We consider that these investments represent a good opportunity for the Group to strengthen its existing hotel portfolio and provide a platform to the Group to capture the booming tourism business in Hong Kong and China,” Mr. Chiu concluded.

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