



Stock Information

Stock price (HK\$, as at 30/7/2021)	3.08
52-week range (HK\$)	2.07-3.25
Market capitalisation (HK\$ bn)	7.38

FY2021 Annual Result Highlights

Earnings per share (HK cents)	22.9 (+47.7% YoY)
Dividend per share (HK cents)	19.0 (0% YoY)
NAV per share ⁽ⁱⁱ⁾ (HK\$)	13.09 (+12.9% YoY)
Net gearing ratio	54.9% (-1.8 ppts YoY)
Total cumulative presales (HK\$ mn)	13,834 (+13.0% YoY)

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I. FY2021 Annual Results – Profit Increase Despite Global Economic Headwinds

On 25 June 2021, Far East Consortium International Limited (“FEC” or “the Group”) was pleased to announce its audited consolidated results for financial year ended 31 March 2021 (“FY2021”).

The Group recorded revenue of HK\$5.9 billion, a 20.2% decrease as compared with the financial year ended 31 March 2020 (“FY2020”). FY2021 is the first year completely affected by the COVID-19 outbreak, thus resulting in lower revenue. To address this, the Group swiftly reduced operating expenses and leveraged government subsidies, from which it received a total of HK\$203 million. As the economy gradually recovers over the next several months, the Group is confident that its financial performance will benefit.

Though global macro-events have affected all of the Group’s businesses, a majority have gradually rebounded. Hotel revenues fell by 33.9% year-on-year, but the segment delivered positive earnings before interest, taxes, depreciation, and amortization (“EBITDA”). In particular, the Hong Kong hotels recovered quickly, consistently outperforming the market and retaining a higher occupancy rate (“OCC”) than the same period of last year since October 2020. Additionally, the Group will complete three new hotels in the second half of FY2022: Dorsett Gold Coast, Ritz-Carlton Melbourne, and Dao by Dorsett West London, the extension of Dorsett Shepherds Bush in London. In FY2021, the Group recorded HK\$4.2 billion revenue from property development, a decrease from FY2020’s HK\$4.8 billion. Despite this, the Group’s development pipeline is proceeding as planned, with the successful completion of Artra in Singapore and Towers 1 and 2 of West Side Place in Melbourne. The handover of Towers 1 and 2 at West Side Place started towards the end of the first half of FY2021 and is expected to continue throughout FY2022, providing a steady cash flow to the Group. Contribution from car park operations and facilities management declined by 33.9% due to lockdown measures and/or travel restrictions in places where the Group operates. However, the car park operations were EBITDA-positive with the successful implementation of a rationalisation programme. Lastly, gaming operations were significantly impacted by strict local anti-pandemic measures. With cost control initiatives and government subsidies, gaming operations recorded a positive EBITDA in FY2021.

In FY2021, profit before tax and net profit attributable to shareholders increased by 51.2% and 48.5% to HK\$1,266 million and HK\$543 million, respectively. Adjusted cash profit⁽ⁱ⁾ was HK\$722 million, a decrease of 14.3% compared with FY2020.

Earnings per share increased by 47.7%, rising from HK15.5 cents in FY2020 to HK22.9 cents in FY2021. The net asset value per share⁽ⁱⁱ⁾ as at 31 March 2021 was HK\$13.09. The Group paid an interim dividend of HK4 cents and a total full year dividend of HK19 cents, demonstrating its ability to continue generating sustainable value for shareholders. During FY2021, the Group repurchased approximately 11 million shares for a total consideration of approximately HK\$30 million.

Notes:

(i) Adjusted cash profit is calculated by adjusting for fair value changes in investment properties and by adding depreciation and amortization charges to, and subtracting gain on bargain purchase of TWC from, net profit attributable to Shareholders of the Company. The amounts are adjusted for minority interests.

(ii) Includes hotel revaluation surplus.



II. Disposal of Dorsett City London

In June 2021, the Group completed the sale of Dorsett City London, resulting in a sizeable profit of GBP50 million. The sale is London's largest hotel deal this year to date and a continuation of the Group's active asset management and monetisation strategy. DHI Hotel Management UK Ltd, a wholly-owned subsidiary of the Group, also entered a hotel management agreement, thus contributing a recurring income stream from hotel management fees. Dorsett City London is a hotel located in the heart of London's financial district, within walking distance of several major tourist destinations. It is comprised of 267 rooms and carries a capital value and revaluation surplus of HK\$1,226 million and HK\$664 million, respectively. Dorsett City London also boasts a variety of restaurants and bars.

Ms. Winnie Chiu, JP, Executive Director of FEC, President and Executive Director of Dorsett Hospitality International Limited, said: "We are pleased to have completed the sale in a short period of time. We are confident about the recovery of the hotel business in the foreseeable future and remain committed to recycling capital to further expand our footprint worldwide as well as becoming a leader for sustainable travel. We are actively exploring various ways of working with our strategic partners to further broaden our hotel portfolio via greenfield, renovation and conversion opportunities globally. The sale demonstrates our ability to build valuable brands and we will continue to develop our asset-light Dorsett hotel management platform in selected regions."



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III. Launch of Victoria Riverside

As part of the Victoria North redevelopment project, the launch of Victoria Riverside marks a new page for the fast-growing city of Manchester. It provides 634 apartments and townhouses. The site is located in a prime area of Manchester, allowing residents to enjoy a wide range of cultural and leisure activities. Victoria Riverside sits along the new City River Park, which provides stunning views for both inhabitants and the general public. The Victoria North project provides new connections to Manchester's city centre.



IV. Launch of Hyll on Holland

Located in Singapore near Holland Village, Farrer Road, and Dempsey Cluster, this development was officially launched in FY2021 and is set to be completed in FY2024. Hyll on Holland is one of the rare residences enjoying a freehold status in the coveted neighbourhood of District 10. Residents will enjoy the wondrous gardens designed with a “home-in-the-garden” concept as they bask in the wide vantage views of the city and tranquil surroundings. It is minutes away from Orchard Road, a world-renowned shopping destination, and within close proximity to a vibrant research and business park. The area is also home to numerous prestigious schools, making Hyll on Holland suitable for a wide variety of lifestyles.



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V. Subscribed to HK\$129.5 Million Convertible Bonds

The Group has subscribed to HK\$129.5 million secured and guaranteed 8% convertible bonds due 2026. The bonds were issued by APEX Centric Investment Limited, a wholly-owned subsidiary of Bonjour Holdings Limited (“Bonjour”; stock code 653.HK), one of the leading retail stores selling beauty and lifestyle products in Hong Kong.

The Group has also been granted potential co-development rights for Bonjour Tower, Hong Kong, granting a share of no less than 80% economic interest in the event of the Property’s redevelopment.



VI. Second Residential Mortgage-Backed Securities (“RMBS”) Deal by BC Invest

In June 2021, BC Invest, a mortgage business in which the Group has over 50% stake, completed a AUD500 million RMBS offering at a blended interest rate of 2.1% per annum. The strong launch reflects the positive initial investor demand across all tranches. Along with a successful expansion to the UK market, BC Invest is also planning to establish an asset management business, enabling the company to grow further and expand the types of loans BC Invest can offer.

Mr Chris HOONG, Managing Director of FEC, said: “We are delighted with the success of BC Invest’s second RMBS offering, noting in particular the level of demand, the pricing achieved and quality of the investors that have participated. Over the last 6 months the team has added 2 new warehouse facilities to its funding capacity with a further 4 facilities set to close in the next 2 months, which will give BC Invest c.A\$2.5 billion of balance sheet capacity. In addition, BC Invest has launched into the United Kingdom to further expand its mortgage offering to its Asian customers which further underpins BC Invest’s strategic and synergy value to FEC.”

Mr David Hinde, CEO of BC Invest, said: “Despite the challenges of the global economy, BC Invest is continuing to grow its business and investor base both in Australia and offshore. Investor interest in Australia remains robust, largely thanks to Australia’s strong economic rebound over the last few months. BC Invest has built a strong platform, well-funded, and is poised to continue to grow as the demand for its products and services remains firm.”

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VII. Awards

2020-2021 Awards	Organisation
MarCom Awards 2020 <ul style="list-style-type: none"> • Print Media – Annual Report: Corporate Platinum • Print Media – Design (Print): Annual Report/CSR Design Platinum • Print Media – Design (Print): Annual Report/CSR Cover Platinum • Print Media – Design (Print): Annual Report/CSR Interior Platinum • Digital Media – Website: Redesign Platinum • Digital Media: Design (Web): Website Gold • Video/Audio – Video/Film: Corporate Image Gold • Print Media – Design (Print): Logo Gold 	Association of Marketing and Communication Professionals (AMCP)
iNova Awards 2020 <ul style="list-style-type: none"> • Video: Property Development & Investment: Gold Prize • Corporate Websites: Corporate Image Silver • Video: Conglomerate Silver • Corporate Website: Real Estate Bronze • Investor/Shareholder Relations: Bronze • Redesign/Relaunch: Stakeholder Communications: Bronze • Video: Hotel & Property Management: Bronze 	Mercomm, Inc.
FinanceAsia's Best Companies Poll 2021 <ul style="list-style-type: none"> • Asia's Overall Best Managed Company • Best Managed List Company in Hong Kong • Best CEO in Hong Kong – Tan Sri Dato' David Chiu, Chairman and Chief Executive Officer of FEC • Most Committed to the Highest Governance Best Standards in Hong Kong • Most Committed to the Highest Governance Best Standards in China • Most Committed to Social Causes in China 	FinanceAsia
Questar Awards 2021 <ul style="list-style-type: none"> • Corporate Video – Corporations: Conglomerate – Gold • Corporate Video/Corporate Guideline – Corporations: Corporate Identity – Silver • Corporate Video – Broadcast/Cable/Streaming: Brand Image Campaign – Bronze • Annual Report 2020 – Corporations: Stakeholder Communications – Bronze • Annual Report 2020 – Mobile Media: Annual Report - Bronze 	Mercomm, Inc.
Hong Kong Investor Relations Association 7th IR Awards <ul style="list-style-type: none"> • Best IR by Chairman/CEO – Mr. David Chiu • Best IR by CFO – Mr. Boswell Cheung • Best IR Company • Best ESG (E) • Best ESG (S) • Best ESG (G) • Best Annual Report 	HKIRA

VIII. Recent Investor Relations Activities

Date	Organiser	Activities	Venue
2-3 Jul 2020	DBS	Post-results NDR	Hong Kong/China/Singapore/ London (Virtual Conference)
6 Jul 2020	Soliton	Post-results NDR	Hong Kong
6-7 Jul 2020	AMTD	Post-results NDR	Hong Kong/China/Macau (Virtual Conference)
7 Jul 2020	CIMB	Post-results NDR	Singapore (Virtual Conference)
8-10 Jul 2020	DBS	Post-results NDR	United States (Virtual Conference)
9 Jul 2020	Financial PR	16 th Scaling New Heights Asia Investment Forum 2020	Hong Kong
12 Jul 2020	DBS	Post-results NDR	Hong Kong (Virtual Conference)
13 Oct 2020	AMTD	NDR	Hong Kong/China (Virtual Conference)
27-30 Nov 2020	DBS	Post-results NDR	Hong Kong/Singapore (Virtual Conference)
1 Dec 2020	Credit Suisse	Post-results NDR	Hong Kong/Singapore (Virtual Conference)
3 Dec 2020	Haitong	Post-results NDR	Singapore (Virtual Conference)
7 Dec 2020	BNP	Post-results NDR	UK/Denmark (Virtual Conference)
8 Dec 2020	Jefferies	Post-results NDR	Singapore (Virtual Conference)
5 Jan 2021	Roadshow China	NDR	China (Virtual Conference)
25-29 Jun 2021	DBS	Post-results NDR	Hong Kong/Singapore/US/Malaysia/UK (Virtual Conference)
29 Jun 2021	AMTD	Post-results NDR	Hong Kong/Singapore/China (Virtual Conference)
30 Jun 2021	Credit Suisse	Post-results NDR	Hong Kong/China (Virtual Conference)
30 Jun 2021	Barclays	Post-results NDR	Hong Kong/Singapore (Virtual Conference)
2 Jul 2021	FEC	Post-results NDR	Hong Kong

About Far East Consortium International Limited
Far East Consortium International Limited has been listed on the Hong Kong Stock Exchange since 1972 (Stock code: 35.HK). The Group is mainly engaged in property development and investment, hotel operations and management, car park operations and facilities management, securities and financial product investment and gaming operations. The Group adopts the diversified regional strategy and the “Asian Wallet” strategy with business covering Hong Kong, Mainland China, Australia, New Zealand, Malaysia, Singapore, the United Kingdom and other European countries.

The preliminary figures disclosed above are subject to change and may differ from those appearing in audited and unaudited financial statements of FEC to be published on yearly and half-yearly basis. As such they are strictly for information only and not for any other purpose. Investors are advised not to place any reliance on the information disclosed herein but to exercise due caution when dealing in the securities of the Company. Any investor who is in doubt is advised to seek advice from professional advisor.