FAR EAST CONSORTIUM INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

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

(Stock Code: 35)

ANNOUNCEMENT OF RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

INTERIM RESULTS HIGHLIGHTS

- Revenue and gross profit increased by 98.8% and 62.9% respectively to approximately HK$1,795 million and HK$671 million respectively.
- Net profit attributable to shareholders of the Company amounted to approximately HK$613 million, an increase of approximately 0.5%.
- Net assets attributable to shareholders increased from HK$4.53 per share as at 31 March 2013 to HK$4.70 per share as at 30 September 2013. Adjusting for hotel revaluation surplus(i), net asset value attributable to shareholders as at 30 September 2013 was HK$8.61 per share.
- Cumulative contracted presale value of properties under development amounted to approximately HK$4.7 billion as at 30 September 2013.
- Earnings per share increased by 6.1% to HK34.6 cents.
- Interim dividend of HK3 cents per share (30 September 2012: HK2 cents).

Note:

(i) Revaluation surplus on hotel assets of approximately HK$9,459 million was based on independent valuation carried out as at 31 March 2013 and was not recognized in the Company's consolidated financial statements, but was for the calculations of net asset value per share.

INTERIM RESULTS

The board of directors (the "Board") of Far East Consortium International Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 September 2013. The Company's Audit Committee has reviewed the results of the financial statements of the Group for the period ended 30 September 2013 prior to recommending them to the Board for approval.

FINANCIAL HIGHLIGHTS

	Six months ended 30 September		
	2013	2012	Growth
	HK$ million	*HK$ million*	
Revenue	**1,795**	903	98.8%
Gross profit	**671**	412	62.9%
Profit attributable to shareholders	**613**	610	0.5%
Earnings per share	**HK34.6 cents**	HK32.6 cents	
Dividend per share	**HK3 cents**	HK2 cents	

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

		Six months ended	
		30.9.2013	30.9.2012
	NOTES	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Revenue	*3*	**1,794,549**	902,628
Cost of sales and services		**(1,035,596)**	(418,877)
Depreciation and amortisation of hotel and car park assets		**(87,923)**	(71,797)
Gross profit		**671,030**	411,954
Other income		**31,184**	13,353
Gain on disposal of a subsidiary		**–**	445,086
Other gains and losses	*4*	**495,031**	123,258
Administrative expenses			
– Hotels operation and management		**(148,275)**	(135,181)
– Others		**(102,432)**	(89,802)
Pre-opening expenses			
– Hotels operation and management		**(2,786)**	(8,484)
Selling and marketing expenses		**(36,629)**	(53,945)
Share of results of associates		**3,243**	26,294
Share of results of joint ventures		**(1,453)**	(4,066)
Finance costs	*5*	**(135,016)**	(76,786)
Profit before tax		**773,897**	651,681
Income tax (expense) credit	*6*	**(68,931)**	108,962
Profit for the period	*7*	**704,966**	760,643
Attributable to:			
Shareholders of the Company		**613,077**	610,421
Non-controlling interests		**91,889**	150,222
		704,966	760,643
Earnings per share	*8*		
– Basic (HK cents)		**34.6**	32.6
– Diluted (HK cents)		**34.5**	32.6

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

	Six months ended	
	30.9.2013	30.9.2012
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Profit for the period	**704,966**	760,643
Other comprehensive income (expense)		
Items that may be subsequently reclassified to profit or loss:		
Exchange difference on translation of foreign operations	**(123,507)**	(21,359)
Revaluation increase on available-for-sale investments	**938**	2,445
Fair value adjustment on cross currency swap contracts designated as cash flows hedge	**45,676**	–
Reclassify to profit or loss on disposal of available-for-sale investments	**2,766**	(2,260)
Reclassification from hedging reserve to profit or loss	**(44,429)**	–
Other comprehensive expense for the period	**(118,556)**	(21,174)
Total comprehensive income for the period	**586,410**	739,469
Total comprehensive income attributable to:		
Shareholders of the Company	**502,188**	596,897
Non-controlling interests	**84,222**	142,572
	586,410	739,469

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 SEPTEMBER 2013

	NOTE	30.9.2013 HK$'000 (unaudited)	31.3.2013 HK$'000 (audited)
Non-current Assets			
Investment properties		**2,766,960**	2,431,917
Property, plant and equipment		**7,045,577**	6,653,119
Prepaid lease payments		**582,833**	595,036
Other assets		**–**	296,250
Goodwill		**68,400**	68,400
Interests in associates		**318,851**	315,608
Interests in joint ventures		**45,662**	47,115
Investment securities		**11,704**	146,604
Derivative financial instruments designated as hedging instruments		**29,247**	–
Deposit for acquisition of property, plant and equipment		**184,218**	133,864
Amounts due from associates		**70,784**	70,744
Amount due from a joint venture		**27,608**	27,295
Amount due from an investee company		**119,995**	119,995
Other receivables		**31**	45
Pledged deposits		**6,130**	34,788
Deferred tax assets		**36,129**	5,000
		11,314,129	10,945,780
Current Assets			
Properties for sale			
Completed properties		**90,671**	295,582
Properties for/under development		**5,068,440**	4,142,719
Other inventories		**8,999**	9,034
Prepaid lease payments		**16,112**	16,034
Debtors, deposits and prepayments	*10*	**586,376**	412,836
Other receivables		**649,054**	142,365
Tax recoverable		**69,569**	87,212
Investment securities		**1,605,344**	137,982
Derivative financial instruments		**3,184**	5,354
Pledged deposits		**147,285**	141,516
Restricted bank deposits		**228,067**	257,117
Deposit in a financial institution		**91,822**	100,000
Time deposits		**–**	12,500
Bank balances and cash		**1,968,972**	2,620,653
		10,533,895	8,380,904
Assets classified as held for sale		**91,924**	91,410
		10,625,819	8,472,314

	NOTE	30.9.2013 HK$'000 (unaudited)	31.3.2013 HK$'000 (audited)
Current Liabilities			
Creditors and accruals	11	**1,013,605**	837,209
Customers' deposits received		**754,138**	958,346
Obligations under finance leases		**847**	158
Amounts due to related companies		**46,517**	62,660
Amounts due to associates		**14,214**	12,453
Amounts due to non-controlling shareholders of subsidiaries		**30,070**	30,070
Dividend payable		**195,009**	–
Dividend payable to non-controlling interests		**42,800**	–
Derivative financial instruments		**6,008**	20,290
Tax payable		**196,735**	185,506
Secured bank and other borrowings		**3,875,142**	4,713,839
		6,175,085	6,820,531
Net current assets		**4,450,734**	1,651,783
Total assets less current liabilities		**15,764,863**	12,597,563
Non-current Liabilities			
Secured bank and other borrowings		**3,672,026**	1,904,089
Obligations under finance leases		**3,933**	1,010
Convertible bonds		**31,744**	31,169
Bonds		**2,284,660**	1,250,000
Derivative financial instruments designated as hedging instruments		**–**	7,593
Deferred tax liabilities		**264,259**	253,242
		6,256,622	3,447,103
Net Assets		**9,508,241**	9,150,460
Capital and Reserves			
Share capital		**177,281**	176,891
Share premium		**2,624,478**	2,617,925
Reserves		**5,526,397**	5,217,714
Equity attributable to shareholders of the Company		**8,328,156**	8,012,530
Non-controlling interests		**1,180,085**	1,137,930
Total Equity		**9,508,241**	9,150,460

NOTES ON THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values, as appropriate.

Except as described below, the accounting policies and method of computation used in the condensed consolidated financial statements for the six months ended 30 September 2013 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2013.

Application of new or revised Hong Kong Financial Reporting Standards ("HKFRSs")

In the current interim period, the Group has applied, for the first time, the following new or revised HKFRSs issued by the HKICPA that are relevant for the preparation of the Group's condensed consolidated financial statements.

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009-2011 Cycle
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine

HKFRS 13 Fair Value Measurement

The Group has applied HKFRS 13 for the first time in the current interim period. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements, and replaces those requirements previously included in various HKFRSs. Consequential amendments have been made to HKAS 34 to require certain disclosures to be made in the interim condensed consolidated financial statements.

The scope of HKFRS 13 is broad, and applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, subject to a few exceptions. HKFRS 13 contains a new definition for 'fair value' and defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

In accordance with the transitional provisions of HKFRS 13, the Group has applied the new fair value measurement and disclosure requirements prospectively.

The directors consider that HKFRS 13 do not have material impact on the amounts reported in condensed consolidated financial statements but result in more extensive disclosures in the condensed consolidated financial statements.

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 introduce new terminology for statement of comprehensive income and income statement. Under the amendments to HKAS 1, a statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and an income statement is renamed as a statement of profit or loss. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the existing option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes.

Except as described above, the application of the other new or revised HKFRSs in the current interim period has had no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

3. SEGMENT INFORMATION

Segment revenue and profit

The Group determines its operating segments based on internal reporting about components that are regularly reviewed by the chief operating decision makers. Information reported to the Group's chief operating decision makers, who are the executive directors of the Company, for the purposes of resource allocation and assessment of performance is mainly focused on the property development, property investment and car park operations of the Group excluding Dorsett and its subsidiaries and operations of Dorsett and its subsidiaries, including hotel operation and management, property development and securities and financial product investments in each of the geographical locations as stated below, securities and financial product investments and other operations, which mainly include provision of engineering services and second mortgage loans.

The following is an analysis of the Group's revenue and results by reportable and operating segment. Segment profit (loss) represents the pre-tax profit (loss) earned (incurred) by each segment without allocation of central administrative costs, directors' salaries and certain finance costs.

	Segment revenue		**Segment profit**	
	Six months ended 30.9.2013	Six months ended 30.9.2012	**Six months ended 30.9.2013**	Six months ended 30.9.2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Property development				
– Australia	**300,365**	864	**147,658**	(5,673)
– Hong Kong ("HK")	**13,781**	25,680	**(7,072)**	6,665
– Malaysia	**86**	279	**(1,297)**	(1,503)
– Other regions in the People's Republic of China excluding HK ("PRC")	**51,150**	5,338	**35,461**	1,008
	365,382	32,161	**174,750**	497
Property investment				
– HK	**16,536**	15,457	**88,175**	139,301
– PRC	**6,735**	6,581	**(16,947)**	(13,817)
– Singapore	**6,024**	10,162	**254,638**	(12,570)
	29,295	32,200	**325,866**	112,914
Operations of Dorsett and its subsidiaries, including hotel operation and management, property development and securities and financial product investments				
– HK	**336,063**	349,333	**63,607**	559,912
– Malaysia	**149,174**	140,336	**29,412**	23,728
– PRC	**79,684**	64,728	**(19,119)**	(10,321)
– Singapore *(Note)*	**523,937**	–	**274,147**	(3,857)
– United Kingdom ("UK")	**–**	–	**508**	(120)
	1,088,858	554,397	**348,555**	569,342
Car park operation				
– Australia	**290,383**	272,180	**29,930**	22,492
– Malaysia	**8,394**	8,889	**3,125**	4,042
	298,777	281,069	**33,055**	26,534
Securities and financial product investments	**12,235**	2,799	**(15,600)**	(722)
Other operations	**2**	2	**(3,436)**	(5,113)
Segment revenue/segment profit	**1,794,549**	902,628	**863,190**	703,452
Unallocated corporate expenses			**(30,213)**	(29,163)
Finance costs			**(59,080)**	(22,608)
Profit before taxation			**773,897**	651,681

None of the segments derived any revenue from transactions with other segments.

Note: The segment revenue and segment profit of this segment for the six months ended 30 September 2013 include the sales of properties in Singapore amounting to HK$498,392,000 (2012: nil) and HK$275,215,000 (2012: nil) respectively.

Segment assets

The following is an analysis of the Group's assets by reportable segment as at the end of the reporting period. Segment assets represent assets held by each segment without allocation of corporate assets which are mainly bank balances and cash and deposits in a financial institution.

Segment Information

	As at 30.9.2013	As at 31.3.2013
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Property development		
– Australia	**2,139,401**	1,196,815
– HK	**1,386,826**	1,220,918
– Malaysia	**369,397**	373,007
– PRC	**2,490,810**	2,430,818
	6,386,434	5,221,558
Property investment		
– HK	**2,219,408**	2,151,464
– PRC	**3,325**	6,887
– Singapore	**507,200**	297,758
	2,729,933	2,456,109
Operations of Dorsett and its subsidiaries, including hotel operation and management, property development and securities and financial product investments		
– HK	**5,029,298**	3,640,069
– Malaysia	**1,054,110**	1,077,778
– PRC	**2,169,609**	2,059,279
– Singapore	**937,495**	943,753
– UK	**654,247**	558,740
	9,844,759	8,279,619
Car park operation		
– Australia	**653,845**	721,398
– Malaysia	**150,669**	154,050
	804,514	875,448
Securities and financial product investments	**856,922**	300,204
Other operations	**317,807**	294,022
Segment assets	**20,940,369**	17,426,960
Unallocated corporate assets	**999,579**	1,991,134
Total assets	**21,939,948**	19,418,094

Information about segment liabilities is not regularly reviewed by the chief operating decision makers. Accordingly, segment liability information is not presented.

4. OTHER GAINS AND LOSSES

	Six months ended	
	30.9.2013	30.9.2012
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Gain on compensation from relevant government Authority of Singapore *(note)*	**258,960**	–
Gain arising on transfer of completed properties for sales to investment properties	**130,870**	–
Change in fair value of investment properties	**135,702**	125,950
(Loss)gain on disposal of available-for-sale investments	**(2,766)**	2,260
Gain on partial repurchase of bonds	**2,067**	–
Change in fair value of financial assets at fair value through profit or loss	**(44,354)**	4,495
Change in fair value of derivative financial instruments	**9,891**	(9,447)
Net foreign exchange gain	**4,661**	–
	495,031	123,258

Note: On 24 April 2013, the Group accepted compensation totalling S$88,900,000 (equivalent to HK$554,736,000) offered by the relevant authority of Singapore (the "Singapore Government") in connection with compulsory acquisition of certain properties of the Group located in Singapore ("Singapore Properties under Compulsory Acquisition"). The carrying amount of such properties being derecognised, which were previously classified as other assets was amounting HK$295,776,000 at 24 April 2013. The difference between the compensation amount accepted by the Group and the carrying amount was recognised in the profit or loss. Up to 30 September 2013, the Group received compensation of S$6,645,000 (equivalent to HK$40,061,000) from the Singapore Government and the remaining balance of S$82,255,000 (equivalent to HK$506,690,000) to be received by the Group is included in other receivables.

5. FINANCE COSTS

	Six months ended	
	30.9.2013	30.9.2012
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interest on:		
Bank borrowings		
– wholly repayable within five years	**147,729**	108,508
– not wholly repayable within five years	**8,532**	9,349
Other loans wholly repayable within five years	**1,794**	6,428
Convertible bonds	**1,120**	1,086
Finance leases	**8**	11
Interest on bonds	**68,570**	–
Less: Net interest income from cross currency swap contracts	**(13,623)**	–
Amortisation of front-end fee	**8,531**	12,757
Others	**3,384**	2,404
Total interest costs	**226,045**	140,543
Less: Amounts capitalised to properties under development:		
– investment properties	**(1,570)**	(1,368)
– properties for owners' occupation	**(22,996)**	(24,713)
– properties for sale	**(66,463)**	(37,676)
	135,016	76,786

6. INCOME TAX EXPENSE (CREDIT)

	Six months ended	
	30.9.2013	30.9.2012
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
The income tax expense (credit) comprises:		
Current tax:		
Hong Kong Profits Tax	**26,423**	26,011
PRC Enterprise Income Tax ("EIT")	**8,653**	49,204
PRC Land Appreciation Tax ("LAT")	**2,369**	1,283
Australia Income Tax	**11,817**	1,047
Malaysia Income Tax	**1,531**	3,126
Singapore Income Tax	**25,080**	–
	75,873	80,671
Overprovision in prior years		
PRC LAT *(note)*	**–**	(192,268)
Singapore Income Tax	**(427)**	(161)
	(427)	(192,429)
Deferred taxation	**(6,515)**	2,796
	68,931	(108,962)

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the period of each individual company comprising the Group less tax losses brought forward where applicable.

EIT is calculated in accordance with the EIT Law and Implementation Regulations of the EIT Law at the rate of 25%.

PRC LAT is levied at progressive rates ranging from 30% to 60% on the appreciated land value of the properties sold, less deduction in accordance with the relevant PRC Tax laws and regulations.

The domestic statutory tax rate of Australia, Malaysia and Singapore is 30%, 25% and 17% of the estimated assessable profit for the year.

Note: During the period ended 30 September 2012, the local tax authority in PRC agreed to use the deemed levying rates to calculate the PRC LAT for certain property development projects of the Group that have been sold and recognised as revenue in the consolidated financial statement in previous years, for which PRC LAT based on the progressive rates was provided for. The resulting overprovision of PRC LAT amounting to HK$192,268,000 was reversed in prior period.

7. PROFIT FOR THE PERIOD

	Six months ended	
	30.9.2013	30.9.2012
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Profit for the period has been arrived at after charging:		
Amortisation of prepaid lease payments	**5,649**	6,756
Less: Amount capitalised to properties under development for owners' occupation	**–**	(1,883)
	5,649	4,873
Amortisation of intangible assets	**–**	1,285
Depreciation	**87,111**	78,810
Share of taxation of associates (included in share of results of associates)	**641**	483
Share option expense	**2,237**	1,691
and after crediting:		
Dividend income from:		
Investments held for trading	**5,995**	165
Available-for-sale investments	**85**	169
	6,080	334
Bank interest income	**4,242**	1,107

8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the shareholders of the Company is based on the consolidated profit for the period attributable to the shareholders of the Company of HK$613,077,000 (30.9.2012: HK$610,421,000) and the number of shares calculated as follows:

	’000	’000
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,770,155**	1,875,549
Effect of dilutive potential ordinary shares – company’s share options	**4,690**	–
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,774,845**	1,875,549

The computations of diluted earnings per share for the period ended 30 September 2013 did not assume the conversion of the Company’s outstanding convertible bonds since their exercise would result in an increase in earnings per share. In addition, the computation do not assume the exercise of the Dorsett’s share options as the exercise prices of those options are higher than the average market prices of the Dorsett’s shares during the period.

The computations of diluted earnings per share for the period ended 30 September 2012 did not assume the conversion of the Company’s outstanding convertible bonds since their exercise would result in an increase in earnings per share. In addition, the computations did not assume the exercise of the Company’s and its indirect subsidiary Dorsett’s share options as the exercise prices of those options are higher than the average market prices of the Company’s and the Dorsett’s shares during the period.

9. DIVIDENDS

	Six months ended	
	30.9.2013	30.9.2012
	HK$’000	*HK$’000*
	(unaudited)	(unaudited)
Dividends recognised as distribution during the period:		
Final dividend for the year ended 31 March 2013 of HK11 cents (six months ended 30.9.2012: final dividend for the year ended 31 March 2012 of HK5 cents) per share	**195,009**	86,488

Subsequent to the end of the reporting period, the directors declared an interim dividend of HK3 cents (six months ended 30.9.2012: HK2 cents) per share to the shareholders of the Company whose names appear on the register of members on 2 January 2014. Shareholders have an option to elect cash in lieu of new shares of the Company for the dividend proposed and paid during the period.

10. DEBTORS, DEPOSITS AND PREPAYMENTS

Trade debtors included in debtors, deposits and prepayments are approximately HK$156,410,000 (31.3.2013: HK$79,902,000).

Trade debtors represent of receivables from renting of properties, use of hotel facilities and sales of properties. Rentals are payable on presentation of demand notes. Hotel room revenue is normally settled by cash or credit card. The Group allows an average credit period of 14 to 60 days to its corporate customers and travel agents.

Proceeds from sales of properties are settled according to the payment terms of the sale and purchase agreements. Trade debtors of S$12,040,000 (equivalent to HK$74,289,000) represents the portion of the proceeds that have been settled by property buyers held in escrow account and the funds would be remitted to the Group upon the issuance of relevant certificate by the government authority, which is expected to be taken place within one year after the end of the reporting period.

The following is an aged analysis of trade debtors net of allowance of doubtful debts, based on payment terms set out in the sales and purchase agreement or invoice date, at the end of the reporting period:

	30.9.2013	31.3.2013
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0 – 60 days	**145,830**	70,863
61 – 90 days	**3,814**	2,818
Over 90 days	**6,766**	6,221
	156,410	79,902

11. CREDITORS AND ACCRUALS

The following is an aged analysis of the trade creditors at the end of the reporting period:

	30.9.2013	31.3.2013
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0 – 60 days	**153,509**	140,680
61 – 90 days	**6,681**	1,374
Over 90 days	**73,755**	83,212
	233,945	225,266

INTERIM DIVIDEND

The Board has declared the payment of an interim dividend for the six months ended 30 September 2013 of HK3 cents (30 September 2012: HK2 cents) per share ("Interim Dividend"). Interim Dividend will be paid to the shareholders of the Company (the "Shareholders") whose names appear on the Company's Register of Members on 2 January 2014. Interim Dividend will be paid in the form of a scrip dividend with Shareholders being given an option to elect to receive cash in lieu of all or part of their scrip dividend entitlements ("Scrip Dividend Scheme").

The Scrip Dividend Scheme will be subject to The Stock Exchange of Hong Kong Limited ("Stock Exchange") granting listing of and permission to deal in the new shares to be allotted thereunder. For the purpose of determining the number of new shares to be allotted, the market value of new shares will be calculated as the average of the closing prices of the existing shares of the Company on the Stock Exchange for the 5 trading days prior to and including 2 January 2014. Full details of the Scrip Dividend Scheme will be set out in a circular which is expected to be sent to Shareholders together with a form of election (if applicable) on or around 10 January 2014. Dividend warrants and/or new share certificates will be posted on or around 14 February 2014.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Tuesday, 24 December 2013 to Thursday, 2 January 2014, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for entitlement to the Interim Dividend, unregistered holders of shares of the Company should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Monday, 23 December 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial and Business Reviews

Financial review

1. *Interim results*

During the period from 1 April 2013 to 30 September 2013 ("Interim Period 2014"), net profit attributable to shareholders of the Company amounted to approximately HK$613 million, representing an increase of approximately 0.5% as compared with the same period of last financial year. In the last interim period, a HK$445 million gain was recognized on disposal of a subsidiary holding Dorsett Regency Hotel, Hong Kong located at Kennedy Town, Hong Kong and there was a tax write back of approximately HK$192 million. Neither item was repeated in the Interim Period 2014 but the Group was able to maintain its net profit attributable to shareholders of the Company due to (i) completion of Dorsett Residences Singapore; (ii) sales of the remaining units of Upper West Side Stage 1 in Australia; (iii) a gain of approximately HK$259 million on compensation on compulsory acquisition of Pearl's Centre in Singapore; and (iv) increase in fair value of approximately HK$267 million on investment properties mainly in Singapore, Australia and Hong Kong.

Consolidated revenue during the Interim Period 2014 increased by 98.8% to approximately HK$1,795 million.

Major business	**Interim Period 2014 Revenue** *HK$ million*	Interim Period 2013 Revenue *HK$ million*	Growth
Property development	**365**	32	1,040.6%
Dorsett Group	**1,089**	554	96.6%
Car parks	**299**	281	6.4%
Property investment	**29**	32	(9.4%)
Others (incl. treasury investment)	**13**	4	225%
Total revenue	**1,795**	903	98.8%

Sales of property development increased by 1,040.6% to approximately HK$365 million, mainly due to the recognition of sales of the remaining units of both Upper West Side Stage 1 in Australia and California Garden in Shanghai, Mainland China.

Revenue from Dorsett Group reached approximately HK$1,089 million, representing an increase of 96.6% as compared with interim period 2013. This was mainly due to completion of a residential property development, namely Dorsett Residences Singapore which contributed revenue of approximately HK$498 million and increase in sales of hotel operation which was driven primarily by increase in number of rooms.

Car park revenue reached approximately HK$299 million, an increase of 6.4% for the Interim Period 2014, mainly driven by organic growth. Revenue relating to property investment decreased for approximately HK$3 million.

Gross profit for the Interim Period 2014 amounted to approximately HK$671 million, representing an increase of 62.9% as compared with the interim period 2013. The growth in gross profit was mainly attributable to an increase in sales from residential property developments, namely Dorsett Residences Singapore, remaining units of Upper West Side Stage 1 in Australia and California Garden in Shanghai, Mainland China.

Administrative expenses increased by HK$26 million to approximately HK$251 million, mainly due to increase in staff cost in relation to hotel operations.

During the Interim Period 2014, finance costs increased by HK$58 million to approximately HK$135 million, mainly due to the increase in interest costs relating to the bonds issued by the Company in March 2013 and Dorsett Group in April 2013.

2. *Liquidity, financial resources and net gearing*

The following table sets out the Group's bank and cash balances, investment securities (which were considered as cash equivalent items due to its easily-monetizable nature), bank loans and borrowings and equity as at 30 September 2013.

	As at 30.9.2013 *HK$ million*	As at 31.3.2013 *HK$ million*
Bank loans, bonds and borrowings		
Due within 1 year	**3,876**	4,714
Due 1 – 2 years	**1,283**	1,266
Due 2 – 5 years	**4,613**	1,749
Due more than 5 years	**96**	171
	9,868	7,900
Investment securities	**(1,605)**	(138)
Bank and cash balances	**(2,436)**	(3,132)
Net debts[(i)]	**5,827**	4,630
Carrying amount of the total equity	**9,508**	9,150
Add: hotel revaluation surplus	**9,459**	9,459
Total equity adjusting for hotel revaluation surplus	**18,967**	18,609
Net gearing ratio (net debts to total equity)	**30.7%**	24.9%

Note:

(i) Total bank loans, bonds and borrowings less investment securities, bank and cash balances

In order to better manage the Group's liquidity position, the Group has allocated a portion of its cash position in marketable debt securities. Investment securities shown on the balance sheet represent primarily debt securities.

Adjusting for the unrecognized hotel revaluation surplus of approximately HK$9,459 million as at 31 March 2013, the Group's total consolidated equity as at 30 September 2013 was approximately HK$18,967 million, an increase of 1.9% as compared with that as at 31 March 2013. Compared with the net debts[(i)] as at 30 September 2013, the net gearing ratio of the Group was 30.7%.

The carrying amounts of the borrowings include an amount of approximately HK$1,647 million (as at 31 March 2013: HK$1,115 million) which were not repayable within one year based on scheduled repayment dates. However, it has been shown as current liabilities as the counter parties have discretionary rights to demand immediate repayment.

In April 2013, Dorsett Group issued a 5-year bond due in 2018 with an aggregate principal amount of CNY850 million at a fixed rate of 6% per annum. Dorsett Group entered into CNY/USD cross currency swap contracts in relation to the bond with the effect of lowering the effective interest rate to approximately 5.0% per annum. The net proceeds of the issue amounted to approximately CNY840 million (approximately HK$1.05 billion) which will be used for future acquisitions and expansion, and for general corporate purposes.

In June 2013, Dorsett Group executed a 5-year loan facility amounting to HK$1.75 billion to refinance Dorsett Group's existing syndicated loan due in September 2013. The new loan facility only required 2 hotel assets in Hong Kong to be pledged and resulted in 4 hotel assets with market value of approximately HK$2.8 billion in Hong Kong to be released and become unencumbered upon refinancing.

In July 2013, the Group obtained an additional credit facility of AU$81 million to finance the construction of its projects in Melbourne, Australia.

The Group believes that it has sufficient financial capacity and credit facilities to cater for any funding needs of its operating business.

3. *Net asset value (adjusted for hotel revaluation surplus) as at 30 September 2013*

	HK$ million	*HK$ million*
Equity attributable to shareholders of the Company	**8,328**	8,013
Add: Hotel revaluation surplus (adjusted for minority shareholders' interests) (HK$9,459 million x 73.25%)	**6,929**	6,929
Total net asset value	**15,257**	14,942
No. of shares issued ("million")	**1,773**	1,769
Adjusted net asset value per share	**HK$8.61**	HK$8.45

4. *Capital expenditure*

The Group's capital expenditures consist of expenditures for acquisition, development and refurbishment of hotel properties. During Interim Period 2014, the Group's capital expenditures amounted to approximately HK$574.2 million mainly attributable to the acquisition of Lushan hotel property in Jiangxi, Mainland China, acquisition of the Walkabout building in Sherpherd's Bush, London and construction works on Dorsett Shepherds Bush London, Dorsett Tsuen Wan, Hong Kong and Silka Tsuen Wan, Hong Kong. These capital expenditures were funded through a combination of bank borrowings and internal resources.

5. *Contingent liabilities*

(a) During the six months period ended 30 September 2013, Management Corporation Strata Title No. 512 ("MCST 512") filed the notice of appeal against Collector's Awards granted to Tang City Holdings Pte. Ltd. ("Tang City"), a subsidiary of the Company in Singapore and commenced proceedings in Suit 847/2013 in Singapore against Tang City, claiming for the benefit and/or revenue relating to the alleged unauthorised additions to the floor area in the Singapore properties, namely Pearl Centre under Compulsory Acquisition amounted to S$23.5 million (equivalent to HK$144.7 million). There is no final judgement up to the date of this announcement. In the opinion of the directors, after obtaining legal advice from lawyer, MCST 512's appeal and MCST's action in Suit 847/2013 do not have strong basis and are unlikely to succeed. As such, no provision for potential liability has been made in the condensed consolidated financial statements.

(b) During the year ended 31 March 2010, HKSAR Hotel initiated a lawsuit against the contractor for the unsatisfactory performance in relation to the construction of a hotel in an amount of HK$14.4 million. In response to the claim, the contractor has filed counter claims against HKSAR Hotel for an amount of HK$25.8 million. HKSAR Hotel was disposed during the prior period but the Group undertakes to use all reasonable endeavours to procure the full and final settlement of the litigation. Both the defendant and the plaintiff have filed the closing submission and the reply submission in September and October 2013. There is no final judgement up to the date of this announcement. In the opinion of the directors, there is a fair chance of winning the lawsuit after consultation with the lawyer. Accordingly, no provision for potential liability has been made in the condensed consolidated financial statements.

6. Capital commitments

	As at 30.9.2013 *HK$'000*	As at 31.3.2013 *HK$'000*
Capital expenditure contracted but not provided in the condensed consolidated financial statements in respect of:		
Acquisition, development and refurbishment of hotel properties	**649,194**	768,622
Others	**17,069**	12,180
	666,263	780,802
Capital expenditure authorised but not contracted for in respect of:		
Development and refurbishment of hotel properties	**23,114**	27,673
Others	**16,474**	16,474
	39,588	44,147
	705,851	824,949

Business review

1. *Property division*

The Group's property division business includes property investment and property development.

Property investment comprises investments in retail and office buildings located in Shanghai, Hong Kong, Singapore and Melbourne. During the Interim Period 2014, a fair valuation gain of investment properties of approximately HK$267 million was recognized. As at 30 September 2013, valuation of investment properties reached approximately HK$2,767 million (31 March 2013: HK$2,432 million). The increase in valuation of investment properties was mainly attributable to the completion of retail properties located at Dorsett Residences in Singapore and Upper West Side Stage 1 in Melbourne, Australia.

In April 2013, the Group accepted the offer of compensation under the Land Acquisition Act of Singapore, by the Collector of Land Revenue of the government of Singapore for the compulsory acquisition of the Group's interest in Pearl's Centre in Singapore. Together with the ex-gratia payments, the total compensation sum was approximately S$89 million. Based on the offer of compensation, the Group recorded a gain of approximately HK$259 million on the compensation in relation to the compulsory acquisition.

The Group has a diversified portfolio in property development which is located in Australia, Shanghai, Guangzhou, Hong Kong, Kuala Lumpur and Singapore. To cater for the Group's local development needs, the Group has established strong local teams for property development at these locations. The diversification allows the Group to take advantage of the different property cycles in different regions. This strategy has resulted in a relatively low land cost base for the Group's property development projects. The Group's property developments are focused on mass residential market in Asia Pacific where the Group can benefit from the growing affluence of the middle class.

During the Interim Period 2014, the Group acquired a number of new sites (see below sections for different regions) which resulted an increase in development pipeline. As at 30 September 2013, the Gross Floor Area ("GFA") in the Group's property development pipeline reached approximately 12 million square feet ("sq. ft."), which is sufficient for the Group's development in the coming 6 to 7 years.

Cumulative contracted presales in relation to properties under development reached approximately HK$4.7 billion as at 30 September 2013. As revenue will only be recognized when sales of property development are completed, the presales were not reflected in the consolidated income statement. In addition, a significant amount of cash flow associated with the presales will only be generated as and when the projects are completed.

A breakdown of the contracted property sale value (not recognised) as at 30 September 2013 is set out below:

Developments	**Location**	**HK$ million**	**Expected year of completion FY**
Upper West Side, Stage 1	Australia	43	2013/4
Upper West Side, Stage 2	Australia	1,811	2015
Upper West Side, Stage 3	Australia	792	2016
Star Ruby	Hong Kong	518	2015
Sevilla Crest	Hong Kong	169	2015
Clearwater Bay 684	Hong Kong	160	2014
The Royal Crest	Mainland China	601	2014
Dorsett Place Waterfront Subang(i)	Malaysia	649	2017
Total		4,743	

Note:

(i) Project under a joint venture carried out by Dorsett Group and Mayland Valiant on a 50:50 profit sharing basis.

Currently, the Group has 15 active projects of approximately 4.8 million sq. ft. in GFA under various stages of development across the regions. Subsequent to 30 September 2013, the Group started marketing of the following projects: (i) View Pavilion, Shanghai, Mainland China; (ii) Manhattan at Upper West Side, Melbourne, Australia; and (iii) Dorsett Residences Bukit Bintang, Kuala Lumpur, Malaysia.

Australia

The Group's focus in Australia is the Upper West Side project which is a high rise residential development located at central business district of Melbourne. The total development consists of more than 1.3 million sq. ft. in GFA to be completed in 4 stages. In April 2013, a piece of land with site area of approximately 12,000 sq. ft. adjacent to the current Upper West Side development was acquired and added to the residential development portfolio. In June 2013, the Group further acquired another piece of land (opposite to the current Upper West Side development) with site area of approximately 1.176 hectare for AU$75 million. With these 2 acquisitions, approximately 3,400 residential apartments are expected to be added to the development pipeline of the Group.

Upper West Side Stage 1 consists of 700 apartments. As at 30 September 2013, more than 97% of the apartments had been settled. Upper West Side Stage 2 (named "Madison at Upper West Side") consists of 584 apartments. As at 30 September 2013, contracted presale value of the Stage 2 reached approximately HK$1,811 million, representing approximately 98% of Stage 2 development. Completion of Stage 2 is expected to be in the financial year ending 31 March 2015.

Upper West Side Stage 3 (named "Midtown at Upper West Side") consists of 282 apartments. As at 30 September 2013, contracted presale value of the Stage 3 reached approximately HK$792 million, representing approximately 94% of the Stage 3 development. Construction works has been commenced and the development is expected to be completed in the financial year ending 31 March 2016.

Upper West Side Stage 4 (named "Manhattan at Upper West Side") consists of 641 apartments. The presale was launched in October 2013 and its completion is expected to take place in the financial year ending 31 March 2017.

Mainland China

In Shanghai, the Group's California Garden is a township development, of which approximately 4,000 residential units have been built and sold. This development comprises a diversified portfolio of residences including low rise apartments, high rise apartments and houses. One of the phases, namely "The Royal Crest" consisting 288 low rise residential apartments (approximately 270,000 sq. ft. in GFA) was launched and 100% presold during the last financial year. The total presale value was approximately HK$601 million. The development is expected to be completed in the current financial year.

In October 2013, the Group launched the presale of another phase of California Garden, namely "View Pavilion". It consists of 306 high rise apartments and expected to be completed in the financial year ending 31 March 2016. Presale of Phase 16 consisting of 479 high rise apartments and 90 townhouses and The Royal Crest II consisting of 180 high rise apartments and 42 townhouses will come next.

In Guangzhou, the Huadijiayuen project, located in Liwan district, consists of approximately 1 million sq. ft. in GFA. Construction works has been commenced and 5 blocks of residential buildings with approximately 600 high rise apartments are being constructed. Subject to approval, presale is planned to be launched in the first half of financial year 2015 and completion is expected to take place in the financial year 2016.

Hong Kong

The Group has been actively building up its development pipeline in Hong Kong. The Group continues to increase its land bank through acquisition of redevelopment sites as well as participating in government tendering.

Following the acquisition of a residential development site located at Wong Tai Sin, Kowloon which consists of approximately 91,000 sq. ft. in GFA in November 2012, the Group acquired a residential development site located at Sha Tau Kok, New Territories through a government tender in October 2013 at the price of HK$143 million. This development consists of approximately 130,000 sq. ft. in GFA with a plan of no less than 240 low rise apartments. Currently, this development is under planning stage.

Star Ruby is a residential property development located at Hunghom, Kowloon. This development comprises of 124 high rise apartments with approximately 66,000 sq. ft. in GFA. As at 30 September 2013, presale value reached approximately HK$518 million, representing approximately 75% of the development. Completion is expected to take place in financial year 2015.

Sevilla Crest is a residential property development located at Sham Shui Po, Kowloon. This residential development consists of approximately 39,000 sq. ft. in GFA. As at 30 September 2013, presale value reached HK$169 million, representing 35% of the development. Completion is expected to take place in financial year 2015.

No. 684, Clearwater Bay Road is a residential development located at Sai Kung, New Territories. It consists of 4 villas, with a total GFA of approximately 20,000 sq. ft.. The project was sold through disposal of a subsidiary for HK$160 million in October 2013.

The Group's development project at No. 90-100 Hill Road, Pok Fu Lam, Hong Kong consists of approximately 45,000 sq. ft. in GFA. The project is now under construction following the Group's complete acquisition of the entire ownership of the site.

An approval has recently been received for a residential development located at Fung Lok Wai, Yuen Long, New Territories. This residential development shall have total floor area of approximately 1.6 million sq. ft. and comprise approximately 1,958 residential units. The Group has approximately 25.33% interests of the development.

Malaysia

Dorsett Bukit Bintang is a residential development adjacent to Dorsett Regency Kuala Lumpur. This development consists of 252 high rise apartments with approximately 220,000 sq. ft. in GFA. Marketing of this development started in October 2013. Completion is expected to take place in financial year ending 31 March 2017.

Dorsett Place Waterfront Subang is a 50:50 joint venture between Dorsett and Mayland Valiant. This development is adjacent to Grand Dorsett Subang in Kuala Lumpur and comprises 1,989 high rise apartments. The total net floor area is approximately 1,000,000 sq. ft.. Presale value as at 30 September 2013 amounted to approximately HK$649 million, representing approximately 30% of the development. Completion is expected to take place in financial year 2017.

2. *Hotel operation and management – Dorsett Hospitality International Limited*

The Group, through its 73.91% (as at the date of this announcement) owned listed subsidiary, Dorsett Hospitality International Limited ("Dorsett" and its subsidiaries, the "Dorsett Group"), operates its hotel business. The following table shows the operating data of Dorsett's owned hotels during the interim periods.

	Six months ended 30 September	
	2013	2012
Hong Kong		
Occupancy rate	**94%**	93%
Average room rate (HK$)	**887**	941
RevPAR (HK$)	**831**	876
Revenue (HK$ million)	**330**	349
Malaysia		
Occupancy rate	**67%**	66%
Average room rate (HK$)	**516**	507
RevPAR (HK$)	**343**	337
Revenue (HK$ million)	**149**	140
Mainland China		
Occupancy rate	**51%**	72%
Average room rate (HK$)	**555**	547
RevPAR (HK$)	**281**	393
Revenue (HK$ million)	**80**	65
Singapore		
Occupancy rate	**59%**	–
Average room rate (HK$)	**1,242**	–
RevPAR (HK$)	**736**	–
Revenue (HK$ million)	**26**	–
Group Total		
Occupancy rate	**75%**	81%
Average room rate (HK$)	**749**	768
RevPAR (HK$)	**561**	621
Revenue (HK$ million)	**585**	554

The Dorsett Group recorded an overall revenue per available room ("RevPAR") of HK$561 for the Interim Period 2014, representing a decline of 9.7% attributable to the weak performance of the newly opened Dorsett Grand Chengdu hotel in Mainland China and the decline of RevPAR in Hong Kong due to the drop of average room rate ("ARR"). The decline was however partially offset by the marginal improvement of RevPAR in Malaysia and strong RevPAR performance by the newly opened Dorsett Singapore.

The RevPAR in Hong Kong, which is Dorsett Group's key market and revenue contributor, was affected by slowdown in growth on tourist arrivals, the adverse impact from the new regulation on zero fare tour group, renovation of its flagship hotels, Cosmopolitan and Lan Kwai Fong, and increasing supply of hotel room inventories. Despite the challenges, concerted sales and marketing efforts and strong commitment from our operation teams managed to record a marginal increase of 1% on the occupancy rate ("OCC") to 94%. The ARR was however declined by 5.7% to HK$887 and as a result, the RevPAR in Hong Kong came in at HK$831, representing a drop of 5.1%.

In Malaysia, RevPAR performance improved marginally by 1.8% to HK$343 largely attributable to the strong performance of Dorsett Grand Labuan. The OCC for Malaysia operation improved marginally by 1% and the ARR improved by 1.8% as compared with the corresponding period. RevPAR in Mainland China declined by 28.5% to HK$281. The drop was solely due to the weak performance of the newly opened Dorsett Grand Chengdu and partially offset by the strong RevPAR performance of Dorsett Shanghai and Dorsett Wuhan.

Dorsett Group continued to expand its hotel portfolio and its network coverage. In August 2013, Dorsett Group entered into a transaction to acquire a hotel property in Jiangxi province, Mainland China for RMB176 million. The hotel property is located within the vicinity of the famous Lushan National Park in Jiujiang city, which is one of the most famous tourist destinations in Mainland China. The transaction was completed in October 2013 and Dorsett Group will officially open the hotel in January 2014 with approximately 300 rooms. In line with Dorsett Group's "Chinese Wallet" strategy to capture the market share for the increasing outbound Chinese travelers, in September 2013, Dorsett Group entered into a transaction to acquire the "Walkabout" pub and restaurant building, which is located just next to the Dorsett Shepherds Bush London hotel that is currently under construction. Dorsett Group intends to convert the property into hotel rooms which will complement the operation of its soon to be opened Dorsett Shepherds Bush London hotel.

Dorsett Shepherds Bush London and Dorsett Tsuen Wan, Hong Kong are scheduled to open in the coming 6 months. Dorsett Shepherds Bush London consists of 317 rooms and Dorsett Tsuen Wan consists of 547 rooms. Together with the hotel acquired in Lushan, Mainland China in August 2013, total number of more than 1,100 rooms will be added to the current operating rooms capacity in the coming 6 months.

As at 30 September 2013, Dorsett Group operated 17 owned hotels (8 in Hong Kong, 5 in Malaysia, 3 in Mainland China and 1 in Singapore) with approximately 4,900 rooms and managed 2 third party hotel management contracts in Hong Kong with approximately 240 rooms.

Dorsett Group has 8 hotels in the development pipeline (2 in Hong Kong, 3 in Mainland China and 3 in United Kingdom). When all the pipeline hotels come into operation, the Dorsett Group will operate 25 owned hotels with more than 7,400 rooms.

Subsequent to the Interim Period 2014, Dorsett Group entered into hotel management contracts (with its connected parties) to manage 4 hotels with approximately 1,000 rooms in total in Malaysia. The hotel management contracts will provide the platform to further expand Dorsett Group's network in South East Asia and provide steady income stream in the future. One of the 4 hotel management contracts is for Sri Jati serviced apartments which is owned by the Group (outside Dorsett Group). Sri Jati will be redeveloped into a hotel with 154 rooms.

3. *Car park division*

The car park division manages both third party owned car parks and self owned car parks located in Australia, New Zealand and Hartamas shopping mall in Kuala Lumpur in Malaysia. As at 30 September 2013, the portfolio consisted of 288 car parks with more than 51,000 parking bays under the Group's management. Of these, 20 were self owned car parks consisting of approximately 5,600 car parking bays. The remaining car parks were operating under management contracts entered into with third party car park owners. Third party owners included local governments, shopping malls, retailers, universities, airports, hotels, hospitals, government departments and commercial and office buildings.

During the Interim Period 2014, the Group added a net total of approximately 10 new car parks under management with an increase of approximately 1,500 parking bays. The division recorded steady growth and is expected to continue to contribute to the recurring income of the Group. The car park division has expanded its business to include building and property management and is exploring expansion opportunity of its car park business into Mainland China via a joint venture arrangement.

PROSPECTS

The global economy is showing signs of recovery following the adoption of highly accommodative interest rate policy and quantitative easing in many major economies. The liquidity and a low interest rate environment have indirectly benefitted the Asian economy. As far as the property sector is concerned, market has demonstrated stability following cooling measures imposed by governments in Hong Kong, Singapore and Mainland China.

Looking forward, quantitative easing in the United States is expected to taper in the months ahead. With this backdrop, the Group will maintain a cautious approach in its business management such as seeking achievement of certain presale level before commencement of construction work. The Group will also be diligent and selective in seeking attractive opportunities to expand its residential and hotel development pipeline in order to maintain its growth momentum.

The Group expects contribution from its residential development and hotel division to remain healthy in the coming few years given the Group's current strong residential development and hotel pipeline. The Group will continue to seek organic growth in its car park division including expansion into other new areas.

The management is confident that with a good geographical diversification and a balanced business mix, the Group will be able to weather through cyclicalities in the business and deliver long term sustainable growth to its shareholders.

EMPLOYEES AND REMUNERATION POLICIES

The number of employees of the Group as at 30 September 2013 was approximately 3,000. The Group provides its employees with comprehensive benefit packages and career development opportunities, including medical benefits and both internal and external trainings appropriate to each individual's requirements.

CORPORATE GOVERNANCE

Compliance with the Corporate Governance Code

The Company has complied with the code provisions (the "Code Provisions") set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange throughout the six months ended 30 September 2013, except for deviations from Code Provisions A.2.1, A.6.7 and E.1.2 of the CG Code described below.

Code Provision A.2.1: Tan Sri Dato' David CHIU currently assumes the roles of both the Chairman and Chief Executive Officer of the Company. The Board believes that this structure provides the Group with strong and consistent leadership and allows for more effective and efficient business planning and decisions as well as execution of long term business strategies. As such, it is beneficial to the business prospects of the Group.

Code Provision A.6.7: Due to their business engagement, the non-executive director and two independent non-executive directors of the Company were unable to attend the annual general meeting held on 29 August 2013.

Code Provision E.1.2: Due to his unavoidable business engagement, Tan Sri Dato' David CHIU, the Chairman and Chief Executive Officer of the Company, was unable to attend the annual general meeting held on 29 August 2013. In view of his absence, Tan Sri Dato' David CHIU had arranged for other directors and management, who are well-versed in the Company's business and affairs, to attend the meeting and communicate with Shareholders.

AUDIT COMMITTEE

The Audit Committee, comprising all of the Company's three independent non-executive directors, namely Mr. Kwok Wai CHAN, Mr. Peter Man Kong WONG and Mr. Kwong Siu LAM has reviewed the unaudited consolidated interim results of the Group for the six months ended 30 September 2013.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 September 2013, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

PUBLICATION OF THE INTERIM RESULTS AND INTERIM REPORT

This results announcement is published on the website of the Stock Exchange at *http://www.hkex.com.hk* and on the website of the Company at *http://www.fecil.com.hk*. The Interim Report will be despatched to the Shareholders and will be available for viewing at each of the websites of the Stock Exchange and the Company in due course.

By Order of the Board of
Far East Consortium International Limited
Boswell Wai Hung CHEUNG
Chief Financial Officer and Company Secretary

Hong Kong, 27 November 2013

As at the date of this announcement, the Board comprises five executive directors, namely Tan Sri Dato' David CHIU, Mr. Cheong Thard HOONG, Mr. Chi Hing CHAN, Mr. Dennis CHIU and Mr. Craig Grenfell WILLIAMS; one non-executive director, Mr. Daniel Tat Jung CHIU; and three independent non-executive directors, namely Mr. Kwok Wai CHAN, Mr. Peter Man Kong WONG and Mr. Kwong Siu LAM.