



*(Incorporated in the Cayman Islands with limited liability)*

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

*(Stock Code: 35.HK)*

## **Far East Consortium Announces FY2026 Annual Results**

### **SUMMARY OF FINANCIAL YEAR 2026 ANNUAL RESULTS**

- The global macroeconomic environment remains defined by a complex interplay of geopolitical tensions and structural shifts in trade, contributing to a landscape of persistent uncertainty. These conditions, compounded by localised conflicts and volatile commodity markets, have necessitated a focus on financial resilience and strategic agility. As businesses navigate this period of recalibration, the ability to maintain balance sheet strength while managing the impacts of prolonged inflationary pressures remains critical to long-term stability.
- The Hong Kong property development sector has undergone a period of significant structural transition over the past twelve months. While the market has seen a gradual stabilisation in transaction volumes, the broader recovery remains tempered by persistent macroeconomic constraints. In view of these prevailing conditions, the Group has maintained a disciplined approach toward its development activities and capital commitments. Recognising that the sector is navigating a prolonged recalibration phase, we have prioritised the optimisation of internal liquidity. Central to this strategy is an ongoing commitment to deleveraging through the recycling of non-core assets to strengthen the capital structure. By prioritising debt reduction and the systematic monetisation of completed inventory, the Group is focused on enhancing financial flexibility. This approach is intended to protect against short-term market volatility while preserving the capacity to respond to high-quality opportunities.
- For the financial year ended 31 March 2026, the Group continued its strategic initiatives to monetise non-core assets, locking in a total transaction value of approximately HK\$2.5 billion. This capital recycling program comprised both completed divestments and newly executed transaction contracts during the financial year, including the completed disposal of the Group's stake in BC Investment Group Holdings Limited ("BC Invest"), the sale of a mortgage portfolio in Hong Kong, and the divestment of mature car park assets in Malaysia, alongside binding agreements entered into for the disposal of a hotel and town hall in Hornsey, office development in London, 50% interest in The Ritz-Carlton Perth, and 49.9% interest in The Ritz-Carlton Melbourne.
- These actions reflect a commitment to financial discipline and to positioning the Group for sustainable growth within a volatile global landscape. Accordingly, as at 31 March 2026, the Group's total bank loans and notes decreased by approximately HK\$1.9 billion to approximately HK\$23.5 billion, and the adjusted net gearing ratio<sup>(i)</sup>, a non-GAAP financial measure, was reduced to 63.0%. This resulted in an enhancement of the Group's capital structure and a further strengthening of the statement of financial position.
- In FY2026, revenue decreased by 31.0% to approximately HK\$6.6 billion as compared with the financial year ended 31 March 2025 ("FY2025"). Adjusted revenue<sup>(i)</sup>, a non-GAAP financial measure, reflecting the Group's revenue together with attributable revenue contributions from joint venture ("JV") property development projects, decreased by 6.5% to approximately HK\$10.0 billion. This variance was primarily attributable to less residential property developments was completed and settled during the financial year.

- Despite the scheduled phasing of project completions across its geographical portfolio, which resulted in a decrease of property development revenue to approximately HK\$2.9 billion for FY2026, the Group's other core businesses exhibited steady performance metrics, evidencing the stable nature of recurring income businesses amidst the cyclical nature of the property development business.
- Adjusted revenue from property development<sup>(i)</sup>, a non-GAAP financial measure, was approximately HK\$6.4 billion. In the United Kingdom ("UK"), Aspen at Consort Place in London reached completion in May 2025, with handover activities continuing throughout FY2026. In addition, the Group completed Victoria Riverside (Towers B and C) in Manchester, where the handover process commenced in July 2025. Property development revenue for the financial year was further supported by the monetisation of completed inventories including West Side Place in Melbourne, Australia and Mount Arcadia in Hong Kong. Within the JV property developments, The Pavilia Forest in Hong Kong and Dorsett Place Waterfront Subang (Towers A and B) in Malaysia reached completion, with both projects initiated the handover process in September 2025. In Australia, Queen's Wharf Residences (Tower 4) in Brisbane continued to contribute to adjusted revenue<sup>(i)</sup>, a non-GAAP financial measure, through ongoing handovers.
- As at 31 March 2026, the cumulative attributable presales value of properties under development and unbooked contracted sales stood at approximately HK\$8.4 billion. The Group launched 640 Bourke Street in Melbourne, Australia in late February 2025, and received a positive response. In July 2025, the Group relaunched the remaining units of Queen's Wharf Residences (Tower 5) with a further price increment and received a positive response. The Group continues to manage its development pipeline toward scheduled completion, including Victoria Riverside (Tower A) in Manchester, the UK, which is expected to reach completion in the first half of FY2027.
- In January 2026, the Group completed a development site designated for leasing purposes in Baoshan, Shanghai. The development comprises approximately 1,700 units with a lettable floor area of approximately 573,000 sq. ft.. Leasing operations commenced in late March 2026.
- Revenue from the Group's hotel operations and management business increased by 14.6% to approximately HK\$2.4 billion for FY2026 as compared with FY2025. This growth was primarily attributable to steady performance across Malaysia, Singapore, the UK and Australia, providing an offset to moderated occupancy levels and softer revenue per available room in Chinese Mainland. In FY2026, the Group expanded its presence in London and Shanghai through the opening of Dorsett Canary Wharf London, Dao by Dorsett North London and HubX Shanghai. Furthermore, Dorsett Perth in Perth, Australia is scheduled to open in the second half of FY2027.
- Revenue from car park operations and facilities management amounted to approximately HK\$666 million representing a decrease of 6.6% as compared with FY2025. The Group continued to optimise the quality of its car park portfolio through the divestment of matured assets. In March 2026, the Group completed the disposal of car park assets in Malaysia for a consideration of MYR55.0 million. In parallel, the Group secured new contracts in both car park operations and facilities management which contributed to portfolio expansion and supported improvements in operational efficiency.
- The Group's gaming business is operated under Palasino Holdings Limited ("Palasino"; Stock Code: 2536; collectively with its subsidiaries, the "Palasino Group"). The Group maintained a controlling stake of 71.62% in Palasino as at 31 March 2026. Revenue from the Group's gaming business for FY2026 increased by 9.6% to approximately HK\$448 million as compared with FY2025, primarily driven by increased visitation following successful marketing initiatives launched in Austria.
- In December 2025, Palasino Group soft launched a new casino property in Czech Republic, Palasino Mikulov. This new casino property features a gaming floor equipped with 106 slot machines and 10 gaming tables, supported by a comprehensive loyalty programme designed to capture new customer segments and drive sustainable

contributions to the local economy.

- On 31 March 2026, the Group, together with Chow Tai Fook Enterprises Limited (“JV Partner”, and collectively with the Group, the “JV Partners”) completed the acquisition of 50% equity interest in Destination Brisbane Consortium (“DBC”) from The Star Entertainment Group (“The Star”). Following this completion, the JV Partners each hold 50% equity interest in DBC and the Group recorded a gain of approximately HK\$726 million in FY2026 from the transaction. For further details, please refer to the Company’s announcements dated 12 August 2025, 22 August 2025, 17 November 2025 and 31 March 2026.
- The Group continued the execution of its deleveraging strategy through the monetisation of non-core assets and business, with the objective to reduce total indebtedness and reallocating capital to projects with higher return potential. In FY2026, the Group completed several divestments and entered into several agreements to accelerate its capital recycling program.
- In May 2025, the Group completed the disposal of its beneficial interest in a mortgage portfolio in Hong Kong for a consideration of approximately HK\$485 million, realising net proceeds of approximately HK\$344 million after accounting for the related participation agreement. The mortgage portfolio consists of mortgage loans secured on Hong Kong properties that were developed by the Group. For details, please refer to the Company’s announcements dated 22 May 2025, 27 May 2025 and 1 August 2025.
- In July 2025, the Group completed the disposal of its stake in the BC Invest with an initial consideration for approximately AUD106 million (equivalent to approximately HK\$513 million). Simultaneously, all outstanding Class R debentures of approximately AUD8.3 million and Class S participating shares of approximately GBP2.3 million held by the Group were redeemed by BC Invest or its subsidiaries prior to or in conjunction with the completion of the transaction. The Group realised a gain of approximately HK\$235 million from the transaction. For details, please refer to the Company’s announcements dated 28 February 2025, 2 May 2025 and 2 July 2025.
- In March 2026, the Group completed the disposal of its car park assets in Malaysia for a consideration of MYR55 million (equivalent to approximately HK\$105 million). The Group realised a gain of approximately MYR39.8 million (equivalent to approximately HK\$76 million) from the transaction. For details, please refer to the Company’s announcements dated 22 December 2025 and 30 March 2026.
- To further support its deleveraging objectives, the Group entered into several agreements that has reached or are expected to reach completion in FY2027. In the UK, the Group progressed with the disposal of its interests in the Hornsey Town Hall development, including the hotel and town hall, as well as its interest in an office asset in London. On 2 June 2026, the Group entered into a deed of variation to vary the terms of the sales and purchase agreements, and the revised aggregate consideration for the transactions is revised to approximately GBP59.5 million (equivalent to approximately HK\$627 million). The sale of the hotel was completed on 2 June 2026. The Group expected to record a gain of approximately GBP25.7 million (equivalent to approximately HK\$271 million) from the transactions. For further details, please refer to the Company’s announcements dated 25 February 2025, 9 May 2025, 6 March 2026 and 2 June 2026.
- Furthermore, in Australia, the Group reached an agreement in December 2025 to dispose of 50% interest in The Ritz-Carlton Perth for AUD100.0 million (equivalent to approximately HK\$515 million), and expects to record a gain of approximately AUD32.5 million (equivalent to approximately HK\$168 million) from the transaction. This transaction was subsequently completed post year-end on 29 May 2026. For further details, please refer to the Company’s announcements dated 8 December 2025 and 29 May 2026. Post year-end, the Group reached another agreement in April 2026 to dispose of 49.9% interest in The Ritz-Carlton Melbourne for approximately AUD58.2 million (equivalent to approximately HK\$315 million). The Group expects to record a gain of approximately AUD18.3 million (equivalents to approximately HK\$99 million) from this transaction. For further details, please

refer to the Company's announcement dated 1 April 2026.

- These transactions reflect the Group's ongoing commitment to optimising its asset base and strengthening its financial position.
- The Group's revenue decreased by 31.0% to approximately HK\$6,606 million in FY2026, primarily due to less property development completion as compared with FY2025. Net loss attributable to shareholders was approximately HK\$1,211 million. Aside from the lower contribution from property development, the result was primarily impacted by various impairment losses incurred during the financial year amounting to approximately HK\$1.2 billion, share of losses from JVs and associates, a decrease in fair value of investment properties, and a net foreign exchange loss. These factors were partially offset by the provisional gain from acquisition of the additional equity interest in DBC, as well as gains on disposal of interests in a JV and property, plant and equipment.
- Adjusted cash profit<sup>(i)</sup>, a non-GAAP financial measure, was approximately HK\$109 million. Loss per share in FY2026 decreased by 5.0% to HK39.6 cents. The Board resolved not to recommend a final dividend for FY2026 (FY2025: nil).
- The Group's adjusted total equity<sup>(i)</sup>, a non-GAAP financial measure, slightly decreased by 1.1% to approximately HK\$31,417 million as at 31 March 2026 as compared with 31 March 2025. This was mainly driven by the loss attributable to shareholders of the Company and a decrease in unrecognised hotel revaluation surplus, which was partly offset by an exchange gain in other comprehensive income of approximately HK\$1,015 million.
- The Group has continued to prudently manage its capital structure by refinancing shorter term debt through the bank market and monetising non-core assets and business. These initiatives were aimed at reducing indebtedness and optimising the Group's capital structure. The Group's total bank loans, notes and bonds reduced by 7.5% to approximately HK\$23.5 billion as at 31 March 2026 and net debt dropped 7.9% to approximately HK\$19.8 billion as at 31 March 2026 as compared with approximately HK\$21.5 billion as at 31 March 2025.
- The adjusted net gearing ratio<sup>(i)</sup>, a non-GAAP financial measure, decreased to 63.0%, reflecting improved capital management and disciplined financial execution. Net debt to adjusted total assets<sup>(i)</sup>, a non-GAAP financial measure, maintained at a healthy level of 32.6% as at 31 March 2026.
- The Group's liquidity position stood at approximately HK\$3,677 million, with a comfortable level of cash and marketable securities available as at 31 March 2026. Furthermore, the Group had approximately HK\$726 million in unencumbered hotel assets and unsold residential inventories as at 31 March 2026.
- Adjusted net asset value per share<sup>(i)</sup>, a non-GAAP financial measure, slightly decreased by 1.3% to approximately HK\$9.20 as at 31 March 2026 as compared to HK\$9.32 as at 31 March 2025. The Group has not repurchased any shares of the Company in FY2026.
- On 1 April 2026, the Group entered into an agreement to dispose of a 49.9% interest in The Ritz-Carlton Melbourne for approximately AUD58.2 million (equivalent to approximately HK\$315 million) with completion expected in the first half of FY2027. For further details, please refer to the Company's announcement dated 1 April 2026.
- On 1 April 2026, the Group issued a notice to the holders of the 2019 Perpetual Capital Notes electing to defer the distribution scheduled for 18 April 2026. This distribution will be deferred to the next payment date in accordance with the terms and conditions of the 2019 Perpetual Capital Notes.
- On 29 May 2026, the Group completed the disposal of a 50% interest in The Ritz-Carlton Perth for an aggregate consideration of AUD100.0 million (equivalent to approximately HK\$515 million) and is expected to recognise a gain of approximately AUD32.5 million (equivalent to approximately HK\$168 million) from the transaction. For further details, please refer to the Company's announcements dated 8 December 2025 and 29 May 2026.
- On 2 June 2026, the Group entered into a sale and purchase agreement regarding the disposal of office in the UK and deed of variation with the purchaser to vary certain terms of the disposal of office, as well as certain terms of

the disposal of hotel and town hall in the UK, the sale and purchase agreements of which were entered into in February 2025. Each of the conditions precedent under the original hotel sale and purchase agreement and the original town hall sale and purchase agreement has been fulfilled or waived as at the date of the deed of variation, and the disposal of the hotel was completed on the date of the deed of variation. The aggregate consideration for the transactions revised to approximately GBP59.5 million (equivalent to approximately HK\$627 million), covering the consideration for the target shares and the amount of the hotel loan and the office loans. The Group expected to record a gain of approximately GBP25.7 million (equivalent to approximately HK\$271 million) from the revised transactions. For further details, please refer to the Company's announcements dated 25 February 2025, 9 May 2025, 6 March 2026 and 2 June 2026.

- As a company listed in Hong Kong, the Group continues to place strong emphasis on evolving ESG disclosure standards, acknowledging its role in advancing sustainable growth and creating enduring value for stakeholders. To sharpen transparency in environmental reporting, the Group has implemented an AI-enabled carbon tracking system, enhancing both precision and efficiency in emissions measurement. Moving forward, ESG priorities will remain embedded in the Group's strategic agenda and risk oversight, with sustainable finance initiatives and digital solutions serving as key drivers in accelerating decarbonisation efforts and reinforcing resilience against climate challenges.

*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 below.

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*For more details on our results, please refer to our announcement dated 25 June 2026*

## **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, property investment, hotel operations 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, Chinese Mainland, 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 mean Hong Kong Special Administrative Region of the People's Republic of China; and "Chinese Mainland" means the People's Republic of China, excluding Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan