



TELEPHONE:
2850 0600

Far East Consortium International Limited
(INCORPORATED IN THE CAYMAN ISLANDS WITH LIMITED LIABILITY)
16TH FLOOR, FAR EAST CONSORTIUM BUILDING,
121, DES VOEUX ROAD, CENTRAL,
HONG KONG.

FACSIMILE:
(852) 2815 0412

PRESS RELEASE

For Immediate Release

December 17, 2003

FAR EAST CONSORTIUM 1H NET PROFIT UP 463% TO HK\$42.6 MILLION

Locally listed **Far East Consortium International Limited** (“Far East Consortium” or the “Group” stock code : 35) announced today its unaudited consolidated results for the six months ended September 30, 2003. Turnover was HK\$359 million (corresponding period in 2002 : HK\$496 million). Profit attributable to shareholders amounted to HK\$42.6 million, representing an increase of approximately 463% as compared to HK\$7.6 million for the corresponding period of the year 2002.

The Board of Directors have resolved to declare an interim dividend of HK\$0.02 per share (corresponding period of the year 2002 : nil). The book close and ex-dividend date will be on January 19, 2004.

Commenting on the period under review, Deputy Chairman of Far East Consortium, Mr. David Chiu said, “The property development in Shanghai continues to perform well during the period under review. The anticipated sales to the financial year ending March 31, 2004 will be approximately 450 units, and substantial amount of the sales revenue will be reflected in the second half of the current financial year. With the strong GDP and population growth as well as the emergence of affluent middle class in Shanghai, the Group is optimistic that the demand for middle-ranged low-density houses market will continue to remain strong in the territory.”

Mr. Chiu continued, “Our Shanghai development project will boost a total of approximately 8,100 units upon full completion, in which 2,400 units have been built and sold up-to-date. The Group targets to fully develop the balance of approximately 5,300 units of its existing Shanghai project over the next 4 to 5 years, with approximately 1,300 units to be developed in the next financial year. The Group is planning to replicate the success of its Shanghai project in other major cities in China and has recently signed a MOU with the Chengdu district government for a similar project. The current situation in Chengdu has a lot of similarities to that of Shanghai 5 years ago when we started our development with a fast growing economy, more than 10 million population, cheap land cost and labor cost and the beginning of the emergence of middle class.”

Turning to the hotel division, Mr. Chiu said, “Despite the negative effects on Hong Kong’s tourism industry amidst the SARS epidemics from April to July this year, the hotel division of the Group achieved satisfactory performance. The tourism industry experienced a strong rebound since August this year, attributable to the active tourism promotion undertaken by the Hong Kong government, the introduction of CEPA and the lifting of travel restriction on the individual traveler from mainland China. The increase in visitors from China in particular benefits the 3-star hotels in Hong Kong. The Group’s hotels recorded an average occupancy rate of over 95% since August this year. With the 3 hotels under development, bringing in an additional of 765 rooms to the Group’s portfolio over the next 2 years, we are optimistic that the hotel division will contribute satisfactory return to the Group in the ensuing years.”

Commenting on the property division, Mr. Chiu said, “With the positive efforts made by the Hong Kong government to stabilize the property market, the Hong Kong property market has shown signs of improvement over the last 4 months. During the period under review, the Group has achieved an additional of HK\$43 million sales from its Bakerview project. The construction for Clear Water Bay Knoll and the Art Del Sol projects have been completed and will be launched over the next 3 months.”

Looking ahead, Mr. Chiu concluded, “The Group will continue to focus on principle activities to enhance the profits and returns to our shareholders, in which we will continue to build link houses and low density houses in major cities in China; and to improve the occupancy, room rates and the profitability of our 3 and 4 star hotels in Hong Kong. In achieving the Group’s objectives on a timely basis, we will continue to dispose of non-core assets; and to dispose of all marketing securities held in our books for trading or investment purposes, including the substantial stake in Far East Technology International Limited. Thereafter, we will not be holding any security trading position in the accounts of the Group.”

Issued by : Far East Consortium International Limited
Distributed through : Fidelity Communication Company

For enquiries, please contact :
Ms. Kitty Chiu of Far East Consortium International Limited on tel : 2850-0600 or 9303-6303
or
Mr. K.L. Lui / Ms. Amy Lau of Fidelity Communication Company on tel : 2525-2313