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

Far East Consortium Net Profit Attributable to Shareholder Up 48.5% to HK$543 Million Positioned for the Economic Recovery

ANNUAL RESULTS HIGHLIGHTS

- The COVID-19 outbreak has been affecting most segments of the global economy for the last 18 months.Far East Consortium ("FEC" or the "Group")continues to remain prepared for a prolonged uncertain and challenging economic environment. FY2021 continued to be dominated by the impact of the COVID-19 outbreak and it was the first year where the impact was felt for the entire financial year. To varying degrees, all our businesses have been affected by the ongoing outbreak of COVID-19.

- The Group recorded revenues of approximately HK$5.9billion in FY2021, a decreaseof 20.2% compared to last year. The Group continued to take active steps to reducecosts and expenses, to optimize its operations, to monetize assets and to shore upliquidity. With all the actions taken, the Group has managed to lessen the impact ofreduced revenues. As the economy recovers gradually over the next few months, theGroup's financial performance should benefit.

- Revenue contribution from property development amounted to HK$4.2 billion inFY2021, a decrease compared to HK$4.8 billion in FY2020. Despite COVID-19, theGroup successfully completed a number of residential development projects during theyear, such as Artra in Singapore, and the lower to mid-levels of West Side Place (Towers1 and 2) in Melbourne. The handover process of West Side Place (Towers 1 and 2)started towards the end of the first half of the financial year ended 31 March 2021 and isexpected to continue by phases in FY2022, providing steady cash inflows to the Group.

- Cumulative attributable presales value of properties under development amountedto HK$13.8 billion as at 31 March 2021. The Group expects to launch a number ofdevelopment projects in FY2022, namely Mount Arcadia in Hong Kong, the secondphase of Victoria Riverside in Manchester, the second phase of Queen's WharfResidences in Brisbane and Bourke Street in Melbourne.

- The Group continued to replenish its land bank by securing new land in Manchester as it continues to develop the Victoria North with its partner, the Manchester City Council. The Group also partnered with The Star Entertainment Group ("The Star") to acquire a site in Pyrmont, Sydney, located next to the existing site where The Star operates its casino in Sydney. The intention is to co-develop a mixed-use tower comprising a residential and hotel component. These projects are highly attractive and will provide the pipeline of development for the Group in the years to come.

- Strained by the global COVID-19 pandemic, countries and cities around the world haveimposed severe lockdowns for local populations and stringent travel restrictions on bothbusiness and leisure travelers. The measures imposed considerably impacted our hotel, car park and gaming businesses. As a consequence, revenue in the Group's recurring income businesses fell by 34.3% year-on-year.

- In our hotel operations, revenues fell by 33.9% year-on-year. The Group took decisiveand early actions across its portfolio, such as repositioning assets towards long stayguests and self-quarantine guests, furloughing staff, cutting costs and incentives andreviewing thoroughly all its expenses. These measures, combined with an improvementin the business environment, have led to a gradual recovery in hotel performance sinceJune 2020, especially in Hong Kong, the main contributor to our hotel operations.

- The openings of the Ritz-Carlton in Melbourne, the Dorsett Gold Coast and the extensionof the Dorsett Shepherds Bush hotel expected in the second half of the financial yearended 31 March 2022are the next major milestones for the Group'shotel operations and are expected to contribute to the Group's recurring revenue streamstarting in FY2022.

- Contribution from car park operations and facilities management declined by 33.9% dueto the lockdown measures and/or travel restrictions imposed by various cities or stateswhere the Group operates. The impact was most felt in Melbourne which endured along and strict lockdown. However, the car park operations delivered positive earningsbefore interest, taxes, depreciation and amortizationin FY2021 with thesuccessful implementation of a rationalization program.

- Our gaming operations in the Czech Republic were significantly impacted by localgovernment anti-pandemic measures. However, we took swift actions to reduce operatingexpenses by reducing staff and general expenditure. Together with the governmentsubsidies received, the operations recorded a positive EBITDA in FY2021.

- BC Investment Group Holdings Limited (formerly known as BC Group HoldingsLimited) ("BCG"), a company in which the Group has a 52.03% stake, continued togrow steadily in FY2021. Along with the successful expansion of its mortgage businessinto the United Kingdom ("UK") market during the year, BCG enlarged its loan bookwith loans and advances rising from AUD976 million as at 31 March 2020 to AUD1.2billion as at 31 March 2021. The net interest margin expanded to 2.32% as at 31 March2021 (2.07% as at 31 March 2020).

- Despite the challenging environment, the Group still managed to be profitable. Profitattributable to shareholders increased by 48.5% year-on-year to HK$543 million andadjusted cash profit(i) decreased by 14.3% to HK$722 million, in FY2021.

- Cost control initiatives were implemented to mitigate the impact of the COVID-19outbreak. Thanks to the incentives and compensation programmes offered by variousgovernments across the world, the Group received approximately HK$203 million. Asa result, the financial impact of the COVID-19 outbreak in FY2021 has been, to someextent, mitigated.

- The Group continued to maintain a sound financial position. During the year, the Group issued10-year notes for a principal amount of HK$200 million at 5.15% coupon, 12.25-year notesfor a principal amount of HK$200 million at 5.25% coupon and 3-year notes for aprincipal amount of US$235 million at 5.10% coupon. Furthermore, the Group enteredinto a facility agreement with a group of banks for a 3-year unsecured term loan facilityof HK$1,500 million. These proceeds will help the Group in maintaining a comfortableliquidity position and lengthen the debt maturity profile. Net gearing ratio(ii)(iii) and netdebt to total adjusted assets(iv) stood at a prudent level of 54.9% and 28.2% as at 31March 2021, respectively.

- The Group's net debt increased slightly from HK$17.4billion as at 31 March 2020, to HK$19.0 billion as at 31 March 2021. The Group continued to maintain a comfortable level of liquidity with HK$8.6 billion of cash and marketable securities available as at 31 March 2021. Furthermore, the Group had 8 hotel properties unencumbered valued at HK$3.9billion and approximately HK$4.1 billion in unsold residential inventory, as at 31 March 2021, respectively.

- In addition to retained profit for the year, The Star's share price recovered stronglyin FY2021. Furthermore, most local currencies in the countries where we operatebounded against the Hong Kong dollar, our reporting currency. As a consequence, theGroup's total adjusted equity(v) rose from HK$ 30.7 billion as at 31 March 2020, toHK$34.6 billion as at 31 March 2021, an increase of 12.9%.

- Cumulative attributable presales value of properties under development amounted to HK$13.8 billion as at 31 March 2021, which provides the Group with a good visibility of revenue in the coming years, after recognition of HK$5.9 billion revenue for FY2021.

- Earnings per share in FY2021 increasedby 47.7% to HK22.9 cents. The proposedfinal dividend for FY2021 was maintained at HK15cents per share (FY2020: HK15 cents per share). Including the interim dividend for FY2021, total dividend for FY2021 amounted to HK19 cents per share (FY 2020: HK19 cents per share).

- Net asset value per shares rose by 12.9% from HK$11.59 as at 31 March 2020 to HK$13.09 as at 31 March 2021. The Group also repurchased approximately 11 million shares for a total consideration of approximately HK$30 million in FY2021.

Tan Sri Dato' David Chiu, Executive Director, Chairman and Chief Executive Officer of FECsaid: "Looking ahead, the operating environment is improving in parts of our business,especially in countries that have managed the COVID-19 outbreak more successfully.The steps taken to reduce our cost base means that as business recovers, the profitabilitywill improve. This bodes well for the Group's performance when the COVID-19outbreak is contained or fully eradicated. The Group remains committed to recycling its capital by exploring the sale of its noncoreassets within its asset portfolios.

We believe that our diversified portfolio of businesses and wide geographical footprint continue to be a key differentiator and a winning formula for FEC. We have a strong balance sheet and good people on the ground across our markets.Whilst remaining vigilant, 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 adjusting for fair value changes in investment properties and by adding depreciation and amortisation charges to 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 HK17,550 million was based on independent valuation carried out as at 31 March 2021 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.*

(iv) *Adjusting for the unrecognised hotel revaluation surplus of approximately HK$17,550 million, which is based on independent valuations assessed as at 31 March 2021, and including the Perpetual Capital Notes.*

(v) *Total adjusted assets include revaluation surplus on hotel assets.*

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–For more details on our results, please refer to our announcement dated 25June 2021.

<u>About Far East Consortium International Limited</u>

Far East Consortium International Limited has been listed on The Stock Exchange of Hong Kong Limited 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.

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