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PRESS RELEASE

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FAR EAST CONSORTIUM ANNOUNCES FINAL RESULTS

Locally listed **Far East Consortium International Limited** (“Far East Consortium” or the “Group” stock code : 35) announced today its audited consolidated results for the year ended 31st March, 2004. Turnover was HK\$819.86 million (2003 : HK\$796.06 million). Profit attributable to shareholders amounted to HK\$149.01 million (2003 : loss of HK\$124.20 million). Earnings per share amounted to HK 14 cents per share (2003 : loss per share of HK 13 cents per share).

The Board of Directors recommend payment of a final dividend of 3 cents per share (2003 : 2 cents per share), with a scrip dividend with cash option. The Register of Members of the Company will be closed from 23rd August, 2004 (Monday) to 25th August, 2004 (Wednesday), both days inclusive.

Commenting on the period under review, Deputy Chairman of Far East Consortium, Mr. David Chiu said, “The property development in Shanghai continues to perform well during the year. Total sales for the financial year ending 31st March, 2004 were approximately 400 units. With the strong GDP and population growth as well as the emergence of affluent middle class in Shanghai, the Group is optimistic that the market demand for middle-ranged low-density houses will remain strong in the territory. The Group has targeted to fully develop the balance of approximately 5,300 units of its existing Shanghai project over the next 4 to 5 years with an immediate plan to develop approximately 1,300 units in the next financial year.”

Mr. Chiu continued, “The Group is planning to replicate the success of its Shanghai project in other major cities in China and signed a memorandum of understanding with the Chengdu district for a similar project in late 2003. The Group plans to develop a residential community with a land area of 800,000 square meters. The project will be developed through different phases over a period of six years. Due to the introduction of austerity measures, our negotiations with the local government have been taken longer than expected. However, the Group is confident that we can obtain all the necessary authority approvals within the next few months.”

Commenting on the hotel business, Mr. Chiu said, “Despite the SARS epidemics from April to July last year, the hotel division of the group achieved satisfactory performance during the year. The tourism industry enjoyed a strong rebound since August 2003 attributable to the aggressive tourism promotion by the Hong Kong government, the introduction of CEPA and the lifting of travel restriction on the individual traveler from mainland China. The increase in number of visitors from China in particular benefit the 3-star hotel in Hong Kong. The group’s hotels enjoyed an average occupancy rate of over 95% since August 2003. The 3 hotels under development will bring in an additional 759 rooms to the group’s portfolio over the next 2 years. We are optimistic that the hotel division will contribute satisfactory return to the group in the ensuing years.”

Turning to the property sector in Hong Kong, Mr. Chiu said, “With the positive efforts made by the Hong Kong government to stabilize the property market, the Hong Kong property market has shown signs of improvement. During the year, the group has successfully sold 70% of the units for its Bakerview project. The construction of Clear Water Bay Knoll and the Art Del Sol projects have been completed and launched for sale.”

The Group’s rental income derives mainly from four commercial/office buildings in Hong Kong. The occupancy rate with the exception of Mongkok building, which had completed its renovation by March 2004, maintains at an average of approximately 90% during the year.

Looking ahead, Mr. Chiu said, “The Group will continue to focus on our principle activities to enhance the profitabilities and returns to our shareholders in the following area: (i) continue to build townhouses and low-rise condominiums in major cities in China; and (ii) continue to improve the occupancy, room rates and the profitabilities of 3 and 4 star hotels in Hong Kong. The Group will also continue to dispose of non-core and overseas assets and to dispose of all marketable securities held in our books for trading or investment purposes on a timely basis.”

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