



Far East Consortium International Limited

(Incorporated in the Cayman Islands with limited liability)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 1999

The Board of Directors of Far East Consortium International Limited (the "Company") announces that the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30th September, 1999 are as follows:-

	Note	Six months ended 30th September, 1999 HK\$'000	Six months ended 30th September, 1998 HK\$'000
TURNOVER		386,431	356,298
OPERATING PROFIT			
Continuing operation		35,133	36,407
SHARE OF RESULTS OF ASSOCIATED COMPANIES		1,299	7,577
PROFIT FROM ORDINARY ACTIVITIES BEFORE TAXATION		36,432	43,984
TAXATION	(1)	6,933	13,221
PROFIT AFTER TAXATION		29,499	30,763
MINORITY INTERESTS		586	(1,379)
PROFIT ATTRIBUTABLE TO SHAREHOLDERS		28,913	32,142
DIVIDENDS			
Interim dividend		-	-
PROFIT FOR THE PERIOD RETAINED		28,913	32,142
EARNINGS PER SHARE	(2)		
- Basic		3.1 cents	3.8 cents
- Diluted		Nil	Nil

Notes:

(1) Taxation

Provision for Hong Kong profits tax is calculated at the rate of 16% (1998 - 16%) based on the estimated assessable profits for the period. Overseas subsidiaries provide for taxation at the prevailing rates of taxation applicable to the countries in which they operate.

The tax charges comprise:

	Six months ended 30th September, 1999 HK\$'000	Six months ended 30th September, 1998 HK\$'000
Profits tax for the period		
Hong Kong Profits Tax	960	445
Other jurisdictions	3,562	11,218
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	4,522	11,663
Deferred taxation		
Jurisdictions other than Hong Kong	1,406	-
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Taxation attributable to the Company and its subsidiaries	5,928	11,663
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Share of tax on results of associated companies		
Hong Kong Profits Tax	547	469
Other jurisdictions	458	1,089
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	1,005	1,558
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	6,933	13,221
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(2) Earnings per share

The calculation of earnings per share is based on the profit attributable to shareholders of HK\$28,913,000 (1998 - HK\$32,142,000) and on the weighted average number of 924,699,367 (1998 - 840,699,354) shares in issue during the period.

There were no dilutive potential ordinary shares for the period ended 30th September, 1999.

INTERIM DIVIDEND

The Directors have resolved not to declare any interim dividend in respect of the six months ended 30th September, 1999 (1998 - Nil).

REVIEW OF OPERATIONS, OUTLOOK AND STRATEGY

1. Corporate Results

Turnover for the six months ended 30th September, 1999 was HK\$386 million as compared to HK\$356 million in the corresponding period of 1998, an increase of 8%. However, profit attributable to shareholders was

HK\$29 million, a slight decrease of 10%.

2. Property Division

The California Gardens, our major residential housing project in Shanghai, continued to provide stable income sources to the Group's results. Since the first launch in 1997, we have sold approximately 1,500 houses and another 600 houses being pre-booked. During the review period, we have started construction of Phase IV and ancillary facilities such as primary and secondary school, commercial centre and club house, etc.

In Hong Kong, the 4 luxurious townhouses in Kowloon Tong which were acquired in last year have been completely sold and generated a good profit contribution to the Group. During the period under review, we have purchased a lot of land with an area of 56,000 sq. ft. in Hung Shui Kiu which could be developed into a 56,000 sq. ft. condominium project. We have also signed a conditional agreement to acquire another block of land in Pak Shek Wo, Sai Kung. The site area is about 30,000 sq. ft. which could be developed into a housing project with total gross floor area of 18,000 sq. ft..

During the period, the Group has also acquired two lots of land in Mukim of Batu Daerah, Kuala Lumpur with total area of approximately 1.3 million sq. ft. which could be developed into a 3,000 units of condominium project.

Despite of the downturn in the rental market in Hong Kong, our rental portfolio has been performing well. Although our rental income has decreased, it remains above market average.

3. Hotel Division

During the period under review, the Rockman's Regency Hotel in Melbourne and the Dorsett Regency Hotel in Kuala Lumpur performed well and maintained a high rate of occupancy.

As a result of the severe competition in hotel industry in Dallas, the performance of our Dallas Grand Hotel was disappointing and we are planning to upgrade the hotel.

4. Industrial Division

Our Industrial Division continued to incur a loss for the period. However, the performance of the Group's white cement and boiler factories has improved and have reduced their losses as compared with the corresponding period of last year.

5. Outlook and Strategy

At the extraordinary general meeting held on 16th December, 1999, the proposed spin-off and separate listing of New China Homes, Ltd., the holding company of the "California Gardens" project, on the Nasdaq Stock Market was approved by the shareholders of the Company. It is expected that the filing of all necessary documentation with the U.S. Securities and Exchange Commission will complete by the end of December 1999 and subject to final approval, the listing of the New China Homes' shares on Nasdaq will commence shortly thereafter.

With the separate listing of New China Homes, the Group's profile will increase and New China Homes will

have additional fund raising channel in the U.S. for its future expansion, in particular to achieve a higher market share in the middle-income residential housing sector in China.

The Group's stated strategy is to dispose of its non-core assets and to use the funds generated thereby to invest in its core business.

YEAR 2000 ISSUE

The Year 2000 date change issue has arisen because many computer systems and electronic devices which store data information based on a two-digit year sequence are unable to accurately process dates for the Year 2000 and beyond.

Actions have been taken by the Directors to ensure that all computer hardware and software currently used by the Group are Year 2000 compliant. For this purpose, appropriate hardware as well as new accounting software system have been acquired at a total cost of approximately HK\$150,000 and full conversion of the accounting system has completed in June 1999. Accordingly, the Directors are of the opinion that the Group is now in compliance with the Y2K requirements.

Since the principal business of the Group do not rely on computer systems or time-driven electronic equipment, neither has a contingency plan been set up nor an insurance cover been deemed to be required.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the period under review, the Company and its subsidiaries have not purchased, sold or redeemed any of the securities in the Company.

By Order of the Board

Michael Chi Ning O'Young

Managing Director

Hong Kong, 17th December, 1999

Source: Far East Consortium International Limited