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 2019

INTERIM RESULTS HIGHLIGHTS

- The Group achieved strong year-on-year revenue growth of 75.0% to HK$5,121 million as a result of robust revenue from sales of properties.

- Revenue from the Group's recurring income businesses decreased slightly, down 1.6% year-on-year. Hotel revenue decreased by 10.3% year-on-year due to the drop of revenue per available room ("RevPAR"). The hotel revenues were particularly affected by a meaningful decrease in tourist arrivals in Hong Kong due to the city's social unrest. However, the car park operations and facilities management and the gaming operations delivered strong revenue, with an increase in revenue year-on-year of 11.0% and 16.6%, respectively. New management contracts were added to the car park portfolio and hotels and gaming revenues of Trans World Corporation Limited ("TWC") were recognised for the full period and grew year-on-year.

- Net profit attributable to shareholders of the Company and adjusted cash profit(i) increased year-on-year by 16.0% and 60.4% to HK$715 million and HK$959 million, respectively. This was mainly driven by the strong delivery from sales of properties during the period. That performance more than compensated the one-off gain arising from the bargain purchase of TWC during 1H FY2019, which was not repeated this year, and some adverse movements in the fair value of investment properties.

* *For identification purposes only*

- The Group completed a number of residential development projects including Astoria Crest and The Garrison in Hong Kong during the period. The construction of The Towers at Elizabeth Quay in Perth was also completed before 30 September 2019 and hand-over by phase continued during the period. Artra in Singapore also contributed to property sales revenue, with most units now presold and construction entering the final phase.

- Three new projects were launched in 1H FY2020, including The Star Residences – Epsilon (Tower 2) in Gold Coast, Australia, in which the Group has a 33.3% interest, Dorsett Place Waterfront Subang in Subang Jaya, Malaysia, in which the Group has a 50.0% interest and Cuscaden Reserve in Singapore, in which the Group has a 10.0% interest.

- Cumulative presales value of properties under development amounted to approximately HK$11.6 billion (HK$14.6 billion as at 31 March 2019), slightly lower given the recognition of revenue from sales of properties of HK$3.7 billion and a lower number of large project launches during 1H FY2020. The Group's residential development pipeline (together with completed inventory for sale) was HK$51.4 billion in projected gross development value ("GDV") as at 30 September 2019.

- The Group continued to replenish its land bank in 1H FY2020, focusing on cities and locations where it understands very well, such as land comprising the Network Rail of Northern Gateway in Manchester, the United Kingdom ("UK") and Bourke Street in Melbourne, Australia.

- In addition, to further enhance the recurring revenue stream, the Group acquired a land site adjoining the Kai Tak Sports Park in Kai Tak via government tenders, where the Hong Kong Government committed significant investments. The intention is to develop a flagship Dorsett hotel, together with an office tower and retail space. The Group also purchased a site in Baoshan District in Shanghai for long-term residential rental in 1H FY2020. Furthermore, the Group formed joint ventures with AMTD Property Investment Holdings Limited ("AMTD") and acquired the hotel property and its business in Oakwood Premier OUE Singapore in November 2019.

- Planning and construction of 14 new hotels are underway. The Ritz-Carlton hotel in Perth was completed in 1H FY2020 and started its operations on 15 November 2019.

- BC Group Holdings Limited ("BCG") continued to grow strongly in 1H FY2020 with loans and advances rising from AUD626 million as at 31 March 2019 to AUD853 million as at 30 September 2019.

- As an initiative to unlock the value of its hotel portfolio and to recycle capital, the Group intends to spin-off and list separately certain hotel properties located in Australia, Singapore, Malaysia and the UK. The transaction, if it proceeds, would likely constitute a major transaction under the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

- In 1H FY2020, the Group raised USD300 million (equivalent to HK$2,358 million) in senior guaranteed perpetual capital notes ("Perpetual Notes") to improve its capital structure and finance its business expansion. Net gearing ratio(ii)(iii) was reduced to 43.9% as at 30 September 2019 (45.4% as at 31 March 2019) despite an increase in the Group's development pipeline and its recent acquisitions and new business investment.

- Earnings per share increased by 13.4% to HK$30.4 cents during the period (HK$26.8 cents for 1H FY2019). Interim dividend for 1H FY2020 was maintained at HK4.0 cents per share (1H FY2019: HK4.0 cents per share).

- Net asset value(iii) per share as at 30 September 2019 amounted to approximately HK$13.21 per share (HK$13.29 per share as at 31 March 2019).

- During 1H FY2020, the Group repurchased shares amounting to approximately HK$81 million. The Group had previously announced its intention to repurchase shares in FY2020 for an amount of up to HK$200 million.

Notes:

(i) Adjusted cash profit is calculated by adding depreciation and amortisation charges to, subtracting post-tax fair value gain/adding post-tax fair value loss in investment properties and subtracting gain on bargain purchase of TWC from, net profit attributable to shareholders of the Company. The amounts are adjusted for minority interests.

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

(iii) Revaluation surplus on hotel assets of approximately HK$17,838 million was based on independent valuation carried out as at 31 March 2019 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 2019 ("1H FY2020"). These unaudited consolidated financial statements have been reviewed by the Company's audit committee (the "Audit Committee") prior to recommending them to the Board for approval.

Financial year ended/ending 31 March is referred to as "FY" throughout this announcement.

INTERIM DIVIDEND

The Board has declared the payment of an interim dividend for the six months ended 30 September 2019 of HK4.0 cents (six months ended 30 September 2018: HK4.0 cents) per ordinary share (the "Interim Dividend"). The Interim Dividend will be paid to the shareholders of the Company (the "Shareholders") whose names appear on the Company's Register of Members on 7 January 2020. The Interim Dividend will be paid in the form of a scrip dividend with the Shareholders being given an option to elect to receive cash in lieu of all or part of their scrip dividend entitlements (the "Scrip Dividend Scheme").

The Scrip Dividend Scheme will be subject to the Stock Exchange granting listing of, and permission to deal in the new shares to be allotted and issued 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 consecutive trading days prior to and including 7 January 2020. Full details of the Scrip Dividend Scheme will be set out in a circular which is expected to be sent to the Shareholders together with a form of election (if applicable) on or around 16 January 2020. Dividend warrants and/or new share certificates will be posted on or around 18 February 2020.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 31 December 2019 to 7 January 2020, 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 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on 30 December 2019.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019

	NOTES	Six months ended 30.9.2019 HK$'000 (unaudited)	30.9.2018 HK$'000 (unaudited)
Revenue		**5,121,135**	2,926,482
Cost of sales and services		**(3,285,406)**	(1,533,072)
Depreciation and amortisation of hotel and car park assets		**(188,357)**	(192,196)
Gross profit		**1,647,372**	1,201,214
Other income		**9,860**	70,517
Other gains and losses	*5*	**76,927**	142,886
Administrative expenses			
– Hotel operations and management		**(224,900)**	(214,518)
– Others		**(172,040)**	(196,388)
Pre-opening expenses			
– Hotel operations and management		**(6,521)**	(827)
Selling and marketing expenses		**(122,893)**	(71,326)
Share of results of associates		**3,974**	22,333
Share of results of joint ventures		**(6,413)**	2,281
Finance costs	*6*	**(222,218)**	(123,823)
Profit before tax		**983,148**	832,349
Income tax expense	*7*	**(197,081)**	(196,829)
Profit for the period	*8*	**786,067**	635,520
Attributable to:			
Shareholders of the Company		**714,787**	616,113
Non-controlling interests			
– Perpetual capital noteholders		**7,700**	–
– Share of net assets of subsidiaries		**63,580**	19,407
		786,067	635,520
Earnings per share	*9*		
– Basic *(HK cents)*		**30.4**	26.8
– Diluted *(HK cents)*		**30.4**	26.8

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019

	Six months ended	
	30.9.2019	30.9.2018
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Profit for the period	**786,067**	635,520
Other comprehensive (expense) income for the period		
Items that may be subsequently reclassified to profit or loss:		
Exchange differences arising on translation of foreign operations	**(716,885)**	(860,072)
Fair value adjustment on cross currency swap contracts designated as cash flows hedge	**–**	18,054
Items that will not be reclassified to profit or loss:		
Fair value change of equity instruments at fair value through other comprehensive income ("FVTOCI")	**55,193**	(40,081)
Other comprehensive expense for the period	**(661,692)**	(882,099)
Total comprehensive income (expense) for the period	**124,375**	(246,579)
Total comprehensive income (expense) attributable to:		
Shareholders of the Company	**58,832**	(250,699)
Non-controlling interests		
– Perpetual capital noteholders	**7,700**	–
– Share of net assets of subsidiaries	**57,843**	4,120
	124,375	(246,579)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 SEPTEMBER 2019

	NOTES	30.9.2019 HK$'000 (unaudited)	31.3.2019 HK$'000 (audited)
Non-current Assets			
Investment properties		**5,308,517**	5,426,396
Property, plant and equipment		**9,448,232**	9,690,089
Prepaid lease payments		**–**	483,454
Right-of-use assets		**998,251**	–
Goodwill		**68,400**	68,400
Interests in associates		**1,121,940**	1,061,726
Interests in joint ventures		**698,097**	661,069
Investment securities		**1,076,881**	1,081,626
Derivative financial instruments		**31,866**	2,366
Deposits for acquisition of property, plant and equipment		**136,455**	94,426
Amounts due from associates		**62,864**	66,831
Amounts due from joint ventures		**61,833**	64,808
Amount due from an investee company		**119,995**	119,995
Loan receivables		**277,092**	233,253
Pledged deposits		**16,094**	15,280
Deferred tax assets		**47,962**	49,640
		19,474,479	19,119,359
Current Assets			
Properties for sale			
Completed properties		**2,058,154**	2,754,840
Properties under development		**11,557,692**	9,695,682
Other inventories		**20,660**	11,222
Prepaid lease payments		**–**	13,782
Debtors, deposits and prepayments	*11*	**595,153**	467,846
Customers' deposits under escrow		**142,812**	196,665
Loan receivables		**17,283**	20,244
Contract assets		**1,002,115**	215,565
Contract costs		**311,333**	360,748
Amounts due from joint ventures		**220,614**	114,494
Amounts due from associates		**27,231**	24,452
Tax recoverable		**266,866**	68,940
Investment securities		**3,506,848**	3,340,828
Derivative financial instruments		**2,208**	4,646
Pledged deposits		**17,110**	20,660
Restricted bank deposits		**169,868**	175,725
Deposit in a financial institution		**25,033**	1,561
Bank balances and cash		**2,569,745**	2,470,604
		22,510,725	19,958,504

	NOTES	30.9.2019 HK$'000 (unaudited)	31.3.2019 HK$'000 (audited)
Current Liabilities			
Creditors and accruals	*12*	**1,412,239**	1,531,578
Contract liabilities		**211,696**	974,166
Obligations under finance leases		**–**	6,697
Lease liabilities		**53,849**	–
Amounts due to related companies		**–**	623
Amounts due to associates		**8,394**	28,057
Amount due to a shareholder of a non-wholly owned subsidiary		**7,583**	7,786
Derivative financial instruments		**275**	–
Dividend payable		**420,070**	–
Tax payable		**455,273**	313,698
Bank and other borrowings		**3,561,400**	4,235,896
		6,130,779	7,098,501
Net Current Assets		**16,379,946**	12,860,003
Total Assets less Current Liabilities		**35,854,425**	31,979,362
Non-current Liabilities			
Obligations under finance leases		**–**	12,476
Lease liabilities		**468,485**	–
Amounts due to shareholders of non-wholly owned subsidiaries		**395,216**	392,024
Notes and bonds		**3,587,304**	3,509,499
Bank and other borrowings		**14,880,257**	13,602,647
Deferred tax liabilities		**890,506**	795,228
Other liabilities		**11,028**	35,226
		20,232,796	18,347,100
Net Assets		**15,621,629**	13,632,262
Capital and Reserves			
Share capital		**233,372**	235,169
Share premium		**4,416,453**	4,479,650
Reserves		**8,337,019**	8,698,257
Equity attributable to shareholders of the Company		**12,986,844**	13,413,076
Non-controlling interests			
– Perpetual capital noteholders	*13*	**2,357,756**	–
– Share of net assets of subsidiaries		**277,029**	219,186
Total Equity		**15,621,629**	13,632,262

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019

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.

Other than changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards ("HKFRSs"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2019 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2019.

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 April 2019 for the preparation of the Group's condensed consolidated financial statements:

HKFRS 16	Leases
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycle

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 nature of operations by various geographical locations stated as below:

- Property development (including investment properties developed and managed by the same management team)
- Property investment
- Hotel operations and management (including the investment properties which are an integral part of the hotel buildings and which are managed by the hotel management team)
- Car park operations and facilities management
- Gaming operations
- Securities and financial product investments
- Provision of mortgage services

Gaming operations also include the investment in The Star Entertainment Group Limited ("The Star") which is engaged in the gaming business in Australia and which is classified as equity instruments at FVTOCI. Due to the expansion of provision of mortgage loan business which was previously presented as part of other operations, provision of mortgage services is presented as a new reportable segment and accordingly, the comparative figures have been re-presented.

	Segment revenue		**Segment profit (loss)**	
	Six months ended		**Six months ended**	
	30.9.2019	30.9.2018	**30.9.2019**	30.9.2018
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Property development				
– Australia	**1,180,259**	102,222	**206,734**	12,525
– Hong Kong ("HK")	**1,106,695**	441,880	**397,933**	128,483
– Malaysia	**16,245**	19,522	**6,502**	9,595
– Other regions in the People's Republic of China excluding HK ("PRC")	**132,570**	512,344	**100,820**	327,319
– Singapore	**1,250,106**	391,508	**269,239**	52,825
– United Kingdom ("UK")	**458**	555	**1,724**	(4,102)
	3,686,333	1,468,031	**982,952**	526,645
Property investment				
– Australia	**4,309**	4,242	**2,307**	2,241
– HK	**18,673**	21,257	**12,693**	88,113
– PRC	**8,590**	8,303	**(13,249)**	(12,189)
	31,572	33,802	**1,751**	78,165
Hotel operations and management				
– Australia	**–**	–	**(6,526)**	–
– HK	**310,190**	382,072	**6,706**	77,711
– Malaysia	**104,582**	119,060	**11,451**	13,914
– PRC	**118,776**	134,498	**(2,284)**	11,228
– Singapore	**47,359**	47,228	**8,418**	14,919
– UK	**132,478**	133,539	**41,801**	29,642
– Continental Europe (other than UK)	**63,177**	49,264	**1,859**	4,380
	776,562	865,661	**61,425**	151,794

	Segment revenue Six months ended		Segment profit (loss) Six months ended	
	30.9.2019	30.9.2018	**30.9.2019**	30.9.2018
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Car park operations and facilities management				
– Australia and New Zealand	**366,366**	332,271	**17,447**	26,972
– Europe	**28,714**	22,895	**2,709**	2,310
– Malaysia	**1,943**	2,607	**115**	232
	397,023	357,773	**20,271**	29,514
Gaming operations				
– Australia	**24,860**	34,642	**24,849**	34,637
– Czech Republic	**118,704**	88,461	**7,345**	2,423
	143,564	123,103	**32,194**	37,060
Securities and financial product investments	**70,289**	65,316	**97,934**	(58,941)
Provision of mortgage services				
– Australia	**11,018**	12,027	**10,813**	43,856
– Hong Kong	**4,774**	769	**4,852**	756
	15,792	12,796	**15,665**	44,612
Segment revenue/segment profit	**5,121,135**	2,926,482	**1,212,192**	808,849
Bargain purchase gain			**–**	116,890
Unallocated corporate income and expenses			**(6,826)**	30,433
Finance costs			**(222,218)**	(123,823)
Profit before tax			**983,148**	832,349
Income tax expense			**(197,081)**	(196,829)
Profit for the period			**786,067**	635,520

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

No revenue from any single customer contributed over 10% of the total revenue of the Group.

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 deposit in a financial institution.

	As at 30.9.2019 ***HK$'000*** **(unaudited)**	As at 31.3.2019 *HK$'000* (audited)
Property development		
– Australia	**5,389,133**	5,145,514
– HK	**4,329,207**	2,521,993
– Malaysia	**507,242**	524,652
– PRC	**2,412,935**	2,446,147
– Singapore	**5,776,501**	5,780,657
– UK	**1,318,742**	1,117,764
	19,733,760	17,536,727
Property investment		
– Australia	**273,996**	270,049
– HK	**2,471,451**	2,464,766
– PRC	**2,862**	5,566
	2,748,309	2,740,381
Hotel operations and management		
– Australia	**1,754,460**	1,537,990
– HK	**3,269,146**	3,236,558
– Malaysia	**825,142**	851,487
– PRC	**1,857,037**	2,007,458
– Singapore	**565,225**	586,652
– UK	**1,161,103**	1,200,863
– Continental Europe (other than UK)	**306,780**	290,935
	9,738,893	9,711,943
Car park operations and facilities management		
– Australia and New Zealand	**1,286,868**	894,177
– Europe	**439,953**	446,390
– Malaysia	**140,587**	137,797
	1,867,408	1,478,364
Gaming operations		
– Australia	**1,056,926**	1,091,762
– Czech Republic	**298,509**	308,965
	1,355,435	1,400,727
Provision of mortgage services		
– Australia	**458,334**	478,695
– HK	**275,296**	233,947
	733,630	712,642
Securities and financial product investments	**3,207,938**	3,019,617
Other operations	**5,053**	5,297
Segment assets	**39,390,426**	36,605,698
Unallocated corporate assets	**2,594,778**	2,472,165
Total assets	**41,985,204**	39,077,863

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	
	30.9.2019	30.9.2018
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Change in fair value of investment properties	**(16,356)**	110,573
Change in fair value of financial assets at fair value through profit or loss	**28,151**	(117,059)
Change in fair value of derivative financial instruments	**23,888**	6,539
(Loss) gain on disposal of property, plant and equipment	**(284)**	255
Net foreign exchange gains	**47,708**	30,543
Allowance for credit loss	**(6,180)**	(4,855)
Bargain purchase gain	**–**	116,890
	76,927	142,886

6. FINANCE COSTS

	Six months ended	
	30.9.2019	30.9.2018
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interest on bank borrowings	**301,232**	231,703
Interest on notes and bonds	**73,694**	71,542
Less: net interest income from cross currency swap contracts	**–**	(1,223)
Amortisation of front-end fee	**7,930**	3,480
Interest on lease liabilities	**9,962**	–
Others	**4,106**	1,015
Total interest costs	**396,924**	306,517
Less: amounts capitalised to:		
– properties for sale (properties under development)	**(159,596)**	(182,694)
– owners' occupation (properties, plant and equipment)	**(15,110)**	–
	222,218	123,823

7. INCOME TAX EXPENSE

	Six months ended	
	30.9.2019	30.9.2018
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
The income tax expense comprises:		
Current tax:		
Hong Kong Profits Tax	**55,789**	17,375
PRC Enterprise Income Tax ("PRC EIT")	**29,106**	58,071
PRC Land Appreciation Tax ("PRC LAT")	**17,677**	82,006
Australia Income Tax	**20,351**	11,464
Malaysia Income Tax	**2,735**	4,759
Singapore Income Tax	**–**	1,183
UK Income Tax	**–**	3,234
Czech Republic Income Tax	**1,830**	–
	127,488	178,092
Deferred taxation	**69,593**	18,737
	197,081	196,829

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for the period of each individual company 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, Singapore, UK and Czech Republic is 30%, 24%, 17%, 19% and 19% of the estimated assessable profit for the period, respectively.

8. PROFIT FOR THE PERIOD

	Six months ended	
	30.9.2019	30.9.2018
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Profit for the period has been arrived at after charging:		
Amortisation of prepaid lease payments	**–**	4,841
Depreciation of property, plant and equipment	**186,971**	192,251
Depreciation of right-of-use assets	**36,261**	–
Share of taxation of associates (included in share of results of associates)	**606**	640
and after crediting:		
Bank interest income	**6,515**	10,360

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$714,787,000 (six months ended 30.9.2018: HK$616,113,000) and the number of shares calculated as follows:

	Six months ended	
	30.9.2019	30.9.2018
	'000	*'000*
	(unaudited)	(unaudited)
Weighted average number of ordinary shares for the purpose of basic earnings per share	**2,347,546**	2,296,952
Effect of dilutive potential ordinary shares – Company's share options	**–**	626
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**2,347,546**	2,297,578

10. DIVIDENDS

	Six months ended	
	30.9.2019	30.9.2018
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Dividends recognised as distribution during the period:		
Final dividend for the year ended 31 March 2019 of HK18 cents (six months ended 30 September 2018: final dividend for the year ended 31 March 2018 of HK18 cents) per share	**420,070**	410,768

The 2019 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$3.276 per share which was the average of the closing prices per share for the five consecutive trading days up to and including 23 September 2019, shareholders will elect to receive dividends in cash, or partly in cash and partly in the form of scrip shares by 17 October 2019. These new shares rank pari passu to the existing shares of the Company.

Subsequent to the end of the reporting period, the directors of the Company have determined that an interim dividend of HK4.0 cents (six months ended 30.9.2018: HK4.0 cents) per share will be paid to the shareholders of the Company whose names appear in the Register of Members on 7 January 2020.

11. DEBTORS, DEPOSITS AND PREPAYMENTS

	30.9.2019	31.3.2019
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Trade debtors, net of allowance of credit loss	**127,811**	138,809
Utility and other deposits	**67,847**	78,852
Prepayment and other receivables	**194,423**	195,492
Other tax recoverable	**55,530**	34,693
Deposit and stamp duty paid for the acquisition of property	**149,542**	20,000
	595,153	467,846

Trade debtors mainly represent 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.

The following is an aged analysis of trade debtors, net of allowance of credit loss, based on the invoice dates at the end of the reporting period, which approximates the respective revenue recognition date:

	30.9.2019	31.3.2019
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0-60 days	**108,771**	112,476
61-90 days	**7,207**	6,857
Over 90 days	**11,833**	19,476
	127,811	138,809

12. CREDITORS AND ACCRUALS

	30.9.2019	31.3.2019
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Trade creditors		
– Construction cost and retention payable	**833,041**	939,681
– Others	**99,939**	122,873
	932,980	1,062,554
Construction cost and retention payable for capital assets	**19,954**	36,038
Rental and reservation deposits and receipts in advance	**50,894**	73,728
Other payable and accrued charges	**408,411**	359,258
	1,412,239	1,531,578

The following is an aged analysis of the trade creditors, based on the invoice date:

	30.9.2019	31.3.2019
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0-60 days	**833,104**	1,005,701
61-90 days	**72,134**	13,502
Over 90 days	**27,742**	43,351
	932,980	1,062,554

13. PERPETUAL CAPITAL NOTES

On 6 September 2019 and 11 September 2019, FEC Finance Limited ("FEC Finance"), an indirect wholly-owned subsidiary of the Group, issued US$250,000,000 and US$50,000,000 7.375% guaranteed perpetual capital notes ("2019 Perpetual Capital Notes") at an issue price of 100 per cent of the aggregate nominal amount of the 2019 Perpetual Capital Notes. The 2019 Perpetual Capital Notes were unconditionally and irrevocably guaranteed by the Company under the US$1,000,000,000 guaranteed medium term note programme. Distribution on 2019 Perpetual Capital Notes are payable semi-annually in arrears on April and October each year ("Distributions Payment Date") and can be deferred at the discretion of FEC Finance and is not subject to any limit as to the number of times distributions. The 2019 Perpetual Capital Notes have no fixed maturity and are redeemable at FEC Finance's option on 18 October 2024 or any Distributions Payment Date at their principal amounts. While any distributions are unpaid or deferred, the Group and FEC Finance cannot declare or, pay dividends or make distributions or similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower or equal rank, which includes the ordinary shares of the Group and FEC Finance.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial and Business Reviews

Financial review

1. *Profit and loss analysis*

The Company's consolidated revenue for 1H FY2020 was approximately HK$5,121 million, an increase of 75.0% as compared with 1H FY2019, driven primarily by (i) significant revenue recognised from sales of residential properties; (ii) growth and full period contribution from TWC's hotels and gaming operations; and (iii) organic growth in car park operations and facilities management. Gross profit (before depreciation of hotel, car park and gaming assets) ("Adjusted gross profit") came in at HK$1,836 million, as compared to HK$1,393 million for 1H FY2019. A breakdown of the Group's revenue and gross profit is shown below:

	Property development *HK$'000*	Hotel operations and management *HK$'000*	Car park operations and facilities management *HK$'000*	Gaming operations *HK$'000*	Others *HK$'000*	Total *HK$'000*
For 1H FY2020						
Revenue	**3,686,333**	**776,562**	**397,023**	**143,564**(i)	**117,653**	**5,121,135**
Gross profit	**1,108,756**	**297,802**	**62,420**	**78,065**	**100,329**	**1,647,372**
Depreciation	**–**	**163,515**	**17,479**	**7,363**	**–**	**188,357**
Adjusted gross profit	**1,108,756**	**461,317**	**79,899**	**85,428**	**100,329**	**1,835,729**
Adjusted gross profit margin	**30.1%**	**59.4%**	**20.1%**	**59.5%**	**85.3%**	**35.8%**
For 1H FY2019						
Revenue	1,468,031	865,661	357,773	123,103(i)	111,914	2,926,482
Gross profit	596,404	357,812	67,529	88,484	90,985	1,201,214
Depreciation	–	170,373	15,279	6,544	–	192,196
Adjusted gross profit	596,404	528,185	82,808	95,028	90,985	1,393,410
Adjusted gross profit margin	40.6%	61.0%	23.1%	77.2%	81.3%	47.6%

Note:

(i) After deduction of gaming tax amounting to HK$46 million (1H FY2019: HK$39 million). Gaming tax rates in the Czech Republic are 23% for live table games and 35% for electronic table games and slots.

Revenue from sales of properties amounted to approximately HK$3,686 million in 1H FY2020, an increase of 151.1% as compared with 1H FY2019. The major 1H FY2020 contributors were the revenues recognised from The Towers at Elizabeth Quay in Australia, Astoria Crest and The Garrison in Hong Kong and Artra in Singapore. Gross profit of approximately HK$1,109 million for 1H FY2020 was recorded, representing a 85.9% year-on-year growth due to the higher number of residential projects delivered in 1H FY2020, albeit at a lower margin in Australia.

Revenue from hotel operations and management amounted to approximately HK$777 million in 1H FY2020, a drop of 10.3% as compared with 1H FY2019. Adjusted gross profit margin for the Group's hotel operations fell slightly to 59.4% in 1H FY2020 from 61.0% in 1H FY2019, primarily due to the decrease in RevPAR in the hotel operations in Hong Kong due to social unrest in the city.

Revenue from car park operations and facilities management amounted to approximately HK$397 million in 1H FY2020, an increase of 11.0% as compared with 1H FY2019. Adjusted gross profit decreased slightly by 3.5% year-on-year to HK$80 million in 1H FY2020 as the business incurred expenses related to regional business expansion. During 1H FY2020, approximately 6,600 car park bays were added to the Group's car park operations portfolio.

Revenue from gaming operations grew year-on-year by 16.6% to approximately HK$144 million (net of gaming tax) in 1H FY2020. The higher revenues were driven by a stronger trading environment and recognition of 6 months of operations in 1H FY2020 as compared with 5 months of operations in 1H FY2019, as TWC's acquisition closed in April 2018. The higher contribution from TWC's gaming operations offset the lower dividend received from our investment in The Star which affected gross profit margin for the operations.

The Group's overall performance in 1H FY2020 was driven mainly by the strong delivery from sales of properties during the period. This more than compensated the HK$117 million one-off gain arising from the bargain purchase of TWC during 1H FY2019, which was not repeated this period, and some adverse movements in fair value of investment properties amounting to HK$16 million in 1H FY2020 compared with a fair value gain of HK$111 million in 1H FY2019.

Profit attributable to shareholders of the Company was approximately HK$715 million for 1H FY2020, an increase of 16.0% as compared with HK$616 million for 1H FY2019.

Adjusted cash profit[i] reached HK$959 million for 1H FY2020, an increase of 60.4% from HK$598 million recorded for 1H FY2019.

Note:

(i) Adjusted cash profit is calculated by adding depreciation and amortisation charges to, subtracting post-tax fair value gain/adding post-tax fair value loss in investment properties and subtracting gain on bargain purchase of TWC from, net profit attributable to shareholders of the Company. The amounts are adjusted for minority interests.

2. *Liquidity, financial resources and net gearing*

The following table sets out the Group's bank and cash balances, investment securities (which are considered as cash equivalent items due to their easily-monetizable nature), bank loans and borrowings, and equity as at 30 September 2019.

	As at 30 September 2019 *HK$ million*	As at 31 March 2019 *HK$ million*
Bank loans, notes and bonds		
Due within 1 year [(i)]	**3,561**	4,236
Due 1–2 years	**7,441**	4,146
Due 2–5 years	**10,611**	12,799
Due more than 5 years	**416**	167
Total bank loans, notes and bonds	**22,029**	21,348
Investment securities	**4,584**	4,422
Bank and cash balances [(ii)]	**2,765**	2,648
Liquidity position	**7,349**	7,070
Net debts [(iii)]	**14,680**	14,278
Carrying amount of the total equity [(iv)]	**15,622**	13,632
Add: hotel revaluation surplus	**17,838**	17,838
Total adjusted equity [(iv)]	**33,460**	31,470
Net gearing ratio (net debts to total adjusted equity)	**43.9%**	45.4%
Net debt to total adjusted assets [(v)]	**24.5%**	25.1%

Notes:

(i) Include an amount of approximately HK$545 million which is reflected as liabilities due within one year even though such sum is not repayable within one year, as the relevant banks and/or financial institutions have discretionary rights to demand immediate repayment.

(ii) The amount represents total restricted bank deposits, deposit in a financial institution, and bank balances and cash.

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

(iv) Include Perpetual Notes.

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

To better manage the Group's liquidity position, the Group's treasury operation allocates a portion of its cash position to marketable and liquid investment securities. Investment securities shown on the consolidated statement of financial position represent primarily fixed-income securities and investments in fixed-income funds, the investment in the listed shares of The Star which the Group intends to hold for the long term, as well as the investment in notes issued by the trust which hold the mortgage portfolio managed by BCG, an entity 50.66% owned by the Group.

On 12 September 2019, the Group successfully issued USD250 million Perpetual Notes at par at an initial distribution rate of 7.375% per annum issued under the USD1,000 million guaranteed medium term note programme. Given the strong response received from investors, on 16 September 2019, the Group issued at 102.423% of par value for an additional USD50 million Perpetual Notes (to be consolidated and form a single series with the USD250 million Perpetual Notes) at the same initial distribution rate. The issuance of Perpetual Notes helps the Group to lower the overall gearing ratio and to lengthen the debt maturity profile. The proceeds of the Perpetual Notes help the Group in maintaining a robust financial position and a very good liquidity position.

The liquidity position of the Group as at 30 September 2019 was approximately HK$7.3 billion. Adjusting for the unrecognized hotel revaluation surplus of approximately HK$17,838 million, which is based on independent valuations assessed as at 31 March 2019 and including the Perpetual Notes, the Group's total adjusted equity as at 30 September 2019 was approximately HK$33,460 million. The net gearing ratio of the Group stood at 43.9% as at 30 September 2019, compared with 45.4% as at 31 March 2019. The Group will continue to adopt a conservative approach to capital management by maintaining its net gearing ratio at a prudent level.

	As at 30 September 2019 *HK$ million*	As at 31 March 2019 *HK$ million*
The Company's notes	**3,587**	3,509
Unsecured bank loans	**2,491**	2,809
Secured bank loans		
– Property development and investment	**7,392**	7,536
– Hotel operations and management	**7,096**	6,008
– Car park operations and facilities management	**553**	556
– Gaming operations	**86**	94
– Others	**824**	836
Total bank loans, notes and bonds	**22,029**	21,348

As at 30 September 2019, the Group's undrawn banking facilities were approximately HK$7.4 billion. Of this amount, approximately HK$3.7 billion was in relation to construction development while the balance of approximately HK$3.7 billion was for the Group's general corporate use. The unutilized banking facilities together with sale proceeds to be generated from the Group's upcoming property development projects place the Group in a solid financial position to fund not only its existing business and operations but also to expand its business further.

In addition, a total of 7 hotel assets[(i)] within the Group were unencumbered as at 30 September 2019, the capital value of which amounted to HK$4.9 billion based on independent valuations assessed as at 31 March 2019. These assets can be used as collateral for further bank borrowings which can provide further liquidity for the Group, should this be necessary.

3. *Foreign exchange management*

Overall in 1H FY2020, contribution from the Group's non-Hong Kong operations were affected by the movement of foreign currencies against the Hong Kong dollar. The table below sets forth the exchange rates of the Hong Kong dollar against the local currency of countries where the Group has significant operations:

Rate	**As at 30 September 2019**	As at 31 March 2019	**Change**
HK$/AUD	**5.29**	5.56	(4.9%)
HK$/RMB	**1.10**	1.17	(6.0%)
HK$/MYR	**1.87**	1.92	(2.6%)
HK$/GBP	**9.61**	10.20	(5.8%)
HK$/CZK	**0.33**	0.34	(2.9%)
HK$/SGD	**5.67**	5.79	(2.1%)

Average rates for	**1H FY2020**	1H FY2019	**Change**
HK$/AUD	**5.43**	5.82	(6.7%)
HK$/RMB	**1.14**	1.20	(5.0%)
HK$/MYR	**1.90**	1.96	(3.1%)
HK$/GBP	**9.91**	10.60	(6.5%)
HK$/CZK	**0.34**	0.36	(5.6%)
HK$/SGD	**5.73**	5.85	(2.1%)

The Group adopts a practice whereby investments in its non-Hong Kong operations are hedged by borrowings in the local currency of the countries where such investments are made. The impact of movements in the above currencies to the Group's profit attributable to shareholders for 1H FY2020 is analysed below:

Note:

(i) Exclude Ritz-Carlton hotel in Perth which is unencumbered but opened in November 2019.

Increase to the Group's profit attributable to shareholders for 1H FY2020 assuming exchange rates of the following currencies against the Hong Kong dollar remained constant during the period:

	HK$ million
AUD	14.1
RMB	0.9
MYR	0.4
GBP	2.3
CZK	0.4
SGD	2.6
Total impact	20.7

The movement in foreign currencies also had an impact on the balance sheet position of the Group. As net assets of the Group's non-Hong Kong operations are translated into Hong Kong dollars for consolidation purposes, the movement in foreign currencies has affected the value in Hong Kong dollar-equivalent of such net assets and therefore the Group's net asset position. The Group's net asset value (less Perpetual Notes) would have been HK$730 million higher as at 30 September 2019 assuming exchange rates remained constant during 1H FY2020.

4. *Net asset value per share*

	As at 30 September 2019 ***HK$ million***	As at 31 March 2019 *HK$ million*
Equity attributable to shareholders of the Company	**12,987**	13,413
Add: Hotel revaluation surplus(i)	**17,838**	17,838
Total net asset value	**30,825**	31,251
Number of shares issued (million)	**2,334**	2,352
Net asset value per share	**HK$13.21**	HK$13.29

Adjusting for the revaluation surplus on hotel assets of approximately HK$17,838 million based on independent valuation assessed as at 31 March 2019, net asset value attributable to shareholders reached approximately HK$30,825 million. Net asset value per share for the Company as at 30 September 2019 was approximately HK$13.21.

Note:

(i) As at 31 March 2019.

5. *Capital expenditures*

The Group's capital expenditures consisted of expenditure for acquisitions, development and refurbishment of hotel properties, plant and equipment.

During 1H FY2020, the Group's capital expenditures amounted to approximately HK$2,573 million, primarily attributable to (i) the land acquisition of a commercial project in Kai Tak, Hong Kong; (ii) the land acquisition of a long-term residential rental project in Baoshan district, Shanghai; and (iii) the ongoing capital expenditures in relation to our residential, retail and hotel projects with The Star across Australia. The capital expenditures were funded through a combination of borrowings and internal resources.

6. *Capital commitments*

	As at 30 September 2019 *HK$ million*	As at 31 March 2019 *HK$ million*
Capital expenditures contracted but not provided in the consolidated financial statements in respect of:		
Acquisition, development and refurbishment of hotel properties	**598**	878
Commitment to provide credit facility to BCG	**83**	65
Others	**23**	28
	704	971

7. *Post balance sheet event*

Acquisition of hotel in Singapore

In September 2019, the Group formed joint ventures with AMTD and the joint ventures (through their subsidiaries) entered into sales and purchase agreements to acquire a hotel property and its business in the central business district ("CBD") of Singapore, for a total consideration of approximately SGD289 million. The hotel was previously known as "Oakwood Premier OUE Singapore" and has been renamed as "Oakwood Premier AMTD Singapore" with effect on the completion date of the acquisition. The hotel is part of OUE Downtown, a newly refurbished mixed-use development which comprises two high-rise towers with offices and a retail mall apart from the hotel. The Oakwood Premier AMTD Singapore hotel, located in the heart of Singapore's vibrant CBD, has a total of 268 rooms, 2 dining facilities and other amenities. The Group has been seeking to build a stronger presence in Singapore and already operates a very successful hotel, Dorsett Singapore. By leveraging on Dorsett's established operation platform, the remaining short tenure of the existing third-party management contract offers an opportunity for Dorsett to further expand its presence and enhance its brand equity in Singapore. The Group also believes that the acquisitions allow it to take advantage of the solid business environment in that market and to further diversify its hotel portfolio and bring to the Group immediate cash returns from its existing business. Completion of the acquisitions have taken place in mid November 2019.

Potential spin-off and formation of REIT

The Group is considering a potential spin-off and separate listing ("Potential Spin-off and Separate Listing") of certain hospitality properties of the Group in Australia, Singapore, Malaysia and the UK on an overseas securities exchange in the form of a stapled trust group comprising a real estate investment trust and a business trust (collectively, the "Hospitality Trust"). In connection with the Potential Spin-off and Separate Listing, the Company has submitted a proposal to the Stock Exchange pursuant to Practice Note 15 of the Listing Rules on 28 November 2019. The Group expects that the Potential Spin-off and Separate Listing, if it proceeds, would likely constitute a major transaction for the Company under the Listing Rules, and approval from the Shareholders would be required. The Board believes that the Potential Spin-off and Separate Listing, if it proceeds, would among others: (i) create an asset management platform for the Group dedicated to hospitality assets, which would generate a new income stream to the Group, (ii) unlock and crystallise the value of the hospitality properties of the Group, and allow the Group to recycle capital, and (iii) facilitate more active third-party hotel acquisitions using the spun-off entity. Please refer to the announcement dated 28 November 2019 for more details on the Potential Spin-off and Separate Listing.

Business review

1. *Property division*

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

Property investment

Property investment comprises of investments in retail and office buildings located mainly in Hong Kong, Mainland China, Singapore and Australia. For 1H FY2020, a fair value loss on investment properties of approximately HK$16 million was recognized, primarily due to the decrease in fair value of investment properties in Hong Kong. As at 30 September 2019, valuation of investment properties was approximately HK$5.3 billion (31 March 2019: HK$5.4 billion).

21 Anderson Road is a freehold condominium development situated in District 10 of Singapore, which was acquired by the Group in July 2018. It is currently known as "21 Anderson Royal Oak Residence" and comprises 34 residential units with saleable floor area of approximately 86,000 square feet ("sq. ft."), which the Group currently holds for recurring income purposes but with flexibility to resell or redevelop.

The Group won the tender to acquire an additional land parcel in August 2019 with gross floor area ("GFA") of 574,000 sq. ft. as part of the California Garden development in Shanghai. The above-mentioned land is adjacent to another parcel of land which was acquired by the Group in early 2019, which can be developed together into a few blocks of residential units to be leased out for recurring income purposes.

Property development

The Group has a diversified portfolio of residential property developments in Australia, Mainland China, Hong Kong, Singapore, Malaysia and the UK, which are largely focused on mass residential market from which the Group can benefit due to the growing affluence of the middle class. To carry out property development in the various markets, the Group has established strong local teams in each of these markets which, coupled with the regionalisation approach, allow the Group to take advantage of the different property cycles in different markets. The Group is also actively looking to work with property owners for redevelopment opportunities, an example of which is the partnership with The Star. These land acquisition strategies have resulted in a relatively low land holding cost for the Group's development projects and little capital kept idle in a land banking strategy.

Total attributable cumulative presales value of the Group's residential properties under development amounted to approximately HK$11.6 billion as at 30 September 2019. Such presales proceeds are not reflected in the Group's consolidated income statement until the point in time when the relevant projects are completed. The following table shows a breakdown of the Group's total cumulative presales value of residential properties under development as at 30 September 2019.

Developments	**Location**	**Attributable presales** *HK$ million*	**Actual/ Expected financial year of completion**
Artra	Singapore	674[(i)]	FY2021
Cuscaden Reserve	Singapore	8[(i)]	FY2023
West Side Place (Towers 1 and 2)	Melbourne	4,718	FY2021
West Side Place (Tower 3)	Melbourne	2,257	FY2023
West Side Place (Tower 4)	Melbourne	2,346	FY2023
Perth Hub	Perth	318	FY2022
The Star Residences (Tower 1)	Gold Coast	416	FY2023
The Star Residences – Epsilon (Tower 2)	Gold Coast	202	FY2025
MeadowSide (Plots 2 and 3)	Manchester	383	FY2022
MeadowSide (Plot 5)	Manchester	81	FY2021
Hornsey Town Hall	London	171	FY2022
Dorsett Place Waterfront Subang	Subang Jaya	30[(i)]	FY2024
Total		11,604	

Note:

(i) Excluding contracted presales already recognized as revenue up to 30 September 2019.

During 1H FY2020, the Group launched presales of its residential development projects named The Star Residences – Epsilon (Tower 2) in Gold Coast, Australia, Dorsett Place Waterfront Subang in Subang Jaya, Malaysia and Cuscaden Reserve in Singapore which, in aggregate, have an expected attributable GDV and attributable saleable floor area of approximately HK$1.7 billion and approximately 657,000 sq. ft., respectively.

As at 30 September 2019, expected attributable saleable floor area of the Group's active residential property development projects under various stages of development across the regions was approximately 10.3 million sq. ft..

Details of the Group's current pipeline are shown below:

Developments	Attributable saleable floor area[i] *Sq. ft.*	Expected Attributable GDV[ii] *HK$ million*	Status/ expected launch	Expected financial year of completion
Pipeline development				
Melbourne				
West Side Place				
– Towers 1 and 2	1,078,000	5,041	Launched	FY2021
– Tower 3	518,000	2,393	Launched	FY2023
– Tower 4	621,000	2,845	Launched	FY2023
Bourke Street	600,000	2,393	FY2021	FY2025
Perth				
Perth Hub	230,000	824	Launched	FY2022
Brisbane				
Queen's Wharf Brisbane [iii]				
– Tower 4	252,000	1,417	FY2020	FY2024
– Tower 5	269,000	1,443	Planning	Planning
– Tower 6	269,000	1,443	Planning	Planning
Gold Coast				
The Star Residences [iv]				
– Tower 1	98,000	476	Launched	FY2023
– Tower 2 – Epsilon	109,000	554	Launched	FY2025
– Towers 3 to 5	374,000	1,635	Planning	Planning
Hong Kong				
Shatin Heights	84,000	1,671	FY2021	FY2021
London				
Consort Place	390,000	4,089	FY2020	FY2024
Hornsey Town Hall	108,000	909	Launched	FY2022
Manchester				
MeadowSide				
– Plots 2 and 3	221,000	891	Launched	FY2022
– Plot 5	99,000	384	Launched	FY2021
– Plot 4	238,000	1,067	Planning	Planning
Northern Gateway [v]				
– Addington Street	47,000	173	FY2020	Planning
– Victoria Riverside	396,000	1,428	FY2021	Planning
– Network Rail	1,532,000	5,521	Planning	Planning
– Others	1,202,000	4,218	Planning	Planning

Developments	Attributable saleable floor area(i) *Sq. ft.*	Expected Attributable GDV(ii) *HK$ million*	Status/ expected launch	Expected financial year of completion
Singapore				
Artra (vi)	110,000	756	Launched	FY2021
Holland Road (vii)	192,000	3,111	FY2020	FY2024
Cuscaden Reserve (viii)	19,000	387	Launched	FY2023
Malaysia				
Dorsett Place Waterfront Subang (ix)	529,000	791	Launched	FY2024
Total development pipeline as at 30 September 2019	9,585,000	45,860		
Completed development available for sale				
Shanghai				
King's Manor	48,000	279		
The Royal Crest II	51,000	313		
Guangzhou				
Royal Riverside	263,000	994		
Kuala Lumpur				
Dorsett Bukit Bintang	31,000	123		
Hong Kong				
Marin Point	73,000	787		
Manor Parc	48,000	641		
The Garrison	1,600	44		
Others	1,000	36		
Perth				
The Towers at Elizabeth Quay	141,000	1,068		
Singapore				
21 Anderson Road	86,000	1,215		
Total completed development available for sale as at 30 September 2019	743,600	5,500		
Total pipeline and completed development available for sale as at 30 September 2019	**10,328,600**	**51,360**		

Notes:

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

(ii) The amounts represent expected GDV attributable to the Group, which may change subject to market conditions.

(iii) This residential development consists of a total gross floor area of approximately 1,800,000 sq. ft.. The Group has 50.0% interest in the development.

(iv) The Group has 33.3% interest in the development.

(v) The saleable floor area and GDV figure is estimated based on land already acquired and expected number of units to be built. As the master developer of Northern Gateway, the Group is expecting further land acquisitions which will increase both saleable floor area and GDV for this development.

(vi) Total saleable floor area of this development is approximately 410,000 sq. ft.. The Group has 70.0% interest in the development. Revenue for this development is recognised based on a percentage of completion basis. Amounts shown here exclude the portion which has been recognized as revenue up to 30 September 2019.

(vii) Total saleable floor area of this development is approximately 241,000 sq. ft.. The Group has 80.0% interest in the development.

(viii) Total saleable floor area of this development is approximately 190,000 sq. ft.. The Group has 10.0% interest in the development.

(ix) Total saleable floor area of this development is approximately 1,058,000 sq.ft.. The Group has 50.0% interest in the development.

In addition to the above, the Group has entered into a memorandum of understanding with the partners of Destination Brisbane Consortium to develop The Star's casino site in Sydney and three further towers in Gold Coast, which will further contribute to the residential pipeline of the Group upon receiving planning approval and signing of definitive agreement.

Australia

Melbourne

West Side Place is a mixed-use residential development located in the CBD of Melbourne. The project comprises approximately 3,000 apartments spreading over 4 towers with total saleable floor area of approximately 2.2 million sq. ft. and a GDV of HK$10.3 billion.

The development consists of two hotels, including one under the Group's Dorsett brand with approximately 300 hotel rooms located in Tower 3, and another hotel to be operated by Ritz-Carlton with approximately 250 hotel rooms located at the top of Tower 1. All four towers have been launched for presales as of FY2019. Towers 1 and 2 comprise a total of 1,376 apartments with a total saleable floor area of approximately 1.1 million sq. ft. and a total expected GDV of HK$5.0 billion. HK$4.7 billion worth of units were presold as at 30 September 2019 and the project is expected to be completed in FY2021. Tower 3 comprises 684 apartments with a total saleable floor area of approximately 518,000 sq. ft. and a total expected GDV of HK$2.4 billion. HK$2.3 billion worth of units were presold as at 30 September 2019 and the project is expected to be completed in FY2023. Tower 4 comprises 835 apartments with a total saleable floor area of approximately 621,000 sq. ft. and a total expected GDV of HK$2.8 billion. HK$2.3 billion worth of units were presold as at 30 September 2019 and the project is expected to be completed in FY2023. With the strong presales recorded for this development, the Group is expected to have significant cashflow and earnings in the coming years.

Following the successful launch of the various stages of West Side Place, the Group has replenished its pipeline in Melbourne by securing a development site on 640 Bourke Street, which is in Melbourne CBD near the West Side Place development. The property currently has obtained approval to be redeveloped into a residential project with total saleable floor area of approximately 600,000 sq. ft. and is expected to provide approximately 800 residential units. Presales of this development is expected to be launched in 1H FY2021, with completion of the development expected to be in FY2025.

Perth

The Towers at Elizabeth Quay is a two-tower mixed-use development project which consists of approximately 371,000 sq. ft. in saleable floor area of residential apartments, a luxury Ritz-Carlton hotel of about 205 rooms which was opened on 15 November 2019 and commercial or retail area as well as other ancillary facilities of approximately 15,000 sq. ft.. This residential development was completed in 2H FY2019 with HK$275 million of presold inventory expected to be delivered in 2H FY2020. The remaining completed units amounting to HK$793 million in GDV will be sold and are being actively marketed.

The Perth City Link is a large project being undertaken by the Western Australian Government to reconnect the Perth CBD and the entertainment district.

Perth Hub, being the first phase of the Perth City Link project, is a mixed-use development adjacent to the Perth Arena representing Lots 2 and 3A of the Perth City Link project, featuring 314 residential apartments and approximately 260 hotel rooms to be operated by Dorsett. Presales of this development was launched in October 2018, with GDV of HK$318 million presold as at 30 September 2019. Completion of the development is expected in FY2022.

Having been selected as the preferred proponent to develop Lots 3B, 6 and 7 of the Perth City Link projects in May 2017, which is a continuation of the development stemming from Perth Hub, the Group has secured these land plots in FY2019. These three lots are planned to be developed into a range of boutique apartments and an integrated retail, entertainment, commercial and hospitality complex. This project is currently under planning stage.

Brisbane

The Destination Brisbane Consortium, a joint venture between the Group, The Star and Chow Tai Fook Group ("CTF"), located in Brisbane, entered into development agreements with the Queensland State, Australia for the delivery of the Queen's Wharf Project ("QWB Project"). The QWB Project comprises:

(i) an integrated resort component in which the Group's ownership is 25.0% (CTF owns 25.0% and The Star owns 50.0%) with an equity investment amount of more than AUD200 million. Payments are made progressively commencing from signing of the QWB Project documents up to completion of the QWB Project which is expected by the end of FY2023; and

(ii) the residential component owned in the proportion of 50.0% by the Group and 50.0% by CTF.

Together with the Group's portion of land premium for this residential component, the total capital commitment of the Group is expected to be approximately AUD300 million which the Group intends to fund from its internal resources. The QWB Project encompasses a total area of approximately 9.4 hectares at Queen's Wharf, Brisbane, and envisages three residential towers, five world-class hotels, high-end food and commercial outlets and a casino in Brisbane's prime waterfront district. The total core development GFA of the QWB Project is expected to be approximately 386,650 square meters ("sq. m.") of which approximately 160,250 sq. m. relates to the residential component.

The QWB Project brings together the Group's experience in international hospitality operations and mixed-use development, CTF's extensive VIP customer base in Mainland China and Asian markets, as well as The Star's operational experience in integrated resorts. The QWB Project is expected to contribute significantly to the Group's recurring cash flow streams as well as to add to its residential development pipeline.

The construction of the integrated resort component is well underway with the excavation of the site close to completion, thereby substantially de-risking the construction of the development. Furthermore, discussion with potential lenders are ongoing for the debt financing of the integrated resort component.

Gold Coast

The Star Residences is a mixed-use development featuring 5 towers in the heart of Gold Coast's world-class integrated resort on Broadbeach Island. The project is an extension of the partnership between the Group, The Star and CTF in Gold Coast, in which the Group has a 33.3% interest.

The first tower of the development will feature a 316-room Dorsett hotel and 423 residential apartments with total saleable floor area of approximately 295,000 sq. ft. and a GDV of HK$1.4 billion. Total presales value of HK$1.2 billion was recorded as at 30 September 2019 and the completion of the first tower of the development is expected to take place in FY2023.

Following the successful launch of the first tower, planning approval has been granted for the other four towers of the development. Epsilon, which is the second tower of the development, will feature a 210-room five-star hotel and 457 residential apartments with total saleable floor area of approximately 327,000 sq. ft. and a GDV of HK$1.7 billion. Presales of this development was launched with a positive response in May 2019, with total presales value of HK$606 million being recorded as at 30 September 2019. Completion of the development is expected in FY2025.

In addition, the strategic alliance agreement that was entered into with The Star and CTF in March 2018 stipulated that the parties will join forces on the delivery of certain nominated developments including the potential re-development of The Spit Precinct in Gold Coast. The realization of these potential developments will undoubtedly add to the Group's development pipeline in the city, and will benefit the Group through its investment in The Star.

Sydney

The Group has agreed to partner with The Star and CTF to co-develop a mixed-use tower located at the existing site where The Star operates its casino in Sydney. The project is currently under planning stage and discussions are ongoing to obtain approvals from the local authorities. The parties also agreed that there are certain nominated developments which the parties will work together to bring forward the planning and delivery, including the potential re-development of the Pyrmont Precinct in Sydney, where the parties have purchased an existing building for re-development.

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. King's Manor consists of 479 apartments and 90 town houses. 21 town houses of this development remain unsold, and will be sold on a completed basis.

The Royal Crest II consists of 174 apartments and 42 town houses. 24 town houses of this development remain unsold, and will be sold on a completed basis.

In Guangzhou, Royal Riverside is a 5-tower residential development comprising 607 apartments with a total saleable floor area of approximately 685,000 sq. ft. and a total expected GDV of HK$2.3 billion. Presales for Tower 5 was launched in May 2018. The entire development has been completed with approximately HK$1.3 billion GDV having been delivered up to 30 September 2019, with the remaining units to be sold on a completed basis.

Hong Kong

The Group has built its development pipeline in Hong Kong over the years through acquisition of redevelopment sites, participating in government tenders and bidding for projects with the Urban Renewal Authority ("URA").

Astoria Crest is a residential development at Hai Tan Street, Sham Shui Po which was acquired by the Group through the URA. This residential development comprises 72 apartments with approximately 20,000 sq. ft. in saleable floor area. The project has successfully been launched for sales in December 2017 and all units were sold and delivered to buyers in 1H FY2020.

The Garrison is a residential development at Mei Tin Road, Tai Wai, which the Group acquired through a government tender. This development comprises 118 residential units with approximately 29,000 sq. ft. in saleable floor area and a GDV of HK$674 million and a commercial component of approximately 4,100 sq. ft. in GFA. GDV of about HK$630 million has been presold and delivered to buyers in 1H FY2020. The remaining units with approximately 1,600 sq. ft. in saleable floor area will be sold on a completed basis.

Marin Point is a residential development at Sha Tau Kok which the Group acquired through a government tender. This development comprises 261 low-rise apartments with approximately 103,000 sq. ft. in saleable floor area and 6,800 sq. ft. of commercial component. The development was launched for presales during FY2018 with a GDV of about HK$306 million having been presold and delivered as at 30 September 2019. The remaining units will be sold on a completed basis.

Manor Parc is a residential development at Tan Kwai Tsuen consisting of 24 town houses with approximately 50,000 sq. ft. in saleable floor area and a GDV of HK$641 million. All units are to be sold on a completed basis.

The Group also acquired through a government tender a residential development site at Tai Po Road, Shatin Heights. Comprising over 60 apartments and 4 houses, the project has a saleable floor area of approximately 84,000 sq. ft. and a GDV of HK$1,671 million. Construction is progressing with the presales of the project expected to be launched in FY2021.

Malaysia

Dorsett Place Waterfront Subang is a joint development which the Group has 50.0% interest in this development. The project is situated next to the Group's renowned 5-star hotel, Dorsett Grand Subang. Consisting of three blocks, the development will offer 1,989 fully-serviced suites. Presales of the development project was launched in September 2019 with a HK$30 million attributable GDV having been presold as at 30 September 2019. Completion of the development is expected in FY2024.

Dorsett Bukit Bintang is a residential development adjacent to Dorsett Kuala Lumpur. This development consists of 252 high-rise apartments with approximately 215,000 sq. ft. in saleable floor area. The development was completed during FY2018 with 121 apartments delivered as at 30 September 2019, with a number of the remaining units converted into serviced apartments managed by the Dorsett Group. The rest is to be sold on a completed basis.

United Kingdom

London

Hornsey Town Hall, located in North London, is a mixed-use redevelopment project which involves the conversion of an existing townhall into a hotel/serviced apartment tower and a town hall with communal areas, as well as a residential component which will provide 135 apartments with a saleable floor area of approximately 108,000 sq. ft. This development also has a commercial component of 7,500 sq. ft. Presales for the residential component of this development was launched in FY2019 with a GDV of about HK$171 million presold as at 30 September 2019. Completion of the development is expected in FY2022.

Consort Place is a mixed-use development site at Marsh Wall, Canary Wharf, London, which has been granted planning approval for a mixed-use complex of approximately 390,000 sq. ft. in saleable floor area consisting of approximately 500 residential units, a hotel of approximately 230 rooms and commercial facilities. Presales for the residential component of this development is expected to be launched in 2H FY2020, with completion of the development expected to be in FY2024.

Manchester

MeadowSide is a residential development site in Manchester at NOMA which is one of the major residential growth areas of the city, and is sitting on the doorstep of the Group's Northern Gateway development. The development will feature 4 towers comprising more than 700 apartments with approximately 558,000 sq. ft. of saleable floor area around the historic Angel Meadow Park near Victoria railway station which is one of the transportation hubs in the city. 3 plots have launched their presales with Plot 2 and Plot 3 comprising a total saleable area of 221,000 sq. ft., with a GDV of HK$891 million and a GDV of HK$383 million has been presold as at 30 September 2019. Plot 5 with a total saleable area of 99,000 sq. ft. and a GDV of HK$384 million was launched in March 2019 for presales with a GDV of HK$81 million having been presold as at 30 September 2019. Construction work is progressing smoothly and Plot 2 and Plot 3 are scheduled for completion by FY2022 and Plot 5 is scheduled for completion by FY2021.

Northern Gateway is a large-scale development project in Manchester which spans across an area of more than 390 acres (equivalent to 17 million sq. ft.), sweeping north from Victoria railway station and taking in the neighborhoods of New Cross, the Lower Irk Valley and Collyhurst. This project is expected to deliver in excess of 15,000 new homes over the next decade, allowing the city center to expand and providing the optimal mix of high-quality housing. The vision of this project is to create a series of distinct yet clearly connected communities that make the most of the area's natural resources.

The Strategic Regeneration Framework ("SRF") of the Northern Gateway development was approved by the Manchester City Council ("MCC") in February 2019. The SRF provides an illustrative masterplan in order to guide development proposals within the Northern Gateway. It will be used to guide and co-ordinate developments brought forward by the joint venture formed between the Group and MCC, and to deliver a series of vibrant, sustainable and integrated residential neighbourhoods within the extended city center of Manchester.

Since the Group entered into a development agreement with MCC in April 2017, the Group has acquired various land plots within the Northern Gateway area which will be developed into individual projects as the overall masterplan pans out. In July 2019, the Group further acquired 20 acres of land from Network Rail in Central Manchester to progress its delivery of the Northern Gateway and the acquisition is expected to offer over 1,500 new homes including the first elements of the River City Park at St Catherine's Wood, which will link from Angel Meadow out to the North of Manchester.

The Northern Gateway project is expected to provide the Group with a significant and long-term pipeline within the United Kingdom. As at 30 September 2019, the Group has already secured land plots within the Northern Gateway area providing a pipeline with saleable floor area of more than 3 million sq. ft. which is expected to deliver approximately 4,500 new homes over the next 5 to 10 years.

Addington Street is one of the initial sites acquired from MCC as part of the development agreement for Northern Gateway. The development is located within New Cross at the northern edge of the Manchester city center. The site is planned to develop into an 80-apartment residential scheme with saleable floor area of approximately 47,000 sq. ft.. Presales for this development is expected to be launched in 2H FY2020.

Victoria Riverside is located within the Northern Gateway masterplan area in close proximity to major transport links including Victoria railway station and Manchester city center. It is a key gateway into the Northern Gateway masterplan area, expanding the city center northwards from MeadowSide. It will be predominately a residential development incorporating a high quality public realm, commercial and leisure uses and a landmark building. The development features three towers comprising more than 600 units with approximately 396,000 sq. ft. of saleable floor area. Presales of the development is expected to be launched in FY2021.

Singapore

Artra is a residential project located next to the Redhill MRT station in Singapore with approximately 410,000 sq. ft. in saleable floor area and is owned by a joint venture in which the Group has a 70.0% interest. Presales of the development was launched in FY2018 with HK$674 million having been presold as at 30 September 2019. Completion of the development is expected to take place during FY2021.

Hollandia and The Estoril are premium residential development sites at Holland Road within the sought-after District 10 of Singapore, for which the Group was awarded the tender through a collective sale in FY2018. Completion of the acquisition of both sites took place in FY2019. The two adjacent sites are expected to be amalgamated and redeveloped into a residential development with a combined saleable floor area of approximately 241,000 sq. ft., in which the Group has a 80.0% interest. Presales of the development is expected to be launched in 2H FY2020 with completion of the development expected to be in FY2024.

Cuscaden Reserve located at Cuscaden Road is a residential development site in the prime District 9 of Singapore. The development is expected to provide approximately 19,000 sq. ft. in attributable saleable floor area. The Group has a 10.0% interest in the joint venture which is undertaking the development. Presales of the development was launched in September 2019 with completion of the development expected to be in FY2023.

2. *Hotel operations and management*

The Group owns and operates its hotel portfolio through three distinct lines of business, with focus on the three to four-star hotel segment. These include Dorsett Hotels and Resorts, featuring the upscale "Dorsett Grand" and mid-scale "Dorsett", the value-led "Silka" branded hotels, and the "d.Collection" which features boutique hotels with unique identities. The Group's hotels under these three lines of business are collectively referred to as the "Dorsett Group".

As at 30 September 2019, the Group had 28 hotels in operation of which 9 are in Hong Kong, 6 in Malaysia, 4 in Mainland China, 1 in Singapore, 2 in the UK, 1 in Australia, 3 in Germany, 1 in Austria and 1 in Czech Republic with approximately 7,500 rooms.

As at 30 September 2019, the Group had 14 hotels in the development pipeline, including a Ritz-Carlton hotel located in Melbourne and three world-class hotels in addition to a Dorsett hotel in the integrated resort of Queen's Wharf Brisbane in which the Group has a 25% interest; and the remaining hotel pipelines are expected to be operated by Dorsett in Hong Kong, Australia, UK and Malaysia. The Group also manages 4 other hotels (1 in Hong Kong and 3 in Malaysia) with approximately 970 rooms.

In April 2018, the Group completed the acquisition of TWC, which owns and operates two four-star hotels and one three-star hotel in Germany, one four-star hotel in Austria and one four-star hotel in the Czech Republic (directly connected to one of the casinos in TWC's portfolio). In total, 572 rooms are operated under the hotels under TWC ("TWC Hotel Group"). TWC Hotel Group started to contribute to the Group's hotel operating results with effect from 1 May 2018.

The performance of the Group's owned hotel operations for 1H FY2020 is summarized as follows. Results of hotels by regions are expressed in their respective local currency ("LC").

	Occupancy Rate		Average room rate		RevPAR		Revenue	
	1H FY2020	1H FY2019	**1H FY2020**	1H FY2019	**1H FY2020**	1H FY2019	**1H FY2020**	1H FY2019
			(LC)	*(LC)*	***(LC)***	*(LC)*	***(LC'million)***	*(LC'million)*
Hong Kong *(HK$)*	**82.5%**	94.0%	**659**	730	**544**	686	**310**	382
Malaysia *(MYR)*	**72.6%**	76.7%	**195**	188	**142**	144	**60**	64
Mainland China *(RMB)*	**70.6%**	77.8%	**398**	390	**281**	304	**105**	113
Singapore *(SGD)*	**84.9%**	81.9%	**175**	176	**149**	144	**8**	8
United Kingdom *(GBP)*	**84.0%**	86.9%	**128**	116	**108**	101	**13**	13
			(HK$)	*(HK$)*	***(HK$)***	*(HK$)*	***(HK$ million)***	*(HK$ million)*
Dorsett Group Total	**78.0%**	85.6%	**634**	668	**495**	572	**714**	817
TWC Hotel Group	**67.7%**	64.0%	**586**	600	**397**	384	**63**	49

Dorsett Group's hotel operations for 1H FY2020 recorded total revenues of approximately HK$714 million as compared with HK$817 million in 1H FY2019. The overall occupancy rate ("OCC") decreased by 7.6 percentage points to 78.0%. The overall average room rate ("ARR") decreased 5.1% to HK$634 per night. As a result, RevPAR decreased by 13.5% to HK$495 for 1H FY2020.

For TWC Hotel Group's hotel operations, full period contribution has been recorded in 1H FY2020 compared with 5 months of revenues recorded in 1H FY2019, with the total revenue achieved reaching HK$63 million compared with HK$49 million in 1H FY2019, an increase of 28.6%. The OCC increased by 3.7 percentage points to 67.7% with RevPAR increasing by 3.4% to HK$397 for 1H FY2020.

Hotel operations in Hong Kong have been affected by the decline of tourist arrivals in Hong Kong due to social unrest in the city. During 1H FY2020, total revenues for Hong Kong hotel operations recorded a decrease of 18.8% as compared with 1H FY2019, achieving HK$310 million. Hong Kong remains the main contributor to the Group's hotel revenues representing 43.4% of the total revenue of the Dorsett Group. OCC in Hong Kong decreased 11.5 percentage points to 82.5% and ARR decreased by 9.7% to HK$659 per night as compared with the same period last year, resulting in a decrease of 20.7% in RevPAR for Hong Kong to HK$544.

In Malaysia, total revenue from owned hotel operations for 1H FY2020 recorded a drop of 6.3% as compared with 1H FY2019 to approximately MYR60 million. ARR improved slightly by 3.7% to MYR195 which was partially offset by a decrease 4.1 percentage points of OCC to 72.6%, resulting in a slight decrease of 1.4% in RevPAR.

In Mainland China where the broader hotel industry showed weak operating environment, OCC in our hotels in 1H FY2020 decreased 7.2 percentage points year-on-year which was partially offset by an increase of 2.1% in ARR to RMB398, resulting in a decline in RevPAR of 7.6% year-on-year to RMB281 and a decline in total revenues of 7.1% to RMB105 million.

In Singapore, total revenues of Dorsett Singapore remained stable at SGD8 million in 1H FY2020. ARR was relatively flat at SGD175 in 1H FY2020, while OCC recorded a moderate increase of 3.0 percentage points to 84.9% and RevPAR increased by 3.5% to SGD149.

In the UK, total revenue remained stable at GBP13 million. The operation of Dorsett City London hotel is stabilizing since its opening in February 2018. ARR managed to improve by 10.3% to GBP128 which was partially offset by the 2.9 percentage points decrease of OCC to 84.0%. As a result, RevPAR increased by 6.9% to GBP108 for 1H FY2020.

The Ritz-Carlton hotel in Perth is considered to be one of the best luxury hotels in the entire Australia which had its grand opening on 15 November 2019. The hotel comprising 205 rooms and approximately 15,000 sq. ft. of commercial and retail area as well as other ancillary facilities, is expected to contribute stable recurring cashflows to the Group.

The acquisitions of the hotel property and its business in Oakwood Premier OUE Singapore, which has been renamed as Oakwood Premier AMTD Singapore with effect from the completion date of the acquisitions on 18 November 2019, provide more recurrent income to the Group. The hotel, which was opened in June 2017 in the heart of Singapore's vibrant CBD, has a total of 268 rooms, 2 dining facilities and other amenities. The business environment in Singapore is very constructive and augur well from the Group's management of the hotel.

On 12 August 2019, the Group has successfully won the tender of the commercial land at Shing Kai Road adjoining Kai Tak Sports Park in Kai Tak with total GFA up to 32,000 sq. m. The Group is planning to develop a Dorsett brand hotel with an office block and retail space on the site. Total investment in the project, including the land cost, will be approximately HK$4 billion.

3. Car park operations and facilities management

The Group's car park operations and facilities management business includes car park operations, operated under the brand "Care Park", and property management services, operated under the brand "APM".

The car park business extends to both third-party owned car parks and self-owned car parks and generates a stable recurring income for the Group. Care Park has been achieving steady growth over the years, with the Group's portfolio under management growing to approximately 106,000 car parking bays as at 30 September 2019, having added approximately 6,600 car parking bays during 1H FY2020. Of the Group's 487 car parks, 35 were self-owned car parks (23 in Australia, 3 in New Zealand, 1 in the UK, 2 in Malaysia and 6 in Hungary) comprising approximately 11,000 car parking bays, with the remaining approximately 95,000 car parking bays under management contracts entered into with third-party car park owners. The management contracts are primarily located in Australia, New Zealand, the UK, Hungary and Malaysia. These contracts are struck with entities which include local governments, shopping malls, retailers, universities, airports, hotels, hospitals, government departments and commercial and office buildings.

The Group's car park business continued to deliver consistent profit contribution to the Group through organic growth, having leveraged its central monitoring system, Care Assist, which enables the management team of this business to have better control on the day-to-day operations of the business, providing a strong foundation for growth. With a management team rich in experience in car parking operations and the scalability offered by Care Assist, the Group is allocating more resources to the car parking division which is currently actively evaluating a number of acquisition opportunities in regions where the Group has an existing presence, with an aim of adding further self-owned car parks or management contracts to its portfolio.

During 1H FY2020, Care Park was appointed by Macquarie Principal Finance Group ("Macquarie") to manage and operate SKYCITY Entertainment Group's ("SKYCITY") car park in Auckland, New Zealand, on the back of Macquarie winning a 30-year concession for the car park at SKYCITY's casino and convention center, adding another 3,300 car parking bays to its growing portfolio.

In addition, the Group continued to expand its operation to include property management services in Australia (mainly in Brisbane, Melbourne and Adelaide) and Johor Bahru, Malaysia, where the Group had 112 contracts in relation to facilities management services as at 30 September 2019. It is expected that with significant investment to expand the car park business regionally, the car park operations and facilities management business will be a growing source of recurring cash flow streams to the Group.

4. *Gaming operations and management*

Europe

The Group completed the acquisition of TWC on 30 April 2018. Revenue from TWC's gaming operations in 1H 2020 reached HK$119 million (net of gaming tax), a sharp increase of 34.2% from HK$88 million due to the strong performance of the business and the full period recorded in 1H FY2020 compared with the 5 months of trading recorded in 1H FY2019.

TWC owns and operates a portfolio of 3 casinos in Czech Republic. All the casinos of TWC feature gaming tables and slot machines are situated on the Czech borders with Germany and Austria catering to cross-border guests from these countries. With the Group's implementation of the "Asian Wallet" strategy, the Group will endeavor to introduce Asian customers to TWC's properties to supplement the Group's hospitality offerings geographically.

TWC upholds a high standard of regulatory compliance and corporate governance practices, having been listed on the over-the-counter market in the United States until being privatized and delisted last year. It will not only bring to the Group recurring earnings and cash flow contribution from its hospitality business, but could also serve as a platform for the Group to pursue expansion in the gaming space.

The following sets forth certain operating data of TWC's casinos for the period ended 30 September 2019:

	As at 30 September 2019
Number of slot machines	513
Number of tables	62
	1H FY2020
Table game revenue [(i)] *(HK$ million)*	28
Slots revenue [(i)] *(HK$ million)*	70
Average table game win rate [(ii)]	20.3%
Average slot win per machine per day (HK$)	1,148

Notes:

(i) Net of gaming tax.

(ii) Table game win rate is defined as total win on the gaming table (being total bets received less payouts made) divided by total amount of cash and non-negotiable chips deposited on the gaming table.

TWC's gaming operations continue to perform well with the synergies created between the Group and TWC after the acquisition in April 2018, including, for instance, cross-selling opportunities, improvement of gaming machines and introduction of new table games.

Australia

In March 2018, the Group entered into a strategic alliance agreement with The Star and CTF and took a 4.99% equity stake in The Star, one of the two major casino operators in Australia which has a dominant position in Sydney, Gold Coast and Brisbane.

Strategic benefits to the Group from this investment and the strategic alliance agreement are:

(i) strengthening the Group's already established relationship with The Star;

(ii) forging partnership with The Star for potential mixed-use property projects, and adding to the Group's development pipeline in Australia;

(iii) allowing the Group to increase its exposure to the QWB Project and benefit from The Star's future growth;

(iv) benefiting from cross-selling through future co-operation with The Star which is synergistic to the gaming platform of the Group; and

(v) benefiting from cash flow from The Star's future dividend distribution based on a dividend payout of at least 70.0% of normalised net profit after tax.

During 1H FY2020, the dividend received on The Star shares was HK$25 million.

5. *Other business*

As an extension of our property development business, the Group established a mortgage lending platform under BCG. BCG specializes in the provision of residential mortgages to non-resident buyers of international properties. BCG is highly synergistic to the Group's property development business and offers significant growth potential beyond the existing property development business of the Group. Indeed, less than 5% of the loans extended to non-resident buyers were used to purchase residential properties of the Group.

Loans and advances provided to property buyers have been rising quickly and reached AUD 853 million as at 30 September 2019, an increase of about 36.3% from 31 March 2019. Yet, BCG has strict lending rules, a very diversified portfolio and a prudent loan-to-value ratio of 59% on average as at 30 September 2019. During 1H FY2020, BCG has continued to broaden its sources of financing and is in active discussion with institutional investors and international banks to secure additional funding. Whilst most of the capital is provided by third-parties, the Group has committed AUD75 million of funding, and had AUD59 million of funding as at 30 September 2019, which is classified as investment securities. Including interest income from the funding, BCG's business has contributed HK$11 million to the Group's profit during 1H FY2020.

BCG is reviewing a number of new and promising markets where it can expand its service offering, such as the UK, Malaysia and New Zealand. The Group remains committed to grow BCG's business and expects contribution from the business to increase over time.

OUTLOOK

The Group continues to benefit from its diversified portfolio of businesses and wide geographical footprint to deliver consistent and long-term growth. This was apparent again in 1H FY2020 where the Group achieved a solid performance across the board. As at 30 September 2019, cumulative presales value of the Group was approximately HK$11.6 billion and the current development pipeline and completed inventory for sale was approximately HK$51.4 billion, which provide clear visibility of the Group's future revenues. The Group will continue to add to the development pipeline by allocating resources to regions where the Group sees long-term fundamental growth prospects and where the region's property cycle offers higher risk-adjusted returns to the Group.

Since Dorsett became wholly-owned by the Group in 2015, the Group has been reaping benefits from the increased flexibility in capital allocation which has helped partly fuel the Group's accelerated growth in recent years. The Group's hotel business is expected to be affected by the performance of its hotels in Hong Kong due to social unrest in the city and 2H FY2020 impact is expected to take a bigger hit should the situation remain. However, with 14 new hotels coming online, the long-term growth potential remains good. In the short term, the opening of the Ritz-Carlton in Perth and the J-hotel in Kuala Lumpur, together with the additional revenues from the Oakwood Premier AMTD Singapore should help to mitigate the performance of the Group's Hong Kong portfolio.

The intention to pursue the Potential Spin-off and Separate Listing for a selected group of hospitality properties could help to, among others: (i) create an asset management platform for the Group dedicated to hospitality assets, which would generate a new income stream to the Group, (ii) unlock and crystallise the value of the hospitality properties of the Group, and allow the Group to recycle capital, and (iii) facilitate more active third-party hotel acquisitions using the spun-off entity.

The Group's commitment to the car park operations and facilities management business ensures that this part of the Group's business will not only grow organically as it has been for years, but also through new management contracts or the acquisitions of car park assets that yield good returns and offer longer-term potential land-banking opportunities.

The expansion of the Group's footprint into the gaming business through the acquisition of TWC, and the investment in QWB Project and The Star, is another major growth driver of the Group's business. The opening of the QWB Project, whilst years away, will be significant and additive to the recurring income of the Group. The cooperation with The Star has been excellent and has already resulted in a number of large-scale property development projects. The Group expects this to continue.

The Group has a solid liquidity position at approximately HK$7.3 billion and a net gearing ratio of 43.9% as at 30 September 2019. The intention is to continue to manage the Group's balance sheet in a prudent and disciplined manner, whilst ensuring that our capital is employed productively. Together with the available undrawn credit facility of HK$7.4 billion and with a number of hotel assets unencumbered, there is a significant source of capital available to continue to support the growth of the Group.

In conclusion, the Group has laid a solid foundation for growth and will continue to deliver a sustainable and progressive dividend to its shareholders.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2019, the Group had approximately 4,350 employees. The Group provides its employees with comprehensive benefit packages and career development opportunities, including medical benefits, both internal and external trainings appropriate for various level of staff roles and functions.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

Throughout the six months ended 30 September 2019, 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, except for the deviations from Code Provisions A.2.1 and E.1.2 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.

Pursuant to Code Provision E.1.2 of the CG Code, the Chairman should attend the annual general meeting of the Company. Due to unavoidable business engagement, the Chairman was unable to attend the annual general meeting of the Company held on 12 September 2019. The Chairman 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 the Shareholders.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 September 2019, the Company, through its wholly-owned subsidiary, Singford Holdings Limited, repurchased a total of 22,825,000 shares on the Stock Exchange for a total consideration of approximately HK$81 million. Details are set-out below:

Month of repurchase	Number of shares repurchased	Price per share Highest HK$	Price per share Lowest HK$	Aggregate consideration paid HK$
June 2019	1,500,000	3.60	3.52	5,324,800
July 2019	6,959,000	3.90	3.61	26,151,450
August 2019	9,511,000	3.74	3.35	33,386,980
September 2019	4,855,000	3.34	3.28	16,115,630

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed shares during the six months ended 30 September 2019.

The purchases were made for the benefit of the Shareholders with a view to enhancing the net asset value and earnings per share of the Group.

AUDIT COMMITTEE

The Audit Committee, comprising all of the Company's three independent non-executive directors, namely Mr. Kwok Wai CHAN, Mr. Kwong Siu LAM and Mr. Lai Him Abraham SHEK has reviewed the accounting principles, standard and practices adopted by the Company, and discussed matters relating to auditing, risk management and internal control and financial reporting, including the review of the unaudited consolidated interim results of the Group for the six months ended 30 September 2019.

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 of the Company for the six months ended 30 September 2019 will be despatched to the Shareholders and published on the websites of the Stock Exchange and the Company in due course.

By order of the Board of
Far East Consortium International Limited
Wai Hung Boswell CHEUNG
Company Secretary

Hong Kong, 28 November 2019

As at the date of this announcement, the Board comprises five executive directors, namely Tan Sri Dato' David CHIU, Mr. Cheong Thard HOONG, Mr. Dennis CHIU, Mr. Craig Grenfell WILLIAMS and Ms. Wing Kwan Winnie CHIU; and three independent non-executive directors, namely Mr. Kwok Wai CHAN, Mr. Kwong Siu LAM and Mr. Lai Him Abraham SHEK.