FAR EAST CONSORTIUM INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)
Website: http://www.fecil.com.hk
(Stock Code: 35)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31ST MARCH, 2011

RESULTS

The board of directors (the "Board") of Far East Consortium International Limited (the "Company" or "FEC") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31st March, 2011 as follows:

FINANCIAL HIGHLIGHTS

- **Net profit attributable to owners at approximately HK$394 million, up 21.7% from the previous financial year. Earnings per share increased from HK$0.18 to HK$0.21**
- **Net gearing ratio(i) at 32.5% and cash position at approximately HK$2.3 billion as at 31st March, 2011**
- **Presale of property development at approximately HK$2.6 billion for the year ended 31st March, 2011**
- **Gain resulting from spin-off of Kosmopolito Hotels International Limited ("KHI") at approximately HK$418 million, recognized in reserve in the consolidated financial statements of the Company for the year ended 31st March, 2011**
- **Net assets attributable to shareholders increased from HK$3.2/share to HK$3.7/share. Adjusting for hotel revaluation surplus(i), net assets attributable to shareholders as at 31st March, 2011 was HK$6/share**
- **Final dividend of HK$0.05 per share for the year ended 31st March, 2011 recommended (2010: final dividend of HK$0.04 per share)**

Note (i): The hotel revaluation surplus of HK$5,979 million as at 31st March, 2011 was not recognized in the Company's consolidated financial statements, but adjusted for the calculation of the net gearing ratio and net assets attributable to shareholders per share.

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2011

	Notes	**2011** **HK$'000**	2010 *HK$'000* (restated)
Revenue		**1,654,446**	2,342,235
Depreciation and amortisation		**(110,935)**	(74,251)
Other cost of sales and services		**(787,867)**	(1,468,833)
Gross profit		**755,644**	799,151
Other income		**19,340**	16,874
Other gains and losses	*4*	**368,422**	85,607
Administrative expenses		**(417,719)**	(328,081)
KHI's initial public offering expenses		**(22,506)**	–
Share of results of associates		**33,231**	28,592
Share of results of jointly controlled entities		**4,742**	410
Finance costs	*5*	**(186,125)**	(109,697)
Profit before taxation		**555,029**	492,856
Income tax expense	*6*	**(108,548)**	(134,484)
Profit for the year	*7*	**446,481**	358,372
Attributable to:			
Owners of the Company		**394,212**	323,805
Non-controlling interests		**52,269**	34,567
		446,481	358,372
		HK cents	*HK cents*
Earnings per share	*9*		
Basic		**21**	18
Diluted		**21**	18

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST MARCH, 2011

	2011 *HK$'000*	2010 *HK$'000* (restated)
Profit for the year	**446,481**	358,372
Other comprehensive income:		
Exchange differences arising on translation of foreign operations	**222,040**	296,995
Revaluation increase on available-for-sale investments	**8,857**	59,580
Revaluation increase on property, plant and equipment and prepaid lease payments on transfer to investment properties	**3,176**	8,843
Deferred tax on revaluation increase	**(794)**	(2,211)
Reclassify to profit or loss on disposal of available-for-sale investments	**(37,591)**	4,394
Other comprehensive income for the year	**195,688**	367,601
Total comprehensive income for the year	**642,169**	725,973
Total comprehensive income attributable to:		
Owners of the Company	**570,237**	677,526
Non-controlling interests	**71,932**	48,447
	642,169	725,973

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31ST MARCH, 2011

	NOTES	**31.3.2011** **HK$'000**	31.3.2010 HK$'000 (restated)	1.4.2009 HK$'000 (restated)
Non-current assets				
Investment properties		**2,581,274**	2,179,330	1,943,061
Property, plant and equipment		**5,442,801**	5,448,882	4,345,518
Prepaid lease payments		**586,070**	741,144	307,488
Goodwill		**68,400**	68,400	–
Intangible assets		**4,672**	7,244	–
Interests in associates		**209,010**	181,620	163,276
Interests in jointly controlled entities		**63,441**	75,291	72,112
Available-for-sale investments		**175,919**	308,056	83,282
Financial assets at fair value through profit or loss		**4,671**	4,574	6,903
Deposit for acquisition of property, plant and equipment		**121,357**	109,009	73,450
Amounts due from associates		**96,650**	90,443	90,318
Amount due from an investee company		**119,995**	119,995	119,995
Other receivables		**136,896**	1,947	1,885
Pledged deposits		**12,928**	12,397	11,768
		9,624,084	9,348,332	7,219,056
Current assets				
Properties for sale				
Completed properties		**132,490**	198,363	488,890
Properties for/under development		**2,718,531**	1,688,234	1,705,278
Other inventories		**8,225**	6,452	4,431
Prepaid lease payments		**13,636**	19,116	9,295
Debtors, deposits and prepayments	*10*	**229,326**	229,387	151,676
Amounts due from associates		**4,863**	3,628	4,718
Amount due from a jointly controlled entity		**–**	5,152	15,234
Tax recoverable		**13,352**	15,082	13,454
Available-for-sale investments		**23,566**	20,897	163,751
Financial assets at fair value through profit or loss		**69,708**	19,561	28,351
Derivative financial instruments		**398**	1,708	8,255
Pledged deposits		**261,870**	17,368	14,404
Restricted bank deposits		**2,690**	269,829	9,024
Bank balances and cash		**1,986,347**	1,291,942	678,908
		5,465,002	3,786,719	3,295,669
Non-current assets held for sale		**79,648**	–	–
		5,544,650	3,786,719	3,295,669

	NOTES	**31.3.2011** *HK$'000*	31.3.2010 *HK$'000* (restated)	1.4.2009 *HK$'000* (restated)
Current liabilities				
Creditors and accruals	*11*	**406,976**	423,593	379,626
Obligations under finance leases		**474**	1,256	1,015
Amounts due to directors		**–**	892	933
Amounts due to related companies		**44,803**	46,061	41,910
Amounts due to associates		**17,950**	17,952	15,894
Amounts due to minority shareholders		**30,233**	29,462	28,367
Customers' deposits received		**176,100**	81,811	81,505
Derivative financial instruments		**751**	208	–
Financial liabilities at fair value through profit or loss		**–**	–	121,845
Tax payable		**308,266**	249,473	192,619
Convertible bonds		**716,785**	–	–
Secured bank and other borrowings		**1,112,991**	1,235,783	1,009,219
		2,815,329	2,086,491	1,872,933
Net current assets		**2,729,321**	1,700,228	1,422,736
Total assets less current liabilities		**12,353,405**	11,048,560	8,641,792
Capital and reserves				
Share capital		**191,826**	190,638	162,200
Share premium		**2,770,185**	2,746,668	2,041,906
Reserves		**4,064,577**	3,188,693	2,648,774
Equity attributable to owners of the Company		**7,026,588**	6,125,999	4,852,880
Non-controlling interests		**892,205**	95,780	30,456
Total equity		**7,918,793**	6,221,779	4,883,336
Non-current liabilities				
Derivative financial instrument		**68,615**	44,266	–
Convertible bonds		**–**	751,013	228,995
Amount due to a minority shareholder		**–**	–	5,175
Deferred taxation		**226,631**	208,323	142,435
Obligations under finance leases		**84**	505	1,236
Secured bank and other borrowings		**4,139,282**	3,822,674	3,380,615
		4,434,612	4,826,781	3,758,456
		12,353,405	11,048,560	8,641,792

NOTES TO ACCOUNTS

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the consolidated financial statements included applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

New and revised Standards and Interpretations applied in the current year

In the current year, the Group has applied the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the HKICPA.

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009
HKFRSs (Amendments)	Amendments to HKFRS 5 as part of Improvements to HKFRSs issued in 2008
HKFRS 2 (Amendments)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised in 2008)	Business Combinations
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 32 (Amendments)	Classification of Right Issues
HKAS 39 (Amendment)	Eligible Hedged Items
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners
HK – Int 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

Except as disclosed below, the adoption of the new and revised HKFRSs in the current year has had no material effect on the consolidated financial statements for the current or prior accounting periods.

(a) HKFRS 3 (revised in 2008) and HKAS 27 (revised in 2008)

The Group applied HKFRS 3 (revised in 2008) "Business Combinations" prospectively to business combinations for which the acquisition date is on or after 1st April, 2010. The requirements in HKAS 27 (revised in 2008) "Consolidated and Separate Financial Statements" in relation to accounting for changes in ownership interests in a subsidiary after control is obtained and for loss of control of a subsidiary are also applied prospectively by the Group on or after 1st April, 2010.

On application of HKAS 27 (revised in 2008), the gain resulting from the spin off of KHI of HK$417,926,000 has been recognised in equity. Had the previous accounting policy been applied, the gain would have been recognised in profit or loss.

(b) *Amendment to HKAS 17*

As part of Improvements to HKFRSs issued in 2009, HKAS 17 "Leases" has been amended in relation to the classification of leasehold land. Before the amendment to HKAS 17, leasehold land was required to be classified as operating leases and present as prepaid lease payments in the consolidated statement of financial position. The amendment has removed such a requirement. Instead, the amendment requires that the classification of leasehold land should be based on the general principles set out in HKAS 17, that are based on the extent to which risk and reward incidental to ownership of a leased asset lie with the lessor or the lessee.

In accordance with the transitional provisions of HKAS 17 "Leases", the Group reassessed the classification of unexpired leasehold land as at 1st April, 2010 based on information that existed at the inception of leases. Leasehold lands that qualified for finance lease classification have been reclassified from prepaid lease payments to property, plant and equipment retrospectively. As a result of the reclassification of prepaid lease payments with carrying amounts of HK$1,203,562,000 and HK$1,208,997,000 as at 1st April, 2009 and 31st March, 2010 respectively to property, plant and equipment, the carrying amounts of property, plant and equipment are increased by the same amount from HK$3,141,956,000 and HK$4,239,885,000 as at 1st April, 2009 and 31st March, 2010 to HK$4,345,518,000 and HK$5,448,882,000 and the prepaid lease payments are decreased from HK$1,520,345,000 and HK$1,969,257,000 as at 1st April, 2009 and 31st March, 2010 to HK$316,783,000 and HK$760,260,000 respectively. The carrying amount of such leasehold land at 31st March, 2011 of HK$1,056,220,000 has been included in property, plant and equipment. The application of the amendments to HKAS 17 has had no impact on the reported profit or loss for the current and prior years.

(c) *Hong Kong Interpretation 5*

Hong Kong Interpretation 5 "Presentation of Financial Statements - Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause" ("HK Int 5") clarifies that term loans that include a clause that giving the lender the unconditional right to call the loans for repayment at any time ("repayment on demand clause") should be classified by the borrower as current liabilities. The Group has applied HK Int 5 for the first time in the current year. HK Int 5 requires retrospective application.

In order to comply with the requirements set out in HK Int 5, the Group has changed its accounting policy on classification of term loans with a repayment on demand clause. In the past, the classification of such term loans were determined based on the agreed scheduled repayment dates set out in the loan agreements. Under HK Int 5, term loans with a repayment on demand clause are classified as current liabilities.

At the end of the reporting period, bank loans that contain a repayment on demand clause with the aggregate carrying amount of HK$87,381,000 has been reclassified from non-current liabilities to current liabilities. Such term loans have been presented in the earliest time band in the maturity analysis for financial liabilities. As at 1st April, 2009 and 31st March, 2010, the Group did not have any non-current bank loans that would be demanded for immediate repayment and therefore reclassification is not required. The application of HK Int 5 has had no impact on the reported profit or loss.

(d) *Amendments to HKAS 12*

Amendments to HKAS 12 "Income Tax" titled Deferred Tax: Recovery of Underlying Assets have been applied in advance of their mandatory effective date (which is the annual periods beginning on or after 1st January, 2012). Under the amendments, investment properties that are measured using the fair value model in accordance with HKAS 40 "Investment Property" are presumed to be recovered through sale, unless the presumption is rebutted in certain circumstances.

As a result, the Group's investment properties that are measured using the fair value model have been presumed to be recovered through sale for the purpose of measuring deferred tax liabilities and deferred tax assets. The remeasurement of deferred tax has resulted in a decrease in deferred tax liabilities by HK$109,336,000 and HK$128,870,000 at 1st April, 2009 and 31st March, 2010 respectively with the corresponding adjustment being recognised in retained profits. The application of the amendment has resulted in an increase in profit for the year by HK$44,813,000 as deferred tax is no longer provided for the fair value increase in investment properties for the year.

Summary of financial effect

The effects of changes in accounting policies on the results of the Group by line items and the earnings per share for the current and prior years due to (a) application of new and revised HKFRSs described above and (b) the finalisation of provisional goodwill determined on acquisition of business, are as follows:

	2011		2010	
	Impact on profit	**Impact on basic and diluted earnings per share**	Impact on profit	Impact on basic and diluted earnings per share
	HK$'000	***HK cents***	*HK$'000*	*HK cents*
Decrease in deferred taxation expense arising from amendments to HKAS 12 "Income Taxes"	**44,813**	**2**	19,534	1
Decrease in deferred taxation expense arising from fair value adjustment of intangible assets	**772**	**–**	527	–
Increase in amortisation expense of intangible assets	**(2,572)**	**–**	(1,756)	–
Gain resulting from spin-off of KHI recognised in equity	**(417,296)**	**(22)**	–	–
Total adjustments	**(374,283)**	**(20)**	18,305	1

The effects of the above changes on the financial positions of the Group as at 1st April, 2009 and 31st March, 2010 are as follows:

	As at 1.4.2009			As at 31.3.2010			
	Originally stated	Adjustment (i)	Restated	Originally stated	Adjustment (i)	Adjustment (ii)	Restated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Property, plant and equipment	3,141,956	1,203,562	4,345,518	4,239,885	1,208,997	–	5,448,882
Prepaid lease payments	1,520,345	(1,203,562)	316,783	1,969,257	(1,208,997)	–	760,260
Goodwill	–	–	–	73,047	–	(4,647)	68,400
Intangible assets	–	–	–	–	–	7,244	7,244
Deferred tax liabilities	(251,771)	109,336	(142,435)	(335,020)	128,870	(2,173)	(208,323)
Total effect on assets and liabilities		109,336			128,870	424	
Retained profits	1,492,623	109,336	1,601,959	1,722,467	128,870	(1,229)	1,850,108
Non-controlling interests	30,456	–	30,456	94,127	–	1,653	95,780
Total effect on equity		109,336			128,870	424	

(i) Adjustment due to amendments to HKAS 12 and HKAS 17.

(ii) Adjustment to provisional goodwill, recognition of intangible assets and deferred tax thereon, and effect to the share of non-controlling interests.

New and revised standards and interpretation issued but not yet effective

Except for Amendments to HKAS 12 "Income Taxes" disclosed above, the Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective:

HKFRSs (Amendments)	Improvements to HKFRSs 2010[1]
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets[4]
HKFRS 9	Financial Instruments[5]
HKFRS 10	Consolidated Financial Statements[5]
HKFRS 11	Joint Arrangements[5]
HKFRS 12	Disclosure of Interests in Other Entities[5]
HKFRS 13	Fair Value Mearsurement[5]
HKAS 24 (Revised)	Related Party Disclosures[3]
HKAS 27 (Revised 2011)	Separate Financial Statements[5]
HKAS 28 (Revised 2011)	Investments in Associates and Joint Ventures[5]
HK(IFRIC) – Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement[3]
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments[2]

1 Effective for annual periods beginning on or after 1st July, 2010 and 1st January, 2011, as appropriate

2 Effective for annual periods beginning on or after 1st July, 2010

3 Effective for annual periods beginning on or after 1st January, 2011

4 Effective for annual periods beginning on or after 1st July, 2011

5 Effective for annual periods beginning on or after 1st January, 2013

HKFRS 9 Financial Instruments (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 Financial Instruments (as revised in November 2010) adds requirements for financial liabilities and for derecognition.

- Under HKFRS 9, all recognised financial assets that are within the scope of HKAS 39 "Financial Instruments: Recognition and Measurement" are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

- In relation to financial liabilities, the significant change relates to financial liabilities that are designated as at fair value through profit or loss. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the presentation of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liabilities at fair value through profit or loss was presented in profit or loss.

The directors anticipate that the application of HKFRS 9 may have an impact on the measurement and classification of the Group's available-for-sale investments, which will be measured at fair value. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

The directors anticipate that the application of the other new and revised HKFRSs will have no material impact on the results and financial position of the Group.

3. SEGMENT INFORMATION

The Group determines its operating segments based on internal reporting about components that are regularly reviewed by the chief operating decision maker. Information reported to the Group's chief operating decision makers who are the executive directors of the Company for the purposes of resource allocation and assessment of performance is mainly focused on the property development, property investment, hotel operation and car park operation in each of the geographical locations as stated below and securities and financial product investments. Other operations mainly include provision of engineering services and second mortgage loans.

The following is an analysis of the Group's revenue and results by reportable segments. Segment profit (loss) represents the pre-tax profit (loss) earned (incurred) by each segment without allocation of central administrative costs, directors' salaries, change in fair value on financial liabilities at fair value through profit or loss and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

	Segment revenue		Segment profit (loss)	
	2011	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Property development				
– Australia	**85,425**	916,495	**(3,023)**	54,761
– Hong Kong ("HK")	**5,994**	62,363	**3,231**	43,324
– Other regions in the People's Republic of China ("PRC")	**153,413**	397,547	**88,762**	220,095
– Malaysia	**–**	–	**(549)**	(20)
	244,832	1,376,405	**88,421**	318,160
Property investment				
– HK	**24,436**	25,934	**241,922**	136,939
– PRC	**11,651**	10,725	**(245)**	3,722
– Singapore	**24,482**	21,098	**110,802**	57,697
	60,569	57,757	**352,479**	198,358
Hotel operation				
– HK	**517,073**	339,913	**287,837**	101,747
– Malaysia	**266,323**	241,782	**60,029**	55,032
– PRC	**83,704**	34,558	**(1,667)**	612
– Singapore	**–**	–	**(8,505)**	(405)
	867,100	616,253	**337,694**	156,986
Car park operation				
– Australia	**446,091**	270,881	**42,482**	29,482
– Malaysia	**18,165**	7,997	**9,314**	3,629
	464,256	278,878	**51,796**	33,111
Securities and financial product investments	**15,739**	6,348	**4,120**	(40,149)
Other operations	**1,950**	6,594	**(6,068)**	3,572
Segment revenue/segment profit	**1,654,446**	2,342,235	**828,442**	670,038
Unallocated corporate expenses			**(87,288)**	(59,760)
Decrease in fair value on financial liabilities at fair value through profit or loss			**–**	(7,725)
Finance costs			**(186,125)**	(109,697)
Profit before taxation			**555,029**	492,856
Income tax expense			**(108,548)**	(134,484)
Profit for the year			**446,481**	358,372

The following is an analysis of the Group's assets by reportable segments. Segment assets represent assets held by each segment without allocation of corporate assets which are mainly bank balances and cash.

	31.3.2011	31.3.2010
	HK$'000	*HK$'000*
Property development		
– PRC	**1,581,883**	1,701,343
– HK	**664,244**	472,180
– Australia	**688,946**	527,185
– Malaysia	**368,904**	241,823
	3,303,977	2,942,531
Property investment		
– HK	**1,554,886**	1,271,166
– Singapore	**579,693**	421,950
– PRC	**4,515**	2,604
	2,139,094	1,695,720
Hotel operation		
– HK	**3,024,830**	2,839,156
– PRC	**1,561,550**	1,443,151
– Malaysia	**1,048,077**	1,000,083
– Singapore	**531,397**	419,092
	6,165,854	5,701,482
Car park operation		
– Australia	**702,202**	635,552
– Malaysia	**153,941**	151,004
	856,143	786,556
Securities and financial product investment	**340,019**	423,401
Other operations	**377,300**	293,419
Segment assets	**13,182,387**	11,843,109
Unallocated corporate assets	**1,986,347**	1,291,942
	15,168,734	13,135,051

4. OTHER GAINS AND LOSSES

	2011	2010
	HK$'000	*HK$'000*
Increase in fair value of investment properties	**312,796**	166,197
Change in fair value of financial assets at fair value through profit or loss	**421**	3,731
Gain (loss) on disposal of available-for-sale investments	**37,591**	(4,394)
Change in fair value of investments held for trading	**5,863**	7,367
Gain on disposal of a subsidiary	**81,385**	–
Change in fair value of derivative financial instruments	**(64,482)**	(61,441)
Change in fair value of financial liabilities at fair value through profit or loss	**–**	(7,725)
Allowance for amount due from jointly controlled entity	**(5,152)**	(13,200)
Loss on disposal of associates	**–**	(4,928)
	368,422	85,607

5. FINANCE COSTS

	2011	2010
	HK$'000	*HK$'000*
Interest on:		
Bank loans		
– wholly repayable within five years	**151,765**	122,116
– not wholly repayable within five years	**38,002**	27,936
Other loans		
– wholly repayable within five years	**1,070**	1,625
Convertible bonds	**49,001**	9,805
Finance leases	**21**	71
Amortisation of front-end fee	**15,381**	13,495
Others	**2,387**	975
Total interest costs	**257,627**	176,023
Less: Amounts capitalised to:		
– properties for/under development for sale	**(50,463)**	(44,926)
– owner's occupied properties under development	**(19,755)**	(20,241)
– investment properties under development	**(1,284)**	(1,159)
	186,125	109,697

6. INCOME TAX EXPENSE

	2011	2010
	HK$'000	*HK$'000*
		(restated)
The income tax expense comprises:		
Current tax:		
Hong Kong Profits Tax	**36,499**	13,301
PRC Enterprise Income Tax	**20,324**	40,525
PRC Land Appreciation Tax	**31,295**	73,267
Australia Income Tax	**10,106**	9,415
Malaysia Income Tax	**3,821**	830
Singapore Income Tax	**926**	235
	102,971	137,573
Deferred taxation		
Current year	**5,577**	(2,807)
Attributable to changes in tax rate	**–**	(282)
	5,577	(3,089)
	108,548	134,484

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit of individual companies comprising the Group less unutilised tax losses brought forward where applicable.

PRC Enterprise Income Tax (the "EIT") is calculated in accordance with the EIT Law and Implementation Regulations of the EIT Law. The tax rate is 25% from 1st January, 2008 onwards.

Taxation arising in other jurisdictions is calculated at rates prevailing in the relevant jurisdictions.

7. PROFIT FOR THE YEAR

	2011	2010
	HK$'000	*HK$'000*
		(restated)
Profit for the year has been arrived at after charging:		
Cost of properties sold recognised as an expense	**131,041**	1,006,628
Auditor's remuneration	**8,511**	6,366
Depreciation	**121,480**	76,236
Amortisation of prepaid lease payments	**10,359**	10,769
Less: Amount capitalised to hotel properties under development	**(8,116)**	(5,685)
	2,243	5,084
Amortisation of intangible assets	**2,572**	1,756
Amortisation of investment in a jointly controlled entity (included in share of results of jointly controlled entities)	**2,904**	2,904
Staff costs	**365,228**	263,798
Loss on disposal of property, plant and equipment	**–**	9
Share of taxation of associates (included in share of results of associates)	**872**	4,315
and crediting:		
Rental income, net of outgoings of HK$15,915,000 (2010: HK$14,820,000)	**77,508**	73,935
Dividend income from:		
Investment held for trading	**697**	1,044
Available-for-sale investments	**725**	6,086
	1,422	7,130
Gain on disposal of property, plant and equipment	**1,285**	–
Reversal of bad and doubtful debts	**1,336**	–
Bank interest income	**2,123**	3,679

8. DIVIDENDS

	2011	2010
	HK$'000	*HK$'000*
Dividends recognised as distribution during the year:		
Interim dividend of HK2 cents (2010 – HK2 cents) per share	**38,167**	37,993
Final dividend, paid for 2010 – HK4 cents (2010: Final dividend, paid for 2009 – HK2 cents) per share	**76,093**	37,663
	114,260	75,656

A final dividend for the year ended 31st March, 2011 of HK5 cents (2010: HK4 cents) per share has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

Shareholders have an option to receive cash in lieu of new shares of the Company for the dividend proposed and paid during the year.

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the consolidated profit for the year attributable to the owners of the Company of HK$394,212,000 (2010: HK$323,805,000) and the number of shares calculated as follows:

	2011	2010
	'000	*'000*
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,907,404**	1,801,413
Effect of dilutive potential ordinary shares – share options	**2,610**	1,682
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,910,014**	1,803,095

The computation of diluted earnings per share for the years ended 31st March, 2011 and 31st March, 2010 did not assume the conversion of the Company's outstanding convertible bonds since their exercise would result in an increase in earnings per share.

10. DEBTORS, DEPOSITS AND PREPAYMENTS

Included in debtors, deposits and prepayments are trade debtors of HK$73,079,000 (2010: HK$105,831,000).

Trade debtors mainly comprised receivable from sale and renting of properties. Sale of properties are settled according to the payment terms of individual contract but have to be fully settled before transfer of the legal titles. No credit are allowed to the tenants of the properties. Rentals are payable on presentation of demand notes. Hotel room revenue is normally settled by cash or credit card. Credit periods of 30 to 60 days are allowed to travel agents and corporate customers.

The following is an aged analysis of trade debtors based on the invoice date:

	31.3.2011	31.3.2010
	HK$'000	*HK$'000*
30 – 60 days	**62,688**	94,054
61 – 90 days	**5,431**	4,926
Over 90 days	**4,960**	6,851
	73,079	105,831

11. CREDITORS AND ACCRUALS

Included in creditors and accruals are trade creditors of HK$116,385,000 (2010: HK$131,586,000). The following is an aged analysis of the trade creditors:

	31.3.2011	31.3.2010
	HK$'000	*HK$'000*
0 – 60 days	**46,978**	57,736
61 – 90 days	**10,880**	30,528
Over 90 days	**58,527**	43,322
	116,385	131,586

FINAL DIVIDEND

The Board has recommended the payment of a final dividend for the year ended 31st March, 2011 of HK5 cents (2010: HK4 cents) per ordinary share (the "Proposed Final Dividend"). The Proposed Final Dividend will be paid in the form of a scrip dividend with shareholders of the Company (the "Shareholders") being given an option to elect to receive cash in lieu of all or part of their scrip dividend entitlements (the "Scrip Dividend Scheme").

The Scrip Dividend Scheme will be subject to (i) Shareholders' approval of the Proposed Final Dividend at the Company's forthcoming annual general meeting (the "2011 AGM"); and (ii) The Stock Exchange of Hong Kong Limited (the "Stock Exchange") granting listing of and permission to deal in the new shares to be allotted thereunder. Further announcement will be made by the Company in due course on details of the 2011 AGM, the Proposed Final Dividend and the Scrip Dividend Scheme and the respective periods of closure of the Company's Register of Members for determining the entitlement to attend and vote at the 2011 AGM and the entitlement to the Proposed Final Dividend.

FINANCIAL REVIEW

1. Annual results

For the year ended 31st March, 2011, the Company's consolidated revenue was HK$1,654 million, decreasing by 29.4% as compared to the previous financial year ended 31st March, 2010. The reduction was mainly due to lower property sales recorded in financial year 2011 versus financial year 2010. Hotel operation performance of KHI and the car park operation business contributed revenue of HK$867 million and HK$464 million respectively, increasing by 40.7% and 66.5% respectively. Rental revenue from investment properties remained steady, increasing by 4.9% from the previous financial year. The nature of the revenue in relation to hotel operation, car park business and rental income from investment properties is considered as recurring income. For the year ended 31st March, 2011, recurring income increased by approximately 46.1% to reach HK$1,392 million. It is one of our medium-term plans to build up our business with stable and consistent return from recurring income businesses. For the year ended 31st March, 2011, the recurring income portion was approximately 84.1% of our consolidated revenue.

Gross profit was HK$756 million for the year ended 31st March, 2011, decreasing only by 5.4% as compared to the previous financial year. However, gross profit margin increased to 45.7% from 34.1%. This was mainly due to a number of reasons. For the year ended 31st March, 2011, major sales of properties came from Shanghai California Garden in Mainland China, which provided a gross profit margin of approximately 71.5% (2010: 62.1%). Gross profit margin from KHI increased to 54.5% from 53.9% as of the previous financial year. Gross profit margin from investment properties and car park business increased to 60.9% and 25.1% respectively from 58% and 20.8% respectively as of the previous financial year.

Net profit attributable to owners of the Company for the financial year ended 31st March, 2011 amounted to HK$394 million, increasing by 21.7% from the previous financial year. Major contributions during the year were derived from KHI's hotel operation performance; sale of a hotel, "The Mercer", in Hong Kong; full year contribution from car park operation; sales of properties in Shanghai California Garden; and increase in investment property fair value.

2. Liquidity and financial resources

	KHI *(HK$ million)*	Consolidated FEC *(HK$ million)*
Bank and cash balances	897	2,264
Bank loans, convertible bonds and borrowings	3,562	5,969
Carrying amount of total equity	2,897	7,027
Add: revaluation surplus	5,979	4,365
Total equity	8,876	11,392
Net gearing ratio	30.0%	32.5%

Carrying amount of total equity attributable to owners of the Company as at 31st March, 2011 was HK$7,027 million, increasing by 14.7% as compared to HK$6,126 million as at 31st March, 2010. As at 31st March, 2011, fair value of KHI's hotel portfolio exceeding its carrying amount was approximately HK$5,979 million, which was not recognized in the Company's consolidated statement of financial position. Taking into account the hotel assets revaluation surplus, KHI's net gearing ratio was 30% and the net gearing ratio of the Group was 32.5%. The Group maintained a strong financial position and had sufficient financial resources to cater for its operating activities as well as the existing and potential investment activities.

3. Kosmopolito Hotels International Limited – Spin Off

KHI was spun off and listed on the Stock Exchange on 11th October, 2010. IPO proceeds came to over HK$1.1 billion, net of listing expenses. The proceeds enhanced both FEC and KHI liquidity. As at 31st March, 2011, FEC owned 73% of KHI. Gain resulting from the spin-off was approximately HK$418 million. This gain was recognized in reserve in the consolidated financial statements of the Company for the financial year ended 31st March, 2011 under the current financial reporting standard. Had the previous accounting standard been applied, the gain would have been recognized and reflected in the consolidated income statement.

4. Property presales

For the financial year ended 31st March, 2011, FEC's presales of properties under development amounted to approximately HK$2.6 billion. Pre-sales of Stage 1 of Upper West Side in Melbourne, Australia amounted to approximately HK$2.1 billion and pre-sales of apartments at Dorsett Regency "On New Bridge" in Singapore (under KHI) amounted to approximately HK$500 million.

5. Contingent liabilities

(a) The Group has given guarantees for mortgage loans provided to the home buyers of the Group's properties in the PRC. As at 31st March, 2011, the total amount of mortgage loans outstanding under the guarantee was HK$123,426,000 (2010: HK$127,006,000). The Board considers that the fair values of these financial guarantee contracts at their initial recognition are insignificant on the basis of short maturity periods and low default rate of mortgage loans.

(b) During the year ended 31st March, 2010, a subsidiary of the Company initiated a lawsuit against the contractor for the unsatisfactory performance in relation to the construction of a hotel for an amount of HK$14,356,000 and in response to the claim, the contractor has filed counterclaims against the subsidiary for an amount of HK$25,841,000. The lawyer of the subsidiary of the Company considers that there is a fair chance of winning the lawsuit and accordingly, no provision for potential liability has been made in the consolidated financial statements for the two years ended 31st March, 2011.

6. Capital commitments

	2011	2010
	HK$'000	*HK$'000*
Capital expenditure contracted but not provided in the financial statements in respect of:		
Acquisition, development and refurbishment of hotels	**595,557**	315,527
Others	**1,528**	2,311
	597,085	317,838
Capital expenditure authorised but not contracted for in respect of:		
Development and refurbishment of hotels	**28,177**	271,948
Others	**22,933**	21,883
	51,110	293,831
	648,195	611,669

BUSINESS REVIEW

1. Property division

The property division includes property development and investment property holding.

With respect to property development, FEC is committed to providing quality residential property, geographically covering Mainland China, Malaysia, Melbourne, Hong Kong and Singapore. This coverage enables FEC to capture the troughs of different property cycles in different locations. As at 31st March, 2011, gross floor area ("GFA") in our property development pipeline reached more than 10 million sq. ft. For the year ended 31st March, 2011, FEC increased its development pipeline in terms of GFA by more than 10%.

However, during the year ended 31st March, 2011, revenue from property development decreased by 82.2% to HK$245 million due to a decrease in completion of property development projects. As at 31st March, 2011, FEC had a total of 17 residential development projects, of which 8 projects are expected to be sold within the coming 2 to 3 financial years, amounting to approximately 2 million sq. ft. GFA. We expect sales of properties to be on the rise in the coming years.

Investment properties mainly comprise retail and office buildings located in Shanghai, Hong Kong, Melbourne, Singapore and Malaysia. As at the end of March 2011, the total value of investment properties was recorded at HK$2.6 billion, increasing by 18.4% from the previous financial year end. A revaluation gain of HK$313 million was made during the financial year 2011. Revenue and gross profit of investment property holding came to HK$61 million and HK$37 million respectively for the year ended 31st March, 2011.

Mainland China

For the year ended 31st March, 2011, sales of properties in Shanghai California Garden came to HK$153 million. During the financial year 2011, 3 shop lots, 3 apartments and 36 townhouses with approximately 83,000 sq. ft. GFA were sold. As at 31st March, 2011, the development pipeline comprised more than 5 million sq. ft. GFA. Phases 16 and 17 were in the construction stage, amounting to approximately 1 million sq. ft. GFA. They are expected to be presold in the second half of financial year 2012 and financial year 2013. Approximately 300,000 sq. ft. GFA of Phase 16 are expected to be completed in financial year 2013. Approximately 700,000 sq. ft. GFA of Phase 17 are expected to be completed in financial year 2014.

Australia

The Group focused its core development projects in Australia during the year. The Bundoora development of 88 two-bedroom townhouses was completed in October 2010. As at 31st March, 2011, 76 units amounting to more than HK$200 million were delivered and settled. FEC has a 25% interest in the project. The remaining apartments at Royal Domain Tower and North Bank Place were sold for approximately HK$16 million and HK$4 million respectively during the second half of the financial year ended 31st March, 2011. The development site at Northcote was also sold for approximately HK$55 million before year ended 31st March, 2011, following the decision to focus on the much larger and more profitable development at Upper West Side.

There are four stages in the Upper West Side development. Pre-sale of Stage 1 of 700 apartments with approximately 400,000 sq. ft. GFA was launched in July 2010. As at 31st March, 2011, 83% of Stage 1 was presold, amounting to sales value of approximately HK$2.1 billion. Construction had commenced in the second half of financial year 2011 and completion is expected to be in the first half of financial year 2014.

Upper West Side Stage 2 is named "Madison at Upper West Side". This will consist of 584 apartments with approximately 400,000 sq. ft. GFA. Sales and marketing had already commenced in April 2011. Construction is expected to commence towards the end of financial year 2012. Completion of Stage 2 is expected to be in financial year 2015. Stages 3 and 4, which comprise approximately 500,000 sq. ft. GFA, will follow and the whole project is expected to be completed in 5 to 6 years. We believe that value from the whole project will bring in more than HK$8 billion in revenue to FEC.

Hong Kong

FEC plans to launch four developments to be released in the Hong Kong market. These developments cover a range of property type: from a 4 villas development with a total of 20,000 sq. ft. GFA to high rise apartments of more than 20 floors, namely, (i) No. 684, Clearwater Bay Road in Sai Kung, (ii) No. 1-11A, San Wai Street in Hunghom, (iii) No. 287-293, Sai Yeung Choi Street North in Sham Shui Po, and (iv) No. 90-100, Hill Road in Pok Fu Lam. Total GFA of these four developments is approximately 170,000 sq. ft. Sales value is expected to be approximately HK$2 billion.

Malaysia

In the second half of financial year 2011, the Group entered into an agreement to acquire a piece of vacant land located at Imbi Road Central Kuala Lumpur in Malaysia, with GFA at approximately 170,000 sq. ft., for approximately HK$80 million. This is a residential serviced apartment project. Construction and earthworks are expected to commence in the second half of financial year 2012. Presales and completion are expected to be in financial years 2013 and 2014/2015 respectively.

2. Kosmopolito Hotels International Limited

Our hotel business is spread over Hong Kong, Malaysia, Mainland China and Singapore. Currently KHI owns 21 hotels[(i)], of which 15 hotels are in operation across the region, namely eight hotels operating in Hong Kong, two hotels in Mainland China, and five hotels in Malaysia. The total number of rooms under KHI operation was approximately 4,000 as at 31 March 2011. For the year ended 31st March, 2011, KHI's performance showed a strong rebound from financial year 2010, reversing the downward trend over the previous two financial years.

Note (i): All hotels have been owned, except for Dorsett Regency CBD, Zhongshan which is in the process of obtaining its title certificates.

Operating results for the twelve months ended 31st March, 2011 are as follows:

	Revenue Per Available Room ("RevPAR") (HK$)		**Occupancy (%)**		**Average Room Rate (HK$)**	
Region	**31.3.2011**	**†Change %**	**31.3.2011**	**†Change %**	**31.3.2011**	**†Change %**
Hong Kong*	746.1	33%	92%	11%	815.4	21%
Malaysia	331.8	14%	73%	6%	456.5	8%
Mainland China#	283.6	119%	47%	-4%	604.0	126%
Group Wide	**534.9**	**28%**	**79%**	**5%**	**679.9**	**22%**

* *Includes Cosmo Mongkok Hotel which opened in July 2010.*

\# *Includes Yue Shanghai Hotel which opened in February 2010.*

† *As compared to the previous financial year.*

For the year ended 31st March, 2011, revenue increased by 40.7% as compared to the previous financial year due to higher RevPAR and contribution from new hotels. Continuous economic growth in Asia, particularly in Mainland China and Hong Kong, were positive contributing factors. Demand for hotel accommodation across the region was strong and grew at a rapid pace. During the year ended 31st March, 2011, RevPAR increased by 33% in Hong Kong while the overall RevPAR was up 28%. In Mainland China, RevPAR increased by 118%. The significant increase of RevPAR in Mainland China was brought about by our Yue Shanghai Hotel, which commenced operation in February 2010 and started to provide contribution in the second half of financial year 2011. The average room rate in Mainland China also increased by 126% during the year ended 31st March, 2011.

As a result of strong revenue growth and gain recorded on the sale of The Mercer, KHI achieved a net profit for the year ended 31st March, 2011 of HK$208 million (2010: HK$45.8 million).

The rise in capital value of our hotel properties, resulting in a surplus of approximately HK$5,979 million as at 31st March, 2011, was not accounted for in the consolidated financial statements of the Company. KHI is currently operating 15 hotels with approximately 4,000 rooms in total. In the next couple of years, these numbers are expected to increase with 6 more hotels providing additional accommodation of about 2,400 rooms. In March 2011, KHI sold The Mercer and acquired its management contract. This is our first hotel management contract in Hong Kong. We are proactively seeking hotel investment and hotel management opportunities to expand our presence.

In the second half of financial year 2011, a development order was obtained to develop a site located right next to our Grand Dorsett Subang Hotel in Kuala Lumpur in Malaysia. The site is presently vacant. KHI is in initial discussion with various parties and is considering available options for this hotel residence development project.

In Singapore, construction of our new Dorsett Regency "On New Bridge" Hotel is underway. Presales of the 68 apartments adjacent to the hotel were completed in October 2010. Completion is expected to be in the second half of financial year 2014.

3 Car park division

FEC's car park division manages both third-party-owned car parks and self-owned car parks in Australia, New Zealand, and Kuala Lumpur of Malaysia. As at 31st March, 2011, FEC had approximately 250 car parks consisting of over 46,000 car park bays under our management. Of these, FEC owned 20 car parks consisting of approximately 5,600 car park bays.

The division operates in Australia and New Zealand under the name of CarePark Group, which is one of the largest car park operators in Australia and New Zealand. For the year ended 31st March, 2011, CarePark Group added approximately 1,000 car park bays under its management, bringing the total number of car park bays under its management to a total of approximately 44,000 as at 31st March, 2011. CarePark Group also has a number of contracts with city councils for parking meter collection. In Malaysia, FEC managed over 2,000 self-owned car park bays as at 31st March, 2011. This operation is primarily located in the Hartamas area in Kuala Lumpur.

For the year ended 31st March, 2011, revenue and profit after tax grew significantly by 66.5% and 38.1% to HK$464 million and HK$24 million respectively, mainly due to its full year contribution as the car park business was acquired in the second half of the year ended 31st March, 2010.

OUTLOOK

The Group has undertaken a number of strategic initiatives in the last four years, laying a solid foundation for growth.

With regard to our property division, we have built a strong pipeline of project. In Mainland China, the Group started the construction works of approximately 1,000 apartments and approximately 150 townhouses in the current phases of our flagship development project California Garden in Shanghai and commenced the construction works of 4 residential towers in our Jin Di Hua Yuen project in Guangzhou. In Australia, the pre-sale of the Stage 1 residential development project, Upper West Side, in central Melbourne was a successful one. The sale of 584 apartments in Stage 2 was also launched under the name of "Madison at Upper West Side" in April 2011 with Stages 3 and 4 to follow. In Malaysia, KHI is exploring options for the development of the excess land at Grand Dorsett Subang Hotel into hotel residence for sale. A development order has been granted by relevant local authority.

Following the acquisition of a redevelopment site at San Wai Street, Hunghom in Hong Kong and the land at Jalan Imbi of Kuala Lumpur in Malaysia, the Group has now more than 10 million sq. ft. GFA in its development pipeline. The Group expects the property development division to continue to contribute significant revenue in the next few financial years.

The Group has drawn up a plan to revamp Shanghai Ching Chu Xintiandi, a shopping mall project in California Garden. Once completed, the retail outlets will be leased out, which will add to the recurring cashflow streams. Further, the Group is investigating the possibility of building a mall adjacent to the Shanghai Ching Chu Xintiandi project. Once completed, the two developments will be linked together providing easy mutual access.

The successful spin-off and listing of our hotel division, namely KHI, on the Stock Exchange on 11th October, 2010 marked an important milestone in the development of the Group. Following the spin-off, the Group still holds 73% of the stake of KHI. The new platform will provide the Group with a more focused approach to grow the hotel business in the region.

In addition, the Group is proactively seeking new hotel investment and development opportunities. At present, 3 new hotels are expected to open in the financial year 2012. This, together with completion of the other hotels in our development pipeline, are expected to bring promising prospects of growth of our hotel business.

The car park business has contributed steady increase in revenue and net profit and provided increasingly recurring income to the Group. The Group will continue to make selective acquisition of car parks and grow the car park management business.

In entering the financial year 2012, although booking of sales may be slower as the majority of the presold property development is scheduled to be completed in 2 to 3 years' time, the longer term prospects of the Group's business are good, given the strong current pipeline in hotel and property development of the Group and the generally positive outlook of the economies across the region, in particular in Asia Pacific and Mainland China. The rising household income and improvement of the job market across the region will undoubtedly also lend support to the regional property market.

Going forward, the Group will maintain the strategy of expanding its property portfolio with recurring cashflow streams and selective additions to the development pipeline. With resolute focus on implementing its strategic plan, the Group will be able to take on challenges and capture any new opportunities that may arise.

EMPLOYEES AND REMUNERATION POLICIES

The number of employees of the Group as at 31st March, 2011 was approximately 2,400. The Group provides its employees with comprehensive benefit packages and career development opportunities, including medical benefits and both internal and external trainings appropriate to each individual's requirements.

CORPORATE GOVERNANCE

Compliance with the Code on Corporate Governance Practices

The Company has complied with the code provisions (the "Code Provisions") in the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") throughout the year ended 31st March, 2011, except for deviations from Code Provisions A.4.1, A.4.2, A.5.4 and E.1.2 of the CG Code described below.

Under Code Provision A.4.1 of the CG Code, non-executive directors should be appointed for a specific term, subject to re-election. The non-executive directors of the Company are not appointed for a specific term of office. However, they are subject to retirement by rotation and Shareholders' re-election at annual general meetings in accordance with the Company's Articles of Association (the "Articles"). In the opinion of the Board, such provision in the Articles meets the objective of the said Code Provision A.4.1.

Under the second part of Code Provision A.4.2 of the CG Code, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. The Chairman of the Company, however, is not subject to retirement by rotation in accordance with Article 115(B) of the Articles. In order to uphold good corporate governance practices, Mr. Deacon Te Ken CHIU ("Mr. Deacon CHIU"), the Chairman of the Board, voluntarily retired from his office and offered himself for re-election at the 2009 annual general meeting of the Company notwithstanding that he was not required to do so pursuant to the said Article 115(B) of the Articles. As such, the Company has taken appropriate measure to meet the requirement of such Code Provision A.4.2.

Code Provision A.5.4 of the CG Code requires directors to comply with the "Model Code for Securities Transactions by Directors of Listed Issuers" (the "Model Code") set out in Appendix 10 of the Listing Rules. One of the Company's directors acquired 300,000 shares of the Company in the market at the end of the afternoon session (at 3:59 p.m.) on 15th June, 2010 (the "Acquisition"), being the publication date of the Company's annual results announcement for the year ended 31st March, 2010 (which was in breach of Rule A3(a) of the Model Code), as he mistakenly took the "black-out period" for trading (the "BOP") set out in

Rule A3(a) of the Model Code to end immediately upon publication of the said annual results at 6:07 a.m. on 15th June, 2010. In light of the fact that the said annual results had already been released for most of the trading day prior to the Acquisition, it was considered that the Acquisition was not in violation of the principles advocated pursuant to the BOP rules. Going forward, the director in question has undertaken to comply strictly with the above BOP rules as well as the requirements in Rule B8 of the Model Code (i.e. to first notify the Chairman or a director designated by the Board in writing and receive a dated acknowledgement before any dealing in the Company's securities).

Code Provision E.1.2 of the CG Code stipulates that the chairman of the board of a listed issuer should attend the issuer's annual general meeting. Although Mr. Deacon CHIU was not able to attend the Company's 2010 annual general meeting held on 4th August, 2010, he had arranged for Tan Sri Dato' David CHIU, the Deputy Chairman and Chief Executive Officer of the Company who is well versed in all the business activities and operations of the Group, to attend and chair the meeting and to communicate with the Shareholders.

AUDIT COMMITTEE

The Audit Committee, comprising all of the Company's three independent non-executive directors, namely Mr. Kwok Wai CHAN, Mr. Jian Yin JIANG and Mr. Peter Man Kong WONG, has reviewed the audited consolidated results of the Group for the year ended 31st March, 2011.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position as of 31st March, 2011, the consolidated income statement, the consolidated statement of comprehensive income and the related notes thereto for the year then ended as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagement issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year, the Company via its subsidiary, Singford Holdings Limited, purchased a total of 1,820,000 shares on the Stock Exchange and details of which are as follows:

Month of Repurchase	Number of Shares Repurchased	Price per share		Aggregate Consideration paid
		Highest	Lowest	
		HK$	*HK$*	*HK$*
April 2010	1,540,000	2.38	2.18	3,529,110
May 2010	280,000	2.23	2.19	618,050

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed shares during the year.

PUBLICATION OF THE FINAL RESULTS AND ANNUAL REPORT

This results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.fecil.com.hk. The Annual Report of the Company for the year ended 31st March, 2011 and the notice of 2011 AGM will be despatched to the Shareholders and will also be available for viewing at each of the websites of the Stock Exchange and the Company in due course.

By Order of the Board
FAR EAST CONSORTIUM INTERNATIONAL LIMITED
Boswell Wai Hung CHEUNG
Chief Financial Officer and Company Secretary

Hong Kong, 27th June, 2011

As at the date of this announcement, the Board comprises four executive directors, namely Mr. Deacon Te Ken CHIU, Tan Sri Dato' David CHIU, Mr. Dennis CHIU and Mr. Craig Grenfell WILLIAMS; two non-executive directors, namely Madam Ching Lan JU CHIU and Mr. Daniel Tat Jung CHIU; and three independent non-executive directors, namely Mr. Jian Yin JIANG, Mr. Kwok Wai CHAN and Mr. Peter Man Kong WONG.