FEC
遠東發展

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 2020

BUSINESS UPDATE

- The six months period ended 30 September 2020 ("1H FY2021") continued to be dominated by the impact of the COVID-19 outbreak on the global economy. Whilst the business environment gradually improved in parts of Asia, where the COVID-19 outbreak was tackled relatively more successfully, the rest of the world has continued to wrestle with numerous waves of the COVID-19 outbreak.

- From the start of the COVID-19 outbreak, the Group took active steps to reduce costs and expenses, to monetize assets and to shore up liquidity to prepare for a prolonged period of uncertainty. With all the actions taken, the Group is well positioned to benefit from the gradual recovery in economic activity.

- The Group's performance in 1H FY2021 was inevitably impacted by the global outbreak of the COVID-19. To varying degrees, all our businesses have been affected. Revenues fell to approximately HK$3.1 billion in 1H FY2021, a decrease of 39.2% compared to the same period last year. Sequentially, compared to the second six months of the financial year ended 31 March 2020 ("2H FY2020"), revenues were up by 33.6%.

* *For identification purposes only*

- The Group recorded a lower contribution from property development in 1H FY2021 due to less development completion compared to the same period last year. Property development revenues dropped by 36.9% year-on-year. But despite the COVID-19, the Group successfully completed in 1H FY2021 a residential development project, Artra in Singapore, and the lower levels of West Side Place (Towers 1 and 2) in Melbourne. The handover process of West Side Place (Towers 1 and 2) started in late 1H FY2021 and is expected to continue by phases until 1H FY2022, providing predictable and significant cash inflows to the Group.

- The Group launched very successfully two landmark projects namely Aspen at Consort Place in London and Queen's Wharf Residences (Tower 4) in Brisbane. These two deluxe projects are located in prime areas and both developments generated strong interest.

- Cumulative attributable presales value of properties under development rose from HK$12.2 billion as at 31 March 2020 to HK$13.4 billion as at 30 September 2020 due in part to favorable foreign currency exchange movement. The Group expects to launch two development projects during 2H FY2021, namely Hyll on Holland in Singapore and Victoria Riverside in Manchester, with an expected aggregate attributable gross development value ("GDV") of HK$5.1 billion as at 30 September 2020.

- During the period, the Group entered into agreements to sell the retail units of Artra in Singapore and Astoria Crest in Hong Kong, amounting to SGD55.2 million (approximately HK$312 million) and HK$40 million, respectively. As part of its monetization strategy, the Group will keep exploring opportunities to recycle capital by selling non-core assets.

- Strained by the global COVID-19 pandemic, countries and cities around the world have imposed severe lockdowns for local populations and stringent travel restrictions on both business and leisure travelers. The measures imposed considerably impacted our hotel, car park and gaming businesses. As a consequence, the Group's recurring income business fell by 45.2% year-on-year.

- In our hotel operations, revenues fell by 53.2% year-on-year. The Group took decisive and early actions across its portfolio, such as repositioning assets towards long stay guests and self-quarantine guests, furloughing staff, cutting costs and incentives and reviewing thoroughly all its expenses. These measures, combined with an improvement in the business environment, have led to a gradual recovery in hotel performance since June 2020, especially in Hong Kong, the main contributor to our hotel operations.

- Contribution from car park operations and facilities management declined by 44.0% due to the lockdown measures and/or travel restrictions imposed by various cities or states where the Group operates.

- In our gaming operations in the Czech Republic, the advent of the COVID-19 outbreak impacted our business significantly. The temporary and mandatory closure of our 3 casinos for a few months was also unhelpful. However, we took swift actions to reduce operating expenses. Upon re-opening in June 2020, patrons returned quickly and our casinos revenues were back to almost the pre-COVID-19 levels, with lower operating costs. The Star Entertainment Group ("The Star") paid no dividend in 1H FY2021 (1H FY2020: AUD0.105 per share).

- On the positive side, the Group entered into a new 18-year lease contract with a flagship sports goods retailer for its Wuhan mall located at the heart of downtown Wuhan. The 18-year lease comprises seven floors with a total retail area of approximately 312,000 sq. ft.. Yearly rental will amount to approximately HK$50 million, with 8.0% step-up increase every three years. This new lease is approximately 100% higher than the previous equivalent rent received.

- With a view to providing a comprehensive range of services for buyers in Hong Kong, the Group started a new property agency business, First International Property, focusing on international property sales. The business aims to link up world-renowned developers and professional solicitors, mortgage brokers and property managers and assist buyers at every stage of their investment process, from acquisition of the property, ongoing management to the collection of rent to the resale the property.

- BC Group Holdings Limited ("BCG"), a company in which the Group has a 50.66% stake, continued to grow steadily in 1H FY2021 with loans and advances rising from AUD976 million as at 31 March 2020 to AUD1,018 million as at 30 September 2020. The net interest margin expanded to 2.45% as at 30 September 2020 (2.07% as at 31 March 2020). BCG is positioned for growth and is raising capital ahead of its entrance in the United Kingdom ("UK") market.

FINANCIAL HIGHLIGHTS

- Despite the challenging environment, the Group still managed to be profitable. Profit before tax decreased by 15.5% to HK$831 million in 1H FY2021. Net profit attributable to shareholders and adjusted cash profit[i] decreased by 51.1% and 50.0% year-on-year to HK$350 million and HK$517 million, respectively in 1H FY2021.

- The Group recorded a comprehensive income attributable to shareholders of the Company of approximately HK$1.9 billion in 1H FY2021 (HK$58.8 million in 1H FY2020).

- Earnings per share in 1H FY2021 decreased by 51.3% to HK14.8 cents. The declared interim dividend for 1H FY2021 was maintained at HK4.0 cents per share (1H FY2020: HK4.0 cents per share).

- Cost control initiatives were implemented to mitigate the impact of the COVID-19 outbreak, the Group expects net annualized savings of approximately HK$180 million. Coupled with the incentives and compensation programmes offered by various governments across the regions, whereby the Group expects to receive approximately HK$150 million, the financial impact of the COVID-19 outbreak in FY2021 will be, to some extent, mitigated.

- The Star share price recovered strongly in 1H FY2021 (AUD3.06 per share as at 30 September 2020 vs AUD2.15 per share as at 31 March 2020) and most local currencies in the countries we operate rebounded against the HK$, our reporting currency. As a consequence, the Group's total adjusted equity[(iv)] rose from HK$30.7 billion as at 31 March 2020, to HK$32.1 billion as at 30 September 2020.

- The Group continued to improve its capital structure through the repayment and refinancing of its loans. During 1H FY2021, the Group (i) refinanced the HK$980 million short-term land acquisition loan with a HK$2.4 billion long-term construction loan for its Kai Tak development in Hong Kong; (ii) fully repaid the SGD40 million construction loan of Artra in Singapore; and (iii) repaid over AUD180 million of the construction loan for West Side Place (Towers 1 and 2) in Melbourne by using sales proceeds from the handover process in 1H FY2021. In addition, the Group repurchased its existing notes, maturing in 2021 and 2023, and US$360 million senior guaranteed perpetual capital notes ("Perpetual Capital Notes") for an aggregated principal amount of approximately US$38.6 million. Net gearing ratio[(ii)(iii)] and net debt to total adjusted assets[(v)] remained stable at 56.8% and 29.2% as at 30 September 2020, respectively.

- The Group's net debt increased slightly from HK$17.4 billion as at 31 March 2020, to HK$18.2 billion as at 30 September 2020. The Group continued to maintain a comfortable level of liquidity with HK$7.2 billion of cash and marketable securities available as at 30 September 2020. Furthermore, the Group had 8 hotel properties unencumbered valued at HK$4.4 billion and approximately HK$4.5 billion in unsold residential inventory, as at 30 September 2020, respectively.

- Net asset value per shares rose by 6.2% to from HK$11.59 as at 31 March 2020 to HK$12.31 as at 30 September 2020. The Group also repurchased approximately 11 million shares for a total consideration of approximately HK$30 million in 1H FY2021.

POST PERIOD END EVENTS

- In October 2020, the Group launched a safe deposit box business, Far East Vault ("FEV"). The Group converted the basement of one of its hotels in Hong Kong into a safe deposit box operation providing around 4,500 safe deposit boxes. Apart from the full 24-hour security provided, FEV introduces leading-edge intelligent security technologies to traditional vault services including facial recognition, palm vein scans and real-time QR codes, by combining physical and biometric identification. The safe deposit box business is expected to contribute to the Group's recurring income stream starting from FY2021.

- In October 2020, the Group partnered with The Star to acquire a site in Pyrmont, Sydney, located next to the existing site where The Star operates its casino in Sydney. The intention is to co-develop a mixed-use tower. This project will grow its current footprint in Sydney.

- On 10 November 2020, a wholly-owned subsidiary of BCG priced an Australian dollar-denominated residential mortgage-backed security ("RMBS") deal, from its Ruby RMBS programme. The transaction was upsized to AUD416 million. This was an inaugural issue that marked a major milestone for BCG.

- As part of the Group's balance sheet capital management exercise, the Group bought back in November 2020 US$50 million principal amount of the notes maturing in 2021 through a tender offer. Furthermore, the Group issued 12.25-year notes for a principal amount of HK$200 million at a 5.25% coupon. The proceeds of the 12.25-year notes will help the Group in maintaining a flexible liquidity position and lengthen the debt maturity profile.

OUTLOOK

- Initial "green shoots" are appearing in parts of our business, especially in countries that have managed the COVID-19 outbreak more successfully. The steps taken to reduce our cost base means that as business recovers, the profitability will improve. This bodes well for the Group's performance when the COVID-19 outbreak will be truly contained or fully eradicated.

- On the property development front, on top of the new launches planned, the Group remains on the look-out for attractive landbank opportunities and joint venture partners to develop large scale residential projects. The Group believes that the UK and the Australian markets continue to offer attractive returns.

- Cumulative unbooked presales of HK$13.4 billion as at 30 September 2020 provide us with good visibility of reveune stream in the short to medium term.

- Looking ahead, with the announcement made by the Hong Kong government that: i) all arrivals, except those from Mainland China, will have to quarantine in a hotel and ii) the potential implementation of travel bubbles with neighboring countries, it is expected that the market sentiment of the Hong Kong hotel industry is on the road to a faster recovery.

- The construction of our 13 hotel pipeline is ongoing. The opening of the Ritz-Carlton in Melbourne in FY2022 (1H FY2022) is the next major milestone for the Group's hotel operations.

- In the car park operations, we are seeing a number of car park opportunities emerging which bodes well for the organic and inorganic growth of our operations going forward. Cities and states are exploring more actively the possibility of entering into long-term concession agreements. This should benefit the Group.

- The construction of the integrated resort at Queen's Wharf, Brisbane ("QWB") is on target. In addition, progress has been made in identifying retail partners and in reviewing options for Towers 5 and 6 of the residential component. The Group's 25% holding in the integrated resort is expected to start contributing in FY2023.

Notes:

(i) Adjusted cash profit is calculated by adjusting for fair value changes in investment properties and by adding depreciation and amortisation charges to profit after tax.

(ii) Net gearing ratio represents total bank loans and notes 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$16,348 million was based on independent valuations carried out as at 31 March 2020 (excluding Ritz-Carlton in Perth and J-Hotel by Dorsett in Kuala Lumpur, which are newly opened and valued at cost) and was not recognized in the Company's consolidated financial statements, but was adjusted for the calculations of net asset value per share, net debt to total adjusted assets and the net gearing ratio.

(iv) Adjusting for the unrecognised hotel revaluation surplus of approximately HK$16,348 million, which is based on independent valuations assessed as at 31 March 2020, and including the Perpetual Capital Notes.

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

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 2020. 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 or 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 2020 of HK4.0 cents (six months ended 30 September 2019: 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 28 December 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 of Hong Kong Limited (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 28 December 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 5 January 2021. Dividend warrants and/or new share certificates will be posted on or around 5 February 2021.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 23 December 2020 to 28 December 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 22 December 2020.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020

		Six months ended	
		30.9.2020	30.9.2019
	NOTES	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Revenue		**3,111,114**	5,121,135
Cost of sales and services		**(1,882,747)**	(3,285,406)
Depreciation and amortisation of hotel and car park assets		**(240,706)**	(188,357)
Gross profit		**987,661**	1,647,372
Other income		**113,341**	9,860
Other gains and losses	*5*	**366,704**	76,927
Administrative expenses			
– Hotel operations and management		**(145,861)**	(224,900)
– Others		**(152,364)**	(172,040)
Pre-operating expenses			
– Hotel operations and management		**–**	(6,521)
Selling and marketing expenses		**(116,977)**	(122,893)
Share of results of associates		**(5,133)**	3,974
Share of results of joint ventures		**(22,779)**	(6,413)
Finance costs	*6*	**(194,003)**	(222,218)
Profit before tax		**830,589**	983,148
Income tax expense	*7*	**(309,456)**	(197,081)
Profit for the period	*8*	**521,133**	786,067
Attributable to:			
Shareholders of the Company		**349,631**	714,787
Owners of perpetual capital notes		**102,749**	7,700
Other non-controlling interests		**68,753**	63,580
		171,502	71,280
		521,133	786,067
Earnings per share	*9*		
– Basic *(HK cents)*		**14.8**	30.4
– Diluted *(HK cents)*		**14.8**	30.4

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020

	Six months ended	
	30.9.2020	30.9.2019
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Profit for the period	**521,133**	786,067
Other comprehensive income (expense) for the period		
Items that may be subsequently reclassified to profit or loss:		
Exchange differences arising on translation of foreign operations	**1,179,859**	(716,885)
Fair value change on debt instruments at fair value through other comprehensive income ("FVTOCI")	**180,444**	–
Reclassification adjustment on disposal of debt instruments at FVTOCI during the period	**(4,762)**	–
Item that will not be reclassified to profit or loss:		
Fair value change on equity instruments at FVTOCI	**188,023**	55,193
Other comprehensive income (expense) for the period	**1,543,564**	(661,692)
Total comprehensive income for the period	**2,064,697**	124,375
Total comprehensive income attributable to:		
Shareholders of the Company	**1,879,314**	58,832
Owners of perpetual capital notes	**102,749**	7,700
Other non-controlling interests	**82,634**	57,843
	185,383	65,543
	2,064,697	124,375

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 SEPTEMBER 2020

	NOTES	30.9.2020 HK$'000 (unaudited)	31.3.2020 HK$'000 (audited)
Non-current Assets			
Investment properties		**7,867,408**	7,243,208
Property, plant and equipment		**11,780,545**	11,160,856
Goodwill		**68,400**	68,400
Interests in associates		**1,494,346**	1,237,775
Interests in joint ventures		**894,765**	791,846
Investment securities		**822,757**	492,852
Derivative financial instruments		**18,531**	37,222
Deposits for acquisition of property, plant and equipment		**92,093**	88,045
Amounts due from associates		**62,864**	62,864
Amounts due from joint ventures		**64,427**	58,572
Amount due from an investee company		**119,995**	119,995
Loan receivables		**230,251**	259,651
Pledged deposits		**20,857**	20,409
Deferred tax assets		**168,192**	93,653
		23,705,431	21,735,348
Current Assets			
Properties for sale			
Completed properties		**1,798,278**	1,966,189
Properties under development		**11,206,586**	9,983,444
Other inventories		**10,021**	11,146
Debtors, deposits and prepayments	*11*	**1,772,903**	379,091
Customers' deposits under escrow		**227,620**	147,527
Loan receivables		**7,602**	9,269
Contract assets		**–**	1,103,698
Contract costs		**306,559**	283,787
Amounts due from joint ventures		**353,132**	349,392
Amounts due from associates		**28,242**	24,717
Tax recoverable		**113,234**	160,697
Investment securities		**2,891,242**	2,534,548
Pledged deposits		**128,543**	51,600
Restricted bank deposits		**13,747**	120,932
Deposit in a financial institution		**106**	6,880
Bank balances and cash		**3,462,644**	2,911,726
		22,320,459	20,044,643

	NOTES	30.9.2020 HK$'000 (unaudited)	31.3.2020 HK$'000 (audited)
Current Liabilities			
Creditors and accruals	*12*	**1,567,965**	1,264,635
Contract liabilities		**511,522**	310,598
Lease liabilities		**79,898**	77,253
Amounts due to related companies		**740**	751
Amounts due to associates		**9,415**	6,897
Amounts due to shareholders of non-wholly owned subsidiaries		**318,064**	395,126
Derivative financial instruments		**4,031**	3,397
Tax payable		**692,242**	368,283
Notes		**2,215,058**	–
Bank and other borrowings		**9,672,185**	6,505,953
		15,071,120	8,932,893
Net Current Assets		**7,249,339**	11,111,750
Total Assets less Current Liabilities		**30,954,770**	32,847,098
Non-current Liabilities			
Lease liabilities		**602,295**	547,086
Notes		**1,367,929**	3,548,124
Bank borrowings		**12,158,647**	13,405,809
Deferred tax liabilities		**964,054**	903,317
Other liabilities		**138,354**	129,028
		15,231,279	18,533,364
Net Assets		**15,723,491**	14,313,734
Capital and Reserves			
Share capital		**235,065**	236,942
Share premium		**4,486,167**	4,534,687
Reserves		**7,875,497**	6,346,903
Equity attributable to shareholders of the Company		**12,596,729**	11,118,532
Owners of perpetual capital notes	*13*	**2,753,461**	2,904,535
Other non-controlling interests		**373,301**	290,667
		3,126,762	3,195,202
Total Equity		**15,723,491**	14,313,734

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020

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").

The six months period ended 30 September 2020 continued to be dominated by the impact of the COVID-19 outbreak on the global economy. Whilst the business environment gradually improved in parts of Asia, where the COVID-19 outbreak was tackled relatively more successfully, the rest of the world has continued to wrestle with numerous waves of the COVID-19 outbreak.

From the start of the COVID-19 outbreak, the Group took active steps to reduce costs and expenses, to monetise assets and to shore up liquidity to prepare for a prolonged period of uncertainty. The Group's performance for the six months period ended 30 September 2020 was inevitably impacted by the global outbreak of the COVID-19. To varying degrees, all our businesses have been affected. Revenues fell to approximately HK$3.1 billion for the six months period ended 30 September 2020, a decrease of 39.2% compared to the same period last year. Sequentially, compared to the second half of the financial year ended 31 March 2020, revenues were up by 33.6%.

Benefits from government incentives and compensation programmes have been made available to the Group for certain operations, such as the Employment Support Scheme in Hong Kong and incentive programmes for job retention in Singapore and Australia.

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 additional in accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards ("HKFRSs"), and application of certain accounting policies when become relevant to the Group, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2020 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2020.

In the current interim period, the Group has applied the Amendments to References to the Conceptual Framework in HKFRS Standards and the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2020 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

In addition, the Group has early applied the Amendment to HKFRS 16 "COVID-19-Related Rent Concessions".

4. SEGMENT INFORMATION

The Group determines its operating segments based on internal reporting about components that are regularly reviewed by the chief operating decision makers. Information reported to the Group's chief operating decision makers, who are the executive directors of the Company, for the purposes of resource allocation and assessment of performance is mainly focused on the different management teams of the related business 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 as well as securities investments made and monitored by the same team)
- Car park operations and facilities management
- Gaming operations (including investment in The Star Entertainment Group which is engaged in the gaming business in Australia and is classified as equity instruments at FVTOCI)
- Securities and financial product investments
- Provision of mortgage services (including securities investment made and monitored by the same team)

The following is an analysis of the Group's revenue and results by reportable and operating segment.

	Segment revenue		**Segment profit (loss)**	
	Six months ended 30.9.2020 *HK$'000* **(unaudited)**	Six months ended 30.9.2019 *HK$'000* (unaudited)	**Six months ended 30.9.2020** *HK$'000* **(unaudited)**	Six months ended 30.9.2019 *HK$'000* (unaudited)
Property development				
– Australia	**990,463**	1,180,259	**145,562**	206,734
– Hong Kong ("HK")	**80,580**	1,106,695	**20,231**	397,933
– Malaysia	**4,980**	16,245	**680**	6,502
– Other regions in the People's Republic of China excluding HK ("PRC")	**361,086**	132,570	**216,606**	100,820
– Singapore	**886,602**	1,250,106	**354,779**	269,239
– United Kingdom ("UK")	**574**	458	**2,680**	1,724
	2,324,285	3,686,333	**740,538**	982,952
Property investment				
– Australia	**6,155**	4,309	**(10,833)**	2,307
– HK	**23,693**	18,673	**(5,843)**	12,693
– PRC	**19,585**	8,590	**2,937**	(13,249)
	49,433	31,572	**(13,739)**	1,751
Hotel operations and management				
– Australia	**31,591**	–	**(44,022)**	(6,526)
– HK	**175,776**	310,190	**(21,514)**	6,706
– Malaysia	**32,169**	104,582	**(17,580)**	11,451
– PRC	**40,672**	118,776	**314,853**	(2,284)
– Singapore	**34,920**	47,359	**10,618**	8,418
– UK	**23,276**	132,478	**(15,150)**	41,801
– Europe (other than UK)	**24,970**	63,177	**(13,110)**	1,859
	363,374	776,562	**214,095**	61,425

	Segment revenue		Segment profit (loss)	
	Six months ended 30.9.2020	Six months ended 30.9.2019	**Six months ended 30.9.2020**	Six months ended 30.9.2019
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Car park operations and facilities management				
– Australia and New Zealand	**201,619**	366,366	**603**	17,447
– Europe	**11,466**	28,714	**(11,750)**	2,709
– Malaysia	**9,170**	1,943	**(843)**	115
	222,255	397,023	**(11,990)**	20,271
Gaming operations				
– Australia	**–**	24,860	**(30)**	24,849
– Czech Republic	**79,591**	118,704	**19,629**	7,345
	79,591	143,564	**19,599**	32,194
Securities and financial product investments	**52,708**	70,289	**115,361**	97,934
Provision of mortgage services				
– Australia	**15,335**	11,018	**26,221**	10,813
– HK	**4,133**	4,774	**3,918**	4,852
	19,468	15,792	**30,139**	15,665
Segment revenue/segment profit	**3,111,114**	5,121,135	**1,094,003**	1,212,192
Unallocated corporate expenses, and other gains and losses			**(69,411)**	(6,826)
Finance costs			**(194,003)**	(222,218)
Profit before tax			**830,589**	983,148
Income tax expense			**(309,456)**	(197,081)
Profit for the period			**521,133**	786,067

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 profit (loss) represents the profit earned by (loss from) each segment without allocation of central administration costs, directors' emoluments, finance costs and net foreign exchange (losses) gains. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

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 certain assets, which are mainly bank balances and cash and deposit in financial institutions.

	As at 30.9.2020 *HK$'000* **(unaudited)**	As at 31.3.2020 *HK$'000* (audited)
Property development		
– Australia	**7,837,265**	6,475,475
– HK	**2,013,226**	1,891,078
– Malaysia	**411,424**	404,347
– PRC	**641,318**	2,528,983
– Singapore	**5,214,407**	5,317,486
– UK	**2,401,536**	1,845,815
	18,519,176	18,463,184
Property investment		
– Australia	**281,658**	257,809
– HK	**3,915,424**	3,870,967
– PRC	**1,959,236**	4,567
	6,156,318	4,133,343
Hotel operations and management		
– Australia	**1,713,315**	1,534,962
– HK	**4,357,291**	4,357,103
– Malaysia	**858,225**	845,504
– PRC	**2,276,823**	1,582,534
– Singapore	**582,545**	758,811
– UK	**1,216,238**	1,151,748
– Europe (other than UK)	**277,543**	269,321
	11,281,980	10,499,983
Car park operations and facilities management		
– Australia and New Zealand	**1,575,583**	1,398,166
– Europe	**398,628**	398,331
– Malaysia	**141,723**	138,384
	2,115,934	1,934,881
Gaming operations		
– Australia	**800,257**	493,943
– Czech Republic	**327,951**	298,508
	1,128,208	792,451
Securities and financial product investments	**2,364,178**	2,230,900
Provision of mortgage services		
– Australia	**764,022**	542,814
– HK	**227,576**	258,569
	991,598	801,383
Segment assets	**42,557,392**	38,856,125
Unallocated corporate assets	**3,468,498**	2,923,866
Total assets	**46,025,890**	41,779,991

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	
	30.9.2020	30.9.2019
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Change in fair value of investment properties	**338,934**	(16,356)
Gain on disposal of debt instruments at FVTOCI	**4,762**	–
Change in fair value of financial assets at fair value through profit or loss ("FVTPL")	**67,815**	28,151
Change in fair value of derivative financial instruments	**(26,604)**	23,888
Loss on disposal of property, plant and equipment	**(337)**	(284)
Net foreign exchange (losses) gains	**(14,376)**	47,708
Allowance for credit loss	**(3,490)**	(6,180)
	366,704	76,927

6. FINANCE COSTS

	Six months ended	
	30.9.2020	30.9.2019
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interest on bank borrowings	**322,860**	301,232
Interest on notes	**74,221**	73,694
Amortisation of front-end fee	**8,336**	7,930
Interest on lease liabilities	**9,777**	9,962
Others	**9,417**	4,106
Total interest costs	**424,611**	396,924
Less: amounts capitalised to:		
– properties for sale (properties under development)	**(207,232)**	(159,596)
– owners' occupation (properties, plant and equipment)	**(23,376)**	(15,110)
	194,003	222,218

7. INCOME TAX EXPENSE

	Six months ended	
	30.9.2020	30.9.2019
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
The income tax expense comprises:		
Current tax:		
Hong Kong Profits Tax	**25,350**	55,789
PRC Enterprise Income Tax ("PRC EIT")	**58,616**	29,106
PRC Land Appreciation Tax ("PRC LAT")	**56,842**	17,677
Australia Income Tax	**27,241**	20,351
Malaysia Income Tax	**743**	2,735
Singapore Income Tax	**158,448**	–
Czech Republic Income Tax	**3,492**	1,830
	330,732	127,488
Under (over) provision in prior years:		
Hong Kong Profits Tax	**20,361**	–
PRC LAT	**3,127**	–
Australia Income Tax	**(5,697)**	–
	17,791	–
Deferred taxation	**(39,067)**	69,593
	309,456	197,081

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 both periods, respectively.

8. PROFIT FOR THE PERIOD

	Six months ended	
	30.9.2020	30.9.2019
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Profit for the period has been arrived at after charging:		
Depreciation of property, plant and equipment (including depreciation of leased properties of HK$47,393,000 (six months ended 30.9.2019: HK$36,261,000))	**246,334**	223,232
and after crediting (included in other income):		
Bank interest income	**1,819**	6,515
Covid-19-related rent concession	**7,400**	–
Government grants	**83,577**	–

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$349,631,000 (six months ended 30.9.2019: HK$714,787,000) and the number of shares calculated as follows:

	Six months ended	
	30.9.2020	30.9.2019
	'000	*'000*
	(unaudited)	(unaudited)
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	**2,355,034**	2,347,546

10. DIVIDENDS

	Six months ended	
	30.9.2020	30.9.2019
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Dividends recognised as distribution during the period:		
Final dividend for the year ended 31 March 2020 of HK15 cents (six months ended 30 September 2019: final dividend for the year ended 31 March 2019 of HK18 cents) per share	**352,597**	420,070

The 2020 final dividend was declared in the form of a scrip dividend to shareholders who were given an option to elect to receive cash in lieu of all or part of their scrip dividend at a share price of HK$2.218 per share which was the average of the closing prices per share for the five consecutive trading days up to and including 24 September 2020.

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 30.9.2019: HK4.0 cents) per share will be paid to the shareholders of the Company whose names appear in the Register of Members on 28 December 2020.

11. DEBTORS, DEPOSITS AND PREPAYMENTS

	30.9.2020 ***HK$'000*** **(unaudited)**	31.3.2020 *HK$'000* (audited)
Trade debtors		
– Contracts with customers	**302,551**	**117,778**
– Lease receivables	**10,307**	**11,443**
	312,858	**129,221**
Unbilled receivables	**1,237,221**	**–**
	1,550,079	**129,221**
Less: allowance for credit loss	**(9,253)**	**(5,763)**
	1,540,826	**123,458**
Utility and other deposits	**41,283**	**63,909**
Prepayment and other receivables	**165,134**	**138,241**
Other tax recoverable	**25,660**	**53,483**
	1,772,903	**379,091**

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 except for lease receivables and receivables from sales of properties recognised overtime:

	30.9.2020 ***HK$'000*** **(unaudited)**	31.3.2020 *HK$'000* (audited)
Unbilled	**1,237,221**	–
0-60 days	**264,207**	97,290
61-90 days	**7,061**	8,742
Over 90 days	**32,337**	17,426
	1,540,826	123,458

12. CREDITORS AND ACCRUALS

	30.9.2020	31.3.2020
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Trade creditors		
– Construction cost and retention payable	**487,508**	666,631
– Others	**75,575**	74,838
	563,083	741,469
Construction cost and retention payable for capital assets	**30,113**	31,343
Rental deposits and rental receipts in advance	**96,166**	56,319
Other payable and accrued charges	**526,006**	435,504
Dividend payable	**352,597**	–
	1,567,965	1,264,635

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

	30.9.2020	31.3.2020
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0-60 days	**534,810**	700,139
61-90 days	**2,275**	3,623
Over 90 days	**25,998**	37,707
	563,083	741,469

13. PERPETUAL CAPITAL NOTES

On 12 September 2019, 16 September 2019 and 24 February 2020, FEC Finance Limited ("FEC Finance"), an indirect wholly-owned subsidiary of the Group, issued US$250,000,000, US$50,000,000 and US$60,000,000 7.375% guaranteed perpetual capital notes ("Perpetual Capital Notes"). Any amount payable arising from distribution or redemption were unconditionally and irrevocably guaranteed by the Company under the US$1,000,000,000 guaranteed medium term note programme. Distribution on 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. The 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. The Perpetual Capital Notes are classified as equity instrument. Any accrued distributions made by FEC Finance to the holders are recognised in equity in the consolidated financial statements of the Group.

During the period ended 30 September 2020, the Group repurchased US$16,963,000 (equivalent to HK$130,524,000) Perpetual Capital Notes.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial and Business Reviews

Financial review

1. *Profit and loss analysis*

The Company's consolidated revenue for 1H FY2021 was approximately HK$3.1 billion, a decrease of 39.2% as compared with 1H FY2020, driven primarily by (i) the lower revenue from property development due to less completions and (ii) the adverse impact of COVID-19 on the hotel, car park and gaming operations. Gross profit (before depreciation of hotel, car park and gaming assets) ("adjusted gross profit") came in at HK$1.2 billion, as compared with HK$1.8 billion for 1H FY2020. A breakdown of the Group's revenue and gross profit is set out 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*
1H FY2021						
Revenue	**2,324,285**	**363,374**	**222,255**	**79,591**(i)	**121,609**	**3,111,114**
Gross profit	**864,153**	**(2,689)**	**(11,469)**	**33,300**	**104,366**	**987,661**
Depreciation	**–**	**175,121**(ii)	**18,409**(ii)	**6,739**	**–**	**200,269**
Adjusted gross profit	**864,153**	**172,432**	**6,940**	**40,039**	**104,366**	**1,187,930**
Adjusted gross profit margin	**37.2%**	**47.5%**	**3.1%**	**50.3%**	**85.8%**	**38.2%**
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	–	170,058(ii)	16,958(ii)	7,363	–	194,379
Adjusted gross profit	1,108,756	467,860	79,378	85,428	100,329	1,841,751
Adjusted gross profit margin	30.1%	60.2%	20.0%	59.5%	85.3%	36.0%

Notes:

(i) After deduction of gaming tax amounting to HK$32 million (1H FY2020: HK$46 million).

(ii) Excludes depreciation of leased properties under HKFRS 16.

Revenue from sales of properties amounted to approximately HK$2,324 million in 1H FY2021, a decrease of 36.9% as compared with 1H FY2020. Major contributors to the revenues were the revenue recognized from West Side Place (Towers 1 and 2) in Melbourne, Artra in Singapore and the remaining inventory from our Hong Kong, Shanghai and Guangzhou projects. Gross profit of approximately HK$864 million was recorded during 1H FY2021, representing a 22.1% year-on-year drop, as a result of less completed projects as compared to the same period last year.

Impacted by the significant drop in tourism and business traffic globally since early 2020, revenue from hotel operations and management dropped 53.2% as compared with last year to approximately HK$363 million in 1H FY2021. Adjusted gross profit margin for the Group's hotel operations dropped to 47.5% in 1H FY2021 from 60.2% in 1H FY2020, resulting from the reduction in overall hotel average room rates ("ARR") and occupancy rates ("OCC") across the world.

Revenue from car park operations and facilities management recorded a material reduction of 44.0% year-on-year to HK$222 million in 1H FY2021, mainly due to the lockdown and the related travel restrictions imposed by relevant governments. Adjusted gross profit of approximately HK$7 million was recorded for 1H FY2021.

Revenue from gaming operations decreased year-on-year by 44.6% to approximately HK$80.0 million (net of gaming tax) in 1H FY2021. The lower revenue was primarily driven by the temporary closure of the casinos announced by the Czech government from April to June 2020 and the nil dividend received on The Star shares attributable to 1H FY2021.

The Group's overall performance in 1H FY2021 was hampered by the outbreak of COVID-19 since the early of 2020. The Group's recurring income businesses have particularly suffered as a result of the travel restrictions worldwide followed by various degree of business closures. Some of the Group's hotels and gaming operations were forced to close temporarily which inevitably impacted the Group's recurring income businesses. However, the Group managed to be profitable with the profit attributable to shareholders of the Company standing at approximately HK$350 million for 1H FY2021, a reduction of 51.1% as compared with HK$715 million for 1H FY2020.

Adjusted cash profit[i] was approximately HK$517 million for 1H FY2021, a decrease of 50.0% from HK$1,034 million recorded for 1H FY2020.

Note:

(i) Adjusted cash profit is calculated by adjusting for fair value changes in investment properties and by adding depreciation and amortisation charges to profit after tax.

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 the easily monetizable nature), bank loans and borrowings and equity as at 30 September 2020.

Consolidated statement of financial position	**As at 30 September 2020** *HK$ million*	As at 31 March 2020 *HK$ million*
Bank loans and notes		
Due within 1 year[(i)]	**11,887**	6,506
Due 1–2 years	**5,923**	8,297
Due 2–5 years	**7,048**	8,264
Due more than 5 years	**556**	393
Total bank loans and notes	**25,414**	23,460
Investment securities	**3,714**	3,027
Bank and cash balances[(ii)]	**3,476**	3,040
Liquidity position	**7,190**	6,067
Net debt[(iii)]	**18,224**	17,393
Carrying amount of the total equity[(iv)]	**15,723**	14,314
Add: hotel revaluation surplus[(v)]	**16,348**	16,348
Total adjusted equity	**32,071**	30,662
Net gearing ratio (net debt to total adjusted equity)	**56.8%**	56.7%
Net debt to total adjusted assets[(vi)]	**29.2%**	29.9%

Notes:

(i) Includes an amount of approximately HK$1,196 million which is reflected as liabilities due within one year even though such sum is not repayable within one year. However, 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 debt represents total bank loans and notes less investment securities, bank and cash balances.

(iv) Includes Perpetual Capital Notes.

(v) Excludes Ritz-Carlton in Perth and J-Hotel by Dorsett in Kuala Lumpur which are newly opened and valued at cost.

(vi) 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 debentures issued by the trusts which hold the mortgage portfolio managed by BCG, an entity 50.66% owned by the Group.

The liquidity position of the Group as at 30 September 2020 was approximately HK$7.2 billion. The Group's total adjusted equity as at 30 September 2020 was approximately HK$32.1 billion, adjusting for the unrecognised hotel revaluation surplus of approximately HK$16,348 million, which is based on independent valuations assessed as at 31 March 2020, and including the Perpetual Capital Notes. The net gearing ratio of the Group remained stable at 56.8% as at 30 September 2020 compared with 56.7% as at 31 March 2020.

	As at 30 September 2020 *HK$ million*	As at 31 March 2020 *HK$ million*
The Company's notes	**3,583**	3,548
Unsecured bank loans	**3,805**	3,380
Secured bank loans		
– Property development and investment	**8,559**	7,589
– Hotel operations and management	**7,684**	7,292
– Car park operations and facilities management	**703**	629
– Gaming operations	**96**	93
– Others	**984**	929
Total bank loans and notes	**25,414**	23,460

During the 1H FY2020, the Group (i) refinanced the HK$980 million short-term land acquisition loan with the HK$2.4 billion long-term land acquisition and construction loan for its Kai Tak development in Hong Kong; (ii) repaid over AUD180 million of the construction loan for West Side Place (Towers 1 and 2) in Melbourne using sales proceeds accruing from the commencement of the handover process in August 2020; (iii) fully repaid the construction loan of Artra in Singapore, which amounted to SGD40 million as at 31 March 2020; and (iv) completed the repurchase of certain notes outstanding of a total principal amount of approximately US$38.6 million. Post period end, the Group further bought back US$50 million of 2021 notes through tender offer. Furthermore, the Group issued 12.25 year notes for a principal amount of HK$200 million at 5.25% coupon. The Group will continue to adopt a conservative approach to maintain a flexible and solid financial position.

As at 30 September 2020, the Group's undrawn banking facilities stood at approximately HK$5.2 billion. Of this amount, approximately HK$2.7 billion is associated to construction/development facilities while the balance of approximately HK$2.5 billion is for the Group's general corporate use. The unutilized banking facilities, together with presales to be recognised 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 its expansion going forward.

In addition, a total of 8 hotel assets were unencumbered as at 30 September 2020, the capital value of which amounted to HK$4.4 billion based on independent valuation assessed as at 31 March 2020. The Group has other assets unencumbered such as unsold residential units, retail assets and commercial assets. These assets can be used as collateral for further bank borrowings which could provide additional liquidity for the Group, should this be necessary.

3. *Foreign exchange management*

Overall in 1H FY2021, the contribution from the Group's non-Hong Kong operations was 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 2020**	As at 31 March 2020	**Change**
HK$/AUD	**5.52**	4.78	15.5%
HK$/RMB	**1.14**	1.09	4.6%
HK$/MYR	**1.86**	1.79	3.9%
HK$/GBP	**9.94**	9.57	3.9%
HK$/CZK	**0.33**	0.31	6.5%
HK$/SGD	**5.66**	5.44	4.0%

The rebound in all currencies against the Hong Kong dollar has had a positive effect on the value of our net assets and our adjusted equity.

4. *Net asset value per share*

	As at 30 September 2020 ***HK$ million***	As at 31 March 2020 *HK$ million*
Equity attributable to shareholders of the Company	**12,597**	11,119
Add: Hotel revaluation surplus(i)(ii)	**16,348**	16,348
Total net asset value	**28,945**	27,467
Number of shares issued *(million)*	**2,351**	2,369
Net asset value per share	**HK$12.31**	HK$11.59

Adjusting for the revaluation surplus on hotel assets of approximately HK$16,348 million[(ii)], based on independent valuation assessed as at 31 March 2020, net asset value attributable to shareholders was approximately HK$28,945 million. Net asset value per share for the Company as at 30 September 2020 was approximately HK$12.31.

Notes:

(i) As at 31 March 2020.

(ii) Excludes Ritz-Carlton in Perth and J-Hotel by Dorsett in Kuala Lumpur which are newly opened and valued at cost.

5. *Capital expenditures*

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

During 1H FY2021, the Group's capital expenditures amounted to approximately HK$219 million, primarily attributable to the Dorsett Melbourne and the Ritz-Carlton Melbourne developments, and ongoing capital expenditures in relation to our hotels across Australia. The capital expenditures were funded through a combination of borrowings and internal resources.

6. *Capital commitments*

The Group continued to review very closely its capital commitments and to seek to optimise its investments and outgoings.

	As at 30 September 2020 *HK$ million*	As at 31 March 2020 *HK$ million*
Capital expenditures contracted but not provided in respect of:		
Acquisition, development and refurbishment of hotel properties	**1,252**	1,187
Commitment to provide credit facility to BCG	**1**	94
Others	**17**	17
	1,270	1,298

Business review

1. *Property division*

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

Property development

The Group has a diversified portfolio of residential property development in Australia, Mainland China, Hong Kong, Singapore, Malaysia and the UK, which are largely focused on the mass residential market. Our strong regional diversification reduces volatility and allows us to take advantage of different property cycles. To carry out property development in the various markets, the Group has established strong local teams in each of these markets. Our local presence allows the Group to identify trends and source the most attractive opportunities. 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 cost base 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$13.4 billion as at 30 September 2020, an increase of HK$1.2 billion or 9.8% compared with 31 March 2020. Most 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 sets out a breakdown of the Group's total cumulative attributable presales value of residential properties under development as at 30 September 2020.

Developments	Location	Attributable presales *HK$ million*	Actual/ Expected financial year of completion
West Side Place (Towers 1 and 2)[(i)]	Melbourne	3,894	FY2021/ FY2022
West Side Place (Tower 3)	Melbourne	2,352	FY2024
West Side Place (Tower 4)	Melbourne	2,502	FY2024
Queen's Wharf Residences (Tower 4)	Brisbane	1,266	FY2024
Perth Hub	Perth	494	FY2022
The Star Residences (Tower 1)	Gold Coast	437	FY2023
The Star Residences – Epsilon (Tower 2)	Gold Coast	324	FY2024
Aspen at Consort Place	London	932	FY2025
Hornsey Town Hall	London	240	FY2022
MeadowSide (Plots 2 and 3)	Manchester	504	FY2022
MeadowSide (Plot 5)	Manchester	286	FY2021
New Cross Central	Manchester	39	FY2023
Artra[(i)]	Singapore	55	FY2021
Cuscaden Reserve	Singapore	13	FY2023
Dorsett Place Waterfront Subang	Subang Jaya	100	FY2024
Total		13,438	

Note:

(i) Excludes contracted presales already recognized as revenue up to 30 September 2020.

As at 30 September 2020, the expected attributable GDV of the Group's active residential property development projects under various stages of development across the regions was approximately HK$55.2 billion.

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 developments				
Melbourne				
West Side Place				
– Towers 1 and 2	915,000	4,205	Launched	FY2021/ FY2022
– Tower 3	518,000	2,497	Launched	FY2024
– Tower 4	621,000	2,969	Launched	FY2024
Bourke Street	575,000	3,525	FY2022	FY2024
Perth				
Perth Hub	230,000	860	Launched	FY2022
Brisbane				
Queen's Wharf Brisbane[iii]				
– Tower 4	253,000	1,623	Launched	FY2024
– Tower 5	269,000	1,728	Planning	Planning
– Tower 6	269,000	1,728	Planning	Planning
Gold Coast				
The Star Residences[iv]				
– Tower 1	111,000	497	Launched	FY2023
– Tower 2 – Epsilon	109,000	578	Launched	FY2024
– Towers 3 to 5	374,000	1,982	Planning	Planning
Hong Kong				
Shatin Heights	84,000	1,671	FY2022	FY2022
London				
Aspen at Consort Place	377,000	4,122	Launched	FY2025
Hornsey Town Hall	108,000	941	Launched	FY2022
Ensign House	253,000	2,451	Planning	Planning
Manchester				
MeadowSide				
– Plots 2 and 3	220,000	919	Launched	FY2022
– Plot 5	99,000	398	Launched	FY2021
– Plot 4	244,000	1,064	Planning	Planning
Northern Gateway[v]				
– New Cross Central	62,000	251	Launched	FY2023
– Victoria Riverside	458,000	1,998	FY2021	FY2025
– Network Rail	1,532,000	5,711	Planning	Planning
– Others	1,202,000	4,363	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)]	5,000	55	Launched	FY2021
Hyll on Holland[(vii)]	192,000	3,105	FY2021	FY2023
Cuscaden Reserve[(viii)]	16,000	357	Launched	FY2023
Malaysia				
Dorsett Place Waterfront Subang[(ix)]	525,000	1,003	Launched	FY2024
Total developments pipeline as at 30 September 2020	9,621,000	50,601		
Completed developments available for sale				
Perth				
The Towers at Elizabeth Quay	97,000	740		
Shanghai				
King's Manor	35,000	223		
The Royal Crest II	42,000	282		
District 17A	18,000	98		
Guangzhou				
Royal Riverside	172,000	630		
Malaysia				
Dorsett Bukit Bintang	27,000	130		
Hong Kong				
Marin Point	63,000	655		
Manor Parc	50,000	641		
The Garrison	400	9		
Others	1,000	36		
Singapore				
21 Anderson Road	86,000	1,105		
Total completed developments available for sale as at 30 September 2020	591,400	4,549		
Total pipeline and completed developments available for sale as at 30 September 2020	**10,212,400**	**55,150**		

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% interest in the development.

(iv) The Group has 33.3% interest in these developments.

(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% 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 2020.

(vii) Total saleable floor area of this development is approximately 241,000 sq. ft.. The Group has 80% interest in the development.

(viii) Total saleable floor area of this development is approximately 160,000 sq. ft.. The Group has 10% interest in the development.

(ix) Total saleable floor area of this development is approximately 1,050,000 sq. ft.. The Group has 10% interest in the development.

In February 2020, the Group signed a memorandum of understanding with Sainsbury's to redevelop the 4.62-acre site of Sainsbury's existing store at Whitechapel in East London. Located within the London Borough of Tower Hamlets and adjacent to Whitechapel Road, the Whitechapel Square proposal will incorporate a new flagship Sainsbury's supermarket, a significant number of residential units, retail space for local businesses and landscaped public space.

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

The Group is also considering to monetize more assets from its completed developments. For example, the Group started selling car parks in its residential projects in Guangzhou and Shanghai during 1H FY2021.

Property investment

Property investment comprises investments in retail and office buildings located mainly in Hong Kong, Mainland China, Singapore and Australia. In 1H FY2021, a fair value gain on investment properties of approximately HK$339 million was recorded. This was attributable primarily to the revaluation gain from the Wuhan mall (see below) which was offset by revaluation losses elsewhere due to weak market conditions globally. As at 30 September 2020, the valuation of investment properties was approximately HK$7.9 billion (31 March 2020: HK$7.2 billion).

In 1H FY2021, the Group entered into a new 18-year lease contract with a flagship sports goods retailer for its Wuhan mall located at the heart of downtown Wuhan. The 18-year lease commencing in October 2020 comprises seven floors with a total retail area of approximately 312,000 sq. ft.. Yearly rental will amount to approximately HK$50 million, with 8.0% step-up increase every three years. This new lease is approximately 100% higher than the previous equivalent rent received.

The Group acquired two sites at Baoshan District in Shanghai in 2019 which are adjacent to California Garden, one of our large residential schemes in China. These two sites are intended to be developed altogether into a few blocks of residential units to be leased out for recurring income.

In addition, the Group acquired a commercial plot in Kai Tak, Hong Kong. Apart from a flagship Dorsett hotel comprising of approximately 400 rooms, the Group intends to develop some office and retail space with approximately 195,000 sq. ft. in Gross Floor Area ("GFA"). Planning approval has been obtained and financing is in place for this project.

2. *Hotel operations and management*

The Group owns and operates its hotel portfolio with a focus on the three to four-star hotel segment. As at 30 September 2020, the Group had 31 hotels in operations and 13 hotels in the development pipeline. The 31 hotels represent approximately 8,100 rooms in total, spreading over Hong Kong, Mainland China, Singapore, Malaysia, Australia, the UK and Continental Europe under Dorsett Hospitality International Limited ("Dorsett") and its subsidiaries (collectively, the "Dorsett Group") and under Trans World Corporation ("TWC Hotel Group"). The Group is currently planning or building 13 new additional hotels which will represent about 3,250 additional rooms. The construction of the Dorsett Shepherds Bush extension in London and the Ritz-Carlton in Melbourne is well underway. Moreover, the Group also manages 3 other hotels in Malaysia with approximately 830 rooms.

The performance of the Group's owned hotel operations for 1H FY2021 is summarized as follows. The results of hotels by regions are expressed in the respective local currency ("LC").

	Occupancy Rate		Average room rate		Revenue per available room ("RevPAR")		Revenue	
	1H FY2021	1H FY2020	**1H FY2021** *(LC)*	1H FY2020 *(LC)*	**1H FY2021** *(LC)*	1H FY2020 *(LC)*	**1H FY2021** *(LC'million)*	1H FY2020 *(LC'million)*
Hong Kong *(HK$)*	**71.7%**	82.5%	**409**	659	**294**	544	**176**	310
Malaysia *(MYR)*	**32.4%**	72.6%	**154**	195	**50**	142	**19**	60
Mainland China *(RMB)*	**33.4%**	70.6%	**283**	398	**94**	281	**36**	105
Singapore *(SGD)*(i)	**92.4%**	84.9%	**126**	175	**117**	149	**7**	8
United Kingdom *(GBP)*	**20.6%**	84.0%	**64**	128	**13**	108	**2**	13
Australia *(AUD)*(ii)	**27.6%**	N/A	**383**	N/A	**106**	N/A	**6**	N/A
			(HK$)	*(HK$)*	***(HK$)***	*(HK$)*	***(HK$'million)***	*(HK$'million)*
Dorsett Group Total(iii)	**50.7%**	78.0%	**432**	634	**219**	495	**338**	714
TWC Hotel Group	**24.4%**	67.7%	**587**	586	**143**	397	**25**	63

Notes:

(i) Excludes Oakwood Premier AMTD Singapore which is equity accounted.

(ii) Excludes Sheraton Grand Mirage which is equity accounted.

(iii) Includes Ritz-Carlton in Perth.

During the period under review, the Group's hotel operations faced unprecedented challenges due to the COVID-19 outbreak. Countries and cities around the world have imposed severe travel restrictions on both business and leisure travelers and our hotel operations have unavoidably been affected by the unparalleled decline in the overall ARR and OCC, resulting in a significant decrease in total hotel revenue.

The Group took decisive and early actions to mitigate the impact across its portfolio, such as repositioning hotels towards medical staff, self-quarantine guests and long stay guests, furloughing staff, cutting costs and incentives and reviewing thoroughly all its expenses. Furthermore, various governments have implemented support schemes for the hospitality industry and some utility companies, suppliers and banks have also offered deferral and/or reduction of payments which helped to preserve the liquidity flexibility of the Group.

In 1H FY2021, Dorsett Group's hotel operations recorded total revenue of approximately HK$338 million as compared with HK$714 million in 1H FY2020. The overall OCC decreased by 27.3 percentage points to 50.7% and the overall ARR decreased 31.9% to HK$432 per night. As a result, RevPAR decreased by 55.8% to HK$219 per night for 1H FY2021.

Hong Kong

Hong Kong remained the main contributor to the Group's hotel operations, it accounted for approximately 48.4% of total hotel revenue. Total revenue derived from Hong Kong was approximately HK$176 million in 1H FY2021, representing a drop of 43.3% when compared with 1H FY2020. OCC declined by 10.8 percentage points to 71.7% and ARR dropped by 37.9% to HK$409 per night, resulting in a decrease of 46.0% in the RevPAR to HK$294 per night as compared to 1H FY2020.

Hong Kong hospitality and tourism industry took a big hit due to the paralyzed cross-border travel resulting from the COVID-19 outbreak, which resulted in the number of tourist arrivals reporting their sharpest drop in more than a decade. However, the Group took proactive measures to shift its market positioning towards medical staff, self-quarantine guests and long stay guests. Dorsett Tsuen Wan, one of our largest hotels in Hong Kong with 546 keys, was selected by the Hong Kong government as a holding center for flight arrivals in Hong Kong for 2 months during 1H FY2021. These measures, combined with an improvement in the business environment, have led to a gradual improvement in OCC since June 2020 with 7 out of 9 hotels in Hong Kong outperforming the market in terms of OCC and RevPAR during 1H FY2021.

In FY2020, the Group won the tender of the commercial land at Shing Kai Road adjoining Kai Tak Sports Park in Kai Tak with total GFA up to 344,445 sq.ft.. The Group is planning to develop a 400-key flagship Dorsett brand hotel with commercial and retail space on the site. Completion of the development is expected in FY2024.

Malaysia

Apart from Silka Johor Bahru and J-Hotel by Dorsett, all of our hotels in Malaysia were ordered to close by the local government from 18 March 2020 and reopened progressively starting from late April 2020. Total revenue was approximately MYR19 million in 1H FY2021, a 68.3% decrease year-on-year. ARR dropped by 21.0% to MYR154 per night and OCC fell by 40.2 percentage points to 32.4%, resulting in a 64.8% decline of RevPAR to MYR50 per night. Despite the challenging environment, Dorsett Grand Labuan, benefited from its unique location, and managed to outperform the market and performed better than the same period last year since June 2020 with an average OCC over 63% recorded during the period.

Mainland China

Our hotels in China reached a bottom in early February 2020 and have seen a gradual recovery during 1H FY2021 with support from domestic leisure and corporate travel. During 1H FY2021, OCC decreased by 37.2 percentage points year-on-year to 33.4% and ARR dropped 28.9% to RMB283 per night, resulting in RevPAR recording a decline of 66.5% year-on-year to RMB94 per night. As a result, total revenue recorded a decline of 65.7% to RMB36 million.

Singapore

From mid of April 2020, Dorsett Singapore was selected by the local government as one of the facilities to support various government authorities in accommodating quarantine guests. Helped by the government contract, OCC increased by 7.5 percentage points to 92.4% in 1H FY2021, yet the ARR saw a decline of 28.0% to SGD126 per night, resulting from a decrease of RevPAR of 21.5% to SGD117 per night and a drop of total revenue of 12.5% to SGD7 million in 1H FY2021.

UK

The hotel market in the UK was severely affected by the international travel restrictions and city-wide lockdown measures due to COVID-19 starting from early April 2020. Both hotels in London remained open per government regulations to support essential workers, including medical staff from the National Health Service ("NHS"), policemen from the City of London and guests who were not able to cross the border. However, the leisure and business travel being at a virtual standstill during 1H FY2021, total revenue decreased significantly by 84.6% to GBP2 million. OCC recorded a 63.4 percentage points decrease to 20.6% and ARR decreased by 50.0% to GBP64 per night. As a result, RevPAR decreased by 88.0% to GBP13 per night.

Australia

From the opening in November 2019, the luxury Ritz-Carlton in Perth had performed well. However, that changed when the travel restrictions and state and national border shutdowns imposed by the Western Australia state government in late March 2020 kicked in to control the outbreak of COVID-19. With the reopening in late May 2020, the hotel experienced a rapid rebound and took a leadership position in the local market. Coupled with the staycation promotions and marketing initiatives to attract domestic travelers, total revenue of AUD6 million was recorded in 1H FY2021. OCC was at 27.6% and ARR was at AUD383 per night, resulting in RevPAR of AUD106 per night.

Continental Europe – TWC Hotel Group

Our hotels in the Czech Republic, Germany and Austria were ordered to close by the local governments in mid-March 2020 as the virus spread across Continental Europe. Hotels were re-opened from late April 2020 but business picked up slowly due to the uncertainty of the COVID-19 situation. Total revenue dropped 60.5% to HK$25 million in 1H FY2021, with overall OCC falling by 43.3 percentage points to 24.4% and ARR remaining relatively flat at HK$587.

3. *Car park operations and facilities management*

The Group's car park operations and facilities management business include car park operations, operated under the brand "Care Park". The Group's portfolio of car park bays owned or under management amounted to approximately 110,322 car parking bays as at 30 September 2020. Of the Group's 426 car parks, 37 were self-owned car parks comprising approximately 11,049 car park bays, with the remaining 99,273 car park bays in Australia, New Zealand, the UK, Hungary and Malaysia under management contracts entered into with third party car park owners.

In 1H FY2021, our car park operations were disrupted due to the COVID-19 with many countries closed their borders to international travelers and restricted movements of their citizens with a view to containing the pandemic. Some of the Group's self-owned/managed car parks located around airports, hotels, shopping malls and office buildings were severely affected due to the lockdown measures and restrictions imposed. The Group has been actively reviewing all lease commitments and reducing rental obligations on unprofitable contracts and impacted leases. Meanwhile, the Group also took various cost control measures across all business locations such as the standing down of workforces and reducing employee overheads to mitigate the negative impacts of the COVID-19 outbreak.

Apart from the above cost control measures, the Australian government has passed a mandatory code of conduct that entitled tenants (such as Care Park) to negotiate with each landlord to adjust down the lease payments proportionally to the decline in revenue as a result of the COVID-19. The Group is also expected to benefit from government compensation programmes such as in Australia, where the government will offer a wage subsidy to eligible employers. The aforesaid cost control initiatives and government support should help to minimize the pressure on the Group's cash flow.

4. Gaming operations and management

Europe

Trans World Corporation ("TWC") owns and operates a portfolio of 3 casinos in the Czech Republic. All the casinos of TWC feature gaming tables and slot machines and 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 more Asian customers living in the region to TWC's properties to supplement the Group's hospitality offerings geographically.

Revenue from TWC's gaming operations in 1H FY2021 was HK$80 million (net of gaming tax), decreasing by 33.0% from HK$119 million in 1H FY2020, mainly due to the 2-month temporary closure of casinos ordered by the local government to contain the spread of the COVID-19 since March 2020. Following the reopening in early June 2020, the business experienced a sharp rebound to pre-COVID-19 levels. The 3 casinos were temporarily closed in early October 2020 due to the compulsory lockdown in the country. However, upon the relaxing of the COVID-19 related restrictions and the recovery of the economic environment and the aforesaid efforts, the Group believes the casinos will continue to generate positive results.

The following tables set forth certain operating data of TWC's casinos for the period ended 30 September 2020:

	As at 30 September 2020	As at 31 March 2020
Number of slot machines	**442**	543
Number of tables	**65**	59

	1H FY2021	1H FY2020
Table game revenue[i] *(HK$ million)*	**20**	28
Slots revenue[i] *(HK$ million)*	**52**	70
Average table game win rate[ii]	**20.2%**	20.3%
Average slot win per machine per day *(HK$)*	**983**	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.

Australia

In March 2018, the Group entered into a strategic alliance agreement with The Star and Chow Tai Fook Enterprises Limited ("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, the Gold Coast and Brisbane.

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

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

(ii) forging a 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; and

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

During 1H FY2021, with regards to the announcement made by The Star concerning the suspension of the final dividend payout, the Group received nil dividend from The Star shares.

5. *Mortgage services – BCG*

As an extension of our property development business, the Group established a mortgage lending platform under BCG which 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.

Loan and advances reached AUD1,018 million as at 30 September 2020, an increase of about 4.3% from 31 March 2020. BCG has strict lending rules, a very diversified portfolio and a prudent loan-to-value ratio of 58.7% on average as at 30 September 2020. Net interest margin expanded to 2.45% as at 30 September 2020 (compared with 2.07% as at 31 March 2020). Whilst most of the capital is provided by third-parties, the Group has provided approximately AUD100 million of funding as at 30 September 2020 which is classified as investment securities. Including interest income from funding, BCG business contributed HK$88 million to the Group's profit during 1H FY2021.

In November, BCG successfully priced its inaugural Australian dollar-denominated RMBS. The transaction was upsized to AUD416 million. This inaugural issue marked a major milestone for BCG and allowed BCG to access the capital markets at a more attractive cost of fund. BCG continues to broaden its sources of financing and is in active discussion with institutional investors and international banks to secure additional funding.

BCG is reviewing a number of new and promising markets where it can expand its service offerings, such as the UK. The Group remains committed to growing the BCG business and expects contribution from the business to increase over time.

OUTLOOK

The global economic uncertainties arising from the outbreak of the COVID-19 are expected to remain and put pressure on the Group's operations across the regions. In 1H FY2021, the Group took the following measures to recalibrate its operations to ensure long-term sustainability:

- Adjusted the level of its workforce, in particular in the hospitality segment which was affected most due to a reduction of tourist and business travel;

- Reviewed all of its overheads with a view of reducing administrative costs;

- Repositioned all assets where possible, monetised assets if attractive offers were made; and

- Delayed certain capital expenditures to preserve cash and maintain liquidity.

The Group remains alert to the global economic uncertainty and will take further mitigation measures where necessary. The Group will also take a cautious approach and seek investment opportunities to grow its operations and leverage its diversified portfolio of businesses to take advantage of a rebound in business activity during the recovery phase.

As at 30 September 2020, the cumulative presales value of the Group was approximately HK$13.4 billion and the current development pipeline and completed development was approximately HK$55.2 billion which provides clear visibility of the Group's future revenues. The Group will selectively add to its development pipeline by allocating resources to regions where the Group sees long-term growth prospects and where the region's property cycle offers higher risk-adjusted returns to the Group.

During 1H FY2021, the Group has successfully repositioned certain of its hotel assets to long stay guests and launched relevant accommodation packages to target the returnees required to undergo self-quarantine. Thanks to the abovementioned strategies, the Group's hotels managed to be profitable in 1H FY2021. Looking ahead, with the announcement made by Hong Kong government that all arrivals except those from Mainland China will have to quarantine in a hotel and the potential of implementation of travel bubbles with neighboring countries, it is expected that the market sentiment of the Hong Kong hotel industry is on the road to recovering further. In addition, the hotel industry in Mainland China is showing an encouraging pick-up with domestic inter-provincial travel after being hard-hit in early 2020.

The Group's hotel business continues to expand with 13 new hotels under development and with a few expected to contribute to the next growth phase of the Group as early as FY2022. The Group remains cautiously optimistic about the long-term future and is well prepared for the rebound in leisure and business travel as soon as a restriction imposed across the globe start to ease. In the meantime, the Group is open to potential disposal opportunities to realize the value of its hotel assets and recycle capital.

The Group maintains a solid and healthy liquidity position of approximately HK$7.2 billion with available undrawn credit facilities of HK$5.2 billion and a number of unencumbered hotel assets with the value of HK$4.4 billion as at 30 September 2020. The Group continues to manage its financial position in a prudent and disciplined manner, whilst ensuring that its capital is employed productively.

In conclusion, thanks to our diversified portfolio and solid foundation, the Group has managed to remain profitable and is confident that it can navigate successfully the current global economic headwinds and deliver a sustainable and attractive dividend to its shareholders.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2020, the Group had approximately 3,700 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 2020, the Company has complied with the code provisions (the "Code Provisions") set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange, 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 15 September 2020. 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 2020, the Company, through its wholly-owned subsidiary, Singford Holdings Limited, repurchased a total of 11,350,000 shares on the Stock Exchange for a total consideration of approximately HK$30 million. Details are set-out below:

Month of repurchase	Number of shares repurchased	Price per share Highest	Price per share Lowest	Aggregate consideration paid
		HK$	*HK$*	*HK$*
April 2020	4,712,000	2.82	2.49	12,397,230
May 2020	6,638,000	2.75	2.49	17,471,820

During the six months ended 30 September 2020, the Company, through its wholly-owned subsidiary, repurchased on the Stock Exchange and/or subsequently cancelled (i) 3.75 per cent. notes due 2021 in aggregate principal amount of US$13,370,000; (ii) 4.5 per cent. notes due 2023 in aggregate principal amount of US$8,225,000; and (iii) senior guaranteed perpetual capital notes in aggregate principal amount of US$17,000,000.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2020.

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 2020.

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 2020 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, 26 November 2020

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.