



(Incorporated in the Cayman Islands with limited liability)

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

(Stock Code: 35.HK)

**Far East Consortium (Stock Code: 35.HK)
Announces FY2020 Annual Results
Steering Through a Challenging Environment**

ANNUAL RESULTS HIGHLIGHTS

- FY2020, despite the global economic headwinds, the Group achieved record-breaking revenues of HK\$7.5 billion, up 8.9% year-on-year, which were mainly contributed by the strong performance from sales of properties which amounted to HK\$4.8 billion, up 26.9% year-on-year.
- The Group completed three residential projects and launched five new projects in FY2020. Cumulative presales value of properties under development amounted to approximately HK\$12.2 billion as at 31 March 2020. The projected gross development value (“GDV”) of the Group’s residential development pipeline was HK\$51.6 billion as at 31 March 2020.
- Revenue from the Group’s recurring income business decreased by 13.7% year-on-year to HK\$2.6 billion. Hotel revenue dropped by 26.0% year-on-year due to a pronounced reduction in the leisure and international business travel sectors. However, the performance of the car park operations and facilities management, and the gaming operations remained relatively stable, enjoying a slight increase in revenue of 5.5% and 4.6% year-on-year, respectively.
- BC Group Holdings Limited continued to grow strongly in FY2020 with loans and advances rising from AUD626 million as at 31 March 2019 to AUD976 million as at 31 March 2020. Net interest margin expanded to 2.07% as at 31 March 2020.
- Net profit attributable to shareholders of the Company and adjusted cash profit⁽ⁱ⁾ amounted to HK\$366 million and HK\$842 million, respectively.
- On the capital structure management front, the Group issued US\$360 million in senior guaranteed perpetual capital notes to strengthen its capital base and finance its business expansion. The net gearing ratio⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾ was maintained at a healthy level of 56.7% as at 31 March 2020.
- Cost control initiatives were implemented to mitigate the impact of COVID-19, the Group expects net annualized savings of approximately HK\$170 million. Coupled with the incentives and compensation programmes offered by various governments across the regions, whereby the Group expects to receive approximately HK\$140 million, the financial impact of COVID-19 in FY2021 will be, to some extent, mitigated.
- Earnings per share amounted to HK\$15.5 cents during FY2020.

- Adjusting for the revaluation surplus on hotel assets of approximately HK\$16,348 million⁽ⁱⁱⁱ⁾, based on independent valuation assessed as at 31 March 2020, net asset value attributable to shareholders of the Company was approximately HK\$27,467 million. Net asset value per share for the Company as at 31 March 2020 was approximately HK\$11.59.
- A final dividend for FY2020 was declared at HK\$15 cents per share which translates into a total dividend for the year of HK\$19 cents per share.
- During FY2020, the Group repurchased approximately 50 million shares for a total consideration of approximately HK\$170 million.

(30 June 2020, Hong Kong) – **Far East Consortium International Limited** (“FEC” or the “Group”; Stock Code: 35.HK) is pleased to announce its annual results for the financial year ended 31 March 2020 (“FY2020”). The Group achieved year-on-year revenue growth of 8.9% to HK\$7.5 billion despite the global economic headwinds in FY2020. The Group has taken active steps to reduce costs and shore up liquidity to prepare for a prolonged period of uncertainty. The Group is well positioned to benefit from a recovery in economic activity.

During FY2020, the Group completed three residential development projects, comprising Astoria Crest and The Garrison in Hong Kong and The Towers at Elizabeth Quay in Perth. Artra in Singapore also contributed to property sales revenue, with the vast majority of units successfully presold and construction entering the final phase. The Group launched five new projects with total expected attributable GDV of HK\$7.2 billion, comprising Aspen at Consort Place in London, Queen’s Wharf Residences (Tower 4) in Brisbane, The Star Residences – Epsilon in Gold Coast, Dorsett Place Waterfront Subang in Malaysia and Cuscaden Reserve in Singapore. In addition, the Group acquired additional land during the year, including a site at Bourke Street in Melbourne and land comprising the Network Rail of Northern Gateway in Manchester. The Group also signed an agreement to acquire Ensign House in Canary Wharf, London and entered into a memorandum of understanding with Sainsbury’s to redevelop Sainsbury’s site at Whitechapel in East London.

The hotel operations were unavoidably affected by the global COVID-19 pandemic, the Group implemented cost control measures and modified its marketing strategy to mitigate the impact. Meanwhile, three new hotels, namely the Oakwood Premier AMTD Singapore, the Ritz-Carlton hotel in Perth and the J-hotel in Kuala Lumpur, started to contribute to the Group’s recurring income business. To further enhance its recurring revenue stream, the Group acquired a commercial site adjoining the Kai Tak Sports Park with an intention to develop a flagship Dorsett hotel, together with some office and retail space. In addition, the Group acquired a site at Baoshan District in Shanghai and intends to develop a few blocks of residential units to be leased out.

The performance of car park operations and facilities management, and the gaming operations remained relatively stable. New management contracts were added to the car park portfolio and gaming revenues of Trans World Corporation (“TWC”) were recognized for the full-year for the first time and grew year-on-year.

Mr. Chris HOONG, Managing Director of FEC said: “Despite the highly challenging environment in FY2020, FEC achieved record-breaking revenues of over HK\$7.5 billion, representing an increase of 8.9% year-on-year. The global economic uncertainty has inevitably put pressure on the Group’s operations across the region. However, the Group has taken a number of cost control and other measures to navigate and mitigate the current challenges. The Group is also actively evaluating individual sale of hotel or redevelopment of hotels into residential units to unlock value in the portfolio. We believe our geographical and sector diversification is our strength in this challenging environment. With our diversified business portfolio and strong balance sheet, we are confident that FEC is well positioned to take

advantage of the economic rebound. The Group is committed to maintaining a progressive dividend policy in the long term.”

Notes:

- (i) *Adjusted cash profit is calculated by adjusting for fair value changes in investment properties and by adding depreciation and amortisation charges to, and subtracting gain recognized on bargain purchase of TWC from, net profit attributable to shareholders. The amounts are 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\$16,348 million was based on independent valuation carried out as at 31 March 2020 (excluding Ritz-Carlton hotel in Perth and J-hotel in Kuala Lumpur, which are newly opened and valued at cost) and was not recognized in the Company’s consolidated financial statements, but was adjusted for the calculations of net asset value per share and the net gearing ratio.*

For more details on our results, please refer to our announcement dated 30 June 2020.

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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.

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