FAR EAST CONSORTIUM INTERNATIONAL LIMITED
遠東發展有限公司*

(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 2015 AND RE-DESIGNATION OF DIRECTOR

INTERIM RESULTS HIGHLIGHTS

- Revenue and gross profit for 1H FY2016 decreased by 35.9% and 27.4% respectively to approximately HK$1,857 million and HK$629 million respectively, compared with that in 1H FY2015. Results were affected by adverse currency exchange rate movements, lower booking of residential sales and lower contribution from hotel division in 1H FY2016.

- Gross profit margin for 1H FY2016 increased to 33.8% from 29.9% of 1H FY2015.

- Net profit attributable to shareholders of the Company for 1H FY2016 at approximately HK$263 million (1H FY2015: HK$401 million).

- Cumulative presales value of properties under development amounted to approximately HK$7.5 billion (HK$6.5 billion as at 31 March 2015) following the successful launch of Aspen Crest in Hong Kong and King's Manor (second phase) in Shanghai.

- Bank and cash balances and investment securities of the Group increased to approximately HK$3.8 billion as at 30 September 2015 (HK$3.5 billion as at 31 March 2015), providing a strong war chest for business expansion. Net debts[i] as at 30 September 2015 decreased to approximately HK$5.6 billion from HK$6.3 billion as at 31 March 2015.

* *For identification purposes only*

- Net gearing ratio[(ii)] was at 26.7% as at 30 September 2015 (29.8% as at 31 March 2015).

- Interim dividend for 1H FY2016 maintained at HK3 cents per share (1H FY2015: HK3 cents per share).

- Privatisation of Dorsett became effective on 14 October 2015. The transaction strengthens the Group's balance sheet and increases the Group's exposure to the significant growth potential in the tourism sector.

- Net assets attributable to shareholders as at 30 September 2015 amounted to approximately HK$11.35 per share, adjusted for hotel revaluation surplus[(iii)] and assuming privatisation of Dorsett was completed on the date.

- Destination Brisbane Consortium ("Consortium") was selected as preferred proponent for Queens Wharf Brisbane project in July 2015. Both Integrated Resort development and Residential development agreements were signed on 16 November 2015. The Integrated Resort of the project is expected to generate strong recurring cashflow stream for the Group.

- Residential development pipeline continued to grow with addition of Queens Wharf Brisbane project and the successful tender of a residential project in Singapore.

Notes:

(i) Net debts represents total bank loans and bonds less bank and cash balances and investment securities.

(ii) Net gearing ratio represents total bank loans and bonds less investment securities, bank and cash balances divided by carrying amount of total equity and hotel revaluation surplus.

(iii) Revaluation surplus on hotel assets of approximately HK$11,042 million was based on independent valuation carried out as at 31 May 2015 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.

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 2015 ("1H FY2016"). The Company's Audit Committee has reviewed the results of the financial statements of the Group for the period ended 30 September 2015 prior to recommending them to the Board for approval.

INTERIM DIVIDEND

The Board has declared the payment of an interim dividend for the six months ended 30 September 2015 of HK3 cents (30 September 2014: HK3 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 30 December 2015. 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 30 December 2015. 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 8 January 2016. Dividend warrants and/or new share certificates will be posted on or around 15 February 2016.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

		Six months ended	
		30.9.2015	30.9.2014
	NOTES	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Revenue		**1,857,064**	2,895,023
Cost of sales and services		**(1,078,018)**	(1,897,075)
Depreciation and amortisation of hotel and car park assets		**(150,478)**	(132,470)
Gross profit		**628,568**	865,478
Other income		**12,051**	23,402
Other gains and losses	*5*	**130,889**	147,658
Administrative expenses			
– Hotel operations and management		**(171,646)**	(197,017)
– Others		**(118,583)**	(140,575)
Pre-opening expenses			
– Hotel operations and management		**–**	(8,578)
Selling and marketing expenses		**(54,218)**	(51,908)
Share of results of associates		**7,532**	3,540
Share of results of joint ventures		**2,904**	(1,453)
Finance costs	*6*	**(114,798)**	(102,396)
Profit before tax		**322,699**	538,151
Income tax expense	*7*	**(48,325)**	(116,811)
Profit for the period	*8*	**274,374**	421,340
Attributable to:			
Shareholders of the Company		**263,242**	400,592
Non-controlling interests		**11,132**	20,748
		274,374	421,340
Earnings per share	*9*		
– Basic *(HK cents)*		**13.7**	21.6
– Diluted *(HK cents)*		**13.7**	21.4

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

	Six months ended	
	30.9.2015	30.9.2014
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Profit for the period	**274,374**	421,340
Other comprehensive expense for the period		
Item that may be subsequently reclassified to profit or loss:		
Exchange differences arising on translation of foreign operations	**(323,973)**	(95,096)
Revaluation increase on available-for-sale investments	**–**	18
Fair value adjustments on cross currency swap contracts designated as cash flows hedge	**(21,417)**	(49,118)
Reclassification to profit or loss on disposal of available-for-sale investments	**–**	224
Reclassification from hedge reserve to profit or loss	**–**	(10,000)
	(345,390)	(153,972)
Total comprehensive (expense) income for the period	**(71,016)**	267,368
Total comprehensive (expense) income attributable to:		
Shareholders of the Company	**(46,895)**	262,733
Non-controlling interests	**(24,121)**	4,635
	(71,016)	267,368

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 SEPTEMBER 2015

	NOTE	30.9.2015 HK$'000 (unaudited)	31.3.2015 HK$'000 (audited)
Non-current Assets			
Investment properties		**3,196,449**	3,154,315
Property, plant and equipment		**7,481,386**	7,491,993
Prepaid lease payments		**516,153**	541,476
Goodwill		**68,400**	68,400
Interests in associates		**334,025**	326,510
Interests in joint ventures		**43,627**	40,708
Investment securities		**692**	692
Deposits for acquisition of property, plant and equipment		**134,104**	130,385
Amounts due from associates		**70,724**	70,734
Amount due from a joint venture		**26,779**	27,248
Amount due from an investee company		**119,995**	119,995
Other receivables		**30,699**	25,319
Pledged deposits		**2,287**	2,564
Deferred tax assets		**26,594**	30,537
		12,051,914	12,030,876
Current Assets			
Properties for sale			
Completed properties		**147,827**	200,730
Properties for/under development		**5,188,452**	5,251,611
Other inventories		**8,420**	8,936
Prepaid lease payments		**15,075**	15,519
Debtors, deposits and prepayments	*11*	**958,592**	809,999
Other receivables		**111,568**	121,985
Tax recoverable		**11,377**	14,461
Investment securities		**1,415,132**	1,150,244
Derivative financial instruments		**77**	2,058
Pledged deposits		**145,499**	272,982
Restricted bank deposits		**198,250**	51,158
Deposit in a financial institution		**11,331**	11,303
Bank balances and cash		**2,173,939**	2,273,734
		10,385,539	10,184,720

	NOTE	**30.9.2015**	31.3.2015
		HK$'000	*HK$'000*
		(unaudited)	(audited)
Current Liabilities			
Creditors and accruals	*12*	**740,637**	737,344
Customers' deposits received		**1,374,644**	575,482
Obligations under finance leases		**2,120**	4,038
Amounts due to related companies		**18,155**	45,785
Amounts due to associates		**12,813**	10,009
Amounts due to non-controlling shareholders of subsidiaries		**26,867**	28,286
Bonds		**1,220,000**	1,250,000
Derivative financial instruments		**45,858**	31,542
Dividend payable		**249,286**	–
Tax payable		**259,636**	333,053
Secured bank borrowings		**1,852,490**	3,087,051
		5,802,506	6,102,590
Net Current Assets		**4,583,033**	4,082,130
Total Assets less Current Liabilities		**16,634,947**	16,113,006
Non-current Liabilities			
Secured bank borrowings		**5,343,731**	4,467,939
Obligations under finance leases		**5,759**	4,622
Bonds		**982,296**	1,005,274
Derivative financial instruments		**65,509**	58,939
Deferred tax liabilities		**309,233**	315,303
		6,706,528	5,852,077
Net Assets		**9,928,419**	10,260,929
Capital and Reserves			
Share capital		**191,759**	191,374
Share premium		**2,988,226**	2,982,364
Reserves		**5,675,081**	5,969,912
Equity attributable to shareholders of the Company		**8,855,066**	9,143,650
Non-controlling interests		**1,073,353**	1,117,279
Total Equity		**9,928,419**	10,260,929

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

1. GENERAL

The Company was incorporated as an exempted company with limited liability in the Cayman Islands. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

2. BASIS OF PREPARATION

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

3. 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 2015 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2015.

Application of amendments to Hong Kong Financial Reporting Standards ("HKFRSs")

The Group has applied for the first time in the current interim period, the following amendments to 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 2010-2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle
Amendments to HKAS 19	Defined Benefit Plans: Employee Contribution

The application of the amendments to 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.

4. 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, hotel operations and management, and car park operations and facilities management 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 30.9.2015	Six months ended 30.9.2014	**Six months ended 30.9.2015**	Six months ended 30.9.2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Property development				
– Australia	**683,924**	1,300,924	**184,886**	245,450
– Hong Kong ("HK")	**33,677**	507,872	**(29,650)**	149,721
– Malaysia	**–**	–	**(246)**	(11,495)
– Other regions in the People's Republic of China excluding HK ("PRC")	**170,849**	7,901	**101,453**	(9,690)
– United Kingdom ("UK")	**753**	–	**(4,667)**	–
	889,203	1,816,697	**251,776**	373,986
Property investment				
– HK	**18,222**	18,509	**56,765**	136,225
– PRC	**7,074**	6,849	**(15,755)**	(15,628)
– Singapore	**445**	4,658	**(2,768)**	(9,652)
	25,741	30,016	**38,242**	110,945
Operations of Dorsett and its subsidiaries including hotel operations and management, property development and investments and securities and financial product investments				
– HK	**312,360**	394,737	**5,289**	59,245
– Malaysia	**102,184**	142,066	**7,920**	19,935
– PRC	**102,516**	102,865	**11,474**	9,712
– Singapore	**48,413**	52,963	**11,498**	13,082
– UK	**68,585**	21,984	**8,574**	(13,558)
	634,058	714,615	**44,755**	88,416

	Segment revenue		Segment profit	
	Six months ended 30.9.2015	Six months ended 30.9.2014	**Six months ended 30.9.2015**	Six months ended 30.9.2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Car park operations and facilities management				
– Australia	**292,491**	312,758	**24,059**	25,285
– Malaysia	**6,527**	8,368	**3,173**	3,297
	299,018	321,126	**27,232**	28,582
Securities and financial product investments	**8,496**	11,440	**(16,728)**	(5,820)
Other operations	**548**	1,129	**35,939**	13,596
Segment revenue/segment profit	**1,857,064**	2,895,023	**381,216**	609,705
Unallocated corporate expenses			**(32,964)**	(48,565)
Finance costs			**(25,553)**	(22,989)
Profit before tax			**322,699**	538,151
Income tax expense			**(48,325)**	(116,811)
Profit for the period			**274,374**	421,340

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

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.

	As at 30.9.2015	As at 31.3.2015
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Property development		
– Australia	**1,647,929**	1,845,047
– HK	**1,540,025**	1,405,863
– Malaysia	**351,873**	394,732
– PRC	**2,828,812**	2,626,878
– UK	**355,706**	300,056
	6,724,345	6,572,576
Property investment		
– HK	**2,915,667**	2,751,823
– PRC	**3,050**	4,578
– Singapore	**85,246**	86,638
	3,003,963	2,843,039
Operations of Dorsett and its subsidiaries, including hotel operations and management, property development and investments and securities and financial product investments		
– HK	**4,706,755**	4,868,673
– Malaysia	**833,693**	968,052
– PRC	**2,280,148**	2,223,323
– Singapore	**809,618**	827,573
– UK	**995,796**	942,576
	9,626,010	9,830,197
Car park operations and facilities management		
– Australia	**572,170**	559,266
– Malaysia	**137,599**	143,847
	709,769	703,113
Securities and financial product investments	**670,034**	468,957
Other operations	**212,405**	179,811
Segment assets	**20,946,526**	20,597,693
Unallocated corporate assets	**1,490,927**	1,617,903
Total assets	**22,437,453**	22,215,596

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

5. OTHER GAINS AND LOSSES

	Six months ended	
	30.9.2015	30.9.2014
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Change in fair value of investment properties	**127,122**	191,105
Loss on disposal of available-for-sale investments	**–**	(224)
Change in fair value of financial assets at fair value through profit or loss	**(51,705)**	2,426
Change in fair value of derivative financial instruments	**2,391**	2,152
Net foreign exchange gains (losses)	**56,337**	(47,801)
Allowances for doubtful debt	**(3,256)**	–
	130,889	147,658

6. FINANCE COSTS

	Six months ended	
	30.9.2015	30.9.2014
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interest on:		
Bank borrowings	**125,854**	156,250
Convertible bonds	**–**	612
Finance leases	**5**	5
Interest on bonds	**66,023**	68,715
Less: net interest income from cross currency swap contracts	**(10,626)**	(13,547)
Amortisation of front-end fee	**2,766**	2,481
Others	**1,045**	5,311
Total interest costs	**185,067**	219,827
Less: amounts capitalised to properties under development:		
– investment properties	**(1,684)**	(1,679)
– properties for owners' occupation	**(8,640)**	(24,790)
– properties for sale	**(59,945)**	(90,962)
	114,798	102,396

Borrowing costs capitalised during the period which arose on the general borrowing pool of the Group were calculated by applying a capitalisation rate ranging from 5.875% to 6% per annum (six months ended 30.9.2014: 5.875% to 6%) to expenditure on the qualifying assets.

7. INCOME TAX EXPENSE

	Six months ended 30.9.2015 HK$'000 (unaudited)	30.9.2014 HK$'000 (unaudited)
The income tax expense comprises:		
Current tax:		
Hong Kong Profits Tax	**8,860**	34,556
PRC Enterprise Income Tax ("EIT")	**22,173**	26
PRC Land Appreciation Tax ("LAT")	**8,408**	–
Australia Income Tax	**59,761**	85,723
Malaysia Income Tax	**2,875**	3,163
Singapore Income Tax	**117**	–
	102,194	123,468
Overprovision in prior years		
– PRC LAT	**–**	(69)
– Hong Kong Profits Tax	**(61,586)**	–
	(61,586)	(69)
Deferred taxation	**7,717**	(6,588)
	48,325	116,811

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

PRC 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 the deemed levying rates 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 period.

8. PROFIT FOR THE PERIOD

	Six months ended	
	30.9.2015	30.9.2014
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Profit for the period has been arrived at after charging:		
Amortisation of prepaid lease payments	**5,528**	5,636
Depreciation of property, plant and equipment	**158,393**	135,293
Share of taxation of associates (included in share of results of associates)	**786**	699
and after crediting:		
Dividend income from:		
Investments held for trading	**–**	3,635
Available-for-sale investments	**–**	87
	–	3,722
Bank interest income	**3,326**	3,195

9. 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$263,242,000 (six months ended 30.9.2014: HK$400,592,000) and the number of shares calculated as follows:

	Six months ended	
	30.9.2015	30.9.2014
	'000	*'000*
	(unaudited)	(unaudited)
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,915,651**	1,851,968
Effect of dilutive potential ordinary shares – Company's share options	**5,079**	19,200
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,920,730**	1,871,168

The computations for both periods did not assume the exercise of its indirect subsidiary Dorsett's share options as the exercise prices of those options are higher than the average market prices of the Dorsett's shares for both periods.

10. DIVIDENDS

	Six months ended	
	30.9.2015	30.9.2014
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Dividends recognised as distribution during the period:		
Final dividend for the year ended 31.3.2015 of HK13 cents (six months ended 30.9.2014: final dividend for the year ended 31.3.2014 of HK12 cents) per share	**249,286**	222,716

The 2015 final dividend was declared in form of a scrip dividend to shareholders who were given an option to elect to receive cash in lieu of all or part of their scrip dividend at a share price of HK$2.828 per share. These new shares rank pari passu to the existing shares of the Company.

Subsequent to the end of the reporting period, the directors declared an interim dividend of HK3 cents (six months ended 30.9.2014: HK3 cents) per share to the shareholders of the Company whose names appear in the register of member on 30 December 2015. Shareholders have an option to elect cash in lieu of new shares of the Company for the dividend proposed and paid during the period.

11. DEBTORS, DEPOSITS AND PREPAYMENTS

	30.9.2015	31.3.2015
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Trade debtors	**173,602**	154,654
Advance to contractors	**10,275**	9,139
Utility and other deposits	**13,146**	35,153
Receivable from stakeholders	**573,785**	417,096
Prepayment and other receivables	**187,784**	193,957
	958,592	809,999

Trade debtors mainly represent receivable 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. Included in trade debtors is an amount of Singapore Dollars ("S$") 12,040,000 (equivalent to HK$65,257,000) (31.3.2015: S$12,040,000, equivalent to HK$67,906,000) which represents the portion of the proceeds that have been settled by the buyers and are being held in escrow account. The funds would be remitted to the Group upon the issuance of relevant certificate by the government authority in Singapore, which is expected to take place within one year after the end of the reporting period.

The following is an aged analysis of trade debtors based on the invoice dates at the end of the reporting period, which approximated the respective revenue recognition date.

	30.9.2015	31.3.2015
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0-60 days	**94,387**	76,427
61-90 days	**1,371**	4,388
Over 90 days	**77,844**	73,839
	173,602	154,654

12. CREDITORS AND ACCRUALS

	30.9.2015	31.3.2015
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Trade creditors		
– Construction cost and retention payable	**132,246**	205,746
– Others	**74,930**	70,857
	207,176	276,603
Construction cost and retention payable for capital assets	**222,564**	104,937
Rental and reservation deposits and receipts in advance	**25,135**	49,389
Payable to brokers for the purchase of securities	**–**	10,540
Other payable and accrued charges	**285,762**	295,875
	740,637	737,344

The following is an aged analysis of the trade creditors:

	30.9.2015	31.3.2015
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0-60 days	**126,827**	198,730
61-90 days	**3,953**	1,590
Over 90 days	**76,396**	76,283
	207,176	276,603

MANAGEMENT DISCUSSION AND ANALYSIS

Financial and Business Reviews

Financial review

1. *Revenue analysis*

The Company's consolidated revenue for 1H FY2016 was approximately HK$1.9 billion, a decrease of 35.9% as compared with the six months ended 30 September 2014 ("1H FY2015"). A breakdown of revenue is shown below:

Major business	**1H FY2016** ***HK$ million***	1H FY2015 *HK$ million*	*Decrease*
Sales of properties	**889**	1,817	51.1%
Hotel operations and management	**634**	715	11.3%
Car park operations and facilities management	**299**	321	6.9%
Leasing of properties	**26**	30	13.3%
Others	**9**	12	–
Total revenue	**1,857**	2,895	35.9%

Revenue from sales of properties amounted to approximately HK$889 million in 1H FY2016, a decrease of 51.1% as compared with the last financial period. During 1H FY2016, 2 projects were completed, namely Upper West Side, Midtown (Stage 3) in Melbourne and View Pavilion in Shanghai. This decrease in revenue was mainly due to lower booking of residential development completion during 1H FY2016. In 2H FY2016, it is expected that Eivissa Crest, Hong Kong and certain number of units of Kings Manor, Shanghai will be completed. The remaining presold units at View Pavilion will also be handed over to customers in 2H FY2016.

Revenue from hotel operations and management amounted to approximately HK$634 million in 1H FY2016, a decrease of 11.3% as compared to 1H FY2015. The decrease was attributable mainly to decrease in average room rate and occupancy in the Hong Kong market and reduction in average room rate (measure in Hong Kong dollar terms) in Malaysia.

Revenue from car park operations and facilities management amounted to approximately HK$299 million in 1H FY2016, a decrease of 6.9%. During 1H FY2016, approximately 4,300 car park bays were added to the car park management portfolio. However, the results was offset by the impact of the depreciation of the Australian and Malaysian dollars against the Hong Kong dollar. Assuming constant exchange rate, revenue from this division increased by 14.3%.

Revenue relating to leasing of properties decreased by approximately HK$4 million, mainly due to Pearl Centre, Singapore which was sold in the previous financial year.

In general, contributions from non-Hong Kong operations were affected by adverse currency movement of foreign currencies against Hong Kong dollar. The table below sets forth the exchange rates of Hong Kong dollar against the local currency of countries where the Group has significant operation:

	Impact of Currency Exchange Rate					
	30.9.2015	**31.3.2015**	**% change**	30.9.2014	31.3.2014	% change
	HK$	***HK$***		*HK$*	*HK$*	
HK$/AUD	5.41	5.92	-8.6%	5.41	6.75	-19.9%
HK$/RMB	1.22	1.25	-2.4%	1.22	1.26	-3.2%
HK$/MYR	1.74	2.09	-16.7%	1.74	2.37	-26.6%
HK$/GBP	11.72	11.46	2.3%	11.72	12.58	-6.8%
HK$/SGD	5.42	5.63	-3.7%	5.42	6.09	-11.0%

2. *Gross profit analysis*

	Property Development *HK$'000*	Hotel operations and management *HK$'000*	Car park operations and facilities management *HK$'000*	Others and unallocated items *HK$'000*	Total *HK$'000*
For 1H FY2016					
Revenue	**889,203**	**634,058**	**299,018**	**34,785**	**1,857,064**
Gross profit	**298,625**	**251,928**	**57,222**	**20,793**	**628,568**
Depreciation and amortization	**–**	**141,387**	**9,091**	**–**	**150,478**
Adjusted gross profit	**298,625**	**393,315**	**66,313**	**20,793**	**779,046**
Gross profit margin	**33.6%**	**62.0%**	**22.2%**	**59.8%**	**42.0%**
For 1H FY2015					
Revenue	1,816,697	714,615	321,126	42,585	2,895,023
Gross profit	433,013	342,466	63,743	26,256	865,478
Depreciation and amortization	–	120,852	11,618	–	132,470
Adjusted gross profit	433,013	463,318	75,361	26,256	997,948
Gross profit margin	23.8%	64.8%	23.5%	61.7%	34.5%

3. *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 2015.

	As at	
	30.9.2015	31.3.2015
	HK$ million	*HK$ million*
Bank loans and bonds		
Due within 1 year	**2,124**	3,821
Due 1 – 2 years	**2,230**	530
Due 2 – 5 years	**4,036**	5,167
Due more than 5 years	**1,016**	301
Total bank loans and bonds	**9,406**	9,819
Investment securities	**1,416**	1,151
Bank and cash balances	**2,384**	2,336
Liquidity position	**3,800**	3,487
Net debts[(i)]	**5,606**	6,332
Carrying amount of the total equity	**9,928**	10,261
Add: hotel revaluation surplus	**11,042**	10,976
Total equity adjusting for hotel revaluation surplus	**20,970**	21,237
Net gearing ratio (net debts to total adjusted equity)	**26.7%**	29.8%

Note:

(i) Net debts represent total bank loans and bonds less investment securities, bank and cash balances.

To better manage the Group's liquidity position, the Group allocated a portion of its cash position in marketable investment securities. Investment securities shown on the consolidated statement of financial position represent primarily fixed income securities and investments in fixed income funds.

The liquidity position of the Group as at 30 September 2015 was HK$3.8 billion. During the six months ended 30 September 2015, debts reduced by approximately HK$726 million to HK$5.6 billion.

Adjusting for the unrecognized hotel revaluation surplus of approximately HK$11,042 million as at 31 May 2015 (HK$10,976 million as at 31 March 2015), the Group's total consolidated equity as at 30 September 2015 was approximately HK$9,928 million. Compared with the net debts as at 30 September 2015, the net gearing ratio of the Group was at 26.7%, an improvement from 29.8% as at 31 March 2015.

The carrying amounts of the total bank loans and bonds in the Company's consolidated statement of financial position include an amount of approximately HK$950 million (as at 31 March 2015: HK$521 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.

As at 30 September 2015, the undrawn banking facilities were approximately HK$4.1 billion which are all committed banking facilities, of which approximately HK$2.0 billion is in relation to construction development while the remaining balance of approximately HK$2.1 billion is for the Group's corporate use. The banking facilities together with sale proceeds generated from the Group's upcoming property development projects places the Group in a good financial position to fund not only its existing business and operations but also further expansion of its business.

4. *Capital expenditure*

The Group's capital expenditures consist of expenditures for acquisition, development and refurbishment of hotel properties. During 1H FY2016, the Group's capital expenditures amounted to approximately HK$104 million primarily attributable to construction works on Dorsett City London and Silka Tsuen Wan Hong Kong, and the renovation works on Cosmopolitan Hotel Hong Kong. The capital expenditures were funded through a combination of bank borrowings and internal resources.

5. *Capital commitments*

	As at	
	30.9.2015	31.3.2015
	HK$ million	*HK$ million*
Capital expenditure contracted but not provided in the condensed consolidated financial statements in respect of:		
Acquisition, development and refurbishment of hotel properties	**423,799**	259,477
Others	**66,877**	83,761
	490,676	343,238
Capital expenditure authorised but not contracted for in respect of:		
Development and refurbishment of hotel properties	**–**	210,346
Others	**11,069**	11,069
	11,069	221,415
	501,745	564,653

6. *Post balance sheet event – Privatisation of Dorsett Hospitality International Limited ("Dorsett")*

The scheme of arrangement for the privatisation of Dorsett was approved at the Court Meeting and the Extraordinary General Meeting by Dorsett's independent shareholders on 29 September 2015, sanctioned by the Grand Court of the Cayman Islands and became effective on 14 October 2015. In order to acquire Dorsett's minority shares of approximately 26.03% of Dorsett's issued share capital, a total of 153,772,358 shares of the Company (approximately 7.42% of the enlarged share capital) were allotted and issued on 14 October 2015 and a total cash consideration of approximately HK$394 million was paid on 26 October 2015 to the Scheme Shareholders. The withdrawal of the listing of Dorsett Shares on the Stock Exchange took effect from 4:00 p.m. on 16 October 2015. The Dorsett Bonds continue to be listed on the Stock Exchange. Unless otherwise defined in this section or the context otherwise requires, terms defined in the composite scheme document dated 31 August 2015 as amended by the announcement dated 8 September 2015 jointly issued by the Company, Dorsett and Willow Bliss Limited shall have the same meanings when used in this section.

The Company is expected to benefit from the successful privatisation of Dorsett in the following manner:

(1) Enhancement of the Company's net asset value ("NAV")

	Before Privatisation *HK$ million*	**After Privatisation** *HK$ million*
Equity attributable to shareholders as at 30.9.2015	8,855	8,855
Hotel revaluation surplus as at 31.5.2015 (HK$11,042 million x 73.97%)	8,168	8,168
Other assets revaluation surplus as at 31.5.2015 (primarily land and car parks)	3,027	3,027
Add Dorsett minority interest	–	967
Add hotel revaluation surplus from minority shareholders as at 31.5.2015 (HK$11,042 million x 26.03%)	–	2,874
Less cash distributed to Dorsett minority shareholders	–	(394)
Total net asset value	20,050	23,497
Total shares in issue (million)	1,918	2,071
Adjusted NAV per share *(HK$)* as at 30.9.2015	**10.45**	**11.35**
NAV enhancement per share *(HK$)*		**0.90**

(2) Better flexibility in financing capability

Dorsett has 7 hotel assets which are unencumbered and able to provide an additional lending facility of approximately HK$1.3 billion. Its liquidity position (bank and cash, and investment securities) was approximately HK$1.4 billion as at 30 September 2015. Undrawn banking facilities as at 30 September 2015 was approximately HK$1.1 billion. This additional financing/funding capability enables the Group to stature itself in a better position to explore greater potential business opportunities and deploy capital to projects with higher internal rate of returns.

(3) Increase in trading liquidity

153,772,358 shares of the Company (approximately 7.42% of the enlarged share capital) were issued pursuant to the privatisation exercise. It is expected that these additional shares were added to trading liquidity.

(4) Elimination of holding company discount

It is expected that the privatisation would eliminate the holding company discount, resulting in improvement of the Company's value.

(5) Savings in certain overlapped corporate functions

The combined entities will simplify the group structure and give rise to cost savings achievable through the elimination of certain overlapped corporate functions.

7. *Post balance sheet event – Entering into Integrated Resort Development Agreement and Residential Development Agreement in relation to the development of Queen's Wharf project in Brisbane, Australia*

On 16 November 2015, the Consortium, a joint venture between the Group, Echo Entertainment Group Limited ("Echo") and Chow Tai Fook Enterprises Limited ("CTF"), entered into Development Agreements with the Queensland State for the delivery of the Queen's Wharf Project in Brisbane, Australia. This follows the Queensland State's selection of the Consortium as the preferred proponent on 20 July 2015.

Integrated Resort Component

The integrated resort component ("Integrated Resort Component") is owned in the proportion of 25% by the Group, 25% by CTF and 50% by Echo, of which equity contributions to this component will be provided in accordance with their respective interests.

The total investment amount for the Integrated Resort Component is expected to be approximately AU$1.93 billion. The equity portion of the total investment is expected to be approximately 40% (i.e. AU$773 million) with the balance of approximately 60% to be funded by bank financing. As the Group has a 25% interest in the Integrated Resort Component, the equity portion of the total investment required from the Group is expected to be approximately AU$193.25 million. Payments will be made progressively commencing from signing of the project documents up to completion of the project.

Residential Component

The residential component ("Residential Component") is owned in the proportion of 50% by the Group and 50% by CTF, of which equity contributions to this component will be provided in accordance with their respective interests.

Together with the Group's portion of land premium for the Residential Component, the total capital commitment of the Group is expected to be approximately AU$225.75 million. The Group intends to fund its portion of capital commitment from the Group's internal resources.

Information on the project

The project comprises the Integrated Resort Component and the Residential Component encompassing a total area of approximately 9.4 hectares at Queen's Wharf, Brisbane, Queensland, Australia, consisting of 3 residential towers comprising approximately 2,000 apartments, 5 world class hotels (including Ritz-Carlton Hotel owned by Echo), high end food and commercial outlets and a casino in Brisbane's prime waterfront district. Subject to the final approval of the master plan, the total core development gross floor area ("GFA") of the project is expected to be 544,600 square meters ("sq. m.") of which approximately 167,000 sq. m. relates to the residential component.

It is anticipated that the Queensland State will hand over the land in the precinct of the project to the Consortium by 2017. Construction on the site is anticipated to commence in 2017 and the Integrated Resort Component is expected to open by 2022.

Echo will operate the casino in the Integrated Resort Component in return for a fee based on the revenue and earnings generated by the Integrated Resort Component. The Group and CTF will generate referral fees for VIP business directly referred to the facility.

It is anticipated that the casino license and integrated resort precinct term and lease term will be 99 years, of which it will include a 25-year casino exclusivity period within 60 kilometers from the Brisbane CBD, from commencement of operations of the integrated resort. Gaming tax rates are consistent with current levels. Maximum approved electronic gaming machines are 2,500. It will have unlimited gaming tables (including electronic derivations) and contractual arrangements that provide certainty on key license conditions for a 10-year period from the opening of the integrated resort.

The project brings together the Group's experience in international hospitality operation and mixed-use development and, CTF's extensive VIP customer base in Mainland China and Asian markets, as well as Echo's operational experience in integrated resorts. The project will allow the Group to develop an integrated resort and residential project in Brisbane, Australia and it is a significant step for the Group to expand into a new strategic location in Australia. It is expected that the project will contribute significantly to the recurring cashflow stream of the Group as well as add to the residential development pipeline.

For more details, please refer to the announcement of the Company dated 16 November 2015.

8. *Post balance sheet event – Acquisition of a residential site in Singapore*

On 17 November 2015, the Group won a tender in Singapore for a residential development site at Alexandra View at the tender price of approximately S$377 million (exclusive of GST). The property development comprises a 99-year leasehold land parcel. The permissible GFA of the site is 41,153 sq. m. comprising residential development together with commercial development at 1st storey which includes a supermarket. The site is located next to Redhill MRT station in Singapore, within an established residential estate and near commercial amenities such as Tiong Bahru Plaza, Queensway Shopping Centre and IKEA Alexandra in Singapore.

This development will be undertaken by a joint venture, in which the Group has 70% interests. The acquisition of the property development in Singapore will provide an opportunity for the Group to expand and diversify its property development portfolio as well as add to the residential development pipeline.

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. In 1H FY2016, a fair valuation gain of investment properties of approximately HK$127 million was recognized. The increase in valuation of investment properties was mainly due to an increase in fair value of the investment properties in Mainland China, Hong Kong and Australia. During 1H FY2016, some offices with a value of approximately HK$83 million were transferred and reclassified from investment properties to property, plant and equipment because of self-use requirement. As at 30 September 2015, valuation of investment properties reached approximately HK$3.2 billion (31 March 2015: HK$3.2 billion).

The Group has a diversified portfolio in residential property development in Australia, Shanghai, Guangzhou, Hong Kong, London and Kuala Lumpur. To carry out property development in the various markets, the Group has established strong local teams in each of these markets. The regionalization approach to this business allows the Group to take advantage of the different property cycles in the different markets. This strategy has resulted in a relatively low land cost base for the Group's development projects. Most of the Group's property developments are focused on mass residential market where the Group can benefit from the growing affluence of the middle class.

Total cumulative presales value of residential properties under development amounted to approximately HK$7.5 billion as at 30 September 2015, of which contracted presales value was approximately HK$5.6 billion and registered presales value (see note below) was approximately HK$1.8 billion. As revenue will only be recognized when the sales of the property developments are completed, proceeds of the presales were not reflected in the consolidated income statement. The Group expects a significant cash flow when the projects are completed.

The following shows a breakdown of the total cumulative presales value of residential properties under development as at 30 September 2015.

Developments	Location	HK$ million	Financial year of expected completion
Manhattan at Upper West Side (Stage 4)	Melbourne	1,588	FY2017
The FIFTH	Melbourne	1,103	FY2018
Eivissa Crest	Hong Kong	629	FY2016
Aspen Crest	Hong Kong	756	FY2019
King's Manor	Shanghai	1,095	FY2016/17
View Pavilion (remaining)	Shanghai	178	FY2016
Dorsett Bukit Bintang	Kuala Lumpur	279	FY2017
Cumulative contracted presales value		5,628	
The Towers at Elizabeth Quay	Perth	1,835[i]	FY2020
Total presales value		7,463	

Note:

(i) The amount represents registered presales. A registered presale is an expression of interest for an apartment where a booking fee has been paid to reserve an apartment. No sale and purchase agreement has been entered into and there is no assurance that this expression of interest will lead to the eventual entering of a sale and purchase agreement for the reserved apartment.

During 1H FY2016, the Group launched presales of Aspen Crest in Hong Kong and King's Manor (second phase) in Shanghai. In 2H FY2016, subject to market conditions and presale permit approvals, the Group intends to launch 3 more projects, namely Royal Riverside in Guangzhou, Royal Crest II, Shanghai and West Side Place (Tower 1) in Melbourne. Total expected gross development value ("GDV") and saleable floor area of these projects are approximately HK$9.5 billion and approximately 2.3 million square feet ("sq. ft.") respectively.

Currently the Group has 21 active residential property development projects with expected attributable saleable floor area of approximately 6.6 million sq. ft. under various stages of development across the regions. Details of the pipeline are shown below.

Developments	Attributable Saleable Floor Area[i] *Sq. ft.*	Gross Development Value[ii] *HK$ million*	Status/ Expected launch	Financial year of expected completion
Melbourne				
Manhattan at Upper West Side (Stage 4)	388,000	1,588	Launched	FY2017
The FIFTH	284,000	1,117	Launched	FY2018
West Side Place				
– Tower 1	524,000	2,766	FY2016	Planning
– Tower 2	500,000	2,890	Planning	Planning
– Tower 3	400,000	2,312	Planning	Planning
– Tower 4	576,000	3,328	Planning	Planning
Perth – The Towers at Elizabeth Quay	320,000	2,591	Launched	FY2020
Brisbane – Queen's Wharf Brisbane[iii]	706,000	3,756	Planning	Planning
Shanghai				
King's Manor	712,000	2,675	Launched	FY2016/17
The Royal Crest II	259,000	915	FY2016	FY2017/18
View Pavilion (remaining)	61,000	189	Launched	FY2016
Guangzhou – Royal Riverside	688,000	2,098	FY2016	FY2017/18
Hong Kong				
Tan Kwai Tsuen	48,000	800	FY2017	FY2017/18
Eivissa Crest	36,000	765	Launched	FY2016
Tai Wai	33,000	407	FY2017/18	Planning
Sha Tau Kok	99,000	795	FY2017	FY2018/19
Aspen Crest	64,000	1,060	FY2016	FY2019
Sham Shui Po	28,000	497	FY2017/18	Planning
Kuala Lumpur – Dorsett Bukit Bintang	215,000	731	Launched	FY2017
London – Alpha Square	387,000	4,535	Planning	Planning
Singapore – Alexandra View[iv]	290,000	2,682	Planning	Planning
Total	6,618,000	38,497		

Notes:

(i) The figures represent approximate saleable residential floor area which may vary subject to finalization of development plans.

(ii) The amounts shown represent expected gross development value which may change subject to market conditions.

(iii) This residential development consists of a total floor area of approximately 1,400,000 sq. ft.. The Group has 50% interest in the development.

(iv) This development was acquired post 30.9.2015. Total saleable floor area is approximately 410,000 sq. ft.. The Group has 70% interests in the development.

In addition to the development pipeline of approximately 6.6 million sq. ft. in saleable floor area, the Group has a land bank of approximately 4.8 million sq. ft. of floor area. This land bank comprises inter alia residential land in Shanghai and Guangzhou, and a joint venture project in Fung Lok Wai, Yuen Long, Hong Kong. With a total property development pipeline of approximately 11 million sq. ft., the Group's development is poised for continued growth in the coming years.

Australia

Manhattan at Upper West Side (Stage 4) consists of 641 apartments which were completely presold as at 30 September 2015. Its presales value was approximately HK$1,588 million. It is expected to be completed in the financial year ending 31 March 2017.

The FIFTH site is located adjacent to the current Upper West Side development and provides 402 apartments. As at 30 September 2015, its presales value reached approximately HK$1.1 billion, representing 98.8% of the total expected GDV. It is expected to be completed in the financial year ending 31 March 2018.

West Side Place is a mixed-use residential development located next to the Upper West Side development. It consists of saleable floor area in relation to residential apartments of approximately 2 million sq. ft., a hotel with approximately 240 hotel rooms, retail components and other facility components. This development is currently under master planning stage and expected to be developed in phases. Subject to the market conditions, the Group plans to launch presale of tower 1 (consisting of 660 apartments) close to end of this financial year.

The Towers at Elizabeth Quay, Perth is a mixed-use development comprising residential apartments of approximately 320,000 sq. ft. in saleable floor area, a luxury Ritz-Carlton hotel with more than 200 rooms, approximately 20,000 sq. ft. of commercial or retail area as well as other ancillary facilities. Soft launched in the beginning of 2015, the registered presales value for the project reached approximately HK$1.8 billion as at 30 September 2015, representing 70.9% of the expected GDV. This development is expected to be completed in the financial year ending 31 March 2020.

In November 2015, an Integrated Resort Development Agreement and a Residential Development Agreement were signed with the Queensland State for the delivery of the Queen's Wharf Project in Brisbane. The project encompasses a total area of approximately 9.4 hectares at Queens Wharf, Brisbane, Queensland, Australia and comprises an integrated resort component and a residential development component. It is expected to house 3 residential towers comprising a floor area of approximately 130,000 sq. m. consisting approximately 2,000 apartments. The Group has a 50% interest in the residential development component. This residential component is now under the master planning stage. It is expected that this development will provide the Group with a considerable amount of revenue and cashflow upon completion.

Mainland China

The Group has been developing California Garden, a premier township development in Shanghai over a number of years. The development comprises a diversified portfolio of residences including low rise apartments, high rise apartments and town houses. Currently, 2 residential phases are under construction, namely King's Manor and The Royal Crest II. Both phases will produce approximately 800 residential apartments and town houses with a total saleable floor area of approximately 1 million sq. ft..

King's Manor consists of 479 apartments and 90 town houses. As at 30 September 2015, presales value reached approximately HK$ 1.1 billion, representing approximately 40.9% of the expected GDV. It is expected that King's Manor will be completed by stages in the financial years ending 31 March 2016 and 2017.

The Royal Crest II consists of 180 apartments and 42 town houses. Its presale launch is expected in the second half of this current financial year. The Royal Crest II is expected to be completed by stages in the financial years ending 31 March 2017 and 2018.

View Pavilion (remaining) consists of approximately 61,000 sq. ft. in saleable floor area with expected GDV of approximately HK$189 million. This development is expected to be handed over in 2H FY2016.

In Guangzhou, Royal Riverside is a 5 residential towers development producing approximately 600 high rise apartments. Total saleable area is approximately 700,000 sq. ft.. Subject to receiving the necessary sales consent, the project will be launched for presale in the second half of this current financial year. The development is expected to be completed in stages in the financial years ending 31 March 2017 and 2018.

Hong Kong

The Group has been actively building its development pipeline in Hong Kong. The Group continues to increase its land bank through acquisition of redevelopment sites, by participating in government tender and bidding for projects with Urban Renewal Authority ("URA").

Currently the Group has 6 residential projects in the pipeline in Hong Kong.

Eivissa Crest consists of 106 residential apartments with approximately 36,000 sq. ft. in saleable floor area. The presales value reached approximately HK$629 million as at 30 September 2015, representing 82.1% of the total expected GDV. Completion is expected to take place in the financial year ending 31 March 2016.

Aspen Crest is a redevelopment project and consists of 234 apartments with approximately 64,000 sq. ft. in saleable floor area. Presale was launched in 1H FY2016. As at 30 September 2015, its presales value reached approximately HK$756 million, representing 71.3% of the total expected GDV. Its completion is expected in the financial year ending 31 March 2019.

A residential development site at Tan Kwai Tsuen consists of 24 town houses with approximately 48,000 sq. ft. in saleable floor area. It is expected to launch its presale in the financial year ending 31 March 2017. Completion is expected to be in the financial years ending 31 March 2017 and 2018.

A residential development site at Sha Tau Kok was acquired through government tender. This development comprises 263 low rise apartments with approximately 99,000 sq. ft. in saleable floor area. Its presale launch is expected in the second half of financial year ending 31 March 2017 and completion is expected in the financial years ending 31 March 2018 and 2019.

Another residential development site which was also acquired through government tender was at Tai Wai. This development site comprises a residential component of approximately 33,000 sq. ft. in saleable floor area and a commercial component of approximately 5,800 sq. ft. in gross floor area. This project is under planning stage.

A residential development site at Sham Shui Po was acquired through URA. This residential development will comprise 72 apartments (mainly 1-bedroom apartment) with approximately 28,000 sq. ft. in saleable floor area. This project is under planning stage.

Malaysia

Dorsett Bukit Bintang is a residential development adjacent to Dorsett Regency Kuala Lumpur. This development consists of 252 high rise apartments with approximately 215,000 sq. ft. in saleable floor area. As at 30 September 2015, presales value reached approximately HK$279 million, representing 38.1% of the total expected GDV. Completion is expected to take place in the financial year ending 31 March 2017.

London, United Kingdom

A residential development site in Marsh Wall, Canary Wharf was acquired in January 2014. In June 2014, the Group acquired another site at Manilla Street adjacent to the Marsh Wall site. The Group intends to combine the 2 sites and, subject to planning approval, develop a mixed-use complex including residences of approximately 387,000 sq. ft. in saleable floor area and a hotel of approximately 300 rooms on the combined site. The Group intends to continue to acquire and increase its land bank in the United Kingdom.

Singapore

The Group recently won a tender for residential site at Alexandra View near Redhill MRT station in Singapore. Subject to finalising the development plan, the development is expected to consist approximately 410,000 sq. ft. in saleable floor area. This development is owned by a joint venture, in which the Group has 70% interests.

2. *Hotel operations and management*

Dorsett was privatised with effect on 14 October 2015. An extract of Dorsett consolidated unaudited income statement for 1H FY2016 is shown below.

For the 6 months ended	**30.9.2015**	30.9.2014
	HK$'000	*HK$'000*
Revenue		
Hotel operation	**622,080**	704,891
Investment	**11,978**	9,724
	634,058	714,615
Depreciation and amortisation	**(141,387)**	(120,852)
Operating costs	**(240,743)**	(251,297)
GROSS PROFIT	**251,928**	342,466
GROSS PROFIT MARGIN	**39.7%**	47.9%
Other income	**3,772**	3,674
Administrative expenses	**(171,646)**	(197,017)
Pre-opening expenses	**–**	(8,578)
Other gains and losses	**51,404**	27,279
Finance costs	**(90,703)**	(79,408)
Profit before taxation	**44,755**	88,416
Income tax expenses	**(17,431)**	(23,439)
PROFIT FOR THE PERIOD	**27,324**	64,977

The following table sets forth the reconciliation of reported EBITDA against the recurring EBITDA.

For the 6 months ended	**30.9.2015**	30.9.2014
	HK$'000	*HK$'000*
Profit before taxation	**44,755**	88,416
Adjusted for:		
Interest income	**(1,431)**	(1,040)
Finance costs	**90,703**	79,408
Depreciation and amortisation	**141,387**	120,852
Reported EBITDA	**275,414**	287,636
Pre-opening expenses	**–**	8,578
Fair value gain of investment properties	**(48,466)**	(47,177)
Dividend/interest from securities and financial products investment net of treasury management expenses	**(11,942)**	(2,072)
Change in fair value of derivative financial instruments	**(1,348)**	–
Change in fair value of investment securities	**22,923**	4,512
Recurring EBITDA	**236,581**	251,477
Hotel revenue	**622,080**	704,891
Hotel EBITDA margin	**38.0%**	35.7%

The key revenue indicators of hotel operations under Dorsett for 1H FY2016 are as follows:

	1H FY2016	1H FY2015
Hong Kong		
Occupancy rate	**85.7%**	93.6%
Average room rate *(HK$)*	**679**	831
RevPAR *(HK$)*	**582**	778
Revenue *(HK$ million)*	**300**	385
Malaysia		
Occupancy rate	**66.2%**	63.4%
Average room rate *(HK$)*	**364**	542
RevPAR *(HK$)*	**241**	344
Revenue *(HK$ million)*	**102**	142
Mainland China		
Occupancy rate	**51.1%**	51.4%
Average room rate *(HK$)*	**528**	541
RevPAR *(HK$)*	**270**	278
Revenue *(HK$ million)*	**103**	103
Singapore		
Occupancy rate	**80.9%**	77.2%
Average room rate *(HK$)*	**1,057**	1,218
RevPAR *(HK$)*	**855**	940
Revenue *(HK$ million)*	**48**	53
United Kingdom		
Occupancy rate	**90.0%**	56.0%
Average room rate *(HK$)*	**1,136**	1,173
RevPAR *(HK$)*	**1,022**	657
Revenue *(HK$ million)*	**69**	22
Total		
Occupancy rate	**73.2%**	74.8%
Average room rate *(HK$)*	**641**	753
RevPAR *(HK$)*	**469**	563
Revenue *(HK$ million)*	**622**	705

For 1H FY2016, total revenue of the Group's hotel operations decreased by approximately 11.7% to HK$622 million, of which the revenue generated in Hong Kong was approximately HK$300 million, representing 48.2% of total revenue of the Group's hotel operations.

Hong Kong remains the main contributor to the Group's hotel performance. The occupancy rate ("OCC") and average room rate ("ARR") in Hong Kong decreased from 93.6% to 85.7% and from HK$831 to HK$679 respectively, resulting in the decrease in room revenue per available room ("RevPAR") in Hong Kong from HK$778 to HK$582. The decreases were mainly attributable to the decline in number of overnight visitors' arrivals in Hong Kong during 1H FY2016 and appreciation of Hong Kong dollar compared to the currency of major Asian countries which eroded the competitiveness of the Hong Kong tourism market. Facing challenging hotel business environment in Hong Kong, the Group has adjusted its distribution strategy and launched a number of sales and marketing campaigns to minimize such adverse impacts.

In Malaysia and Singapore, the OCCs for 1H FY2016 increased by 2.8% and 3.7% respectively while the ARRs of both countries decreased, primarily due to the decrease in Malaysia Ringgit and Singapore dollar against to Hong Kong dollar. Assuming constant exchange rate, the RevPAR in home currency in Malaysia decreased by 13.1% while that in Singapore recorded a growth of 0.7%.

In Mainland China, OCC in 1H FY2016 maintained at a similar level, compared with that in 1H FY2015. Both ARR and RevPAR recorded a decrease of 2.4% and 2.9% respectively, primarily due to Lushan Resort which was still in a ramping up period which dragged down the overall hotel performance in Mainland China.

In United Kingdom, Dorsett Shepherds Bush opened in June 2014. Its operating performance recorded a significant improvement during 1H FY2016. OCC increased significantly from 56.0% to 90.0%. Assuming constant exchange rate, ARR in home currency increased by 6.4% and RevPAR increased by 70.8%.

Going forward, the key growth of the hotel division is expected to be from hotel room additions. As at 30 September 2015, 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 12 owned hotels in the development pipeline. These 12 hotels are:

Number of hotels	**Location**	**Number of rooms**(1)	**Hotel operators**(2)
1	Hong Kong	410	to be managed by Dorsett
1	Mainland China	416	to be managed by Dorsett
3	London	624	to be managed by Dorsett
1	Kuala Lumpur	150	to be managed by Dorsett
1	Melbourne	240	to be managed by Ritz Carlton
1	Perth	200	to be managed by Ritz Carlton
4	Brisbane(3)	1,004	to be managed by Dorsett and other brand operators
12		3,044	

When all the hotels in the pipeline become operational, the Group will have 32 owned hotels with more than 9,000 rooms. The Group seeks to continue to expand its hotel portfolio and its network coverage consistent with its "Chinese wallet" strategy.

Notes:

(1) Number of rooms may change, subject to planning approval and finalization of the master and building plan.

(2) Hotel operators may change, subject to finalization of the operating agreement and other terms.

(3) This is a part of Queen's Wharf Brisbane, in which the Group has 25% interest (the integrated resort component). Other than Ritz Carlton Hotel (owned by Echo) 4 hotels with 1,004 rooms will be built in this component.

3. Car park operations and facilities management

The Group's car park and facilities management business includes car park operations and property management services.

The car park business extends to both third party owned car parks and self-owned car parks. The car park operations achieved steady growth during 1H FY2016, with an acquisition of a car park with 473 car parking bays in New Zealand. As at 30 September 2015, the Group's carpark portfolio comprised 351 car parks with approximately 70,700 car parking bays. Of these, 24 were self-owned car parks (19 in Australia, 3 in New Zealand and 2 in Kuala Lumpur) comprising approximately 6,700 car parking bays. The remaining car park portfolio consists of approximately 64,000 car parking bays in Australia, New Zealand and Malaysia, which are under management contracts entered into with third party car park owners. Third party owners include local governments, shopping malls, retailers, universities, airports, hotels, hospitals, government departments and commercial and office buildings.

This division expanded its operation to include property management services in Australia (mainly in Brisbane, Melbourne and Adelaide) and Johor Bahru, Malaysia. It is expected that the car park operations and facilities management business will grow steadily. As at 30 September 2015, the Group had 36 contracts in relation to facilities management services.

OUTLOOK

Looking ahead, with a strong war chest, the Group believes it is well-positioned to deliver long-term growth. Dorsett is now wholly owned by the Group and will enable the Group to benefit more fully from the significant growth potential of the tourism industry in Asia. In addition, the Queen's Wharf Brisbane project will not only contribute to the diversification of the Group's activities but will also enhance significantly the recurring cash-flow stream.

The Group's liquidity position of HK$3.8 billion is favourable. Together with the available undrawn credit facility of HK$4.1 billion, there is a significant war chest to spur the growth of the Group. The net gearing ratio of 26.7 % reflects the strength of the Group's balance sheet.

Total cumulative presales value of HK$7.5 billion and a development pipeline of HK$38 billion indicate a clear visibility of future potential profitability.

The Company will continue with its regional diversification strategy to achieve sustainable growth. With the recent additions to the development pipeline of the Queen's Wharf Brisbane project in Australia and the residential site at Alexandra View in Singapore, the Company can expect a stable revenue stream creating long term value for its shareholders.

EMPLOYEES AND REMUNERATION POLICIES

The number of employees of the Group as at 30 September 2015 was approximately 3,400. 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.

RE-DESIGNATION OF DIRECTOR

The Board also announces that, Mr. Chi Hing CHAN ("Mr. Denny CHAN") has tendered his resignation as Chief Operating Officer of the Group with effect from 1 January 2016 and will be re-designated from the role of executive Director to non-executive Director (the "Re-designation") to continue to serve the Group with effect from 1 January 2016. Mr. Denny CHAN will also cease to be a member of the Executive Committee of the Company with effect from 1 January 2016.

Set out below are the details of Mr. Denny CHAN:

Mr. Denny CHAN, aged 52, was appointed as an executive Director of the Company in August 2012. He has been the Group's Chief Operating Officer since March 2004. He has been responsible for the Hong Kong and the Mainland China based activities with emphasis on the commercial management, property and hotel development and investment, and project development. He joined the Company in 1990 as the Group Chief Accountant and promoted as the Group Financial Controller in 2002. From 1990 to 2003, he was responsible for the Group's financial, treasury and accounting functions. During the last three years, Mr. Denny CHAN was a non-executive director of Dorsett Hospitality International Limited (which was delisted on 16 October 2015) and an independent non-executive director of Hidili Industry International Development Limited (stock code: 1393) (resigned on 7 November 2015).

Prior to joining the Group, he was an audit manager of a big four international accounting firm with over ten years of audit experience. He has extensive experience in accounting and auditing of Hong Kong listed companies.

Mr. Denny CHAN graduated from the City University of Hong Kong with an Executive Master Degree in Business Administration. He is a member of the Hong Kong Institute of Project Management and a fellow member of the Hong Kong Institute of Directors. He is also a member of China Real Estate Chamber of Commerce Hong Kong Chapter Limited.

As far as the Directors are aware and save as disclosed above, as at the date hereof, Mr. Denny CHAN has not held any directorships in other public listed companies in the last 3 years and he does not have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company (as defined in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules")).

As at the date hereof, Mr. Denny CHAN has (i) a personal interest of 2,010,843 shares of the Company (representing approximately 0.10% of the issued shares of the Company) and (ii) a personal interest of 3,500,000 share options of the Company attaching thereto the rights to subscribe for 3,500,000 shares of the Company, within the meaning of Part XV of the Securities and Futures Ordinance.

Pursuant to the terms of the service contract for his appointment as a non-executive Director, Mr. Denny CHAN is entitled to receive an annual fee of HK$220,000 for his membership in the Board subject to annual review by the Board. His emoluments are recommended by the Remuneration Committee of the Company and approved by the Board with reference to his qualifications and contributions to the Company. The initial term of appointment of Mr. Denny CHAN as a non-executive Director is 2 years commencing from 1 January 2016, subject to retirement by rotation at the annual general meetings of the Company in accordance with the articles of association of the Company.

As far as the Directors are aware, there is no other information of Mr. Denny CHAN to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Mr. Denny CHAN that need to be brought to the attention of the shareholders of the Company.

The Board would like to thank Mr. Denny CHAN for his services over the years.

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 Listing Rules throughout the six months ended 30 September 2015, except for a deviation from Code Provision A.2.1 of the CG Code described below.

Pursuant to Code Provision A.2.1 of the CG Code, the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. Currently Tan Sri Dato' David CHIU 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.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 September 2015, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

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 2015.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Wednesday, 23 December 2015 to Wednesday, 30 December 2015, 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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 22 December 2015.

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, 25 November 2015

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 and three independent non-executive directors, namely Mr. Kwok Wai CHAN, Mr. Peter Man Kong WONG and Mr. Kwong Siu LAM.