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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.

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PRESS RELEASE (page 1 of 4)

For Immediate Release

November 24, 2011

**FAR EAST CONSORTIUM (035) ANNOUNCES SIX MONTHS' PROFIT
INTERIM DIVIDEND HK 1 CENT**

Far East Consortium International Limited (stock code : 035, "the Group") financial highlights for the 6 months ended September 30, 2011:

- Net profit attributable to owners of the Company at HK\$ 84 million, a decrease of 60 % compared with the same period of last financial year. The drop in profit is mainly attributable to decrease in completion of property developments and decrease in gain on fair value of investment property.
- Revenue of car park business and hotel operation business increased by 23% and 30% respectively from the same period of last financial year;
- Presale of properties under development amounted to HK\$4 billion as at 30September, 2011(HK\$0.5 billion is attributable to Kosmopolito Hotel International Limited (KHI), compared to HK\$2.6 billion as at 31 March, 2011. Increase in the presale value is mainly due to the launch of stage 2 of Upper West Side in Australia;
- Central Park Hotel to be disposed of at consideration of HK\$515 million. Transaction will be booked in the second half of financial year 2012 with an estimated profit of HK\$270 million attributable to shareholders of the Company.
- Dividend per share is recommended to be HK 1 cent (1H 2011: HK 2 cents)

SIGNIFICANT EVENTS

1 A joint venture between KHI and Mayland Valiant for a property development at Subang, Malaysia



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A joint venture agreement dated 11 October 2011 was entered into between KHI and Mayland Valiant which is indirectly owned by the Company's Chairman and CEO, Tan Sri Dato' David Chiu, to develop two 17-storey high apartment blocks with approximately 1,989 units of hotel suite apartments and approximately 1,329 parking spaces. The total net floor area for the development is approximately 91,000 square metres.

The development site is on the outskirts of and occupied by the Grand Dorsett Subang Hotel in Malaysia. The development will not affect the existing operation of the Grand Dorsett Subang Hotel. The joint venture provides a good opportunity to develop the vacant land without the need for KHI to contribute any further capital towards its development. The development enables further enhancement of value of the asset. KHI provides the land for the development while Mayland Valiant provides the technical, commercial, financial management and property marketing and sales expertise and bears the development costs. Each of KHI and Mayland Valiant are entitled to sharing profit and loss on a 50:50 basis.

The value of the land is RM65,000,000 (equivalent to approximately HK\$162,500,000) as at 24 August 2011. Total development costs are expected to be approximately RM297,000,000 (equivalent to approximately HK\$742,500,000). The expected completion for the development will be in the year of 2016.

2 Agreement entered into for disposal of Central Park Hotel in Hong Kong owned by KHI

On 7 September 2011, KHI entered into a Sale and Purchase Agreement with a third party for disposal of Central Park Hotel for a consideration of HK\$515 million. Completion shall take place on or before 7 December 2011. The disposal would provide a good opportunity for KHI to cash in one of its smaller assets and realise shareholder value. The hotel had been a commercial building, subsequently converted into a hotel. The hotel consists of 142 rooms. Upon completion of the disposal, both FEC and KHI are expected to record an attributable profit to shareholders of approximately HK\$270 million and HK\$370 million respectively.



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3 Acquisition of a hotel site in London, United Kingdom

On 11 August 2011, KHI entered into a Sale and Purchase Agreement with a third party vendor for an acquisition of a freehold property located at Shepherd' s Bush, West London, United Kingdom for a consideration of GBP 16,000,000 (equivalent to approximately HK\$202,400,000).

KHI acquired the property for redevelopment into a hotel. The site is located in the heart of Shepherd' s Bush with an excellent transport and communications network, served by four underground stations, rail and within a 30-minute drive to Heathrow Airport. The property has permission for construction of a 242-bedroom hotel. KHI is currently considering submission of applications for variation of the existing approvals with the objective of maximising the financial returns and strategic value of the investment.

United Kingdom, particularly London, has become one of the most popular destinations to Mainland Chinese outbound travelers. The Acquisition enables KHI to establish its hotel networking in the United Kingdom and capture the growth of Chinese tourism in the United Kingdom. The proposed hotel is expected to be opened as a Dorsett Regency Hotel in the year of 2014.

4 Presale value of property under development amounted to HK\$4 billion

The Upper West Side in Melbourne, Australia is one of our major property developments. As at 30 September, 2011, presale value of properties under both stage 1 and stage 2 had reached to HK\$3.5 billion, which represented a presale value of approximately 83% of these 2 stages of developments in aggregate. Both stages 1 and 2 will be completed in financial year 2014 and 2015 respectively. Another development of 68 apartments at Dorsett Regency "On New Bridge" hotel in Singapore was presold in 2010 through KHI amounted to approximately HK\$ 0.5 billion. The development is expected to be completed in financial year 2014.



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PROSPECTS

Chairman and CEO of the Group, Mr. David Chiu said, “Our property development business has a strong pipeline which is expected to drive its growth in the coming years. Presale value of properties under development reaching to HK\$4 billion (of which KHI accounted for HK\$0.5 billion) has been recorded as at 30 September, 2011. Other presale plan in Shanghai and Hong Kong will shortly commence. We will continue to focus our future projects in the regions where we have an existing presence.”

Kosmopolito Hotels International Limited has achieved a strong growth in room rates and occupancy rates during the Interim Period 2012. With a robust hotel development pipeline, the number of hotel rooms under KHI’s management will increase by more than 50% over the next 2 years. In addition, KHI has strategically cashed in some of the smaller scale hotel properties. KHI will continue its growth in the several few years ahead.

“With steady increase in the number of car park bays under management of our car park division, car park business will continue to contribute to the Group with stable income and cash flow. This will further enhance the recurring income to the Group since the acquisition of the car park business in 2009.”

Mr. Chiu added, “With a strong balance sheet supported by strong cash flow generated by its assets, the Group has secured a solid foundation and strong financing capacity for its future development. As a fast growing property player in Asia Pacific, the Group aims to expand its market share by capturing new business opportunities and through development of its pipeline.”

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