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(Incorporated in the Cayman Islands with limited liability)
Website: http://www.fecil.com.hk
(Stock code：35.HK)

FEC Announces 2016/17 Interim Results

Encouraging Half Year Results

Solid Foundation for Sustainable Growth

INTERIM RESULTS HIGHLIGHTS

- Revenue and net profit attributable to shareholders of the Company for 1H FY2017 increased by 59.0% and 158.9% respectively to approximately HK$3.0 billion and HK$681 million respectively, compared with that in 1H FY2016, primarily due to strong sales performance in residential developments in Shanghai and Melbourne. Performance of hotel division was largely stable whilst car park division recorded moderate growth.
- Presale of residential properties remained robust with cumulative presales value of properties under development amounting to approximately HK$9.8 billion (HK$7.5 billion as at 31 March 2016) following the successful launch of West Side Place Towers 1 and 2 in Melbourne.
- Bank and cash balances and investment securities of the Group increased to approximately HK$5.4 billion as at 30 September 2016 (HK$3.8 billion as at 31 March 2016).
- Net gearing ratio(i) was at 31.6% as at 30 September 2016 (37.7% as at 31 March 2016).
- Interim dividend for 1H FY2017 increased to HK3.5 cents per share (1H FY2016: HK3 cents per share).
- Net assets attributable to shareholders as at 30 September 2016 amounted to approximately HK$9.86 per share, adjusted for hotel revaluation surplus(ii).
- For the 1H FY2017, the Group was honoured with several international awards in relation to company management, investor relations, corporate governance and corporate social responsibility including the prestigious "Best Managed Company in Asia in the Real Estate Category" award from *Euromoney*.

(23 November, 2016, Hong Kong) – Far East Consortium International Limited ("FEC" or the "Group", SEHK: 35) is pleased to announce its unaudited consolidated results for the six months ended 30 September 2016 ("1H FY2017").

The Company's consolidated revenue for 1H FY2017 was approximately HK$3.0 billion, an increase of 59.0% as compared with the six months ended 30 September 2015 ("1H FY2016"). Net profit attributable to shareholders of the Company for 1H FY2017 increased by 158.9% to approximately HK$681 million, compared with that in 1H FY2016. Earnings per share increased by 133.6% year-on-year to HK32.0 cents for the period. Net assets attributable to shareholders as at 30 September 2016 amounted to approximately HK$9.86 per share, adjusted for hotel revaluation surplus[(ii)]. Interim dividend for 1H FY2017 increased by 16.7% to HK3.5 cents per share (1H FY2016: HK3 cents per share).

Bank and cash balances and investment securities of the Group increased by 44.6% to approximately HK$5.4 billion as at 30 September 2016 (HK$3.8 billion as at 31 March 2016), which, together with undrawn banking facilities of approximately HK$5.0 billion, provides a strong war chest for the Group's business expansion. As at 30 September 2016, the Group's net debts reduced by approximately HK$1.2 billion to HK$6.7 billion and net gearing ratio[(i)] was at 31.6% (37.7% as at 31 March 2016). In September 2016, the Company issued US$300 million 3.75 percent 5-year notes (the "Issue") due on 8 September 2021 under a medium term note programme established in August 2016. The Issue represented a highly successful fundraising by the Group in the international capital markets, and helped to extend the debt maturity profile of the Group.

Revenue from sales of properties amounted to approximately HK$1,960 million in 1H FY2017, a robust increase of 120.5% year-on-year. During 1H FY2017, two projects were completed, namely Manhattan at Upper West Side (Stage 4) in Melbourne and King's Manor (apartments) in Shanghai.

During 1H FY2017, the Group launched presales of four of its residential development projects, namely (i) West Side Place Towers 1 and 2; (ii) town houses at King's Manor; (iii) The Royal Crest II; and (iv) Tower 1 at Royal Riverside. Total expected gross development value ("GDV") and saleable floor area of these four development projects are approximately HK$7.7 billion and 1.5 million square feet ("sq. ft.") respectively.

Presales value as at 30 September 2016 achieved a record high at HK$9.8 billion, with a development pipeline of HK$38 billion providing a clear visibility of the Group's future profitability.

Revenue from hotel operations and management amounted to approximately HK$616 million in 1H FY2017, a slight decrease of 1.0% as compared to 1H FY2016. Hong Kong remains the main contributor to the Group's hotel performance and recorded total revenue of HK$287 million, representing approximately 46.6% of the Group's revenue from its hotel operation. The hotel business environment in Hong Kong has just started to turn around. During the challenging times, the Group adjusted its distribution strategy and launched a number of sales and marketing campaigns to minimize the adverse effect. In the next 6 months, it is anticipated that two new hotels will be opened, namely Dorsett City in London and Silka Tsuen Wan in Hong Kong. These two new hotels will add approximately 700 rooms to the Group's current operating portfolio. As at 30 September 2016, the Group operated 20 owned hotels (9 in Hong Kong, 5 in Malaysia, 4 in Mainland China, 1 in Singapore and 1 in London) with approximately 6,000 rooms and had 13 hotels in the development pipeline. When all the hotels in the pipeline become operational, the Group will have 33 owned hotels operating more than 9,300 rooms.

The Group's car park and facilities management business recorded revenue of approximately HK$309 million in 1H FY2017, representing an increase of 3.3% year-on-year. During 1H FY2017, approximately 5,200 car park bays were added to the Group's car park management portfolio. As at 30 September 2016, the Group's car park portfolio comprised 399 car parks with approximately 76,200 car parking bays. As at 30 September 2016, the Group had 58 contracts in relation to facilities management services. It is expected that the car park operations and facilities management business will continue its steady growth as it seeks to expand geographically into new markets.

In October 2016, the Queensland Government, Australia granted a new casino license to the Destination Brisbane

Consortium (the “Consortium”), a joint venture between the Group, The Star Entertainment Group Limited (“The Star”) and Chow Tai Fook Enterprises Limited (“CTF”), for its Queen’s Wharf Brisbane project.

In November 2016, the Group was announced as the preferred bidder of the Hornsey Town Hall redevelopment project in London, the United Kingdom. The site will be converted into a mixed-used development featuring residential component, a hotel and a town hall with communal areas.

The Group, together with The Star and CTF, is also in the process of acquiring the entire interests in Sheraton Mirage, a five-star hotel at Gold Coast, Australia. The beach front hotel with 295 rooms and suites is intended to complement the Consortium’s Queen’s Wharf Brisbane project as a satellite hotel.

Mr. David CHIU, Chairman of the Company said: “I am very proud that FEC has won a number of prestigious awards in recognition of the Group’s effort to increase its corporate transparency. We have laid a strong foundation for our robust growth and I am confident that with the infrastructure we have built, we are able to capture the significant opportunities ahead as a result of the growing global tourism and the increasingly active international property investments by Asian buyers.”

Mr. Chris HOONG, Managing Director of the Company said, “FEC will continue to adopt the Chinese Wallet Strategy to invest globally leveraging on local expertise and taking advantage of different property cycles in different markets. Weak sterling provides us a good timing for UK expansion, while more opportunities overseas are anticipated. Dorsett is now wholly owned by the Group which undoubtedly benefits the Group in terms of capital deployment flexibility. The stable growth in car park operations and facilities management provides the Group with healthy and steady revenue and cashflow. In conclusion, the Group’s foundation for growth is solid and the Group will continue to bring long-term growth to our Shareholders.”

Notes:

(i) 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.

(ii) Revaluation surplus on hotel assets of approximately HK$10,732 million was based on independent valuation carried out as at 31 March 2016 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.

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<u>About Far East Consortium International Limited</u>

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.

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