



## Stock Information

Stock Price (HK\$) (10/2/2021)	2.75
52-week range (HK\$)	2.07 – 3.55
Market capitalisation (HK\$ bn)	6.59

## 1H FY2021 Interim Result Highlights

Earnings per share (HK cents)	14.8 (-51.3% YoY)
Dividend per share (HK cents)	4.0 (+0% YoY)
NAV per share <sup>(iii)</sup> (HK\$)	12.31 (+6.2% compared to as of 31.3.2020)
Net gearing ratio	56.8% (+0.1 ppt compared to as of 31.3.2020)
Total cumulative presales (HK\$ mn)	13,438 (+9.8% compared to as of 31.3.2020)

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# I. FY2021 Interim Results – Profitability Maintained Despite Global Economic Headwinds

On 26 November 2020, Far East Consortium International Limited (“FEC” or “the Group”) was pleased to announce its unaudited consolidated results for the six months ended 30 September 2020 (“1H FY2021”).

The Group’s performance in 1H FY2021 was inevitably impacted by the global outbreak of the COVID-19. To varying degrees, all our businesses have been affected. Revenues fell to approximately HK\$3.1 billion in 1H FY2021, a decrease of 39.2% compared to the six months ended 30 September 2019 (“1H FY2020”). The Group recorded a lower contribution from property development in 1H FY2021, a drop of 36.9% year-on-year, due to less development completion compared to 1H FY2020. But despite the COVID-19, the Group successfully completed in 1H FY2021 a residential development project, Artra in Singapore, and the lower levels of West Side Place (Towers 1 and 2) in Melbourne. The Group’s hotel revenues fell by 53.2% year-on-year, however, the Group took decisive and early actions across its portfolio. These measures, combined with an improvement in the business environment, have led to a gradual recovery in hotel performance since June 2020, especially in Hong Kong, the main contributor to our hotel operations. Contribution from car park operations and facilities management declined by 44.0% due to the lockdown measures and/or travel restrictions imposed by various cities or states where the Group operates. In the gaming operations, the temporary and mandatory closure of our 3 casinos for a few months was also unhelpful. However, the Group took swift actions to reduce operating expenses.

Profit before tax and net profit attributable to shareholders decreased by 15.5% and 51.1% to HK\$831 million and HK\$350 million, respectively in 1H FY2021. Adjusted cash profit<sup>(i)</sup> was HK\$517 million, a decrease of 50.0% compared to 1H FY2020.

Earnings per share in 1H FY2021 decreased by 51.3% to HK14.8 cents (1H FY2020: HK30.4 cents) during the period. Interim dividend for 1H FY2021 was sustained at HK4.0 cents per share (1H FY2020: HK4.0 cents per share). Net asset value per share<sup>(ii)</sup> rose by 6.2% from HK\$11.59 as at 31 March 2020 to HK\$12.31 as at 30 September 2020. The Group also repurchased approximately 11 million shares for a total consideration of approximately HK\$30 million in 1H FY2021.

### Notes:

(i) Adjusted cash profit is calculated by adjusting for fair value changes in investment properties and by adding depreciation and amortisation charges to profit after tax.

(ii) Includes hotel revaluation surplus.



Artra, Singapore



West Side Place (Towers 1 and 2), Melbourne

## II. Sale of Retail Components of Artra, Singapore and Astoria Crest, Hong Kong

During 1H FY2021, the Group entered into agreements to sell the retail units of Artra in Singapore and Astoria Crest in Hong Kong, amounting to SGD55.2 million (approximately HK\$312 million) and HK\$40 million, respectively. As part of its monetization strategy, the Group will keep exploring opportunities to recycle capital by selling non-core assets.

Artra is a residential project located next to the Redhill MRT station and adjacent to Alexandra Park Connector in Singapore. The Group has a 70% stake in Artra. This residential development comprises 400 apartments with saleable floor area of approximately 409,000 sq. ft. and attributable gross development value of approximately HK\$2,883 million. The project has won Gold Award - BCA Green Mark Award 2019 for New Building and completed in 1H FY2021.

Astoria Crest is a residential development site at Hai Tan Street, Sham Shui Po, Hong Kong which was acquired by the Group through Urban Renewal Authority. This residential development comprises 72 apartments with saleable floor area of approximately 20,000 sq. ft. and total gross development value of approximately HK\$421 million. The project is completed in 1H FY2020.



Artra, Singapore



Astoria Crest, Hong Kong

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### III. Signed an 18-Year Lease Contract in Wuhan

On 30 September 2020, the Group has entered into an 18-year lease contract with a flagship sports goods retailer, Shanghai Really Sports Equipment Limited Company (“Really Sports” or the “Tenant”), for its Wuhan mall named “Hong Kong & Macao Center”, located at the heart of downtown Wuhan on Jiangnan Road.

Really Sports, one of the largest sports goods retailers in China, has teamed up with various international sports brands including Nike, Adidas, Puma, Onitsuka Tiger, Originals and Jordan, to offer superior sports shoes, apparels, fitness equipment, and related accessories. Really Sports operates a nationwide retail network with over 1,000 retail stores and has over 5,000 employees.

The 18-year lease commencing in October 2020 comprises seven floors with a total retail area of approximately 312,000 sq. ft.. Yearly rental amounts to approximately HK\$50 million, with 8.0% step-up increase every three years. The Tenant will also invest capital to further upgrade this prime city center asset.

**Mr. Chris HOONG, Executive Director and Managing Director of FEC,** said, “We are delighted to secure a sizeable 18-year long lease with a renowned retailer in China. The lease contract demonstrates the attractiveness of our retail assets. FEC will continue to review our retail assets portfolio with the view to extract additional value for our shareholders.”



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## IV. Residential Mortgage-Backed Securities Deal of BC Invest

On 10 November 2020, BC Invest, a diversified financial services group, c.51% owned by the Group, priced its inaugural Australian dollar-denominated residential mortgage-backed security (“RMBS”) deal, from its Ruby RMBS programme.

The transaction was upsized from A\$260 million to A\$416 million in response to strong investor demand across all tranches. The RMBS are backed primarily by first mortgage loans to non-Australian resident borrowers secured by mortgages over Australian residential properties. This inaugural issue marked a major milestone for BC Invest and allowed BC Invest to access the capital markets at a more attractive cost of fund. BC Invest continues to broaden its sources of financing and is in active discussion with institutional investors and international banks to secure additional funding.

**Mr. Chris HOONG, Executive Director and Managing Director of FEC,** said, “We are delighted with the successful launch of BC Invest’s first RMBS offering against a volatile market backdrop. We are particularly pleased with the quality of the investors that have participated and the strong support and endorsement they have demonstrated to BC Invest. This inaugural issue marks a major milestone for both BC Invest and FEC. BC Invest has ambitious plans to grow internationally. Access to capital markets at attractive terms will enable BC Invest to be even more competitive going forward and stands it in great stead to embark on its next phase of development.”

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## V. Bought Back US\$50 Million of 2021 Notes through Tender Offer

As part of the Group's balance sheet capital management exercise, the Group bought back US\$50 million principal amount of the notes maturing in 2021 through a tender offer in November 2020.

## VI. Priced a New Issue of US\$235 Million 5.1 Per Cent. 3-year Notes Due 2024

on 18 January 2021, the Group successfully priced a new issue of US\$235 million 5.1 percent 3-year Notes due 2024 by its wholly-owned subsidiary, FEC Finance Limited (the "Issuer"), under the US\$2,000,000,000 Guaranteed Medium Term Note Programme (the "Notes").

The 3-year Notes carry an interest rate of 5.1 per cent. per annum payable semi-annually in arrear on 21 January and 21 July in each year, commencing on 21 July 2021.

The estimated net proceeds from the issue of the Notes, after deduction of commission and administrative expenses, will approximately be US\$233,750,000 (approximately HK\$1,823,250,000), and are intended for refinancing, business development and general corporate purposes for the Group.

UBS AG Hong Kong Branch, Credit Suisse (Hong Kong) Limited, The Hongkong and Shanghai Banking Corporation Limited and Guotai Junan Securities (Hong Kong) Limited are the Joint Lead Managers in relation to the issue of the Notes.

**Mr. Chris HOONG, Executive Director and Managing Director of FEC,** said, "The Group is very pleased to have completed the pricing of the Notes. Despite a challenging and volatile market environment, we will have raised substantial funds and attracted a number of new investors to the Company. Issuance of Notes will help the Company to refinance its existing debts, including notes maturing in September 2021 and will help the Company to keep a diversified source of funding. The Group continues to explore potential opportunities to invest but also to divest. We are committed to remain prudent and focused on delivering for all our stakeholders."

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## VII. Awards

2020-2021 Awards	Organization
<b>FinanceAsia's Best Companies Poll 2020</b> <ul style="list-style-type: none"> <li>• Best Mid-Cap Company in Hong Kong</li> <li>• Best CEO in Hong Kong - Ranked 2<sup>nd</sup> – Tan Sri Dato' David Chiu</li> <li>• Best Managed Company - Ranked 2<sup>nd</sup></li> <li>• Best Corporate Governance - Ranked 2<sup>nd</sup></li> <li>• Most Committed to Social Causes – Ranked 3<sup>rd</sup></li> </ul>	FinanceAsia
<b>2020 6<sup>th</sup> Investor Relations Awards by HKIRA</b> <ul style="list-style-type: none"> <li>• Best IR Company</li> <li>• Best IR by Chairman / CEO – Tan Sri Dato' David Chiu</li> <li>• Best IR by CFO – Mr. Boswell Cheung</li> <li>• Best ESG (E)</li> <li>• Best ESG (S)</li> <li>• Best ESG (G)</li> </ul>	HKIRA
<b>Directors Of The Year Awards 2020</b> <ul style="list-style-type: none"> <li>• Directors of The Year Awards 2020 – Listed Companies (Executive Director) – Mr. Chris Hoong</li> </ul>	Hong Kong Institute of Directors
<b>IR Magazine Awards – Greater China 2020</b> <ul style="list-style-type: none"> <li>• Best IR website</li> </ul>	IR Magazine
<b>10<sup>th</sup> Asian Excellence Award 2020</b> <ul style="list-style-type: none"> <li>• Asia's Best CEO – Tan Sri Dato' David Chiu</li> <li>• Asia's Best CFO – Mr. Boswell Cheung</li> <li>• Best Investor Relations Company</li> <li>• Best Environmental Responsibility</li> </ul>	Corporate Governance Asia
<b>4<sup>th</sup> China IR Excellence Awards</b> <ul style="list-style-type: none"> <li>• Best ESG Award</li> <li>• Best Leader Award</li> </ul>	Roadshow China
<b>The Asset ESG Corporate Awards 2020</b> <ul style="list-style-type: none"> <li>• Gold Award</li> </ul>	The Asset
<b>2020 International ARC Awards</b> <ul style="list-style-type: none"> <li>• Gold Prize – Property Development: Residential</li> <li>• Gold Prize – Property Development: Various &amp; Multi-Use</li> <li>• Gold Prize – Real Estate Development/SVC: Residential Properties</li> <li>• Silver Prize – Hotel &amp; Leisure</li> <li>• Honors Prize – Real Estate Development / SVC: Retail / Shopping Centers</li> </ul>	Mercomm, Inc.
<b>MarCom Awards 2020</b> <ul style="list-style-type: none"> <li>• Gold Award – Print Media – Design (Print): Logo</li> <li>• Gold Award – Video / Audio – Video / Film: Corporate Image</li> <li>• Gold Award – Digital Media – Design (Web): Website</li> </ul>	Association of Marketing and Communication Professionals (AMCP)
<b>iNOVA Awards 2020</b> <ul style="list-style-type: none"> <li>• Gold Award – Video: Property Development &amp; Investment</li> <li>• Silver Award – Corporate Websites: Corporate Image</li> <li>• Silver Award – Video: Conglomerate</li> </ul>	Mercomm, Inc.

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## VIII. Recent Investor Relations Activities

Date	Organiser	Activities	Venue
2 – 3 Jul 2020	DBS	Post Results NDR	Hong Kong/ China/ Singapore/ London (Virtual Conference)
6 Jul 2020	Soliton	Post Results NDR	Hong Kong
6 – 7 Jul 2020	AMTD	Post Results NDR	Hong Kong/ China/ Macau (Virtual Conference)
7 Jul 2020	CIMB	Post Results NDR	Singapore (Virtual Conference)
8 – 10 Jul 2020	DBS	Post Results NDR	United States (Virtual Conference)
9 Jul 2020	Financial PR	16 <sup>th</sup> Scaling New Heights Asia Investment Forum 2020	Hong Kong
12 Jul 2020	DBS	Post Results NDR	Hong Kong (Virtual Conference)
13 Oct 2020	AMTD	NDR	Hong Kong/ China (Virtual Conference)
27 – 30 Nov 2020	DBS	Post Results NDR	Hong Kong/ Singapore (Virtual Conference)
1 Dec 2020	Credit Suisse	Post Results NDR	Hong Kong/ Singapore (Virtual Conference)
3 Dec 2020	Haitong	Post Results NDR	Singapore (Virtual Conference)
7 Dec 2020	BNP	Post Results NDR	UK / Denmark (Virtual Conference)
8 Dec 2020	Jefferies	Post Results NDR	Singapore (Virtual Conference)
5 Jan 2021	Roadshow China	NDR	China (Virtual Conference)

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

Far East Consortium International Limited has been listed on the Hong Kong Stock Exchange 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.

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.