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FEC Newsletter Issue 4 September 2016

Stock Information

Stock Price (HK\$) (3/10/2016)	3.17
52-week range (HK\$)	3.17 – 2.05
Total shares outstanding(mn)	2,148
Market capitalisation (HK\$)	6.76bn

FY2016 Financial Highlights

Revenue (HK\$)	3,995 mn
Gross Profit (HK\$)	1,706 mn
Net Profit (HK\$)	754 mn
Adjusted Cash Profit (HK\$)	854 mn
Basic EPS (HK cents)	37
Total DPS (HK cents)	16

As at 31 March 2016

Liquidity Position (HK\$)	3,750 mn
Net Gearing Ratio	37.7%
Adjusted NAV per share (HK\$)	9.79

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I. FY2016 Annual Results

Strong Foundation for Future Growth

On 23 June, 2016, Far East Consortium International Limited announced its audited consolidated results for the year ended 31 March 2016 (“FY2016”).

The Group recorded revenue of approximately HK\$4.0 billion in FY2016. Gross profit for FY2016 was approximately HK\$1,706 million. The Group achieved better overall gross profit margin of 42.7% (FY2015: 38.1%) driven by better margin on residential development projects. Net profit attributable to shareholders amounted to approximately HK\$734 million. Basic earnings per share amounted to HK\$0.37.

The Board has recommended the payment of a final dividend for the year ended 31 March 2016 of HK\$0.13 per share (2015: HK\$0.13 per share). Including an interim dividend of HK\$0.03 per share, the full year dividend was HK\$0.16 per share in total (2015: HK\$0.16 per share), representing an increase in dividend payout ratio to 43.2%, reflecting confidence in the financial position of the Group.

The Group will continue to adhere to the regional diversification strategy focusing on “Chinese Wallet”. The Group will seek to take advantage of different property cycles in the different markets. The Group’s regional knowledge and local expertise enable it to develop and deliver products that target Asia’s rapidly-expanding and increasingly affluent middle class. With the foundation that the Group has laid in the past, the Group are well-positioned for long-term and sustainable growth and it is ready to embrace the harvest season. Looking ahead, the Group will continue to create long term value and returns for its shareholders through enhancing its net asset value and maintaining its dividend payout policy



II. Special Topic: Projects Acquisition at Perth, Australia and Manchester, the United Kingdom

Perth City Link Site, Perth, Australia

In August 2016, the Group signed a contract to purchase a key section of the Western Australia Government's Perth City Link project. The mixed-use development located adjacent to the Perth Arena will deliver more than 350 residential apartments and 250 hotel rooms managed by Dorsett on two prime lots. It is a major project being undertaken by the Western Australian Government to reconnect the Perth CBD and the entertainment district (Northbridge) for the first time in more than 100 years. FEC targets to commence the planning and construction for its development at Perth City Link during 2016/17.

The Group is very confident that the rapid growth of Asian visitors to Australia will continue and, in particular, the Group expects the beautiful city of Perth will become an important destination after its CBD projects are completed.



*Perth City Link
Perth, Australia*

Angel Meadow Site at NOMA, Manchester, the United Kingdom

The Group was appointed as the developer for a prime residential site located near Victoria Station at Manchester, the United Kingdom, by Manchester Place and The Co-operative Group. FEC intends to deliver more than 600 new homes as part of the NOMA neighbourhood and reinvigorate the historic Angel Meadow Park. Totalling approximately 9,591 square metres across four individual sites, the new homes will be available for both sale and rent and will include a landmark tower.

NOMA is a 20-acre neighbourhood in Manchester city centre developing new homes, offices, hotels, retail and leisure space around vibrant urban spaces and public realm. NOMA is being delivered by the joint venture partnership of The Co-operative Group and Hermes Investment Management. NOMA has been identified by Manchester Place as one of the major residential growth areas for Manchester, the United Kingdom. NOMA is a key city centre location and the Angel Meadow plots mark the first phase of the Northern Gateway, a sweep of land from Victoria station north taking in New Cross, The Irk Valley and Collyhurst which in total has the potential for a new neighbourhood of 7,000 homes supported by social infrastructure.

Project Facts – West Side Place

Feature	4 Residential Towers, Ritz Carlton Hotel and commercial area
SFA	Approx. 2,000,000 sq.ft.
Net lettable area	Approx. 65,000 sq.ft.
Number of apartments	Approx. 3,000
Number of hotel rooms	263 (Ritz Carlton Hotel)

Project Facts – Shatin Heights

GFA	88,800 sq. ft.
Land price	HK\$245 million (HK\$2,760 / sq. ft.)
Number of apartments ⁽¹⁾	60 apartments 3 townhouses

(1) Subject to change

II. Special Topic: The Launch of West Side Place

On 4 June, 2016, Far East Consortium International Limited launched its flagship project – West Side Place (Tower 1 and 2) at Melbourne, Australia globally and received strong response.

West Side Place is a mixed-use residential development located next to the Upper West Side development. This development is expected to have a residential saleable floor area of approximately 2 million sq. ft. from four towers with approximately 3,000 apartments. The recently launched Tower 1 and Tower 2 combined consist of approximately 1,400 apartments. A hotel which will be operated by Ritz Carlton with approximately 260 hotel rooms will be located at the top of Tower 1.

A showroom was built at Mandarin Oriental Hotel, Hong Kong, where a special VIP session was held in which our investors, analysts and corporate bankers were invited to participate. Seminars on “Why Invest in Australia” and “Latest News and Updates on Financing Australia Property Investment” were held at the VIP session. The event received encouraging response.



*VIP Session
West Side Place Launch event*

III. Media Room: Shatin Height, Hong Kong

On 23 March 2016, the Group was awarded the tender for the Government land located at Sha Tin Town Lot No.610 at Tai Po Road - Sha Tin Heights, Sha Tin, New Territories. Sha Tin Town Lot No.610 covers a site area of approximately 35,520 sq.ft. and is designated for private residential purposes, with maximum GFA 88,000 sq. ft.. The site is located at a quiet area with development potential. The Group plans to build mainly medium to large sized residential flats. The Land Premium is about HK\$245 million and set at about HK\$2,760 per sq.ft.. The total investment amount is expected to be about HK\$700 million to HK\$800 million.



Shatin Heights, Hong Kong

IV. Awards

2016 Awards	Organisation
Best Listed Company	China Financial Market
Top Eighth Best at Corporate Social Responsibility	FinanceAsia
Best IR Company (Small Cap)	HKIRA
The Silver Award - Real Estate/REIT	2015 LACP Vision awards Annual Report Competition
The Bronze Award - Consumer Services - Hotels/Restaurants/Leisure	2015 LACP Vision awards Annual Report Competition
The Top 80 Annual Reports in the Asia - Pacific Region	2015 LACP Vision awards Annual Report Competition
The Top 50 Chinese Annual Reports of 2015	2015 LACP Vision awards Annual Report Competition
All – Asia (ex – Japan) Executive Team rankings Top 3 Best Investor Relations Professional – Ms. Venus Zhao in 2016	Institutional Investor Magazine



On behalf of the company, Ms. Venus Zhao, Head of Investors Relations and Corporate Finance of FEC accepted the “Best IR Company (Small Cap)” award in the Hong Kong Investor Relations Association 2nd IR Awards ceremony

V. Investor Relations Activities

Date	Organiser	Activities	Venue
24, 28 – 30 June	DBS	Post Results NDR	Hong Kong/Singapore
27 – 28 June	CIMB	Post Results NDR	Hong Kong
27 June	CICC	Post Results Conference Call	Hong Kong
4 July	Haitong	Post Results NDR	Hong Kong
8 July	Financial PR	Hong Kong-Shenzhen Connect Conference	Shenzhen
28 – 29 August	Barclays, Credit Suisse, HSBC, AMTD, DBS, Deutsche Bank, Guotai Junan, Haitong, OCBC	MTN Programme Roadshow/ London investors conference call	Hong Kong/Singapore/London
6 October	Haitong	Haitong NDR	Hong Kong
12 October	Guosen	Hong Kong-Shenzhen Connect Conference	Shenzhen
14 October	CITIC Securities	Investor Conference	Shenzhen

VI. Company Profile

About Far East Consortium International Limited

Far East Consortium International Limited was listed on the Hong Kong Stock Exchange in 1972 (HKEx stock code: 35). The Group is mainly engaged in property development and investment, hotel operation and management, as well as car park and facilities management. The Group adopts diversified regional strategy and the “Chinese Wallet” strategy with business covering Hong Kong, Mainland China, Australia, Malaysia, Singapore, the United Kingdom and New Zealand.

The preliminary figures disclosed above are subject to change and may differ from those appearing in audited and unaudited financial statements of the Group to be published on yearly and half-yearly basis. As such they are strictly for information only and not for any other purpose. Investors are advised not to place any reliance on the information disclosed herein but to exercise due caution when dealing in the securities of the Company. Any investor who is in doubt is advised to seek advice from professional advisors.