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For Immediate Release

December 10, 2008

**FAR EAST CONSORTIUM ANNOUNCES INTERIM RESULTS**

Locally listed Far East Consortium International Limited (the “Group”- stock code:35) announced today the unaudited consolidated results for the six months ended 30<sup>th</sup> September,2008: Turnover surged 24% to HK\$861.3 million (corresponding period last year : HK\$692.8 million), with a gross profit of HK\$428.3 million (corresponding period last year : HK\$378.4 million), an increase of 13%. After investment properties revaluation and taxation, profit attributable to shareholders decreased 86% to HK\$34.8 million (corresponding period last year : HK\$ 255.2 million), or HK\$2.2 cents per share (corresponding period last year : HK\$16.9 cents per share).

The Board of Directors recommends payment of an interim dividend of HK 1 cent per share (corresponding period last year : HK 5 cents). The Register of Members of the Company will be closed from, 12<sup>th</sup> January, 2009 to 16<sup>th</sup> January, 2009, both days inclusive.

Reviewing the business of the period, Deputy Chairman of the Group, Mr. David Chiu said, “Our hotel division performed strongly with revenue contribution of HK\$318 million, an increase of 19% as compared to the same period last year. Hotel occupancy and average room rate were generally high due to an increase in the number of business and leisure travelers. The Group added 2 new hotels to its portfolio and a further 2 on 1<sup>st</sup> October,2008. The earning stream from these 4 hotels will be reflected fully in the 2<sup>nd</sup> half of the financial year ending 31<sup>st</sup> March, 2009.”

During the period under review, revenue from the Group’s property development division was HK\$456 million and the gross profit contribution was HK\$181 million, a 47% improvement compared to the same period last year.

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California Garden, largest property development project in China, is progressing well along with our plan. Over 86% of phase 11, that is 1,172 units were sold. With the opening of a new nearby subway station in 2009, we are optimistic about the sale of the remaining 164 units, mainly townhouses. The construction works of the new phase, which consists of over 1,000 units have commenced.

The three residential projects in Guangzhou, with a total attributable floor area of over 1 million square feet, are progressing steadily. The timing of launch of these three projects is currently scheduled within the next two years subject to market conditions.

In Australia, the Royal Domain Tower project, a 42-storey high-rise development comprising 133 luxury apartments with a gross floor area of approximately 700,000 square feet was over 90% sold as at 30<sup>th</sup> September, 2008.

Northbank Place, a central Melbourne development project comprising an office building with a lettable area of over 110,000 square feet and two residential towers consisting of 384 apartments is near its completion phase. The construction commenced in April 2007 and is expected to be completed before the end of current financial year. All the residential units and the office building have been sold with the revenue recognition expected to come through in the next 12 months.

The Group has recently signed an agreement to acquire a piece of land with an area of approximately 100,000 square feet in prime central Melbourne. Planning is currently underway and the project is expected to contribute significantly to our development profit in Australia in the coming years.

The Group's Australian property division also has a 22.5% interest in an 88-unit residential development under construction in Bundoora, a suburb of Melbourne, and has also acquired further land for a 92-unit residential development in Northcote, a suburb of Melbourne.

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As to the business of Hong Kong, Mr. Chiu commented, “ During the period under review, we currently have seven residential projects under development with a total attributable gross floor area of approximately 2.4 million square feet. Within the seven projects, one of the deluxe house projects with 4 detached houses in Sai Kung is expected to be ready for sale in the 2<sup>nd</sup> half year of 2009. Another two high-rise apartment projects located at Hill Road, Mid-levels West and Sai Yeung Choi Street North, Shamshuipo respectively with total around 200 units will be launched for sale in the 1<sup>st</sup> half year of 2011.”

Envisaging the future, Mr. Chiu said, “Presently, the Group has 9 hotel projects under development with a total of 3,000 new room capacities. This includes 5 hotels in Hong Kong, 4 in China. We expect all these hotels will be opened within the next 2-3 years. By 2012, the Group will own and operate 22 hotels with over 6,000 rooms, making us one of the largest hotel groups in the region. With the doubling of our hotel room capacity, significant benefits from economic of scale will be generated. With the addition of new hotels to our portfolio, we expect contribution from our hotel division will increase substantially in the coming years.”

China and Australia will continue to be the key revenue contributors to the Group property development revenue in the next few years. For California Garden, a total of over 6,000 units or approximately 10 million square feet will be developed under the current plan and the entire project is expected to be completed by 2012. For Australia, completion of the Northbank project and new land acquisition in Melbourne will pave the way for increased revenue contribution from Australian division in the coming years.

The Group has been taking active steps to reduce its exposure to treasury operations that caused fluctuations in earnings. As at 30<sup>th</sup> November, 2008, total exposure of the Group to treasury operations was reduced to HK\$241 million. Of this, HK\$118 million was exposure to fixed income related instruments. The Group will continue to reduce its treasury oppositions going forward.

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