



## Stock Information

Stock Price HK\$ (4/10/2018)	3.89
52-week range HK\$	3.61 – 4.96
Total shares outstanding (mn)	2,291 (as at 19/9/18)
Market capitalisation (HK\$)	8.8bn

## FY2018 Final Result Highlights

EPS	HK69.0 cents (+35.3% YoY)
Dividend per share	HK22.0 cents (+18.9% YoY)
NAV per share <sup>(iii)</sup>	HK\$12.41 (+15.0% YoY)
Net gearing ratio <sup>(ii)(iii)</sup>	28.7% (-2.8 ppts)
Total cumulative presale	HK\$13,374 mn (+24.7% YoY)

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## I. FY2018 Final Results - From Strength to Strength

On 26 June 2018, the Company announced the audited consolidated results for the financial year ended 31 March 2018 ("FY2018").

Revenue and net profit attributable to shareholders of the Company for FY2018 increased by 16.5% and 40.2% respectively to approximately HK\$5,831 million and HK\$1,567 million respectively as compared to the financial year ended 31 March 2017 ("FY2017") primarily due to strong recorded sales in residential developments, a solid recovery of the Group's hotel business, a steadily expanding car park portfolio, as well as a gain on sale of one of the non-core hotels of the Group.

Adjusted cash profit<sup>(i)</sup> reached a record high at HK\$1,643 million, a year-on-year increase by 42.0% from HK\$1,157 million. Presale of residential properties remained robust with cumulative presales value of properties under development amounting to approximately HK\$13.4 billion as at 31 March 2018 (HK\$10.7 billion as at 31 March 2017).

Net asset value per share<sup>(iii)</sup> as at 31 March 2018 increased by HK\$1.62 and reached approximately HK\$12.41 per share (HK\$10.79 as at 31 March 2017). Net gearing ratio<sup>(ii)(iii)</sup> was 28.7% as at 31 March 2018 (31.5% as at 31 March 2017).

The Board has proposed a final dividend of HK18.0 cents (FY2017: HK15.0 cents) per ordinary share.

- (i) Calculated by adding depreciation and amortization charges to, and subtracting fair value gain in investment properties from, net profit attributable to shareholders, adjusted for minority interests.
- (ii) Net gearing ratio represents total bank loans, notes and bonds less investment securities, bank and cash balances divided by carrying amount of total equity and hotel revaluation surplus.
- (iii) Revaluation surplus on hotel assets of approximately HK\$15,593 million was based on independent valuation carried out as at 31 March 2018 and was not recognized in the Company's consolidated financial statements but was adjusted for the calculations of net asset value per share and net gearing ratio.



## II. FEC Subsidiary Awarded the Tender for two sites at Holland Road in Singapore

On 1 March 2018, the Group was awarded the tender for acquisition of a property at Holland Road in Singapore (the “Hollandia”) for residential development at the tendered sale price of S\$183,383,800. In April 2018, the Group received the tender acceptance letter for a property known as The Estoril located at Holland Road in Singapore (the “Estoril”), accepting the tender of FEC for acquisition of the Property for residential development at the tendered sale price of S\$223,938,000.

The Hollandia is prominently located in Holland Road area, a popular residential enclave of landed homes and high-end condominiums. It is currently comprised of a 6-storey block with total freehold site area of 4,970.8 square meters (“sqm”), and may be developed into a residential project with total freehold gross floor area of approximately 10,000 sqm, subject to planning approvals from the relevant authorities.

The Estoril is located along Holland Road and situated in the prime District 10 in Singapore. It is currently comprised of two blocks of 6-storey residential apartments with total freehold site area of 7,859.6 sqm, and may be developed into a residential project with total gross floor area of approximately 12,500 sqm, subject to planning approvals from the relevant authorities.

The Estoril is adjacent to the Hollandia. The Group intends to redevelop two sites together as a combined development.

The acquisition is consistent with the Company’s regionalisation strategy and is a great addition to the development pipeline in Singapore following Artra which was successfully launched last year.



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### III. Expansion into European Hospitality Sector

#### Acquisition of Trans World Corporation

The Group completed the acquisition of Trans World Corporation (“TWOC”) on 30 April 2018. The Group paid up to US\$42 million and assumed the TWOC’s net debt at closing (not exceeding US\$11.025 million) for the acquisition.

TWOC primarily engages in the hospitality and gaming business in Germany, Austria and the Czech Republic. It currently owns and operates good quality assets with a portfolio of five hotels in Germany, Austria and the Czech Republic, and three full-services casinos in the Czech Republic under the registered brand American Chance Casinos featuring gaming tables and slot machines, destined to bring strong recurring cash flow to the Group.

The acquisition of TWOC is another strategic development in the European market for the Group and we believe it will produce synergistic benefits with our hospitality business. TWOC would add 5 hotel properties and 3 casinos to the Group’s portfolio and create good opportunities for the Group to expand its hospitality offering in Europe. The transaction will allow the Group to establish a gaming platform and will add an additional stream of steady recurring cash flow to the Group.



Route 59, Czech Republic-Austria Border

### IV. Acquisition of a New Development Site in Central Manchester at Auction

In April 2018, the Group was named winner at an online auction to acquire the 1.96-acre Dantzic Street site (the “Dantzic Street site”) in central Manchester for £5.2 million.

The site borders that of FEC’s £200 million MeadowSide development project. The project will develop 756 apartments and town houses around Angel Meadow in the NOMA neighbourhood on the northern edge of Manchester city centre.

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## V. Strategic Alliance with The Star and Chow Tai Fook

On 28 March 2018, the Group, Chow Tai Fook Group (“CTF”) and The Star Entertainment Group Limited (“The Star”) entered into an agreement under which the parties will form a strategic alliance to facilitate mutual business growth and enable each party to benefit from each other’s capabilities and scale and to leverage each party’s experience and expertise to assist in the future growth and development of each of the parties’ business, including in respect of the development of and participation in the future developments of The Star and other nominated developments, and the provision of certain marketing services.

As an integral part of the strategic alliance, the parties also entered into a subscription agreement (the “Subscription Agreement”) whereby The Star agrees to issue and allot and the Group and CTF will each subscribe for 45,825,000 fully paid ordinary shares in The Star, which, immediately after the subscription will represent 4.99% (or approximately 9.9% if aggregated) of the total fully paid ordinary shares in The Star. The subscription price paid by the Group was AU\$245.2 million.

The Star is listed on the ASX under the share code “SGR” and is one of the ASX 100 listed companies. The principal activities of The Star are the management of integrated resorts with gaming, entertainment and hospitality services. The Group has certain joint-venture projects with The Star and CTF in Queen’s Wharf in Brisbane, Sydney and Gold Coast where The Star also owns and operates various world class integrated resorts. The Star currently holds three gaming licenses in New South Wales and Queensland.

This strategic alliance is an advancement of a great partnership and will allow more synergies to be extracted by leveraging the strengths of each party. We are very excited about the significant immediate opportunities that lie ahead of us. For the Group, in addition to being able to benefit from the projects on which the partners are already working together, we will also be able to gain from the growth of The Star going forward



Concept of Queen’s Wharf Brisbane

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## VI. Launch of West Side Place (Tower 3)

In May 2018, the Group launched Tower 3 of West Side Place in Melbourne. The project is part of a landmark project of the Group in Melbourne, featuring four high-rise towers located within the CBD.

With the first two towers of the development expected to be completed in the financial year ending 31 March 2021 and Towers 3 and 4 expected to be completed in the financial year ending 31 March 2022/2023, this development is expected to strengthen the Group's cashflow and earnings in the coming few years.



*West Side Place, Melbourne*

## VII. Won Bid for the Highly Sought-after GLS Site on Cuscaden Road in Singapore

In May 2018, together with SC Global Developments and New World Development, the Group won the bid at a total premium of S\$410 million (around HK\$2.4 billion) for the highly sought-after GLS site on Cuscaden Road, Singapore. The 61,597 square feet ("sq.ft.") residential plot will provide a maximum of 172,472 sq.ft. floor area.

A site in this location is rare and our plan is to deliver a high end residential scheme that is able to set a new benchmark in Singapore in terms of quality.



GLS Site on Cuscaden Road

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## VIII. Launch of Hornsey Town Hall

In May 2018, the Group launched Hornsey Town Hall in North London, a landmark development with a hotel and art centre around the iconic Town Hall, located at the heart of Crouch End in North London.

It is a mixed-use redevelopment project which involves the conversion of an existing townhall into a hotel/serviced apartment tower and a town hall with communal areas, as well as a residential component which will provide 135 apartments with a saleable floor area of approximately 107,000 sq. ft..



*Hornsey Town Hall*

## IX. Acquisition of a Property at 21 Anderson Road in Singapore

In June 2018, the Group entered into an agreement to acquire a freehold property currently known as “21 Anderson Royal Oak Residence”, located at 21 Anderson Road Singapore, which comprises 34 residential units with total gross floor area of 87,000 sq.ft.. The Property is situated in the District 10 in Singapore, enjoying an unparalleled location close to Orchard Road and Raffles Girls' School (secondary).

## X. Awarded the Tender for the Surfers Paradise Transit Centre and Bruce Bishop Car Park in Gold Coast, Queensland

In July 2018, the tender submitted together with Care Park, a subsidiary of the Group, to acquire the Surfers Paradise Transit Centre and Bruce Bishop Car Park in Gold Coast (the “Proposed Acquisition”) has been accepted by the Council of the City of Gold Coast at A\$48,000,000. The finalization of the Proposed Acquisition is subject to the approval of Supreme Court of Queensland.

The Proposed Acquisition will further expand the Group’s car park operations as one of the four core growth pillars and will add steady cash flow to the Group. The Group intends to continue operating the entire onsite car park under the brand of Care Park as well as taking over the maintenance of the facility, and at a future time to obtain approval for the redevelopment of part of the site.

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## XI. Awards

2018 Awards	Organization
Best Managed Company in Asia in the Real-Estate Category	Euromoney
Best Mid-Cap Company in Hong Kong 2018	FinanceAsia
Platinum Award of "The Asset Corporate Awards 2017"	The Asset Corporate Award 2017
Best Sector – Real Estate Best Investor Relations Officer (small-and-mid-cap) – Ms. Venus Zhao	IR Magazine
Golden Hong Kong Stocks Awards 2017	Golden Hong Kong Stocks Awards 2017
Best Innovation Award Best Director Award – Venus Zhao	1 <sup>st</sup> China Excellent IR Award
Best Investor Relations Professional Second Place Nominated by Buy-Side – Ms. Venus Zhao	Institutional Investor Magazine 2017
Best Investor Relations Company in Hong Kong Asia's Best CEO in Investor Relations Best Investor Relations Professional in Hong Kong – Venus Zhao	Corporate Governance Asia 2018
Best IR Company (Small Cap) Best IR by CFO – Angus Chan Best Digital IR Best IR in Corporate Transactions (Small Cap) Best Investor Meeting	2018 4 <sup>rd</sup> Investor Relations Awards by HKIRA
Asia's Best CEO in Investor Relations – Tan Sri Dato' David Chiu Best Investor Relations Company in Hong Kong Best Investor Relations Professional in Hong Kong – Venus Zhao	Asian Excellence Award 2018

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## XII. Recent and Upcoming Investor Relations Activities

Date	Organiser	Activities	Venue
5 Jan 18	Guoshen	NDR	Shenzhen
10 Jan 18	Guoshen	Online NDR	Hong Kong
8-10 Feb 18	CITI	Investor Conference	Hong Kong
7-9 Mar 18	Morgan Stanley	Investor Conference	Hong Kong
15-16 Apr	ICBCI	NDR	Beijing
27-30 Apr 18	UOB	Investor Conference	Hong Kong
14-18 May 18	Deutsche Bank	Investor Conference	Singapore
12-13 Jun 18	HSBC	2nd Asia Credit Conference	Hong Kong
27 Jun 18	Fosun	Post-results NDR	Hong Kong
27,29 Jun 18	DBS	Post-results NDR	Hong Kong
28 Jun 18	CIMB	Post-results NDR	Hong Kong
29 Jun 18	CITI	Investor Conference	Hong Kong
3 Jul 18	AMTD	Post-results NDR	Hong Kong
4-5 Jul 18	CIMB	Post-results NDR	Kuala Lumpur, Singapore
9 Jul 18	DBS	Post-results NDR	Singapore
8-12 Oct 18	Jefferies	NDR	Europe
22-23 Oct 18	JP Morgan	NDR	Sydney, Melbourne
8 Nov 18	Goldman Sachs	China Conference 2018	Shenzhen

## XIII. Company Profile

### About Far East Consortium International Limited

Far East Consortium International Limited has been listed on the Hong Kong Stock Exchange since 1972 (HKEx stock code: 35). FEC is mainly engaged in property development and investment, hotel operation and management, as well as car park, gaming and facilities management. FEC adopts diversified regional strategy and the “Asian Wallet” strategy with business covering Hong Kong, Mainland China, Australia, Malaysia, Singapore, the United Kingdom, Europe 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 FEC 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 advisor.