【Immediate Release】 **November 29, 2023**

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

Far East Consortium Reports First Half FY2024 Results

Diversification Fields Resilient Performance

SUMMARY OF FISCAL YEAR 2024 FIRST HALF RESULTS：

- The global economy is currently experiencing an increase in interest rates and tightening monetary policy. The central banks of all major economies are taking decisive measures, raising interest rates aggressively and reducing liquidity in the financial system as a result. Although these measures are intended to reduce inflationary pressures, they have resulted in a slowdown of global economic growth and higher borrowing costs.
- The Group has maintained its focus on executing its strategic goals of reducing debt levels and minimising finance costs. By adhering to a prudent financial approach, the Group has managed effectively its resources and mitigated potential risks. Once again, the Group's diversification and vigilance have been instrumental in successfully navigating through the six months ended 30 September 2023 ("1H FY2024"). These efforts have allowed the Group to adapt amidst volatile economic conditions.
- During 1H FY2024, revenue increased by 108% to approximately HK$6.3 billion as compared with that of the six months ended 30 September 2022 ("1H FY2023") and the Group's property and hotel reported an increase in revenue.
- The Group's revenue from property development recorded an increase of 217.1% to approximately HK$4.7 billion as compared to 1H FY2023 as West Side Place (Towers 3 and 4) in Melbourne was completed and started the handover since early April 2023 with strong settlement and revenue recorded. Additionally, the Group continued the handover of MeadowSide (Plots 2 and 3) and New Cross Central in Manchester, and Hornsey Town Hall in London. Hyll on Holland in Singapore also contributed to revenue in 1H FY2024 which was recognised over time. These handovers are expected to continue by phases in the second half of the financial year ended 31 March 2024 ("2H FY2024").
- The Group remains prudent in replenishing its land bank in 1H FY2024. In August 2023, the Group was selected as preferred bidder by Greater Manchester Combined Authority and Trafford Metropolitan Borough Council to act as development partner to deliver a GBP300 million mixed-use development on the site of the former Greater Manchester Police Headquarters in Trafford, Greater Manchester. In August 2023, the Group also secured planning approval for 4,800 new homes as part of the next phase of the Victoria North development, together with Manchester City Council ("MCC").

- Cumulative attributable presales value of properties under development and unbooked contracted sales stood at approximately HK$14.1 billion as at 30 September 2023. The Group is actively selling its existing projects and expects to launch Kai Tak Residential in Hong Kong with a total expected attributable gross development value ("GDV") of approximately HK$6.6 billion in FY2025. Several milestone projects are reaching the completion stage, such as Kai Tak Office in Hong Kong, Aspen at Consort Place in London, Victoria Riverside in Manchester, Queen's Wharf Residences (Tower 4) in Brisbane and Hyll on Holland in Singapore. They are expected to complete and handover in FY2025, which will provide significant revenue and cashflows.
- The Group continued its ongoing strategy of actively recycling non-core assets to reinvest in projects with higher internal rates of return and repay bank borrowings. In May 2023, the Group signed a contract to dispose of all the remaining 130 units of Dorsett Bukit Bintang via a block deal for approximately MYR120 million. Additionally, the Group appointed sales agents to sell the two Ritz-Carlton hotels in Australia in June 2023. The Group is also earmarked to dispose of the long-lease residential blocks in Baoshan, Shanghai. It is also in discussions to sell some other non-core assets.
- In June 2023, the Group, through its 25% owned joint venture, signed an agreement to sell the Sheraton Grand Mirage Resort on the Gold Coast, Australia for AUD192 million and the transaction was closed in November 2023 and the realised pre-tax gain is expected to realise a pre-tax gain of HK$58 million. In August 2023, the Group executed a contract to sell an office building in London for approximately GBP8.2 million, which was acquired in April 2023 at GBP5.75 million. The disposal transaction is expected to be completed in 2H FY2024. The Group will lease back part of the office building as its London office after the transaction.
- For the Group's hotel operations, revenues increased by 3.4% to approximately HK$942 million as compared to 1H FY2023, which was primarily due to two new hotels openings during the period and Dao by Dorsett West London in London with full period contribution during the 1H FY2024. With Hong Kong's COVID-19 related quarantine policies being fully lifted in January 2023, Hong Kong hotel properties switched from serving quarantine guests during the 1H FY2023 to serving business and leisure travellers in 1H FY2024. The hotel business in Mainland China has improved as travel restrictions were gradually lifted which increased the demand for hotel rooms. The hotel business in, Singapore, Malaysia and the UK also experienced growth momentum.
- Ritz-Carlton Melbourne consisting of 257 rooms was opened on 23 March 2023 and Dorsett Melbourne consisting of 316 rooms was opened on 18 April 2023. These two newly launched hotels have marked contribution to the Group's hotel revenue growth during 1H FY2024. In the next 36 months, it is expected that the Group's hotel operations are set to achieve several significant milestones with the opening of upcoming hotel properties, such as Dorsett Kai Tak, Hong Kong, as well as Dao by Dorsett Hornsey, London and Dorsett Canary Wharf, London, that will be added to the Group's portfolio. As the global travel industry rebounded, these upcoming hotel properties are expected to make substantial contributions to the growth and profitability of the Group's recurring income businesses. The Group is well-positioned to capitalise on these opportunities and further strengthen its presence in key markets.
- Revenue from car park operations and facilities management amounted to approximately HK$356 million, a decrease of 5.2% as compared with 1H FY2023. The decrease primarily attributed to our strategic initiative to phase out underperforming car parks from our portfolio and the sale of a New

Zealand car park. Simultaneously, the Group embarked on portfolio enhancement efforts by introducing new, promising car parks. The Group's strategic focus enhancing operational efficiency while maintaining high levels of customer service. The Group has also effectively expanding its portfolio. In line with our capital recycling strategy, the Group will divest some mature car parks to unlock capital for future investments and debt reductions.

- The revenue from the Group's gaming business rose by 14.0% in 1H FY2024 year-on-year to approximately HK$151 million (net of gaming tax). The Group's gaming business was branded under "Palasino" and has experienced recovery and continuous growth since the COVID-19 pandemic. In September 2023, Palasino Holdings Limited ("Palasino") submitted the listing application form (Form A1) to the Stock Exchange of Hong Kong Limited ("Stock Exchange") to apply for the listing of and permission to deal in the share(s) in the share capital of Palasino on the Main Board of the Stock Exchange. Upon the intended reorganisation for the intended listing, Palasino will become the holding company of the Group's gaming business in the Czech Republic and hotel business in the Czech Republic, Germany and Austria (including hotels under the Trans World Corporation brand) ("Palasino Group"). The Group currently has a 90% shareholding in Palasino Group and a pre-IPO investor holds a 10% stake. For details, please refer to the announcements of the Company dated 2 June 2023 and 27 September 2023. Upon completion of the spin-off and listing of Palasino (assuming the preferential offering are fully taken up by qualifying shareholders and the over-allotment option is not exercised), the Group will hold approximately 73.21% stake in Palasino.
- BC Investment Group Holdings Limited ("BC Invest") is a company in which the Group has a stake of approximately 53%, continued to grow in 1H FY2024. BC Invest successfully issued two residential mortgage-backed security ("RMBS") bonds that raised approximately AUD963 million in aggregate in 1H FY2024. As at 30 September 2023, loans and advances maintained at approximately AUD4.2 billion (as at 31 March 2023: AUD4.3 billion). Due to a rise in interest rates and a time-lagged effect on the increase of customers' borrowing rates, the net interest margin dropped to 1.23% (1H FY2023: 1.28%). However, this is expected to improve as new customers' borrowing rates come into effect. As at 30 September 2023, BC Invest managed a total asset under management ("AUM") of approximately AUD5.3 billion (as at 31 March 2023: AUD5.3 billion).
- In 1H FY2024, the net profit attributable to shareholders decreased by 59.3% to approximately HK$ 232 million, the adjusted cash profit[i], a non-GAAP financial measure, decreased by 43.5% to approximately HK$ 507 million.
- The decrease in net profit attributable to shareholders was primarily due to (i) the rise in finance costs for 1H FY2024 to approximately HK$ 515 million; (ii) increase in selling and marketing expenses, largely due to recognition of sales commission upon the completion of West Side Place (Towers 3 and 4) in Melboune, to approximately HK$ 428 million; and (iii) non-recurring compensation income of approximately HK$475 million on the settlement agreement in 1H FY2023 which was not repeated in 1H FY2024.
- Adjusting for the non-recurring compensation of approximately HK$475 million in 1H FY2023 and the listing expenses of Palasino of approximately HK$14 million in 1H FY2024, the Group's net profit attributable to Shareholders increased by 159.1% and the adjusted cash profit[i], a non-GAAP financial measure, increased by 23.6%.

- Earnings per share in 1H FY2024 decreased by 59.8% to approximately HK 8.6 cents. The declared interim dividend for 1H FY2024 was maintained at HK4.0 cents per share (1H FY2023: HK4.0 cents per share).
- The value of the Group's adjusted total equity[(i)], a non-GAAP financial measure, decreased by 4.9% to approximately HK$ 33,178 million as at 30 September 2023. This was mainly driven by the drop in the foreign exchange rates against the Hong Kong dollar.
- Adjusted net gearing ratio[(i)], a non-GAAP financial measure, stood at 73.2% and net debt to adjusted total assets[(i)], a non-GAAP financial measure, stood almost unchanged at 35.8% as at 30 September 2023. The Group will benefit from the net proceeds of settlements from completed projects and a number of noncore assets disposals.
- The Group's net debt dropped to approximately HK$24.3 billion as at 30 September 2023 compared with HK$25.7 billion as at 31 March 2023. The Group's liquidity position stood at approximately HK$4.6 billion, with a comfortable level of cash and marketable securities available as at 30 September 2023. Furthermore, the Group had 6 hotel properties unencumbered as at 30 September 2023 which are valued at approximately HK$ 1.7 billion based on independent valuation assessed as at 31 March 2023, as well as approximately HK$ 7.2 billion in unsold residential inventory as at 30 September 2023, which helped provide the Group with liquidity.
- Adjusted net asset value per share[(i)], a non-GAAP financial measure, decreased by 4.5% to HK$ 11.14 as at 30 September 2023 as compared to HK$11.67 as at 31 March 2023.

Mr. Chris Hoong, Managing Director of FEC said: "Looking ahead, in response to this challenging environment, the Group will maintain a vigilant and prudent approach. The focus will be on completing ongoing projects, optimising capital utilisation, and exercising careful control over expenses and costs. Additionally, the Group will take proactive steps to further enhance its financial position. Despite the unpredictability of the economic landscape, the Group remains committed to assessing new prospects with the same disciplined approach, leveraging the potential opportunities that may arise. By navigating uncertain times with caution and adaptability, the Group aims to position itself for sustained growth and success."

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 November 29, 2023.

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-For more details on our results, please refer to our announcement dated November 29, 2023.

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