



(Incorporated in the Cayman Islands with limited liability)

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

(Stock Code: 35.HK)

Far East Consortium Announces First Half FY2025 Results Navigating on Solid Foundation

SUMMARY OF FISCAL YEAR 2025 FIRST HALF RESULTS

- The global economic environment remained challenging during the six months ended 30 September 2024 (“1H FY2025”). The Group continued to pursue its strategic objectives to reduce its debt levels and finance costs and seek opportunities to unlock and realise the value of its non-core assets amidst volatile economic conditions, positioning itself for growth and resilience in 1H FY2025.
- Despite impairment losses in certain projects and various non-cash factors, the Group managed to deliver a positive adjusted cash profit⁽ⁱ⁾, a non-GAAP financial measure, of approximately HK\$139 million for 1H FY2025. Moreover, adjusted net gearing ratio⁽ⁱ⁾, a non-GAAP financial measure, was maintained at 68.8% as at 30 September 2024.
- During 1H FY2025, revenue decreased by 18.7% to approximately HK\$5.2 billion as compared with that of the six months ended 30 September 2023 (“1H FY2024”). The main reason was that less residential property development was completed and settled as compared with the same period last year. Despite the lower recognition of revenue from property development, the Group’s recurring income businesses have reported an increase in revenue.
- The Group’s revenue from property development recorded a decrease of 25.8% to approximately HK\$3.5 billion as compared with 1H FY2024. Aspen at Consort Place in London has commenced completion in phases and started the handover process in May 2024 while Hyll on Holland in Singapore was completed and started the handover process in June 2024. In addition, sales of completed inventories such as Mount Arcadia and Manor Parc in Hong Kong and West Side Place (Towers 3 and 4) in Melbourne, Australia were also major contributors to revenue of 1H FY2025.
- The Group demonstrated its ability to launch and sell residential property developments in spite of the challenging business environment. New presales recorded during 1H FY2025 was approximately HK\$3.8 billion. In late March 2024, the Group launched one of the towers in Red Bank Riverside – Falcon in Manchester with a total gross development value (“GDV”) of approximately HK\$689 million, followed by another tower – Kingfisher with a total GDV of approximately HK\$1.2 billion in August 2024. Presales for these towers were received with positive feedback. Concurrently, following the abolishment of all demand-side management measures for residential properties market in Hong Kong with effect from 28 February 2024, The Pavilia Forest in Hong Kong was launched in July 2024 with a total expected attributable GDV of approximately HK\$6.0 billion and presold 60.2% of units launched as at 30 September 2024.
- The cumulative attributable presales value of properties under development and unbooked contracted sales stood at approximately HK\$11.8 billion as at 30 September 2024. The Group is actively accelerating the completion of

its projects as evidenced by the completion of Victoria Riverside – City View (Tower B), Park View (Tower C) and Bromley Street in Manchester, the United Kingdom (“UK”), Perth Hub in Perth, Australia and The Star Residences (Tower 2) in Gold Coast, Australia in 2H FY2025. In addition, Queen’s Wharf Brisbane (Tower 4) in Brisbane, Australia is expected to be completed and initiated the handover process in early FY2026, providing a significant boost of revenue and cash flow to the Group.

- In the Group’s hotel operations and management business, revenue slightly increased by 1.1% to approximately HK\$977 million as compared with 1H FY2024. The increase was mainly driven by the stabilisation of two new hotels in Australia, namely Ritz-Calton, Melbourne and Dorsett Melbourne. The Group’s hotel business in Hong Kong is poised for growth momentum with the soft opening of Dorsett Kai Tak, Hong Kong in September 2024.
- Dorsett Kai Tak, Hong Kong, consisting of 373 rooms, was soft-opened on 26 September 2024. It is strategically positioned adjacent to the Kai Tak Sports Park (“Sports Park”) vicinity in Hong Kong, offering easy access to the main stadium and other facilities of the Sports Park, as well as captivating views of Victoria Harbour. It provides an excellent opportunity to complement and benefit from the stream of travellers attracted by the international events hosted in the Sports Park, bolstering potential occupancy and expanding the Group’s market reach.
- In March 2024, a subsidiary of the Group formed a partnership with 10% stakeholding, to acquire a hotel in Singapore and rebranded the hotel as Dorsett Changi City Singapore. The hotel is located just a 10-minute drive from Singapore Changi Airport and features 313 rooms along with amenities. Dorsett Hospitality International (“Dorsett”) has secured the hotel management contract. The partnership demonstrates the Group’s ability to expand its hotel business by leveraging an asset-light model. The transaction was completed in September 2024.
- Revenue from car park operations and facilities management amounted to approximately HK\$380 million, an increase of 6.7% as compared with 1H FY2024. In September 2024, the Group completed the disposal of a car park in Boundary Farm, Manchester, the UK for a consideration of approximately GBP17.24 million. The Group continues to focus on reviewing and rationalising its car park portfolio by discontinuing underperforming assets. Concurrently, the Group has continued to pursue and secure new contracts for car parks and facilities management to expand its portfolio and increase operational efficiency.
- The Group’s gaming business under Palasino Holdings Limited (“Palasino”) has been successfully spun-off and separately listed on the main board of The Stock Exchange of Hong Kong Limited (“Stock Exchange”) on 26 March 2024. As at 30 September 2024, the Group held a controlling stake of 72.07% in Palasino after the partial exercise of the over-allotment option in April 2024. Revenue from the Group’s gaming business for 1H FY2025 slightly increased by 0.9% to approximately HK\$196 million compared to 1H FY2024, which was primarily driven by the increase in the number of slot machines and slot attendance.
- BC Investment Group Holdings Limited (“BC Invest”), a company in which the Group has a stake of approximately 53.16%, continued to grow in 1H FY2025. BC Invest successfully issued a residential mortgage-backed security (“RMBS”) bond that raised AUD530 million in 1H FY2025. The net interest margin slightly increased to 1.26% (1H FY2024: 1.23%). As at 30 September 2024, BC Invest managed a total assets under management (“AUM”) of approximately AUD6.1 billion (as at 31 March 2024: AUD5.4 billion).
- The integrated resort under the QWB Project, in which the Group owns a 25% stake, had its soft opening on 29 August 2024. A hotel and gaming facilities with premium gaming rooms were unveiled with positive responses. Other facilities such as food and beverage outlets, retail and dining spaces and two hotels will be launched in phases in the near future. The Group anticipates cash inflow will be generated from the project.

- The Group continued its ongoing strategy of deleveraging by actively recycling noncore assets and non-core businesses to repay bank loans and to invest in projects with higher return. The Group is considering to dispose of the long-lease residential developments in Baoshan, Shanghai within two years. The Group is also reviewing strategic options for BC Invest.
- During 1H FY2025, despite the net loss attributable to shareholders of approximately HK\$770 million, the adjusted cash profit⁽ⁱ⁾, a non-GAAP financial measure, remained positive at approximately HK\$139 million.
- In line with the decrease in revenue, various one-off and non-operating expense factors in 1H FY2025, the net loss attributable to shareholders amounted to approximately HK\$770 million. The loss was primarily due to various factors:
 - Finance costs for 1H FY2025 amounted to approximately HK\$497 million;
 - Impairment loss on interest in an associate for Queen’s Wharf Project in Brisbane (“QWB Project”) of approximately HK\$204 million;
 - Share of impairment loss recognised by a joint venture (“JV”)’s residential property under development of approximately HK\$217 million;
 - Decrease in fair value of investment properties amounted to approximately HK\$133 million; and
 - Net foreign exchange loss increased to approximately HK\$167 million.
- Loss per share in 1H FY2025 was HK27.3 cents. The declared interim dividend for 1H FY2025 was HK1.0 cent per share (1H FY2024: HK4.0 cents per share).
- The Group’s adjusted total equity⁽ⁱ⁾, a non-GAAP financial measure, slightly increased by 0.4% to approximately HK\$33,671 million as at 30 September 2024 due to the offsetting effects of favourable impact on foreign currency translation of foreign operations which contributed positively to reserves. Adjusted net asset value per share⁽ⁱ⁾, a non-GAAP financial measure, was HK\$10.81 as at 30 September 2024 compared to HK\$10.77 as at 31 March 2024.
- Adjusted net gearing ratio⁽ⁱ⁾, a non-GAAP financial measure, stood at 68.8% and net debt to adjusted total assets⁽ⁱ⁾, a non-GAAP financial measure, maintained at a healthy level of 35.2% as at 30 September 2024. The Group has continued to prudently manage its capital structure by refinancing some of its shorter-term debts through the bank market, actively monetise its non-core assets in an effort to reduce its debt levels and accelerate the completion of properties under development.
- The Group’s liquidity position stood at approximately HK\$4.5 billion, with a comfortable level of cash and marketable securities available as at 30 September 2024. Furthermore, the Group had HK\$5.4 billion in unencumbered hotel assets and unsold residential inventory as at 30 September 2024.
- In September 2024, the Group solicited a consent, with 98.4% vote in favour, for an option to partially redeem the USD360 million perpetual bond over multiple optional redemption dates and increase the frequency of the optional redemption dates to monthly intervals after the first call date, with minimum optional redemption conditions at USD20 million. The consent provides the Group with more flexibility in managing its cash flow. The Group aims to initiate partial call in the first quarter of 2025 while maintaining its gearing and cash flow position at a sustainable level.

Ms. Winnie CHIU, BBS, JP, Joint Managing Director and Executive Director of FEC, said, “Despite the significant challenges over the past six months, the group has maintained satisfactory revenue. On the hotel side, Dorsett Kai Tak opened in September as the only hotel in the Kai Tak sports park. Additionally, in September, we acquired Dorsett Changi City Singapore this marks the beginning of our new growth model, an asset light model, on an asset level we contributed 10% equity for this 300-room hotel through a joint venture with reputable funds and we also manage the hotel. These investments are expected to significantly enhance recurring earnings within the next 24 months.”

Ms. Wendy CHIU, Joint Managing Director and Executive Director of FEC, said, “FEC's international asset portfolio well positions us to resiliently navigate different economic cycles and flexibility tap into opportunities across diverse regions. With strong unbooked pre-sales and contracted sales alongside with a solid project pipeline to span across globally, we have clear visibility and strategic grasp into our future. As we have several landmark projects to approach completion, we anticipate very positive cash flow generation to substantially improve the Group's financial metrics, in particular, our gearing and leverage ratios. By maintaining a disciplined yet adaptive approach, we are transforming current market challenges into strategic value creative solutions for sustainable and long-term shareholder prosperity.”

Note:
(i) Represents a non-GAAP financial measure which is defined and reconciled to the nearest comparable GAAP measures in the “Non-GAAP financial measures” section in the 1H FY2025 Announcement.

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For more details on our results, please refer to our announcement dated 28 November, 2024.

About Far East Consortium International Limited

Far East Consortium International Limited (“FEC”, together with its subsidiaries, the “Group”) has been listed on the Hong Kong Stock Exchange since 1972 (HKEx Stock code: 35.HK). The Group is mainly engaged in 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.

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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" means the People's Republic of China, excluding Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan