



**遠東發展有限公司**  
Far East Consortium International Limited

*(Incorporated in the Cayman Islands with limited liability)*

Website: <http://www.fecil.com.hk>

(Stock code : 35.HK)

## **FEC Announces 2015/16 Interim Results**

### **Well-positioned to Deliver Long Term Growth in Business Expansion**

#### **FINANCIAL HIGHLIGHTS**

- Revenue and gross profit for 1H FY2016 decreased by 35.9% and 27.4% respectively to approximately HK\$1,857 million and HK\$629 million respectively, compared with that in 1H FY2015. Results were affected by adverse currency exchange rate movements, lower booking of residential sales and lower contribution from hotel division in the first half.
- Gross profit margin for 1H FY2016 increased to 33.8% from 29.9% of 1H FY2015.
- Net profit attributable to shareholders of the Company for 1H FY2016 at approximately HK\$263 million (1H FY2015: HK\$401 million).
- Cumulative presale value of properties under development amounted to approximately HK\$7.5 billion (HK\$6.5 billion as at 31 March 2015) following the successful launch of Aspen Crest in Hong Kong and King's Manor (second phase) in Shanghai.
- Bank and cash balances and investment securities of the Group increased to approximately HK\$3.8 billion as at 30 September 2015 (HK\$3.5 billion as at 31 March 2015), providing a strong war chest for business expansion. Net debts<sup>(ii)</sup> as at 30 September 2015 decreased to approximately HK\$5.6 billion from HK\$6.3 billion as at 31 March 2015.
- Net gearing ratio<sup>(iii)</sup> was at 26.7% as at 30 September 2015 (29.8% as at 31 March 2015).
- Interim dividend for 1H FY2016 maintained at HK3 cents per share (1H FY2015: HK3 cents per share).
- Privatisation of Dorsett became effective on 14 October 2015. The transaction strengthens the Group's balance sheet and increases the Group's exposure to the significant growth potential in the tourism sector.
- Net assets attributable to shareholders as at 30 September 2015 amounted to approximately HK\$11.35 per share, adjusted for hotel revaluation surplus<sup>(iii)</sup> and assuming privatisation of Dorsett was completed on the date.
- Destination Brisbane Consortium ("Consortium") was selected as preferred proponent for Queens Wharf Brisbane ("QWB") project in July 2015. Both Integrated Resort development and Residential development agreements were signed on 16 November 2015. The Integrated Resort of the project is expected to generate strong recurring cashflow stream for the Group.
- Residential development pipeline continued to grow with addition of QWB project and successful tender of a residential project in Singapore.

(26 November, 2015, Hong Kong) – Far East Consortium International Limited (“FEC” or the “Group”, SEHK: 35) is pleased to announce its unaudited consolidated results for the six months ended 30 September 2015 (“1HFY2016”).

The Company’s consolidated revenue for 1H FY2016 was approximately HK\$1.9 billion, a decrease of 35.9% as compared with the six months ended 30 September 2014 (“1H FY2015”). Net profit attributable to shareholder of the Company for 1H FY2016 amounted to approximately HK\$263 million (1H FY2015: HK\$401 million). Earnings per share was HK13.7 cents for the period. Bank and cash balances and investment securities of the Group increased to approximately HK\$3.8 billion as at 30 September 2015 (HK\$3.5 billion as at 31 March 2015), providing a strong war chest for business expansion. As at 30 September 2015, net debts decreased to approximately HK\$5.6 billion from HK\$6.3 billion and net gearing ratio<sup>(ii)</sup> was at 26.7% (29.8% as at 31 March 2015). Interim dividend for 1H FY2016 maintained at HK3 cents per share (1H FY2015: HK3 cents per share). Net assets attributable to shareholders as at 30 September 2015 amounted to approximately HK\$11.35 per share, adjusted for hotel revaluation surplus<sup>(i)</sup> and assuming privatisation of Dorsett was completed on the date.

Revenue from sales of properties amounted to approximately HK\$889 million in 1H FY2016, a decrease of 51.1% as compared with the last financial period. During the 1H FY2016, two projects were completed, namely Upper West Side, Midtown (Stage 3) in Melbourne and View Pavilion in Shanghai. This decrease in revenue was mainly due to lower booking of residential development completion during the 1H FY2016. In the 2H FY2016, it is expected that Eivissa Crest, Hong Kong and certain number of units of Kings Manor Shanghai will be completed. The remaining presold units at View Pavilion will also be handed over to customers in 2H FY2016.

Revenue from hotel operations and management amounted to approximately HK\$634 million in 1H FY2016, a decrease of 11.3% as compared to 1H FY2015. The decrease was attributable mainly to decrease in average room rate and occupancy in the Hong Kong market and reduction in average room rate (measure in Hong Kong dollar terms) in Malaysia. Facing challenging hotel business environment in Hong Kong, the Group has adjusted its distribution strategy and launched a number of sales and marketing campaigns to minimize such adverse impacts. As at 30 September 2015, the Group operated 20 owned hotels with approximately 6,000 rooms and had 12 owned hotels in the development pipeline. When all the hotels in the pipeline become operational, the Group will have 32 owned hotels with more than 9,000 rooms. The Group seeks to continue to expand its hotel portfolio and its network coverage consistent with its “Chinese wallet” strategy.

The Group’s car park and facilities management business includes car park operations and property management services. During the 1H FY2016, revenue from car park operations and facility management amounted to approximately HK\$299 million, a decrease of 6.9%. During the 1H FY2016, approximately 4,300 car park bays were added to the car park management portfolio. As at 30 September 2015, the Group’s carpark portfolio comprised 351 car parks with approximately 70,700 car parking bays. As at 30 September 2015, the Group had 36 contracts in relation to facilities management services. However, the results was offset by the impact of the depreciation of the Australian and Malaysian dollars against the Hong Kong dollar. Assuming constant exchange rate, revenue from this

division increased by 14.3%.

In general, contributions from non-Hong Kong operations were affected by adverse currency movements of foreign currencies against Hong Kong dollar.

The scheme of the privatisation of Dorsett Hospitality International Limited became effective on 14 October 2015. The completion of the privatisation of Dorsett increases the Group's exposure to the significant growth potential in the tourism sector, enhances the Company's net asset value per share, as well as strengthens the Group's financing capability.

On 16 November 2015, the Consortium, a joint venture between the Group, Echo Entertainment Group Limited ("Echo") and Chow Tai Fook Enterprises Limited ("CTF"), entered into Development Agreements with the Queensland State for the delivery of the Queen's Wharf Project in Brisbane, Australia. The project brings together the Group's experience in international hospitality operation and mixed use development and, CTF's extensive VIP customer base in Mainland China and Asian markets, as well as Echo's operational experience in integrated resorts. The project will allow the Group to develop an integrated resort and residential project in Brisbane, Australia and it is a significant step for the Group to expand into a new strategic location in Australia. It is expected that the project will contribute significantly to the recurring cashflow stream of the Group as well as add to the residential development pipeline.

On 17 November 2015, the Group won a tender in Singapore for a residential development site at Alexandra View. The development site comprises a 99-year leasehold land parcel. The permissible GFA of the site is 41,153 sq. m. comprising mainly residential development. The site is located next to Redhill MRT station in Singapore, within an established residential estate and near commercial amenities such as Tiong Bahru Plaza, Queensway Shopping Centre and IKEA Alexandra in Singapore.

**Mr. David CHIU, Chairman of the Company** said: "With a strong war chest, I believe FEC is well-positioned to deliver long-term growth. Total cumulative presale value of HK\$7.5 billion and a development pipeline of HK\$38 billion indicates a clear visibility of future potential profitability. Dorsett is now wholly owned by the Group and will enable the Group to benefit more fully from the significant growth potential of the tourism industry in Asia. We will continue with our regional diversification strategy to achieve sustainable growth. With the recent additions to the development pipeline of the Queen's Wharf Brisbane project in Australia and the residential site at Alexander View in Singapore, the Group can expect a stable revenue stream creating long term value for its shareholders."

Notes:

(i) Net debts represents total bank loans and bonds less bank and cash balances and investment securities.

(ii) Net gearing ratio represents total bank loans and bonds less investment securities, bank and cash balances divided by carrying amount of total equity and hotel revaluation surplus.

(iii) Revaluation surplus on hotel assets of approximately HK\$11,042 million was based on independent valuation carried out as at 31 May 2015 and was not recognized in the Company's consolidated financial statements, but was adjusted for the

calculations of net asset value per share and the net gearing ratio.

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### **About Far East Consortium International Limited**

Far East Consortium International Limited was listed on the Hong Kong Stock Exchange in 1972 (HKEx stock code: 35). The Group is mainly engaged in property development and investment, hotel operation and management, as well as car park and facilities management. The Group adopts diversified regional strategy and the “Chinese Wallet” strategy with business covering Hong Kong, Mainland China, Australia, Malaysia, Singapore, the United Kingdom and New Zealand.

**FEC official website:** [www.fecil.com.hk](http://www.fecil.com.hk)

**FEC WeChat and Weibo:**



<http://www.weibo.com/u/5703712831>

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