【Immediate Release】 28 June 2022

(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 139.4 % to HK$1,300 million Diversification Yields Resilience

ANNUAL RESULTS HIGHLIGHTS

- FY2022 continued to be dominated by the impact of the COVID-19 pandemic. New outbreaks broke out across the globe, which affected the business environment. On the economic side, inflation continued to rise, which resulted in central banks moving away from previously accommodative policies. In Mainland China, the economy faced some headwinds. The real estate market slowed and consumption was affected by the numerous lockdowns imposed due to COVID-19. Finally, the conflict in Ukraine further heightened uncertainty on a global scale. Though Far East Consortium International Limited ("FEC" or the "Group") had to navigate a challenging year, the diversity of the Group's businesses, the quick actions taken at the onset of the pandemic and the strength of the Group's balance sheet ensured the Group's delivery of another solid year for the shareholders of the Company ("Shareholders").

- The Group recorded a satisfactory financial performance in the financial year ended 31 March 2022 ("FY2022"), with most of its businesses making a recovery compared to the financial year ended 31 March 2021 ("FY2021").

- The diversification of the Group's businesses contributed to a remarkable resilience despite the volatile business and market environment. This diversification in conjunction with meticulous planning led the Group to weather the storm better than others and positioned the Group for further sustainable growth.

- The Group recorded revenues of approximately HK$5.9 billion in FY2022, a slight decrease of 0.8% as compared to FY2021. Adjusting for the disposal of the property at 21 Anderson Road for approximately SGD216 million, which was accounted for as a disposal of a subsidiary, adjusted revenue[(i)], a non-GAAP financial measure, was up 20.1% to approximately HK$7.1 billion. Other than the lower sales recognition coming from the property development segment as compared with FY2021, all business divisions reported a recovery, with results for the year supported by higher contributions from our recurring income businesses, disposal of non-core assets and revaluation gains primarily attributable to the office portion of the Kai Tak Development (which was presold and expected to complete in the financial year ended 31 March 2024 ("FY2024") and 21 Anderson Road (which was sold and completed in FY2022).

- Revenue contribution from property development amounted to approximately HK$3.4 billion in FY2022, a decrease compared to approximately HK$4.2 billion in FY2021. Nevertheless, the Group made strong progress in the handover of MeadowSide (Plots 2, 3 and 5) in Manchester and West Side Place (Towers 1 and 2) in Melbourne, which are expected to continue in the financial year ended 31 March 2023 ("FY2023"). The Group expects to complete several developments in FY2023, namely The Star Residences (Tower 1) on the Gold Coast, New Cross Central in Manchester, Hornsey Town Hall in London and West Side Place (Towers 3 and 4) in Melbourne, providing steady cash inflows to the Group.

- Cumulative attributable presales value of properties under development hit its highest amount ever at approximately HK$16.7 billion as at 31 March 2022, an increase of 21.0% as compared with HK$13.8 billion as at 31 March 2021. The Group continued to actively sell its existing projects in FY2022 and launched Mount Arcadia in Hong Kong and Tower 5 of Queen's Wharf Residences, the second phase of Queen's Wharf Residences in Brisbane, in March 2022. Both developments were met with an enthusiastic response post year end which highlights the property's quality and unique character.

- As part of the Group's ongoing strategy of actively recycling non-core assets, the Group completed several disposals in FY2022. In aggregate, the Group signed contracts to sell approximately HK$5.0 billion of non-residential assets in FY2022. Transactions included the sale of Dorsett City London for GBP115 million which was completed in June 2021, the office portion of the Kai Tak Development in Hong Kong for HK$3,380 million, and several car parks and retail units in Australia and New Zealand for an aggregate value of approximately AUD66.8 million.

- As part of its environmental, social and governance ("ESG") framework, the Group seeks to improve the quality of life for the communities it serves. The Group entered into agreements to sell 128 affordable housing units at Victoria Riverside, Manchester for approximately GBP26 million and 139 affordable housing units at Consort Place, London for approximately GBP43 million in FY2022.

- The Group also signed an exclusivity agreement with Capital and Regional PLC ("C&R"), a UK-based specialist property real estate investment trust with a portfolio of shopping malls in greater London, to explore co-development opportunities on or around some of its retail properties. The Group hopes to co-develop high-quality residential properties across and potentially beyond C&R's existing portfolio.

- The Group continued to replenish its residential pipeline in FY2022. In Hong Kong, additions to the pipeline included a development in Lam Tei, Tuen Mun, a development in Ho Chung, Sai Kung and another development in Kai Tak. In the UK, the Group acquired three parcels of land in Manchester as part of the Victoria North development. Post year end, the Group also completed the acquisition of Vauxhall Square, a large-scale mixed-use development of approximately 133,000 sq. m. gross floor area in London.

- In the Group's hotel operations, revenues increased by 58.1% year-on-year to approximately HK$1.4billion. The early adoption of a new business model to cater to quarantine guests at a number of the Group's hotel properties resulted in the strong recovery of the Group's hotel business, especially in comparison to its peers.

- The opening of Dorsett Gold Coast on 26 December 2021 was a resounding success. Post year end, the Group also opened Dao by Dorsett West London, the extension of Dorsett Shepherds Bush. Upcoming milestones for the Group's hotel operations include the opening of the Ritz-Carlton in Melbourne, Dorsett Melbourne, Dorsett Kai Tak and Dorsett Canary Wharf, London. These will further add to the healthy growth and profitability of the Group's recurring income businesses, especially as global travel restarts in earnest.

- Contribution from car park operations and facilities management rebounded by 32.3% year-on-year due to loosened restrictions. Business is well on its way to normality, especially with travel restrictions being lifted in Victoria, Australia, where a majority of the Group's car parks are located. Additionally, the Group focused on winning more car park and facilities management contracts whilst recycling capital by selling some of its car parks.

- The Group's gaming operations under "TWC" rebranded as "PALASINO" to enhance its brand image and refresh customer experience. The Group's gaming revenue recorded a 163.6% jump in revenue as compared to FY2021, demonstrating the business's solid performance after the reopening of the operations. The Group is pushing on with its application for an online gaming license in Malta.

- BC Investment Group Holdings Limited ("BC Invest") continued with its rapid expansion in FY2022. The business completed a number of residential mortgage-backed security ("RMBS") offerings that raised approximately AUD800 million in FY2022. In October 2021, BC Invest announced the acquisition of Mortgageport Management Pty Ltd, a well-established Australian mortgage products provider. Following the acquisition, its total loans and advances reached over AUD2.6 billion as at 31 March 2022, up 122.8% from 31 March 2021. BC Invest will increase its focus on its asset management business and continue to grow in Australia and the UK. As at 31 March 2022, including third party assets under management ("AUM"), BC Invest has a total AUM of approximately AUD3.8 billion.

- The Group entered into a settlement agreement to wind up a joint venture company in Guangzhou and to withdraw from the legal proceedings surrounding a mandatory enforcement procedure regarding land use rights and the Group's subsequent appeal. The Group expects to fulfil its obligation and to recognise a gain in FY2023. For details, please refer to the announcement of the Company dated 27 July 2021.

- Despite a drop in property development revenue due to lower revenue recognition from residential development projects, most of the Group's businesses recorded a rebound. Profit attributable to shareholders increased by 139.4% year on-year to approximately HK$1,300 million, and adjusted cash profit[i], a non-GAAP financial measure, increased by 126.2% to approximately HK$1,425 million.

- The Group continued to maintain a sound financial position by active liabilities management. In FY2022, the Group issued an additional US$150 million 2024 Notes and completed a number of major loan financings. The loan financings included a construction loan for Aspen at Consort Place for approximately GBP225 million; a term loan for the Ritz-Carlton hotel in Perth for approximately AUD75 million; and certain unsecured corporate facilities adding up to approximately HK$1 billion. These proceeds will further optimise the Group's capital structure by maintaining a comfortable liquidity position, keeping costs low and lengthening the debt maturity profile. The adjusted net gearing ratio[i] and net debt to adjusted total assets[i], both being non-GAAP financial measures, stood at a healthy level of 57.9% and 28.9% as at 31 March 2022, respectively.

- The Group's net debt increased from approximately HK$19.0 billion as at 31 March 2021 to approximately HK$21.3 billion as at 31 March 2022 reflecting some of the Group's projects reaching an advance stage of development and new acquisitions of development opportunities. The Group continued to maintain a comfortable level of liquidity position with approximately HK$9.9 billion as at 31 March 2022. Furthermore, the Group had 5hotel properties unencumbered valued at approximately HK$1.7 billion and approximately HK$6.7 billion in unencumbered and unsold completed residential inventory as at 31 March 2022.

- Adjusted net assets value per share[(i)], a non-GAAP financial measure, increased by 5.5% from HK$13.09 as at 31 March 2021 to HK$13.81 as at 31 March 2022. The Group did not repurchase the Company's shares in FY2022.

- To celebrate its 50th anniversary since the Company's shares were listed on the main board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the board recommended a bonus issue of shares on the basis of one bonus share for every ten existing ordinary shares held by the Shareholders whose names appear on the Company's Register of Members on 14 September 2022. The bonus issue of shares will be subject to (i) the Shareholder's approval at the forthcoming annual general meeting of the Company, and (ii) the Stock Exchange granting the listing of and permission to deal in the new shares to be allotted thereunder.

- Basic earnings per share in FY2022 increased by 136.2% to HK54.1 cents. The proposed final dividend for FY2022 is at HK 16 cents per share (FY2021: HK15 cents per share). Including the interim dividend for FY2022, total dividend for FY2022 amounted to HK 20 cents per share (FY2021: HK19 cents per share).

Mr. Chris Hoong, Managing Director of FEC said: "Looking ahead, the business environment should continue to improve, especially the hospitality sector; this bodes well for our financial performance going forward. Our recurring income businesses should be the ones that most benefit from a full re-opening of the global economy. As more cities welcome business and leisure travellers, our hotel assets should see higher occupancy. Similarly, our car park operations should see more traffic. With that being said, there are still many headwinds and risks to manage, such as persistently high inflation, labour shortages, rising interest rate environment and the continued Ukraine conflict, to name a few. As a result, the Group remains prudent and measured in all of the investments that it undertakes. The focus on monetising non-core assets is also important, as it provides us with additional capital that can be re-invested in attractive investment opportunities without unduly leveraging the balance sheet.

The Group's diversity and solid balance sheet allows us to manage these risks adequately. Our operations in different countries and across different sectors mean that specific risks can be mitigated, whilst our solid balance sheet and our access to ample liquidity reduces financial risks and allows the Group to weather any major storm.

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"

Note:

(i) Represents a non-GAAP financial measure which is defined and reconciled to the nearest comparable GAAP measures in the "Non-GAAP financial measures" section in the announcement of the Company dated 28 June 2022.

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-For more details on our results, please refer to our announcement dated 28 June 2022.

About Far East Consortium International Limited

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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For the purposes of this press release, "Hong Kong " shall means Hong Kong Special Administrative Region of the People's Republic of China; and "Mainland China" means the People's Republic of China, excluding Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan