



*(Incorporated in the Cayman Islands with Limited Liability)*

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

*(Stock code: 35.HK)*

## **Far East Consortium Realized Revenue of HK\$10.2 Billion**

### **Reaching New Heights with Fruitful Results**

#### **ANNUAL RESULTS HIGHLIGHTS**

- FY2024 posed significant challenges for the real estate industry, with heightened market volatility brought about by fluctuating interest rates and unpredictable global economic conditions. In this demanding business environment, companies of all sizes had to assess project affordability and potential returns carefully. Businesses need to maintain a vigilant stance, closely monitoring and analysing the global economic landscape.
- Amidst these market fluctuations, adaptability and resilience emerged as crucial factors for navigating the challenges. In such uncertain scenarios, the Group needs to be agile, reacting promptly to shift conditions and revise its strategies accordingly. Flexible and agile strategies empower us to seize opportunities, manage risks, and maintain a competitive edge in a dynamic market. By embracing this quality, the Group can successfully overcome the hurdles of market volatility and achieve higher levels of success.
- Despite the challenging economic environment, the Group has remained committed to executing its strategic goals, specifically reducing debt levels and minimising finance costs. Concurrently, the Group has yielded fruitful results in FY2024 with satisfactory revenue surpassing the previous years' performance. The Group has entered a harvesting period, reaped the benefits of its efforts and achieved satisfactory results in FY2024.
- The Group achieved revenue of approximately HK\$10.2 billion in FY2024, marking an increase of 57.5% as compared with financial year ended 31 March 2023 ("FY2023"). Revenue from the Group's gaming business has been restated as gross revenue, outlining figures before gaming tax to align with the presentation of Palasino Holdings Limited ("Palasino", together with its subsidiaries "Palasino Group"). All major business divisions experienced growth, with the year's results bolstered significantly by the settlement of property development business, increased contributions from recurring income businesses, and divestment of non-core assets.
- The revenue contribution from property development continued its strong performance in FY2024, reaching around HK\$6,834 million, marking an increase of 91.6% from approximately HK\$3,566 million in FY2023. The Group initiated the handover process of West Side Place (Towers 3 and 4) in Melbourne in April 2023, and Hyll on Holland in Singapore also contributed to the Group's revenue, which was recognised over time. The Group persists with its sales strategy, working through existing inventory actively, and anticipates a consistent inflow of cash to the Group.
- The Group has stayed cautious in replenishing its residential pipeline in FY2024. In August 2023, the Group

was chosen as the preferred bidder by the Greater Manchester Combined Authority and Trafford Metropolitan Borough Council to serve as the development partner for a GBP300 million mixed-use project on the grounds of the former Greater Manchester Police Headquarters in Trafford, Greater Manchester. Additionally, in August 2023, the Group obtained planning approval for 4,800 new residences as a component of the succeeding phase of the Victoria North development, in collaboration with the Manchester City Council (“MCC”).

- The cumulative attributable presales value of properties under development and unbooked contract sales amounted to approximately HK\$11.5 billion as at 31 March 2024. The Group continues to pursue its sales strategy, actively managing existing inventory, and foresees a steady inflow of cash to the Group. The development schedule of the Group’s projects remains largely intact. Redbank Riverside – Falcon, part of the Victoria North development in Manchester, was launched in March 2024. The disposal of the office component of the Kai Tak commercial development project in Hong Kong has been completed in March 2024. Several projects, including Victoria Riverside in Manchester, Perth Hub in Perth, and Queen’s Wharf Residences (Tower 4) in Brisbane, are approaching completion stages. These projects are expected to be completed and handed over in FY2025, providing significant cash flows for the Group. Aspen at Consort Place in London has initiated the handover process in May 2024 while Hyll on Holland has initiated the handover process in June 2024.
- The Group continued its strategy of actively divesting non-core assets to reinvest in projects offering a higher internal rate of return and to repay bank borrowings. The Group finalised the sale of all remaining 130 units of Dorsett Bukit Bintang through a block deal for approximately MYR120 million in September 2023 and completed the sale of Sheraton Grand Mirage Resort, a joint venture (“JV”) hotel with 25% stake located on the Gold Coast, for AUD192 million. Furthermore, in March 2024, the Group closed the disposal of office component of the Kai Tak commercial development for HK\$3.38 billion. The Group intends to sell the long-lease residential developments in Baoshan, Shanghai within two years. The Group is currently evaluating other non-core assets for potential divestment.
- In the Group’s hotel operations, revenues increased by 31.2% year-on-year to approximately HK\$2,031 million. The hotel business in Mainland China saw improvement as travel restrictions were gradually lifted, leading to increased demand for hotel rooms. Similarly, the hotel business in Hong Kong experienced an uptick with the full lifting of COVID-19 related quarantine policies since January 2023. Hong Kong hotel properties transitioned from accommodating quarantine guests in 1H FY2023 to serving business and leisure travellers thereafter. The hotel business in Singapore, Malaysia, the UK, and Australia gained momentum throughout the year, together with two new additions to Australia’s hotel portfolio, namely Ritz-Carlton Melbourne and Dorsett Melbourne.
- Ritz-Carlton Melbourne, with 257 rooms, opened on 23 March 2023, and Dorsett Melbourne, featuring 316 rooms, opened on 18 April 2023. These two newly opened hotels contributed to the Group’s hotel revenue growth during FY2024. In the near future, the Group’s hotel operations are anticipated to achieve several significant milestones with the launch of upcoming hotel properties, including Dorsett Kai Tak in Hong Kong, Dao by Dorsett North London in London, and Dorsett Alpha Square Canary Wharf in London, all of which will be integrated into the Group’s portfolio. With the global travel industry rebounding, it is expected that these forthcoming hotel properties will greatly boost the growth and profitability of the Group’s recurring income businesses. Given the rising demand for travel and hospitality services, the Group is well-positioned to leverage these opportunities and further fortifies its presence in key markets.

- In March 2024, the Group has entered into an agreement to acquire a 10% stake in a hotel in Singapore, pending approval from the local government. The targeted hotel features 313 rooms along with amenities such as an outdoor swimming pool, restaurant, fitness center, steam and sauna facilities, launderette/games rooms, and meeting rooms.
- Revenue from car park operations and facilities management amounted to approximately HK\$732 million, a slight decrease of 3.0% as compared with FY2023. This decline was primarily due to unfavourable movement in foreign currency exchange rates. Despite this, the core business witnessed a steady improvement in revenue. At the same time, the Group introduced new, promising car parks as part of its portfolio enhancement efforts. The Group's strategic focus remains on reducing leverage, optimising operations, and enhancing operational efficiency while upholding high levels of customer service. Additional car park and facilities management contracts have been actively sought and secured, leading to an expansion of the portfolio. Following its capital recycling strategy, the Group plans to continue to divest some mature car parks to unlock capital for future investments and debt reductions.
- Palasino Holdings Limited, the holding company for the Group's gaming operations in the Czech Republic and its hotels in the Czech Republic, Germany, and Austria (inclusive of Trans World Corporation Brand hotels), successfully listed on the Main Board of the Stock Exchange of Hong Kong Limited ("Stock Exchange") on 26 March 2024. As at 31 March 2024, the Group held a controlling stake of 73.21% in Palasino and currently holds a controlling stake of 72.07% in Palasino following the partial exercise of the over-allotment option in April 2024.
- Revenue from the Group's gaming business for FY2024 and FY2023 has been restated as gross revenue, outlining figures before gaming tax and the revenue and results from Hotel Savannah has been reclassified from gaming business to hotel business, with revenue at HK\$ 402 million and HK\$ 390 million for FY2024 and FY2023 respectively, indicating a year-on-year increase of 3.1%. The Group's gaming business has consistently shown signs of recovery and growth. Additionally, the Palasino Group reinstated its online gaming license in Malta in November 2023 and has delineated plans for a soft launch of its service in Malta during FY2025.
- BC Investment Group Holdings Limited ("BC Invest"), which the Group holds approximately 53% stake, continued to grow in FY2024. BC Invest successfully issued three residential mortgage-backed security ("RMBS") bonds, raising approximately AUD1.5 billion in aggregate during FY2024. Due to an increase in interest rates and a time-lag effect on customers' borrowing rates, the net interest margin fell to 1.19% as compared with 1.39% in FY2023. However, it is anticipated to improve as the borrowing rates of new customers gradually take effect. As at 31 March 2024, BC Invest managed total assets under management ("AUM") of approximately AUD5.4 billion (as at 31 March 2023: AUD5.3 billion).
- The proposed final dividend for FY2024 is at HK10.0 cents per share (FY2023: HK10.0 cents per share). Including the interim dividend for FY2024, total dividend for FY2024 amounted to HK14.0 cents per share (FY2023: HK14.0 cents per share).

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 of the results announcement.*

-End-

For more details on our results, please refer to our announcement dated 27 June, 2024.

### **About Far East Consortium International Limited**

Far East Consortium International Limited (“FEC”, together with its subsidiaries, the “Group”) has been listed on the Hong Kong Stock Exchange since 1972 (HKEx Stock code: 35.HK). The Group is mainly engaged in property development and investment, hotel development and management, car park operations and facilities management, gaming and related operations, securities and financial product investments and provision of mortgage services. 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](http://www.fecil.com.hk)

### **FEC WeChat and Weibo:**

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



For further information, please contact:

### **Far East Consortium International Limited**

*Media enquiries:*

Toby Chan

Contact Number: (852) 2850 0635

Email: [pr@fecil.com.hk](mailto:pr@fecil.com.hk)

### **Wonderful Sky Financial Group Limited**

Angie Li & Jason Lai

Contact Number: (852) 6150 8598 / (852) 9798 0715

Email: [po@wsfg.hk](mailto:po@wsfg.hk)

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