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(Incorporated in the Cayman Islands with limited liability)
Website: http://www.fecil.com.hk
(Stock code：35.HK)

FEC Announces 2016/17 Annual Results

Achieving A Great Milestone

ANNUAL RESULTS HIGHLIGHTS

- Revenue and net profit attributable to shareholders of the Company for FY2017 increased by 25.3% and 52.3% respectively to approximately HK$5,005 million and HK$1,118 million respectively as compared to the financial year ended 31 March 2016 ("FY2016"), primarily due to strong recorded residential sales in Shanghai and Melbourne and improved performance in recurring income business (including the hotel division and car park division). Adjusted cash profit[(i)] amounted to HK$1,157 million (FY2016: HK$853 million).
- As at 31 March 2017, cumulative pre-sale value of properties under development amounted to approximately HK$10.7 billion (HK$7.5 billion as at 31 March 2016) following the successful launch of West Side Place Towers 1 and 2 in Melbourne.
- During FY2017, HK$6.8 billion pre-sale of residential developments was achieved (FY2016: HK$4.6 billion), an increase of approximately 47.8% compared to FY2016.
- Bank and cash balances and investment securities of the Group increased to approximately HK$5.6 billion as at 31 March 2017 (HK$3.8 billion as at 31 March 2016).
- Net gearing ratio[(ii) (iii)] was at 31.5% as at 31 March 2017 (37.7% as at 31 March 2016).
- Basic earnings per share amounted to HK$0.51 (FY2016: HK$0.37 per share). Final dividend increased to HK$0.15 per share (FY2016: HK$0.13 per share). Including HK$0.035 of interim dividend paid, total full year dividend will amount to HK$0.185 per share (FY2016: HK$0.16 per share), representing a dividend payout ratio of 36.3%, reflecting confidence in the financial position of the Group.
- Net asset value per share[(iii)] as at 31 March 2017 increased HK$1.00 during FY2017 and reached HK$10.79 per share (HK$9.79 as at 31 March 2016).
- For the FY2017, the Group was honoured with several international awards in relation to company management, investor relations, corporate governance and corporate social responsibility including the prestigious "Best Managed Company in Asia in the Real Estate Category" award from *Euromoney*.
- Post year end, disposal of Silka West Kowloon Hotel in Hong Kong was completed with an estimated net profit of approximately HK$316 million.
- The Group also signed an agreement with the Manchester City Council to deliver the "Northern Gateway" development, arguably the largest residential project in Manchester delivering in excess of 10,000 new homes over the next decade.

(13 June, 2017, Hong Kong) – Far East Consortium International Limited ("FEC", the "Company" or the "Group", SEHK: 35) is pleased to announce its audited consolidated results for the financial year ended 31 March 2017 ("FY2017").

The Company's consolidated revenue for FY2017 was approximately HK$5,005 million, an increase of 25.3% as compared with FY2016. Gross profit for FY2017 was approximately HK$1,990 million, an increase of 16.6% as compared with FY2016. Net profit attributable to shareholders of the Company for FY2017 amounted to approximately HK$1,118 million, representing an increase of 52.3% compared with FY2016. Net asset value per share for the Company as at 31 March 2017 increased by approximately HK$1.00 within the financial year, reaching HK$10.79 as at 31 March 2017. Including HK$0.035 of interim dividend paid, total full year dividend for FY2017 will amount to HK$0.185 per share (FY2016: HK$0.16 per share), representing a dividend payout ratio of 36.3%.

Bank and cash balances and investment securities of the Group increased to approximately HK$5.6 billion as at 31 March 2017 (HK$3.8 billion as at 31 March 2016). During FY2017, the Group's net debts reduced by approximately HK$277 million to HK$7.6 billion and net gearing ratio[ii] [iii] was at 31.5% (37.7% as at 31 March 2016). In September 2016, the Company issued US$300 million 3.75 percent 5-year notes (the "Issue") under a medium term note programme. The Issue represented a highly successful fundraising by the Group in the international capital market, and helped to extend the debt maturity profile of the Group.

Property Division

Revenue from sales of properties amounted to approximately HK$2,937 million in FY2017, a robust increase of 49.0% as compared with FY2016, primarily due to increase in recognition of sales upon completion of residential developments. In FY2017, projects completed included Manhattan at Upper West Side (Stage 4) in Melbourne and King's Manor in Shanghai.

In FY2017, pre-sale of HK$6.8 billion was achieved, reflecting an increase of HK$2.2 billion or 47.8% as compared with FY2016. Total cumulative pre-sale value of the Group's residential properties under development amounted to approximately HK$10.7 billion as at 31 March 2017, indicating a solid pipeline of revenue together with significant cash inflows as the relevant projects are completed in the coming years.

Currently the Group has 24 active residential property development projects with expected attributable saleable floor area of approximately 8.7 million sq. ft. under various stages of development across the regions.

Hotel Operations and Management Division

Revenue from hotel operations and management amounted to approximately HK$1,309 million during FY2017, an increase of 1.9% as compared to FY2016, primarily due to the recovery of performance of the Group's hotels in Hong Kong (which is the major source of the Group's hotel revenue contributing approximately 50% of the Group's hotel revenue) in the second half of FY2017, as well as the continued expansion of the Group's hotel portfolio, with the latest addition being the 409-room Silka Tsuen Wan which was opened in February 2017. Overall improvement in performance in the second half of FY2017 and the addition of new hotel rooms helped increase revenue in Hong Kong to HK$665 million for FY2017. Currently, the Group operates 21 owned hotels with approximately 6,600 rooms, with another 14 hotels in the development pipeline. With the disposal of Silka West Kowloon Hotel in May 2017 and when all the hotels in the pipeline become operational, the Group will own 35 hotels operating approximately 10,100 rooms.

Car Park Operations and Facilities Management

For FY2017, revenue from car park operations and facilities management amounted to approximately HK$641 million, an increase of 2.9% as compared to FY2016. This business sector has shown steady growth over the years, with the Group's portfolio under management growing into 390 car parks with approximately 74,500 car parking bays as at 31 March 2017, having added approximately 3,500 car parking bays during FY2017. Of the Group's 390 car parks, 29 were self-owned car parks comprising approximately 9,200 car parking bays, with the remaining 65,300 car parking bays in Australia, New Zealand and Malaysia under management contracts with third party car park owners, covering local governments, shopping malls, retailers, universities, airports, hotels, hospitals, government departments and commercial and office buildings.

Post Balance Sheet Events

In April 2017, the Group signed an agreement with the Manchester City Council to deliver the "Northern Gateway" project which spans across an area of more than 350 acres (equivalent to 15 million sq. ft.) in Manchester. This is the latest and arguably the largest residential opportunity for transformational change ever undertaken in Manchester, the United Kingdom (the "UK"). This investment partnership is expected to deliver in excess of 10,000 new homes over the next decade. This is in addition to the Angel Meadow scheme under which the Group plans to build 756 new homes around the historic Angel Meadow Park located at the periphery of the Northern Gateway development. This project is expected to provide the Group with a significant and long-term pipeline within the UK and signals the fact that the Group is accelerating its expansion into the UK market.

In May 2017, the Group was selected as the preferred proponent to develop Lots 3B, 6 and 7 of the Perth City Link in Perth, Western Australia, which is a major project undertaken by the Western Australian Government to reconnect the Perth CBD and the entertainment district (Northbridge). These three lots will be home to a range of apartments and an integrated complex, and are complementary to Lots 2 and 3A at the Perth City Link, a development comprising 250 hotel rooms under Dorsett's operation and 350 residential apartments, which the Group was selected to develop in November 2016. Altogether, the Perth City Link project will provide the Group with a good pipeline in Perth CBD for the years to come.

In May 2017, the Group completed the sale of Silka West Kowloon Hotel at a consideration of HK$450 million, with an estimated gain of approximately HK$316 million attributable to the Group, net of the estimated expenses and taxes in relation to the sale. The sale proceeds would provide additional cash flow to the Group to enable it to redeploy its resources to other investment opportunities.

Mr. David CHIU, Chairman of the Company said: "I am very proud that our Group has achieved another year of solid results. We have laid a strong foundation for our future growth and I am confident that with the infrastructure we have built, we are able to capture the significant opportunities ahead as a result of the growing global tourism and the increasingly active international property investments by Asian buyers. We have developed strong skillsets for significant multi-billion dollar projects as well as local delivery expertise. The Group will continue its regional expansion in its three core business segments in order to generate solid and sustainable returns for its investors."

Mr. Chris HOONG, Managing Director of the Company said: "The Group will continue to adhere to the regional diversification strategy and seek to take advantage of different property cycles in the different markets. The Group's regional knowledge and local expertise enable it to develop and deliver products that target Asia's rapidly-expanding and increasingly affluent middle class. The Group is expanding its market in Australia and the United Kingdom across various business segments and we continue to see many good opportunity in these countries. Looking ahead, the Group will continue to create long term value and returns for its shareholders through enhancing its net asset value and adhering to its dividend payout policy."

Notes:

(i) Adjusted cash profit is calculated by adding depreciation and amortization charges to, and subtracting fair value gain in investment properties from net profit attributable to shareholders. The amounts are adjusted for minority interests.

(ii) Net gearing ratio represents total bank loans, notes 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$13,354 million was based on independent valuation carried out as at 31 March 2017 (HK$10,732 million as at 31 March 2016) and was not recognized in the Company's consolidated financial statements, but was adjusted for the calculations of net asset value per share and 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.

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