



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 (page 1 of 4)

For Immediate Release

June 27, 2011

**FAR EAST CONSORTIUM (035) ANNOUNCES
2011 ANNUAL RESULTS**

Far East Consortium International Limited (the Group) financial highlights for the year ended 31st March, 2011:

- Net profit attributable to owners amounted to HK\$394,212,000, up 21.7% from last financial year. EPS increased from HK 0.18 to HK 0.21 cents;
- Net gearing ratio (i) at 32.5%. Cash position at approximately HK\$2.3 billion as at March 31, 2011;
- Presale of property development at approximately HK\$2.6 billion as at March 31, 2011;
- Gain resulting from spin-off of Kosmopolito Hotels International Limited at approximately HK\$418 million, recognized as reserve movement in the consolidated financial statements of the Company;
- 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 March 31, 2011 was HK\$6 share;
- Final dividend of HK 5 cents per share (2010 financial year of final dividend HK4 cents)

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



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The Board of Directors of Far East Consortium International Limited announces: Net profit attributable to shareholders for the year ended 31st March 2011 was HK\$394,212,000 (corresponding period last year: HK\$323,805,000), up 21.7%; amounted to EPS per share HK21cents (corresponding period last year: HK18cents). Revenue amounted to HK\$1,654,446,000 (corresponding period last year: HK\$2,342,235,000), down 29%.

Deputy Chairman of the Group, Tan Sri Dato' David Chiu in commenting the Group's results, said, "The global economy is gradually recovering from the 2008 global financial crisis, despite uncertainties arising from recent policies of China's central government to curb inflation and the property market bubble and the continued fiscal strains in Europe. 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, the Group had 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 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, the Group 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.

In Singapore, the Dorsett Regency "On New Bridge" project in KHI, amounting to HK \$ 500 million pre-sale.

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 now has 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.



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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 cashflow streams. Further, the Group is investigating the possibility of building a mall adjacent to the Shanghai Ching Chu Xintiandi project. One 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 Hong Kong Stock Exchange on October 11, 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.

KHI is currently running a rebranding campaign to streamline its brand portfolio according to difference market segments, which will offer a platform for expansion into hotel management business in Asia. In addition, the Group is proactively seeking new hotel investment and development opportunities. At present, 3 new hotels are expected to open in financial year 2012. These new hotels together with completion of the other hotels in our development pipeline are expected to bring promising prospects of growth in our hotel business.

The car park business has contributed steady increase in revenue and net profit and provided increasingly recurrent 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 given 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.



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Tan Sri Dato' David Chiu added, "Going forward, the Group will maintain the strategy of expanding its property portfolio with recurrent 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."

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Enquiries : Mr. Boswell Cheung, Chief Financial Officer of
Far East Consortium
(Tel: 2850-0600) (email: boswell.cheung@fecil.com.hk)
Miss Kat Chow, PR Officer of Far East Consortium
(Tel: 2850-0625) (email: kat.chow@fecil.com.hk)
Mr. K.L. Lui of Fidelity Communication
(Tel: 2525-2313) (email: fideco@biznetvigator.com)