



(Incorporated in the Cayman Islands with limited liability)

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

(Stock code : 35.HK)

**Far East Consortium (Stock Code: 35)
Announces 2019/20 Interim Results
Strong Performance Through Diversification**

INTERIM RESULTS HIGHLIGHTS

- The Group achieved strong year-on-year revenue growth of 75.0% to HK\$5,121 million as a result of robust revenue from sales of properties.
- Revenue from the Group's recurring income businesses decreased slightly, down 1.6% year-on-year. Hotel revenue decreased by 10.3% year-on-year due to the drop of revenue per available room. The hotel revenues were particularly affected by a meaningful decrease in tourist arrivals in Hong Kong due to the city's social unrest. However, the car park operations and facilities management and the gaming operations delivered strong revenue, with an increase in revenue year-on-year of 11.0% and 16.6%, respectively. New management contracts were added to the car park portfolio and hotels and gaming revenues of Trans World Corporation Limited ("TWC") were recognised for the full period and grew year-on-year.
- Net profit attributable to shareholders of the Company and adjusted cash profit⁽¹⁾ increased year-on-year by 16.0% and 60.4% to HK\$715 million and HK\$959 million, respectively. This was mainly driven by the strong delivery from sales of properties during the period. That performance more than compensated the one-off gain arising from the bargain purchase of TWC during 1H FY2019, which was not repeated this year, and some adverse movements in the fair value of investment properties.
- The Group completed a number of residential development projects including Astoria Crest and The Garrison in Hong Kong during the period. The construction of The Towers at Elizabeth Quay in Perth was also completed before 30 September 2019 and hand-over by phase continued during the period. Artra in Singapore also contributed to property sales revenue, with most units now presold and construction entering the final phase.
- Three new projects were launched in 1H FY2020, including The Star Residences – Epsilon (Tower 2)

in Gold Coast, Australia, in which the Group has a 33.3% interest, Dorsett Place Waterfront Subang in Subang Jaya, Malaysia, in which the Group has a 50.0% interest and Cuscaden Reserve in Singapore, in which the Group has a 10.0% interest.

- Cumulative presales value of properties under development amounted to approximately HK\$11.6 billion (HK\$14.6 billion as at 31 March 2019), slightly lower given the recognition of revenue from sales of properties of HK\$3.7 billion and a lower number of large project launches during 1H FY2020. The Group's residential development pipeline (together with completed inventory for sale) was HK\$51.4 billion in projected gross development value as at 30 September 2019.
- The Group continued to replenish its land bank in 1H FY2020, focusing on cities and locations where it understands very well, such as land comprising the Network Rail of Northern Gateway in Manchester, the United Kingdom ("UK") and Bourke Street in Melbourne, Australia.
- In addition, to further enhance the recurring revenue stream, the Group acquired a land site adjoining the Kai Tak Sports Park in Kai Tak via government tenders, where the Hong Kong Government committed significant investments. The intention is to develop a flagship Dorsett hotel, together with an office tower and retail space. The Group also purchased a site in Baoshan District in Shanghai for long-term residential rental in 1H FY2020. Furthermore, the Group formed joint ventures with AMTD Property Investment Holdings Limited and acquired the hotel property and its business in Oakwood Premier OUE Singapore in November 2019.
- Planning and construction of 14 new hotels are underway. The Ritz-Carlton hotel in Perth was completed in 1H FY2020 and started its operations in November 2019.
- BC Group Holdings Limited continued to grow strongly in 1H FY2020 with loans and advances rising from AUD626 million as at 31 March 2019 to AUD853 million as at 30 September 2019.
- As an initiative to unlock the value of its hotel portfolio and to recycle capital, the Group intends to spin-off and list separately certain hotel properties located in Australia, Singapore, Malaysia and the UK. The transaction, if it proceeds, would likely constitute a major transaction under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
- In 1H FY2020, the Group raised USD300 million (equivalent to HK\$2,358 million) in senior guaranteed perpetual capital notes to improve its capital structure and finance its business expansion. Net gearing ratio ⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾ was reduced to 43.9% as at 30 September 2019 (45.4% as at 31 March 2019) despite an increase in the Group's development pipeline and its recent acquisitions and new business investment.
- Earnings per share increased by 13.4% to HK\$30.4 cents during the period (HK\$26.8 cents for 1H FY2019). Interim dividend for 1H FY2020 was maintained at HK4.0 cents per share (1H FY2019:

HK4.0 cents per share).

- Net asset value⁽ⁱⁱⁱ⁾ per share as at 30 September 2019 amounted to approximately HK\$13.21 per share (HK\$13.29 per share as at 31 March 2019).
- During 1H FY2020, the Group repurchased shares amounting to approximately HK\$81 million. The Group had previously announced its intention to repurchase shares in FY2020 for an amount of up to HK\$200 million.

Mr. Chris HOONG, Managing Director of FEC said: “FEC delivered another strong set of results in 1H FY2020. Overall our revenue rose 75.0% and our adjusted cash profit rose 60.4%, respectively. Our property development division recorded solid revenue growth, up 151.1% year-on-year, on the back of recognition of sales of our projects in Hong Kong, Mainland China, Australia and Singapore. We have also launched a number of new projects and made a number of land acquisitions which put us in a good position to keep the momentum going forward. Although our hotel operations division faced some headwinds, especially due to the social unrest in Hong Kong, the long term outlook of the business remains good. We saw a good progression at TWC’s hotels and are delighted with the opening of the Ritz-Carlton Perth and our joint venture acquisition of Oakwood in Singapore. Both of these hotels have started contributing to our revenue. In addition, we have 14 new hotels coming online in the next few years. The proposed establishment of a hospitality trust will allow us to unlock and crystallise value as well as allow FEC to recycle capital from its hospitality properties. Our car park operations division continues to grow steadily and together with our hotels, have contributed to our recurring income streams. On the gaming side, TWC had a full 6 months of contribution and delivered a revenue increase of 34.2% year-on-year. We believe that our ‘Asian Wallet’ strategy, diversified portfolio of businesses and wide geographical footprint continues to be a key differentiator and a winning formula for FEC. We have a strong balance sheet and good people. We believe that we are well positioned to continue to grow and deliver a sustainable and healthy dividend to our shareholders.”

Notes:

- (i) *Adjusted cash profit is calculated by adding depreciation and amortisation charges to, subtracting post-tax fair value gain/adding post-tax fair value loss in investment properties 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) *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\$17,838 million was based on independent valuation carried out as at 31 March 2019 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.*

~ END ~

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.

FEC official website: www.fecil.com.hk

FEC WeChat and Weibo:

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



For further information, please contact:

Far East Consortium International Limited

Investor relations enquiries:

Mr. Boswell Cheung / Ms. Beatrice Wong

Contact Number: (852) 2850 0618 / (852) 2850 0635

Email: boswell.cheung@fecil.com.hk / beatrice.wong@fecil.com.hk

Media enquiries:

Ms. Kat Chow

Contact Number: (852) 2850 0625

Email: kat.chow@fecil.com.hk

Wonderful Sky Financial Group

Ms. Ada Ding / Ms. Janet Tang

Contact Number: (852) 3641 2255 / (852) 3970 2237

Email: fecil@wsfg.hk