



*(Incorporated in the Cayman Islands with Limited Liability)*

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

*(Stock code: 35.HK)*

**Strong Recovery with 1H FY 2022  
Net Profit Attributable to Shareholders Up 206.3% to HK\$1,071 million**

**INTERIM RESULTS HIGHLIGHTS**

- The COVID-19 pandemic continues to impact the Group's businesses; however, the Group took quick actions to reposition and adjust its operations and cost structure. As expected, the Group has benefited from the gradual economic recovery and recorded satisfactory financial performance during the six months ended 30 September 2021 ("1H FY2022").
- Revenue for 1H FY2022 was approximately HK\$3.1 billion, with the majority of the Group's businesses making strong recoveries, particularly the hotel and gaming operations. The Group's profits increased significantly in 1H FY2022, with profit before tax coming in at HK\$1,385 million, an increase of 66.8% year-on-year. Due to better contributions from the Group's recurring cashflow businesses, net profit attributable to shareholders increased year-on-year by 206.3% to HK\$1,071 million. Adjusted cash profit<sup>(i)</sup> also increased year-on-year by 186.3% to HK\$836 million.
- Property development revenues dropped by 16.9% year-on-year due to COVID-19-related restrictions and lockdowns in 1H FY2022. Despite this, the overall schedule of the projects remains largely intact. The sale of inventories in Mainland China and Hong Kong and the handover of West Side Place (Towers 1 and 2) and MeadowSide Plot 5 have continued to progress and provided a steady and significant cash flow to the Group.
- Despite the challenging business environment, residential sales remained robust, with cumulative attributable presales value of properties under development and unbooked contracted sales coming in at HK\$14.1 billion as at 30 September 2021.
- The Group expects to launch two development projects in the second half of the financial year ended 31 March 2022 ("2H FY2022"); which are Tower 5 in Queen's Wharf in Brisbane and Mount Arcadia in Hong Kong.
- In early September, the Group signed an exclusivity agreement with Capital & Regional PLC ("C&R") to co-develop high-quality residential properties across, and potentially beyond, the existing portfolio of C&R. The Group is also

exploring the possibility to enter the build-to-rent (“BTR”) market alongside long-term capital investors. This initiative, if it was to proceed, would allow the Group to accelerate its residential development programme.

- To crystallise value and recycle capital in 1H FY2022, the Group disposed of Dorsett City London for GBP115 million on 30 June 2021 and recorded approximately HKD547 million gain on disposal in 1H FY2022. In September 2021, the Group also entered into a sale and purchase agreement to sell 21 Anderson Road in Singapore for SGD213 million; the transaction was completed on 1 November 2021.
- In line with its Environmental, Social and Governance (“ESG”) framework and internal performance indications, the Group has entered into an agreement to sell 128 affordable housing units of Victoria Riverside for approximately GBP26 million in 1H FY2022. It has also entered into an agreement to sell 139 affordable housing units at Consort Place, London for approximately GBP43 million in October 2021.
- Revenues from hotel operations increased by 81.2% year-on-year as the Group refined the business model, with continued improvements in hotel performance since June 2020. Contribution from car park operations and facilities management also increased by 43.3%. Recurring income at the Group’s gaming business rose by 8.0% in 1H FY2022 versus the previous year.
- BC Investment Group Holdings Limited (“BC Invest”), a company in which the Group has a stake over 50%, has started operating in the UK in March 2021. The growth of loans and advances continues to be brisk, averaging approximately AUD78 million a month in 1H FY2022. As at 30 September 2021, loans and advances stood at AUD1.6 billion. In October 2021, BC Invest entered into a strategic partnership and long-term funding support arrangement with Mortgageport Management Pty Ltd (“Mortgageport”) that will see BC Invest acquire a 53% stake in Mortgageport. BC Invest closed its first major acquisition of Mortgageport in November 2021.
- Earnings per share in 1H FY2022 increased by 202.0% to HK44.7 cents. The declared interim dividend for 1H FY2022 was maintained at HK4.0 cents per share (1H FY2021: HK4.0 cents per share).
- The value of the Group’s total adjusted equity<sup>(iv)</sup> remained largely unchanged at approximately HK\$34.4 billion as at 30 September 2021. The Group has continued to closely manage its capital structure by refinancing some shorter-dated debt via the bank and bond markets. Net gearing ratio<sup>(ii)(iii)</sup> stood at 56.1% and net debts to total adjusted assets<sup>(v)</sup> stood at 28.0% as at 30 September 2021 and the proforma gearing ratio and net debts to total adjusted assets after adjusting for disposal of 21 Anderson dropped to 52.5% and 26.7% respectively.
- In 1H FY2022, the Group continued with its increased focus on ESG. An ESG Steering Committee reporting to the Board of Directors was formed to set-out clear strategies and objectives for the Group. In November, the Group implemented a formal sustainable finance framework highlighting the Group’s efforts and achievements in building a sustainable business, which received an aligned opinion from S&P Global Ratings.

- On 24 November 2021, the Group formed a joint venture with New World Development Company Limited (through a subsidiary) to acquire Rich Fast International Limited, which owns a significant residential development site in Kai Tak Hong Kong. For further details, please refer to our announcement dated 24 November 2021.

**Mr. Chris Hoong, Managing Director of FEC** said: “The “green shoots” of last year have begun to sprout, particularly in places where the COVID-19 outbreak has been managed more successfully. The Group’s focus on mitigating costs and expenses while taking a proactive approach towards raising and recycling capital means that profitability will improve as the economy recovers. On top of new launches and completions planned for 2H FY2022, the upcoming years will bring the completion of many milestone projects, which will increase the Group’s global profile and profitability, particularly in the UK and Australia. As the residential property development pipeline progresses smoothly, the Group has begun to explore the BTR market in the UK and Australia, which offers interesting opportunities to partner with capital providers.”

“Cumulative presales and unbooked contracted sales of HK\$14.1 billion as at 30 September 2021 indicate a good visibility revenue stream in the short to medium term.

“Despite intermittent closures in various locations, the gradual return to normality indicates that travel and hospitality are on their way to recovery, starting with the potential reopening of the Hong Kong-Mainland China border, which will benefit our hotel operations in Hong Kong. The lessening of global restrictions is sure to benefit the hotel industry as a whole and thus, our hotels worldwide. Our 13-hotel pipeline is steadily moving along, with two major projects, Dorsett Gold Coast and Dao by Dorsett West London, scheduled to be completed in 2H FY2022. The former will be the first hotel under Dorsett Group in Australia, while the latter is its newly launched long-stay aparthotel brand.”

“Despite constant lockdowns and restrictions, our car park operations are well on the road to recovery, particularly with the continued monetization of non-core car parks. The Group has continued to identify areas for growth with the potential award of new management contracts across Australia, the UK and New Zealand.”

“BC Invest continues to demonstrate strong potential. By making acquisitions such as Mortgageport and securing financing from leading credit providers, BC Invest is well positioned to capitalise on the growth opportunity available in the mortgage financing market.”

*Notes:*

(i) *Adjusted cash profit is calculated by adjusting for fair value changes in investment properties, provision for credit loss and fair value change in investment securities and by adding depreciation and amortisation charges to 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. the calculations of net asset value per share and the net gearing ratio.*

(iii) *The total revaluation surplus on hotel assets of HK\$16,886 million was based on independent valuation carried out as at 31 March 2021 (excluding Dorsett City London which was disposed in June 2021) and was not recognised in the Company’s consolidated financial statements, but was adjusted for the calculations of net asset value per share and the net gearing ratio.*

(iv) Adjusting for the unrecognised hotel revaluation surplus of approximately HK\$16,886 million, which is based on independent valuations assessed as at 31 March 2021 (excluding Dorsett City London which was disposed in June 2021) and includes the 2019 Perpetual Capital Notes.

(v) Total adjusted assets include revaluation surplus on hotel assets.

~ END ~

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

Far East Consortium International Limited has been listed on The Stock Exchange of Hong Kong Limited since 1972 (Stock code: 35.HK). FEC is an investment holding company and the principal activities of the Group are property development, property investment, hotel operations and management, car park operations and facilities management, gaming and related operations, securities and financial product investments, and provision of mortgage services. 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.

#### **FEC official website:**

[www.fecil.com.hk](http://www.fecil.com.hk)

#### **FEC WeChat and Weibo:**



<http://www.weibo.com/u/5703712831>

#### **For further information, please contact:**

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

*Media enquiries:*

Ms. Kat Chow

Contact Number: (852) 2850 0625

Email: [kat.chow@fecil.com.hk](mailto:kat.chow@fecil.com.hk)

#### **Wonderful Sky Financial Group Limited**

Miss Gia Yuan / Miss Ellie Suen

Contact Number: (852) 3641 1317 / (852) 3970 2255

Email: [fec@wsfg.hk](mailto:fec@wsfg.hk)

For the purposes of this press release, "Hong Kong" shall mean Hong Kong Special Administrative Region of the People's Republic of China; and "Mainland China" shall mean the People's Republic of China, excluding Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan.