

PRESS RELEASE

For Immediate Release

18 December, 2006

**FAR EAST CONSORTIUM'S GROSS PROFIT INCREASES 111%
INTERIM DIVIDEND HK 4 CENTS**

Locally listed Far East Consortium International Limited ("The Group" - stock code : 035) announced today its unaudited consolidated results for the six months ended 30 September, 2006. Turnover surged 87.8% to HK\$777.8 million (corresponding period last year : HK\$414.2 million). Gross profit was HK\$252.4 million, representing a 111% increase (corresponding period last year : HK\$119.5 million). Profits attributable to shareholders increased 7.9% to HK\$150.9 million (corresponding period last year : HK\$139.8 million), or HK 10.6 cents per share (corresponding period last year : HK 9.8 cents per share), representing an increase of 8.1%.

The Board of Directors recommend payment of an interim dividend of HK 4 cents per share (corresponding period last year : HK 3 cents per share). The Register of Members of the Company will be closed from , 12 January, 2007 to 18 January, 2007, both days inclusive.

Commenting on the period under review, Deputy Chairman of Far East Consortium Mr. David Chiu said, "The Group has continued its success in building up its recurring base and improving the quality of earnings through expanding its hotel portfolio. Up to September this year, the Group has a total of seven hotels with 1,629 rooms in operation, as compared to five hotels with 1,325 rooms at the end of the same period of last financial year. During the period, the hotel division increased its gross profit contribution to HK\$138 million, a 75% over the comparable period of last financial year. Before the end of the first six-month period, we had obtained pre-sale permitted for about 300 residential units at California Garden and planned to launch for sales by phases. We also have over 800 residential units under construction at California Garden. Thus, about 1,200 residential units will be launched for pre-sale in the second half of this financial year."

Turning to the Macau investment, Mr. Chiu said, "The Group is working closely with the Venetian Group (Venetian) from Las Vegas, USA, to finalize the documentation of the 50:50 joint venture ("JV") project in Macau. According to the latest plan, the 50:50 JV company will develop a site located in Cotai, Macau, with a total gross floor area of over three million square feet. The Macau project comprises of three to four hotels of different brands with a total of no less than 3,000 rooms, a shopping and entertainment complex of about one million square feet, serviced apartment buildings of 360,000 square feet. In addition, the JV company will also build a casino/theatre shell of approximately 200,000 square feet which will be sold to Venetian upon completion. The construction work will commence in the first half of 2007."

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Mr. Chiu continued, "We will continue to cultivate our future growth based on two principal businesses. The first one is to continue developing affordable quality housing in China, primarily targeting at middle class customers. Our second principal business is to develop and operate hotels in Hong Kong and Asia. In September 2006, the Group entered into two separate conditional sale and purchase agreements to acquire a site for a 500-room hotel development in Kwun Tong, Kowloon, and a 502-room Sheraton Subang Hotel in Kuala Lumpur, Malaysia." With respect to the Group's property development, Mr. Chiu added, "Other than our Shanghai development, we are also developing three residential projects in Guangzhou, with a total gross floor area of over 1.3 million square feet. Construction works will commence shortly."

Looking to the future, Mr. Chiu said, "With a competitive land price and a positive long-term outlook in China, the Board believes that it is the right time for us to enlarge our land bank in the territory. We hope to lock up one to two investment opportunities in major cities within the next 6 to 12 months. Subsequent to the period end, the Dorsett Tsuen Wan Hotel was opened for business. The Group now has eight hotels with over 1,800 rooms in operations. We believe this will further enhance the performance of our hotel portfolio in the second half of FY07."

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