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遠東環球集團有限公司
FAR EAST GLOBAL GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 830)

**PROFIT WARNING /
OPERATING INFORMATION OF THE FIRST HALF OF 2012**

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules. The Board wishes to inform shareholders of the Company and potential investors that it is expected the Group is likely to record a loss for the first half of the year ended 30 June 2012 as compared to a profit for the first half of the year ended 30 June 2011.

This profit warning announcement is made based on the preliminary assessment by the management of the Company with reference to the latest management accounts of the Group and other information currently available to the Company, which is subject to further review, as at the date of this announcement.

Shareholders of the Company and potential investors are advised to exercise caution in dealing in the shares of the Company.

OPERATING INFORMATION OF THE FIRST HALF OF 2012

The Company is pleased to announce that it recorded new contract value awarded of HK\$347.7 million in the second quarter of 2012, with a growth of 478.5% as compared with the same period last year, representing a 38.6% of the full year target of 2012 (no less than HK\$900 million).

As at 30 June 2012, the on-hand contract value amounted to approximately HK\$2,835.5 million, among which the backlog was approximately HK\$1,727.9 million, representing an increase of 78.1% as compared to the backlog as at 30 June 2011, which meets the Group's works in next 2 years.

PROFIT WARNING

This announcement is made by Far East Global Group Limited (the “Company” together with its subsidiaries, the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The board of directors of the Company (the “Board”) wishes to inform shareholders of the Company and potential investors that it is expected the Group is likely to record a loss for the first half of the year ended 30 June 2012 as compared to a profit for the first half of the year ended 30 June 2011.

The Board considers that the expected loss was mainly attributable to impairment of receivables, the one-off restructuring costs for the PRC factory, impairment of goodwill and provision for project cost. The Board considers that the expected loss will not have any impact on the cashflow of the Company. The financial position of the Group remains sound and the Group is capable of financing its operations by its own internal resources and available banking facilities.

This profit warning is made based on the preliminary assessment by the management of the Company with reference to the latest management accounts of the Group and other information currently available to the Company, which is subject to further review, as at the date of this announcement. The Company is still in the course of preparing and finalising its interim results for the first half of the year ended 30 June 2012. Further details of the Group’s performance will be disclosed when the Company’s interim results for the first half of the year ended 30 June 2012 are announced.

Shareholders of the Company and potential investors are advised to exercise caution in dealing in the shares of the Company.

OPERATING INFORMATION OF THE FIRST HALF OF 2012

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As at 30 June 2012, the on-hand contract value amounted to approximately HK\$2,835.5 million, among which the backlog was approximately HK\$1,727.9 million, representing an increase of 78.1% as compared to the backlog as at 30 June 2011, which meets the Group's works in next 2 years.

By Order of the Board
Far East Global Group Limited
Zhou Yong
Chairman and Non-executive Director

Hong Kong, 10 July 2012

As at the date of this announcement, the Board comprises Mr. Zhou Yong as Chairman and Non-executive Director; Dr. Cheong Chit Sun (Vice-chairman and Chief Executive Officer), Mr. Ko Chuk Kin, Herbert and Mr. Chan Sim Wang as Executive Directors; Mr. Huang Brad and Mr. Hung Cheung Shew as Non-executive Directors; and Mr. Zhou Jinsong, Mr. Yen Homer Shih Hung and Mr. Hong Winn as Independent Non-executive Directors.