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For Immediate Release

July 19, 2007

Far East Consortium reports a 61% increase in profit

Locally listed Far East Consortium International Limited (“The Group”- stock code: 035) announced today its audited consolidated results for the year ended 31st March, 2007. Turnover surged 41% to HK\$988.2 million (corresponding period last year: HK\$703.2 million). Profits attributable to shareholders increased 61% to HK\$536.4 million (corresponding period last year: 332.2 million), or HK37cents per share (corresponding period last year: HK23.6 cents per share).

The Board of Directors recommends payment of a final dividend of HK8 cents. The Register of Members of the Company will be closed from, 20th August, 2007 to 23rd August, 2007, both days inclusive.

Commenting on the period under review, Deputy Chairman of Far East Consortium, Mr. David Chiu rejoiced, “ The financial year of 2007 was another record year for the Group. The strong growth was driven by increased property sales and the exceptional performance of our hotel operations. In spite of the weak sentiment in Shanghai’s property market in general, the property sales of California Garden have been doing well. We have sold about half of the 1,000 residential units launched. These units are presently under construction and are scheduled to deliver to buyers in December 2007. According to the present accounting standards, the profits from this pre-sale launch will be booked in FY2008 when the occupancy permits are received. According to the present development plan, California Gardens still has a balance of about 6,000 residential units to be developed over the next four to five years. The whole project is expected to complete by 2012.”

Other than California Garden, the Group also has three property development projects in hand, with a total attributable gross floor area of over 1.4 million square feet. All three projects consist of residential and commercial development and are scheduled to complete by 2008 and 2009.

“As Far East Consortium has placed its focus of property development in China, therefore we do not maintain a significant land bank in Hong Kong. Presently, we have six property projects under development. As to the two property development projects that the Group has in Melbourne, Australia, over 75% of the units of Royal Domain Tower and 97% of the units of Northbank Place had been sold respectively,” Mr. Chiu continued.

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Commenting on the hotel sector, Mr. Chiu said, “During the year, the Group opened one new hotel, Dorsett Far East Hotel, in Hong Kong and acquired Sheraton Subang Hotel in Malaysia. Our hotel portfolio has now increased from seven hotels to nine hotels or from 1,629 rooms to 2,371 rooms. On the 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. Currently, we have three 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 hotel portfolio will be doubled in terms of the number of hotel rooms. Apart from expanding our hotel portfolio, we are also dedicated to establishing our own hotel brands. Recently, our Lan Kwai Fong Hotel in Hong Kong was awarded as “The Best Boutique Hotel in Asia” by TravelWeekly Asia Industry Awards 2007 for its excellent services, outstanding efforts and innovation in products.”

Up to the end of 31st March, 2007, the Group entered into a sale and purchase agreement for a building known as Cheng Du Ginza Building (成都銀座大廈) at the consideration of RMB 279million on 22nd April, 2007. The completion of this transaction is expected to be in late July 2007 after the sale and purchase agreement becomes unconditional. The Group intends to retain the current structure of the building and convert it into a hotel and retail shops complex. The Group also entered into a sale and purchase agreement on 29th June 2007 for a building complex in Wuhan at the consideration of RMB 420million.

The Group believes that both acquisitions represent a good opportunity for the Group to strengthen its existing hotel portfolio and provide a platform to the Group to capture the future growth of tourism business in China.

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