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 2021

BUSINESS UPDATE

- The COVID-19 pandemic continues to have an impact on the Group's businesses. Despite the challenging market environment, the Group recorded satisfactory financial performance during the six months ended 30 September 2021 ("1H FY2022").

- Throughout the pandemic, the Group took quick actions to reposition and adjust its operations and cost structure. At the same time, the Group remained focused on executing its strategy, including actively recycling assets and replenishing its landbank. As expected, the Group has benefited from the gradual economic recovery. Combined with the actions taken last year, the Group is poised to resume its growth momentum in the years to come.

- During 1H FY2022, revenue increased slightly to approximately HK$3.1 billion as compared with that of the six months ended 30 September 2020 ("1H FY2021"). Although the booking of revenue from property development was lower, the majority of our businesses have made a strong recovery, particularly our hotel and gaming operations.

* *For identification purposes only*

- Due to COVID-19 and the movement restrictions/lockdowns imposed, the Group recorded a reduction of settlements from property development in 1H FY2022. Property development revenues dropped by 16.9% year-on-year. Despite this, the overall schedule of our projects remains largely intact. The sale of inventories in Mainland China and Hong Kong and the handover of West Side Place (Towers 1 and 2) and MeadowSide (Plot 5) have continued to progress and provided a steady and significant cash flow to the Group.

- Despite the challenging business environment, residential sales remained robust, with cumulative attributable presales value of properties under development and unbooked contracted sales coming in at HK$14.1 billion as at 30 September 2021. The Group expects to launch two development projects in the second half of the financial year ended 31 March 2022 ("2H FY2022"); Tower 5 in Queen's Wharf in Brisbane and Mount Arcadia in Hong Kong.

- The Group has been exploring the possibility to enter the build-to-rent ("BTR") market alongside long-term capital investors. This initiative, if it was to proceed, would allow the Group to accelerate its residential development programme.

- In early September, the Group signed an exclusivity agreement with Capital & Regional PLC ("C&R"), a UK-focused specialist property REIT which invests, manages and enhances retail properties. The Group hopes to co-develop high-quality residential properties across, and potentially beyond, the existing portfolio of C&R.

- To crystalise value and recycle capital in 1H FY2022, the Group disposed of Dorsett City London for GBP115 million on 30 June 2021 and recorded a gain on disposal of approximately HK$547 million. In September 2021, the Group also entered into a Sale and Purchase Agreement to sell 21 Anderson Road in Singapore, for SGD213 million; the transaction was completed on 1 November 2021. As part of its active asset management strategy, the Group will keep exploring opportunities to monetise additional assets.

- In line with its Environmental, Social and Governance ("ESG") framework and internal performance indicators, the Group has entered into an agreement to sell 128 affordable housing units of Victoria Riverside for approximately GBP26 million in 1H FY2022. It has also entered into an agreement to sell 139 affordable housing units at Consort Place, London for approximately GBP43 million in October 2021.

- In our hotel operations, revenues increased by 81.2% year-on-year. By continuing to refine our business model and tilt towards quarantine guests, our hotel performance has continued to improve since June 2020, particularly in Hong Kong, the main contributor to our hotel operations.

- Contribution from car park operations and facilities management also increased by 43.3%, although travel restrictions and lockdowns, especially in Victoria, Australia, reduced the demand for car parking space. In spite of constant lockdowns, revenues have bounced back relatively well as compared to 1H FY2021. Business is expected to gradually return to normal as the pandemic continues to abate.

- Recurring income at our gaming business rose by 8.0% in 1H FY2022 versus the previous year. Our gaming business made a strong recovery due to reduced restrictions, repositioning assets and gradual improvements in the business environment.

- BC Investment Group Holdings Limited ("BC Invest"), a company in which the Group has a stake over 50%, has started operating in the UK in March 2021 and the response so far has been very encouraging. The growth of loans and advances continues to be brisk, averaging approximately AUD78 million a month in 1H FY2022. As at 30 September 2021, loans and advances stood at AUD1.6 billion. BC Invest is on the lookout to grow via acquisitions. It closed its first major acquisition of Mortgageport Management Pty Ltd ("Mortgageport") in November 2021 (see Post Period End Events).

FINANCIAL HIGHLIGHTS

- The Group's profits increased significantly in 1H FY2022, with profit before tax jumping to HK$1,385 million, resulting in a year-on-year increase of 66.8%. During this period, net profit attributable to shareholders and adjusted cash profit[i] increased year-on-year by 206.3% and 186.3% to HK$1,071 million and HK$836 million, respectively.

- The increase in net profit attributable to shareholders was primarily due to better contributions from the Group's recurring cashflow businesses, the disposal of Dorsett City London and revaluation gains attributable to Hong Kong and Singapore properties offset by lower contribution from the Group's property development business due to lower sales recognition.

- Earnings per share in 1H FY2022 increased by 202.0% to HK44.7 cents. The declared interim dividend for 1H FY2022 was maintained at HK4.0 cents per share (1H FY2021: HK4.0 cents per share).

- Once again in 1H FY2022, the Group remained very vigilant and disciplined to keep its costs and expenses under control. All line items, large or small, are scrutinised and prioritised. The Group continued to benefit from assistance from government subsidies, to the tune of approximately HK$31.2 million in 1H FY2022, which is substantially lower than the HK$83.6 million received during the same period last year.

- The value of the Group's total adjusted equity(iv) remained largely unchanged at approximately HK$34.4 billion as at 30 September 2021. The 1H FY2022 earnings were offset by the final dividend declared for FY2021 and negative impact from foreign exchange rates against the Hong Kong dollar.

- The Group has continued to closely manage its capital structure by refinancing some shorter-dated debt via the bank and bond markets. The Group also benefited from the net proceeds of a number of disposals, releasing capital. Net gearing ratio(ii)(iii) stood at 56.1% and net debt to total adjusted assets(v) stood at 28.0% as at 30 September 2021. The proforma net gearing ratio and net debts to total adjusted assets after adjusting for disposal of 21 Anderson Road dropped to 52.5% and 26.7%, respectively.

- The Group's net debt rose slightly to HK$19.3 billion as at 30 September 2021 compared with HK$19.0 billion as at 31 March 2021. The Group's liquidity stood at HK$9.9 billion, with comfortable level of cash and marketable securities available as at 30 September 2021. Furthermore, the Group had 7 hotel properties unencumbered which are valued at HK$3.1 billion, as well as HK$3.7 billion in unsold residential inventory as at 30 September 2021.

- Net asset value per shares remained stable at HK$13.01 as at 30 September 2021 compared to HK$13.09 as at 31 March 2021. The Group did not repurchase any shares in 1H FY2022.

POST PERIOD END EVENTS

- In October 2021, BC Invest entered into a strategic partnership and long-term funding support arrangement with Mortgageport. The transaction will see BC Invest acquire a 53% stake in Mortgageport, including a significant placement of new equity and sponsorship of Mortgageport's current and future warehouse facilities. Mortgageport is a leading non-bank lender, catering mostly to domestic borrowers in Australia.

- In October 2021, the Group entered into an agreement to sell affordable housing units at Consort Place, London. The Group is expected to deliver approximately 139 new affordable housing units in Canary Wharf. The value of the transaction is approximately GBP43 million.

- On 24 November 2021, the Group formed a joint venture with New World Development Company Limited (through a subsidiary) to acquire Rich Fast International Limited, which owns a significant residential development site in Kai Tak Hong Kong. For further details, please refer to the announcement of the Company dated 24 November 2021.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE HIGHLIGHTS

- In 1H FY2022, the Group continued with its increased focus on ESG. An ESG Steering Committee reporting to the Board of Directors was formed to set-out clear strategies and objectives for the Group. In addition, three sub-committees (property, hotel operations and finance/investor relations) were created to push the ESG agenda deeper within the organisation and ensure regular engagement and proactive actions. The Group's efforts were recognised with several awards from prestigious organisations, including "ESG Grand Award (Small Cap)" from HKIRA's 2021 7th Investor Relations Awards and "Most Committed to the Highest Governance Best Standards in Hong Kong" and "Most Committed to Social Causes in China" from FinanceAsia's Best Companies Poll 2021, among several others.

- As part of its sustainable development goals, the Group has partnered with the Manchester City Council to deliver more affordable housing in the Manchester area, starting with an affordable tower in Victoria Riverside. The affordable tower in Victoria Riverside was purchased in August 2021 by Trafford Housing Trust, part of L&Q, one of the largest housing associations in England. The Group has also sold affordable housing units at Consort Place in London, which were purchased by Affinity Sutton Professional Services Limited in October 2021. The guarantor of which is Clarion Housing Association Limited, a registered society under the Co-operative and Community Benefits Societies Act 2014.

- In November, the Group implemented a formal sustainable finance framework highlighting the Group's efforts and achievements in building a sustainable business, which received an aligned opinion from S&P Global Ratings.

OUTLOOK

- The "green shoots" of last year have begun to sprout, particularly in places where the COVID-19 outbreak has been managed more successfully. The Group's focus on mitigating costs and expenses while taking a proactive approach towards raising and recycling capital means that profitability will improve as the economy recovers.

- On top of new launches and completions planned for 2H FY2022, the upcoming years will bring the completion of many milestone projects, which will increase the Group's global profile and profitability, particularly in the UK and Australia. As the residential property development pipeline progresses smoothly, the Group has begun to explore the BTR market in the UK and Australia, which offers interesting opportunities to partner with capital providers.

- Cumulative presales and unbooked contracted sales of HK$14.1 billion as at 30 September 2021 indicate a good visibility revenue stream in the short to medium term.

- Despite intermittent closures in various locations, the gradual return to normality indicates that travel and hospitality are on their way to recovery, starting with the potential reopening of the Hong Kong-Mainland China border, which will benefit our hotel operations in Hong Kong. The lessening of global restrictions is sure to benefit the hotel industry as a whole and thus, our hotels worldwide.

- Our 13-hotel pipeline is steadily moving along, with two major projects, Dorsett Gold Coast and Dao by Dorsett West London, scheduled to be completed in 2H FY2022. The former will be the first hotel under Dorsett Hospitality International Limited ("Dorsett") and its subsidiaries (collectively, the "Dorsett Group") in Australia, while the latter is its newly launched long-stay aparthotel brand.

- Despite constant lockdowns and restrictions, our car park operations are well on the road to recovery, particularly with the continued monetization of non-core car parks. The Group has continued to identify areas for growth with the potential award of new management contracts across Australia, the UK and New Zealand.

- BC Invest continues to demonstrate strong potential. By making acquisitions such as Mortgageport and securing financing from leading credit providers, BC Invest is well positioned to capitalise on the growth opportunity available in the mortgage financing market.

Notes:

(i) Adjusted cash profit is calculated by adjusting for fair value changes in investment properties, provision for credit loss and fair value change in investment securities and by adding depreciation and amortisation charges to net profit attributable to shareholders. 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) The total revaluation surplus on hotel assets of HK$16,886 million was based on independent valuation carried out as at 31 March 2021 (excluding Dorsett City London which was disposed in June 2021) and was not recognised in the Company's consolidated financial statements, but was adjusted for the calculations of net asset value per share and the net gearing ratio.

(iv) Adjusting for the unrecognised hotel revaluation surplus of approximately HK$16,886 million, which is based on independent valuations assessed as at 31 March 2021 (excluding Dorsett City London which was disposed in June 2021) and includes the 2019 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 2021. 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 2021 of HK4.0 cents (six months ended 30 September 2020: 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 4 January 2022. 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 4 January 2022. 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 11 January 2022. Dividend warrants and/or new share certificates will be posted on or around 16 February 2022.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 31 December 2021 to 4 January 2022, 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 2021.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

		Six months ended	
		30.9.2021	30.9.2020
	NOTES	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Revenue		**3,120,462**	3,111,114
Cost of sales and services		**(1,898,378)**	(1,882,747)
Depreciation and amortisation of hotel and car park assets		**(235,221)**	(240,706)
Gross profit		**986,863**	987,661
Other income		**78,018**	113,341
Other gains and losses	*5*	**1,065,151**	366,704
Administrative expenses			
– Hotel operations and management		**(180,779)**	(145,861)
– Others		**(270,326)**	(152,364)
Selling and marketing expenses		**(103,297)**	(116,977)
Share of results of associates		**(563)**	(5,133)
Share of results of joint ventures		**(22,974)**	(22,779)
Finance costs	*6*	**(166,955)**	(194,003)
Profit before tax		**1,385,138**	830,589
Income tax expense	*7*	**(228,498)**	(309,456)
Profit for the period	*8*	**1,156,640**	521,133
Attributable to:			
Shareholders of the Company		**1,071,075**	349,631
Owners of perpetual capital notes		**103,133**	102,749
Other non-controlling interests		**(17,568)**	68,753
		85,565	171,502
		1,156,640	521,133
Earnings per share	*9*		
– Basic *(HK cents)*		**44.7**	14.8
– Diluted *(HK cents)*		**44.7**	14.8

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

	Six months ended	
	30.9.2021	30.9.2020
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Profit for the period	**1,156,640**	521,133
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	**(564,908)**	1,179,859
Reclassification adjustment of cumulative exchange reserve to profit or loss upon disposal of foreign operations	**40,174**	–
Fair value change on debt instruments at fair value through other comprehensive income ("FVTOCI")	**(42,221)**	180,444
Reclassification adjustment on disposal of debt instruments at FVTOCI	**101,317**	(4,762)
Impairment loss recognised on debt instruments at FVTOCI	**51,258**	–
Item that will not be reclassified to profit or loss:		
Fair value change on equity instruments at FVTOCI	**179,768**	188,023
Other comprehensive (expense) income for the period	**(234,612)**	1,543,564
Total comprehensive income for the period	**922,028**	2,064,697
Total comprehensive income (expense) attributable to:		
Shareholders of the Company	**840,684**	1,879,314
Owners of perpetual capital notes	**103,133**	102,749
Other non-controlling interests	**(21,789)**	82,634
	81,344	185,383
	922,028	2,064,697

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 SEPTEMBER 2021

	NOTES	**30.9.2021** **HK$'000** **(unaudited)**	31.3.2021 *HK$'000* (audited)
Non-current Assets			
Investment properties		**7,698,205**	8,159,748
Property, plant and equipment		**11,857,836**	12,593,755
Goodwill		**68,400**	68,400
Interests in associates		**1,753,497**	1,800,616
Interests in joint ventures		**1,304,992**	1,095,822
Investment securities		**1,474,305**	1,136,241
Deposits for acquisition of property, plant and equipment		**97,036**	95,372
Amounts due from joint ventures		**228,976**	26,154
Amounts due from associates		**62,864**	62,864
Amount due from an investee company		**119,995**	119,995
Loan receivables		**203,377**	210,876
Pledged deposits		**7,814**	9,525
Deferred tax assets		**195,523**	249,086
Other asset		**13,500**	–
		25,086,320	25,628,454
Current Assets			
Properties for sale			
Completed properties		**2,103,833**	1,613,798
Properties under development		**12,314,248**	12,334,478
Other inventories		**9,321**	9,735
Debtors, deposits and prepayments	*11*	**1,208,854**	1,143,837
Customers' deposits under escrow		**280,373**	335,818
Loan receivables		**5,825**	7,029
Contract costs		**240,032**	315,042
Amounts due from joint ventures		**167,275**	463,399
Amounts due from associates		**16,406**	18,557
Amounts due from a shareholder of a non-wholly owned subsidiary		**108,075**	109,211
Tax recoverable		**45,424**	92,713
Investment securities		**2,123,910**	3,006,565
Derivative financial instruments		**4,770**	3,531
Pledged deposits		**733,830**	377,050
Restricted bank deposits		**13,764**	14,016
Deposit in financial institutions		**49,742**	46,316
Bank balances and cash		**6,235,284**	4,365,751
		25,660,966	24,256,846
Investment properties held for sale		**1,216,230**	15,488
Other assets held for sale		**33,262**	–
		26,910,458	24,272,334

	NOTES	30.9.2021 HK$'000 (unaudited)	31.3.2021 HK$'000 (audited)
Current Liabilities			
Creditors and accruals	12	**1,546,487**	1,694,889
Contract liabilities		**725,586**	689,615
Lease liabilities		**80,443**	81,139
Amounts due to related companies		**817**	807
Amounts due to associates		**8,298**	51,326
Amounts due to shareholders of non-wholly owned subsidiaries		**170,704**	168,997
Derivative financial instruments		**37,466**	7,045
Tax payable		**752,586**	747,998
Dividend payable		**359,262**	–
Notes		**–**	1,834,899
Bank and other borrowings		**10,587,082**	10,438,601
		14,268,731	15,715,316
Liabilities associated with investment properties held for sale		**583,000**	–
		14,851,731	15,715,316
Net Current Assets		**12,058,727**	8,557,018
Total Assets less Current Liabilities		**37,145,047**	34,185,472
Non-current Liabilities			
Lease liabilities		**416,062**	645,758
Derivative financial instruments		**12,773**	6,807
Notes		**4,573,414**	3,384,017
Bank and other borrowings		**13,443,182**	11,919,164
Deferred tax liabilities		**1,064,127**	1,046,665
Other liabilities		**121,473**	128,798
		19,631,031	17,131,209
Net Assets		**17,514,016**	17,054,263
Capital and Reserves			
Share capital		**239,508**	239,508
Share premium		**4,584,371**	4,584,371
Reserves		**9,454,573**	8,973,151
Equity attributable to shareholders of the Company		**14,278,452**	13,797,030
Owners of perpetual capital notes	13	**2,884,023**	2,883,903
Other non-controlling interests		**351,541**	373,330
		3,235,564	3,257,233
Total Equity		**17,514,016**	17,054,263

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

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 2021 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.

Despite unprecedented challenges from the COVID-19 pandemic, which continue to place pressure across our business, the Group took active steps to monetise assets and to shore up liquidity to prepare for a prolonged period of uncertainty. Thus, the Group's revenue is able to maintain at HK$3.1 billion for the six months period ended 30 September 2021, with a slight increase of 0.3% compared to the same period last year.

In addition, during the current interim period, the Group recorded a fair value gain of investment properties of HK$628,420,000 and gain on disposal of subsidiaries of HK$546,831,000.

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 accounting policies resulting from application of 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 2021 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2021.

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 April 2021 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

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 30.9.2021	Six months ended 30.9.2020	**Six months ended 30.9.2021**	Six months ended 30.9.2020
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Property development				
– Australia	**991,430**	990,463	**152,632**	145,562
– Hong Kong ("HK")	**86,825**	80,580	**8,760**	20,231
– Malaysia	**2,214**	4,980	**1,201**	680
– Other regions in the People's Republic of China excluding HK ("PRC")	**342,909**	361,086	**223,865**	216,606
– Singapore	**145,567**	886,602	**104,677**	354,779
– United Kingdom ("UK")	**362,900**	574	**37,432**	2,680
	1,931,845	2,324,285	**528,567**	740,538
Property investment				
– Australia	**5,940**	6,155	**15,534**	(10,833)
– HK	**17,027**	23,693	**537,710**	(5,843)
– PRC	**21,718**	19,585	**132**	2,937
– UK	**1,868**	–	**1,867**	–
	46,553	49,433	**555,243**	(13,739)
Hotel operations and management				
– Australia	**75,033**	31,591	**(32,270)**	(44,022)
– HK	**333,813**	175,776	**68,554**	(21,514)
– Malaysia	**41,174**	32,169	**(4,767)**	(17,580)
– PRC	**87,850**	40,672	**(2,577)**	314,853
– Singapore	**35,534**	34,920	**2,208**	10,618
– UK	**61,524**	23,276	**8,937**	(15,150)
– Europe (other than UK)	**23,632**	24,970	**10,761**	(13,110)
	658,560	363,374	**50,846**	214,095

	Segment revenue		Segment profit (loss)	
	Six months ended 30.9.2021	Six months ended 30.9.2020	**Six months ended 30.9.2021**	Six months ended 30.9.2020
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Car park operations and facilities management				
– Australia and New Zealand	**290,779**	201,619	**(24,511)**	603
– Europe	**26,798**	11,466	**(15,028)**	(11,750)
– Malaysia	**857**	9,170	**(748)**	(843)
	318,434	222,255	**(40,287)**	(11,990)
Gaming operations				
– Australia	**–**	–	**(2)**	(30)
– Czech Republic	**85,969**	79,591	**11,089**	19,629
	85,969	79,591	**11,087**	19,599
Securities and financial product investments in HK	**65,120**	52,708	**(108,758)**	115,361
Provision of mortgage services				
– Australia	**10,755**	15,335	**10,395**	26,221
– HK	**3,226**	4,133	**2,996**	3,918
	13,981	19,468	**13,391**	30,139
Segment revenue/segment profit	**3,120,462**	3,111,114	**1,010,089**	1,094,003
Unallocated corporate income and expenses			**(44,219)**	(55,035)
Gain on disposal of subsidiaries			**546,831**	–
Net foreign exchange gain (loss)			**39,392**	(14,376)
Finance costs			**(166,955)**	(194,003)
Profit before tax			**1,385,138**	830,589

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, certain bank interest income, gain on disposal of subsidiaries, net foreign exchange gain (loss), directors' emoluments and finance costs. 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 including investment properties held for sale and other assets held for sale without allocation of certain assets, which are mainly bank balances and cash and deposit in financial institutions.

	As at 30.9.2021 *HK$'000* **(unaudited)**	As at 31.3.2021 *HK$'000* (audited)
Property development		
– Australia	**8,518,533**	8,552,873
– HK	**2,442,645**	2,077,878
– Malaysia	**409,242**	410,968
– PRC	**2,897,701**	3,006,192
– Singapore	**4,673,974**	4,672,612
– UK	**3,832,987**	3,494,892
	22,775,082	22,215,415
Property investment		
– Australia	**325,398**	339,693
– HK	**4,701,687**	4,161,992
– PRC	**2,339**	4,324
– UK	**22,914**	–
	5,052,338	4,506,009
Hotel operations and management		
– Australia	**2,244,139**	2,068,802
– HK	**4,418,835**	4,393,750
– Malaysia	**823,575**	843,071
– PRC	**2,628,156**	2,231,990
– Singapore	**582,553**	573,985
– UK	**764,663**	1,296,670
– Europe (other than UK)	**269,780**	282,288
	11,731,701	11,690,556
Car park operations and facilities management		
– Australia and New Zealand	**1,208,541**	1,480,495
– Europe	**564,789**	570,435
– Malaysia	**140,973**	142,197
	1,914,303	2,193,127
Gaming operations		
– Australia	**1,181,709**	1,059,400
– Czech Republic	**334,516**	353,354
	1,516,225	1,412,754
Securities and financial product investments in HK	**1,982,839**	2,808,408
Provision of mortgage services		
– Australia	**534,395**	448,064
– HK	**202,317**	208,601
	736,712	656,665
Segment assets	**45,709,200**	45,482,934
Unallocated corporate assets	**6,287,578**	4,417,854
Total assets	**51,996,778**	49,900,788

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	
	30.9.2021	30.9.2020
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Change in fair value of investment properties	**628,420**	338,934
(Loss) gain on disposal of debt instruments at FVTOCI	**(101,317)**	4,762
Gain on disposal of subsidiaries	**546,831**	–
Change in fair value of financial assets at fair value through profit or loss ("FVTPL")	**(15,224)**	67,815
Change in fair value of derivative financial instruments	**24,120**	(26,604)
Gain (loss) on disposal of property, plant and equipment	**9,437**	(337)
Net foreign exchange gain (loss)	**39,392**	(14,376)
Impairment loss under expected credit loss model recognised on debt instruments at FVTOCI	**(51,258)**	–
Impairment loss under expected credit loss model recognised on trade debtors	**(15,250)**	(3,490)
	1,065,151	366,704

6. FINANCE COSTS

	Six months ended	
	30.9.2021	30.9.2020
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interest on:		
Bank borrowings	**234,813**	315,527
Other loans	**5,039**	7,333
Interest on notes	**130,680**	74,221
Amortisation of front-end fee	**8,741**	8,336
Interest on lease liabilities	**10,311**	9,777
Others	**7,477**	9,417
Total interest costs	**397,061**	424,611
Less: amounts capitalised to:		
– properties for sale (properties under development)	**(202,941)**	(207,232)
– owners' occupation (properties, plant and equipment)	**(27,165)**	(23,376)
	166,955	194,003

7. INCOME TAX EXPENSE

	Six months ended	
	30.9.2021	30.9.2020
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
The income tax expense comprises:		
Current tax:		
Hong Kong Profits Tax	**40,373**	25,350
PRC Enterprise Income Tax ("PRC EIT")	**49,843**	58,616
PRC Land Appreciation Tax ("PRC LAT")	**39,949**	56,842
Australia Income Tax	**47,185**	27,241
Malaysia Income Tax	**1,341**	743
Singapore Income Tax	**–**	158,448
United Kingdom Income Tax	**441**	–
Czech Republic Income Tax	**4,664**	3,492
	183,796	330,732
Under (over) provision in prior years:		
Hong Kong Profits Tax	**2,837**	20,361
PRC LAT	**–**	3,127
Australia Income Tax	**(1,760)**	(5,697)
Hungary Income Tax	**(676)**	–
United Kingdom Income Tax	**(2,140)**	–
	(1,739)	17,791
Deferred taxation	**46,441**	(39,067)
	228,498	309,456

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	
	30.9.2021	30.9.2020
	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$48,863,000 (six months ended 30 September 2020: HK$47,393,000))	**244,613**	246,334
and after crediting (included in other income):		
Bank interest income	**8,435**	1,819
COVID-19-related rent concession	**130**	7,400
Government grants	**31,200**	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$1,071,075,000 (six months ended 30 September 2020: HK$349,631,000) and the number of shares calculated as follows:

	Six months ended	
	30.9.2021	30.9.2020
	'000	*'000*
	(unaudited)	(unaudited)
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	**2,395,077**	2,355,034

10. DIVIDENDS

	Six months ended	
	30.9.2021	30.9.2020
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Dividends recognised as distribution during the period:		
Final dividend for the year ended 31 March 2021 of HK15 cents (six months ended 30 September 2020: final dividend for the year ended 31 March 2020 of HK15 cents) per share	**359,262**	352,597

The 2021 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$2.796 per share which was the average of the closing prices per share for the five consecutive trading days up to and including 2 September 2021.

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 September 2020: HK4.0 cents) per share will be paid to the shareholders of the Company whose names appear in the Register of Members on 4 January 2022.

11. DEBTORS, DEPOSITS AND PREPAYMENTS

	30.9.2021	31.3.2021
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Trade debtors		
– Contracts with customers	**845,368**	863,853
– Lease receivables	**40,934**	22,905
Less: allowance for expected credit losses	**(61,406)**	(46,156)
	824,896	840,602
Utility and other deposits	**65,580**	52,809
Prepayment and other receivables	**259,796**	184,671
Other tax recoverable	**58,582**	65,755
	1,208,854	1,143,837

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 and lease receivables, net of allowance for expected credit losses, based on the invoice date at the end of the reporting period, which approximates the respective revenue recognition date except lease receivables and receivables from sales of properties recognised over time:

	30.9.2021	31.3.2021
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Unbilled	**651,512**	665,292
0-60 days	**128,005**	130,198
61-90 days	**21,315**	6,119
Over 90 days	**24,064**	38,993
	824,896	840,602

12. CREDITORS AND ACCRUALS

	30.9.2021	31.3.2021
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Trade creditors		
– Construction cost and retention payable	**468,773**	805,054
– Others	**125,569**	67,907
	594,342	872,961
Construction cost and retention payable for capital assets	**121,343**	201,714
Rental deposits and rental receipts in advance	**40,375**	56,345
Receipt in advance	**120,000**	–
Other payable and accrued charges	**670,427**	563,869
	1,546,487	1,694,889

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

	30.9.2021	31.3.2021
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0-60 days	**460,718**	731,780
61-90 days	**2,451**	5,069
Over 90 days	**131,173**	136,112
	594,342	872,961

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 USD250,000,000, USD50,000,000 and USD60,000,000 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. Any amount payable arising from distribution or redemption were unconditionally and irrevocably guaranteed by the Company under the USD1,000,000,000 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 Company 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 Company.

The 2019 Perpetual Capital Notes are classified as equity instrument. Any distributions made by FEC Finance to the holders are recognised in equity in the condensed consolidated financial statements of the Group.

14. EVENT AFTER THE REPORTING PERIOD

During the six months ended 30 September 2021, the Group had entered into a sale and purchase agreement with an independent third party to dispose its entire equity interest in an indirect wholly-owned subsidiary and its underlying subsidiaries, which hold investment properties in Singapore, for an estimated consideration of S$213,000,000 (equivalent to approximately HK$1,216,230,000) (the "**Disposal Transaction of SG Anderson**"). The Disposal Transaction of SG Anderson was completed on 1 November 2021. The Group is in the process of finalising the financial impact of such disposal as at the date of this announcement.

On 24 November 2021, the Group and Modern Culture Limited, a wholly-owned subsidiary of New World Development Company Limited, formed a joint venture, namely River Riches Limited ("**River Riches**"), which is held as to 50% by the Group and 50% by Modern Culture Limited, to acquire the entire issued share capital of Rich Fast International Limited, which owns a residential development site in Kai Tak district, Hong Kong, at the aggregate consideration of HK$7,948,000,000. Upon establishment of River Riches, the Group accounted for such investment using equity method. Details please refer to the Company's announcement published on 25 November 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial and Business Reviews

Financial Review

1. *Profit and loss analysis*

The Company's consolidated revenue for 1H FY2022 was approximately HK$3.1 billion, a slight increase of 0.3% as compared with 1H FY2021, driven primarily by (i) the drop on revenue from property development and (ii) the recovery of hotel, car park and gaming operations. Gross profit (before depreciation of hotel and car park assets) ("adjusted gross profit") remained at HK$1.2 billion, as compared with HK$1.2 billion for 1H FY2021. 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 FY2022						
Revenue	**1,931,845**	**658,560**	**318,434**	**85,969**(i)	**125,654**	**3,120,462**
Gross profit	**606,664**	**200,665**	**38,183**	**36,022**	**105,329**	**986,863**
Depreciation	**–**	**169,335**(ii)	**17,987**(ii)	**6,510**	**–**	**193,832**
Adjusted gross profit	**606,664**	**370,000**	**56,170**	**42,532**	**105,329**	**1,180,695**
Adjusted gross profit margin	**31.4%**	**56.2%**	**17.6%**	**49.5%**	**83.8%**	**37.8%**
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%

Notes:

(i) After deduction of gaming tax amounting to HK$34 million (1H FY2021: HK$32 million).

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

Revenue from sales of properties amounted to approximately HK$1,932 million in 1H FY2022, a decrease of 16.9% as compared with 1H FY2021. The major contributors to the revenue were the revenue recognised from the sale of inventories in Mainland China and Hong Kong and completion of West Side Place (Tower 1 and 2) in Melbourne and MeadowSide (Plot 5) in Manchester. Progressive booking of Hyll on Holland in Singapore also contributed to some revenue. Gross profit of approximately HK$607 million was recorded during 1H FY2022, representing a 29.8% year-on-year decrease, as a result of lower revenue recognition due to impact of COVID-19 among others and lower margin in certain region.

Given the shift of focus to quarantine stays, revenue from hotel operations and management rose 81.2% as compared with last year to approximately HK$659 million in 1H FY2022. Adjusted gross profit margin for the Group's hotel operations rose to 56.2% in 1H FY2022 from 47.5% in 1H FY2021 as a result of the increase in overall hotel average room rates ("ARR") and occupancy rates ("OCC") across the world.

Revenue from car park operations and facilities management recorded an increase of 43.3% year-on-year to HK$318 million in 1H FY2022, mainly due to gradual recovery from lockdowns and subsequent travel restrictions implemented by relevant governments. Adjusted gross profit of approximately HK$56 million was recorded for 1H FY2022.

Revenue from gaming operations increased by 8.0% year-on-year to approximately HK$86 million (net of gaming tax) in 1H FY2022. The increase in revenue was primarily driven by a gradual recovery due to reopening after lockdowns. After reopening at the end of May 2021, gaming revenue quickly rebounded to nearly pre-COVID rates. The Group received nil dividend in 1H FY2022 in relation to its 4.99% stake in The Star Entertainment Group ("The Star") shares it owns.

The Group's overall performance in 1H FY2022 was impacted by the continued COVID-19 outbreak since early 2020. Some of the Group's hotels and gaming operations were closed temporarily due to mandatory restrictions, which inevitably affected the Group's recurring income operations. Despite this, the Group's recurring income businesses have seen a trend of gradual recovery with profit attributable to shareholders of the Company coming in at HK$1,071 million for 1H FY2022, an increase of 206.3% as compared with HK$350 million for 1H FY2021.

Adjusted cash profit(i) was approximately HK$836 million for 1H FY2022, an increase of 186.3% from HK$292 million recorded for 1H FY2021. The increase was attributable to a recovery in performance from the Group.

Note:

(i) Adjusted cash profit is calculated by adjusting for fair value changes in investment properties, provision for credit loss and fair value change in investments securities and by adding depreciation and amortisation charges to net profit attributable to shareholders. The amounts are adjusted for minority interests.

2. *Liquidity, financial resources, and net gearing*

The table below denotes the Group's bank and cash balances, investment securities (which are considered to be cash equivalent items due to its easily monetisable nature), bank loans and borrowings and equities as at 30 September 2021.

Consolidated statement of financial position	**As at 30 September 2021** *HK$'million*	As at 31 March 2021 *HK$'million*
Bank loans, notes and bonds		
Due within 1 year[(i)]	**11,170**	12,274
Due 1–2 years	**7,347**	5,939
Due 2–5 years	**9,704**	6,581
Due more than 5 years	**966**	2,783
Total bank loans, notes and bonds	**29,187**	27,577
Investment securities	**3,598**	4,143
Bank and cash balances[(ii)]	**6,299**	4,426
Liquidity position	**9,897**	8,569
Net debts[(iii)]	**19,290**	19,008
Carrying amount of the total equity[(iv)]	**17,514**	17,054
Add: hotel revaluation surplus[(v)]	**16,886**	17,550
Total adjusted equity	**34,400**	34,604
Net gearing ratio (net debts to total adjusted equity)	**56.1%**	54.9%
Net debt to total adjusted assets[(vi)]	**28.0%**	28.2%
ADJUSTING FOR DISPOSAL OF 21 ANDERSON ROAD		
Proforma net gearing ratio (Net debts to total adjusted equity)	**52.5%**	N/A
Proforma net debt to total adjusted assets	**26.7%**	N/A

Notes:

(i) Includes an amount of approximately HK$1,276 million, which is reflected as liabilities due within one year even though such a 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 and cash balances.

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

(iv) Includes 2019 Perpetual Capital Notes.

(v) Based on the independent valuations carried out as at 31 March 2021 and excludes Dorsett City London, which was disposed in June 2021.

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

To manage the Group's liquidity position, the Group's treasury department holds a portion of its cash position in marketable and liquid investment securities. Investment securities shown on the consolidated statement of financial position primarily represent fixed-income securities and investments in fixed-income funds; investments in the listed shares of The Star, which the Group intends to hold for the long term; and investments in notes issued by trusts which hold the mortgage portfolio managed by BC Invest.

The Group's liquidity position as at 30 September 2021 was approximately HK$9.9 billion. The Group's total adjusted equity as at 30 September 2021 was approximately HK$34,400 million, adjusting for the unrecognised hotel revaluation surplus of approximately HK$16,886 million, which is based on independent valuations reviewed as at 31 March 2021 (excluding the Dorsett City London which was disposed in June 2021) and include the 2019 Perpetual Capital Notes. The net gearing ratio of the Group remained a healthy level at 56.1% as at 30 September 2021 compared with 54.9% as at 31 March 2021.

	As at 30 September 2021	As at 31 March 2021
	HK$ million	*HK$ million*
The Company's notes	**4,573**	5,219
Unsecured bank loans	**4,030**	3,554
Secured bank loans		
– Property development and investment	**10,199**	8,966
– Hotel operations and management	**9,017**	8,153
– Car park operations and facilities management	**563**	738
– Gaming operations	**87**	94
– Others	**718**	853
Total bank loans, notes and bonds	**29,187**	27,577

During 1H FY2022, the Group improved its liquidity position by (i) refinancing shorter-dated debt; (ii) issuing an additional US$150 million 2024 Notes. The Group will continue to adopt a prudent approach in order to maintain a flexible but stable financial position.

In early September 2021, the Group fully redeemed the 2021 Notes for approximately US$236.6 million, which were issued on 8 September 2016 with an annual coupon rate of 3.75% per annum.

As at 30 September 2021, the Group's undrawn banking facilities stood at approximately HK$9.3 billion. Of this amount, approximately HK$5.7 billion is allocated to construction and/or development facilities while another estimated HK$3.6 billion is for the Group's general corporate use. When combined with unrecognised presales from the Group's upcoming property development projects, the unused banking facilities place the Group in a sturdy financial position to fund not only its existing business and operations, but also any future expansions.

In addition, a total of 7 hotel assets were unencumbered as at 30 September 2021, carrying a capital value of HK$3.1 billion based on independent valuation assessed as at 31 March 2021. In addition, the Group has numerous other unencumbered assets such as unsold residential units, retail assets and commercial assets. These can be used as collateral for further bank borrowings, which provides additional liquidity for the Group if needed.

3. *Foreign exchange management*

In 1H FY2022, 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 denotes the exchange rates of the Hong Kong dollar against the local currencies of countries in which the Group has significant operations:

Rate	**As at 30 September 2021**	As at 31 March 2021	**Change**
HK$/AUD	5.58	5.90	(5.4%)
HK$/RMB	1.20	1.18	1.7%
HK$/MYR	1.86	1.87	(0.5%)
HK$/GBP	10.43	10.66	(2.2%)
HK$/CZK	0.35	0.35	–
HK$/SGD	5.71	5.77	(1.0%)

Average rate for	**1H FY2022**	1H FY2021	**Change**
HK$/AUD	**5.74**	5.15	11.5%
HK$/RMB	**1.19**	1.12	6.3%
HK$/MYR	**1.87**	1.83	2.2%
HK$/GBP	**10.55**	9.76	8.1%
HK$/CZK	**0.35**	0.32	9.4%
HK$/SGD	**5.74**	5.55	3.4%

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 FY2022 is analysed below:

Decrease to the Group's profit attributable to shareholders for 1H FY2022 assuming exchange rates of the following currencies against the Hong Kong dollar remained constant during the period:

	HK$ million
AUD	(5.5)
RMB	(2.8)
MYR	(0.8)
GBP	(46.9)
CZK	(1.3)
SGD	(2.9)
Total impact	(60.2)

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 the 2019 Perpetual Capital Notes) would have been HK$569 million higher as at 30 September 2021 assuming exchange rates remained constant during 1H FY2022.

4. *Net asset value per share*

	As at 30 September 2021 *HK$ million*	As at 31 March 2021 *HK$ million*
Equity attributable to shareholders of the Company	**14,278**	13,797
Add: Hotel revaluation surplus[(i)]	**16,886**	17,550
Total net asset value	**31,164**	31,347
Number of shares issued *(million)*	**2,395**	2,395
Net asset value per share	**HK$13.01**	HK$13.09

After adjusting for the revaluation surplus on hotel assets of approximately HK$16,886 million based on independent valuations assessed as at 31 March 2021 and after deducting the revaluation surplus for Dorsett City London which was disposed on 30 June 2021, the net asset value attributable to shareholders was approximately HK$31,164 million. Net asset value per share for the Company as at 30 September 2021 was approximately HK$13.01.

Notes:

(i) Based on the independent valuations carried out as at 31 March 2021 and excludes Dorsett City London, which was disposed in June 2021.

5. *Capital expenditures*

The Group's capital expenditures primarily went towards acquisitions of landbank in Hong Kong and the UK; development, construction and refurbishment of hotel properties, plant and equipment and investment properties.

During 1H FY2022, the Group's capital expenditures amounted to approximately HK$510 million, primarily attributable to the Dorsett Melbourne and Ritz-Carlton Melbourne in the West Side Place development and the ongoing capital expenditures in relations to the commercial project in Kai Tak and hotels across Australia and the UK. These expenditures were funded through a combination of borrowings and internal resources.

6. *Capital commitments*

During 1H FY2022, the Group continued to carefully monitor its capital commitments in order to optimise its investments and spending. The table below provides a summary of said capital commitments:

	As at 30 September 2021 *HK$ million*	As at 31 March 2021 *HK$ million*
Capital expenditures contracted but not provided in the consolidated financial statements in respect of:		
Acquisition, development and refurbishment of properties	**1,204**	865
Commitment to provide credit facility to BC Invest	**251**	214
Commitment to provide capital contribution to investment funds	**168**	–
Others	**2**	14
	1,625	1,093

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 developments 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. The Group has established strong local teams to carry out property development in each of these markets, as their presence allows the Group to identify trends and source the most attractive opportunities. The Group also actively looks to work with property owners for redevelopment opportunities, such as the partnership with The Star. Indeed, in early September 2021, it signed an exclusivity agreement with C&R to co-develop high-quality residential properties across, and potentially beyond, the existing portfolio of C&R in the UK. These land acquisition strategies have resulted in a land-banking strategy comprising of a relatively low land cost base for the Group's development projects and little capital kept idle.

The Group will continue monetising assets from its completed developments, such as by selling car parks in its residential projects in Guangzhou and Shanghai as well as retail shops in Perth.

Total attributable cumulative presales value of the Group's residential properties under development and unbooked contracted sales amounted to approximately HK$14.1 billion as at 30 September 2021. Most of the proceeds from contracted presales and unbooked contracted sales are not reflected in the Group's consolidated income statement until 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 and the cumulative attributable unbooked contracted sales of completed projects as at 30 September 2021.

Developments	**Location**	**Attributable presales** *HK$ million*	**Expected financial year of completion**
Projects under presales			
West Side Place (Towers 1 and 2)(i)	Melbourne	588	FY2022
West Side Place (Tower 3)	Melbourne	2,402	FY2024
West Side Place (Tower 4)	Melbourne	2,538	FY2024
Queen's Wharf Residences (Tower 4)(ii)	Brisbane	1,530	FY2024
Perth Hub	Perth	540	FY2024
The Star Residences (Tower 1)(iii)	Gold Coast	458	FY2023
The Star Residences – Epsilon (Tower 2)(iii)	Gold Coast	446	FY2024
Aspen at Consort Place	London	1,154	FY2025
Hornsey Town Hall	London	431	FY2023
Victoria Riverside	Manchester	468	FY2025
MeadowSide (Plots 2 and 3)	Manchester	630	FY2022
MeadowSide (Plot 5)(i)	Manchester	58	FY2022
New Cross Central	Manchester	163	FY2023
Hyll on Holland(i)(iv)	Singapore	662	FY2024
Cuscaden Reserve(i)(v)	Singapore	9	FY2025
Dorsett Place Waterfront Subang(i)(vi)	Subang Jaya	138	FY2023
Sub-total		12,215	

Developments	**Location**	**Attributable contracted sales**
		HK$ million
Contracted sales of completed projects		
The Towers at Elizabeth Quay	Perth	20
King's Manor	Shanghai	13
District 17A	Shanghai	28
Royal Riverside	Guangzhou	140
Marin Point	Hong Kong	7
Manor Parc	Hong Kong	436(vii)
21 Anderson Road	Singapore	1,216(viii)
Sub-total		**1,860**
Total		**14,075**

Notes:

(i) Excludes contracted presales already recognised as revenue up to 30 September 2021.

(ii) The Group has 50% interest in the development.

(iii) The Group has 33% interest in the development.

(iv) The Group has 80% interest in the development.

(v) The Group has 10% interest in the development.

(vi) The Group has 50% interest in the development.

(vii) The settlement of the contracted sales is expected in FY2025.

(viii) The Group has entered into a sale and purchase agreement in September 2021 to dispose this development and the transaction was closed on 1 November 2021 (see Post Period End Events).

As at 30 September 2021, the expected attributable gross development value ("GDV") of the Group's active residential property development projects under various stages of development across the regions was approximately HK$56.1 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*	Launched/ expected launch	Expected financial year of completion
Pipeline developments				
Melbourne				
West Side Place				
– Towers 1 and 2	482,000	2,288	Launched	FY2022
– Tower 3	518,000	2,524	Launched	FY2024
– Tower 4	621,000	3,001	Launched	FY2024
Monument	595,000	2,612	FY2023	FY2026
Perth				
Perth Hub	230,000	869	Launched	FY2024
Brisbane				
Queen's Wharf Brisbane[iii]				
– Tower 4	253,000	1,641	Launched	FY2024
– Tower 5	381,000	2,191	2H FY2022	FY2025
– Tower 6	145,000	725	Planning	Planning
Gold Coast				
The Star Residences[iv]				
– Tower 1	111,000	502	Launched	FY2023
– Tower 2 – Epsilon	109,000	590	Launched	FY2024
– Towers 3 to 5	374,000	2,021	Planning	Planning
Hong Kong				
Mount Arcadia	84,000	1,816	2H FY2022	FY2022
Lam Tei, Tuen Mun	212,000	2,800	Planning	Planning
Ho Chung, Sai Kung	19,000	500	Planning	Planning
London				
Aspen at Consort Place	377,000	4,325	Launched	FY2025
Hornsey Town Hall	108,000	1,001	Launched	FY2023
Ensign House	270,000	3,240	Planning	Planning
Affordable Housing at Consort Place	101,000	445	FY2022	FY2025
Manchester				
MeadowSide				
– Plots 2 and 3	217,000	964	Launched	FY2022
– Plot 5	16,000	68	Launched	FY2022
– Plot 4	244,000	1,116	Planning	Planning
Victoria North[v]				
– New Cross Central	62,000	264	Launched	FY2023
– Victoria Riverside	460,000	2,015	Launched	FY2025
– Network Rail	1,532,000	5,992	Planning	Planning
– Others	1,202,000	4,578	Planning	Planning

Developments	Attributable saleable floor area[i]	Expected attributable GDV[ii]	Launched/ expected launch	Expected financial year of completion
	Sq. ft.	*HK$ million*		
Singapore				
Hyll on Holland[vi]	194,000	2,928	Launched	FY2024
Cuscaden Reserve[vii]	16,000	357	Launched	FY2025
Malaysia				
Dorsett Place Waterfront Subang[viii]	494,000	1,000	Launched	FY2023
Total developments pipeline as at 30 September 2021	9,427,000	52,373		
Completed developments available for sale				
Perth				
The Towers at Elizabeth Quay	93,000	717		
Shanghai				
King's Manor	17,000	118		
The Royal Crest II	4,000	32		
District 17A	18,000	102		
Guangzhou				
Royal Riverside	67,000	235		
Malaysia				
Dorsett Bukit Bintang	28,000	132		
Hong Kong				
Marin Point	53,000	555		
Manor Parc	48,000	603		
Singapore				
21 Anderson Road[ix]	86,000	1,216		
Total completed developments available for sale as at 30 September 2021	414,000	3,710		
Total pipeline and completed developments available for sale as at 30 September 2021	**9,841,000**	**56,083**		

Notes:

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

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

(iii) This residential development consists of a total saleable floor area of approximately 1,600,000 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 Victoria North, 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 242,000 sq. ft.. The Group has 80% interest in the development.

(vii) Total saleable floor area of this development is approximately 170,000 sq. ft.. The Group has 10% interest in the development.

(viii) Total saleable floor area of this development is approximately 1,050,000 sq. ft.. The Group has 50% interest in the development.

(ix) The Group has entered into a sales and purchase agreement in September 2021 to dispose this development and the transaction was completed on 1 November 2021 (see Post Period End Events).

Australia

Melbourne

West Side Place is a mixed-use residential development located in the Central Business District ("CBD") of Melbourne. The project is comprised of approximately 3,000 apartments spanning 4 towers, with a total saleable floor area of approximately 2.2 million sq. ft. and a GDV of HK$10.8 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. The development has been launched for presales since FY2019 by tower, and the lower levels of Towers 1 and 2 were completed in FY2021. Towers 1 and 2 are comprised of a total of 1,377 apartments with a total saleable floor area of approximately 1.1 million sq. ft. and a total expected GDV of HK$5.3 billion. The handover process started in FY2021 and expected to continue in phases until FY2023.

Tower 3 is comprised of 684 apartments with a total saleable floor area of approximately 518,000 sq. ft. and a total expected GDV of HK$2.5 billion. HK$2.4 billion worth of units were presold as at 30 September 2021 and the project is expected to be completed in FY2024. Tower 4 is comprised of 835 apartments with a total saleable floor area of approximately 621,000 sq. ft. and a total expected GDV of HK$3.0 billion. HK$2.5 billion worth of units were presold as at 30 September 2021 and the project is expected to be completed in FY2024. With the strong presales recorded for this development, the Group expects to have significant cash flow and earnings in the coming few years.

Monument is a residential development at 640 Bourke Street comprising of 1, 2 and 3 bedroom units in Melbourne's CBD, near the West Side Place development. The property has obtained approval to be redeveloped into a residential project; it has a total saleable floor area of approximately 595,000 sq. ft., a total GDV of HK$2.6 billion and is expected to provide approximately 876 residential units. Presales for this development is expected to be launched in FY2023, with completion of the development expected in FY2026. Though the Group will continue with its build-to-sell approach, the development has also attracted substantial attention as a potential build-to-rent option and discussions are ongoing.

Perth

The Towers at Elizabeth Quay is a two-tower mixed-use flagship development project which consists of approximately 371,000 sq. ft. in saleable floor area of residential apartments, a luxury Ritz-Carlton hotel of 205 rooms opened in November 2019 and some commercial and retail space as well as other ancillary facilities. As at 30 September 2021, the expected GDV of the remaining apartments available for sales was HK$717 million. The Group has made good progress in selling the commercial/retail units of the project.

Perth City Link, one of Australia's most exciting regeneration projects, was initiated by the Western Australian Government with the goal of reconnecting Perth's CBD and the entertainment district. Perth Hub, the first phase of the Perth City Link project, is a mixed-use development adjacent to the Perth Arena. It consists of Lots 2 and 3 of the Perth City Link project and features 314 residential apartments, with total expected GDV of HK$869 million and approximately 260 hotel rooms to be operated by Dorsett. As at 30 September 2021, the Group had presold HK$540 million worth of units. The project is expected to be completed in FY2024.

After being selected as the preferred proponent of the Perth City Link projects, the Group secured Lots 4, 9 and 10. The three lots will host a wide range of boutique apartments and an integrated retail, entertainment, commercial and hospitality complex. This project currently remains under the planning stage.

Brisbane

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

(i) an integrated resort component in which the Group's ownership is 25% (CTF owns 25% and The Star owns 50%) with an equity investment amount of approximately AUD300 million. Payments are progressively made commencing from signing of the QWB Project documents up to the completion of the QWB Project, which is expected to be by the end of FY2024; and

(ii) a residential component owned 50% by the Group and 50% by CTF.

Together with the Group's portion of the 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 will encompass a total area of approximately 9.4 hectares at Queen's Wharf, Brisbane. The development originally contained three residential towers and three world-class hotels, as well as high-end food and commercial outlets and a casino, all in Brisbane's prime waterfront district. However, the Group is considering adjusting its original plan to build instead 2 residential towers and 1 office tower. A final decision has not been made, but recent enquiries for office space in that location have created a need to reconsider the original plan. The total core development gross floor area of the QWB Project is expected to be approximately 387,000 sq. m., in which approximately 158,000 sq. m. will be part of the residential component.

The Group launched the highly awaited Queen's Wharf Residences (Tower 4) in FY2020. Tower 4 is the only residential tower directly connected to the integrated resort development, featuring 667 residential apartments with a total saleable floor area of approximately 506,000 sq. ft. and a total expected GDV of HK$3.3 billion. Total presales value of HK$3.1 billion (attributable GDV of HK$1.5 billion) was recorded as at 30 September 2021, and the project is expected to be completed in FY2024. Tower 5 is expected to be launched in 2H FY2022, with 819 apartment units, making the total saleable floor area approximately 762,000 sq. ft.. It has a total expected GDV of HK$4.4 billion (attributable GDV of HK$2.2 billion) and the expected to be completed in FY2025.

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 313-room Dorsett hotel and 422 residential apartments with a total saleable floor area of approximately 332,000 sq. ft. and a GDV of HK$1.5 billion. Total presales value of HK$1.4 billion (attributable GDV of HK$458 million) was recorded as at 30 September 2021 and completion of the first tower of the development is expected 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 201-room five-star hotel and 440 residential apartments with a total saleable floor area of approximately 327,000 sq. ft. and a GDV of HK$1.8 billion. Total presales value of HK$1.3 billion (attributable GDV of HK$446 million) was recorded as at 30 September 2021 and completion of the development is expected in FY2024.

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 realisation of these potential developments will undoubtedly add to the Group's development pipeline in the city and benefit the Group through its investment in The Star.

Sydney

In October 2020, the Group partnered with The Star to acquire a site in Pyrmont, Sydney, located next the The Star's existing casino in Sydney; the intention is to co-develop a mixed-use tower. This project will grow the Group's current footprint in Sydney and further its goals for increased developments in Australia.

Mainland China

The Group has been developing California Garden, a premier township development in Shanghai, over a number of years. The development is comprised of a diversified portfolio of residences, including low-rise and high-rise apartments as well as townhouses. The two phases of the development, namely King's Manor and Royal Crest II, continued to make a contribution to the Group's revenue and profit, with HK$164 million of GDV being settled in 1H FY2022.

Situated on the riverside, Royal Riverside in Guangzhou is a 5-tower residential development. The entire development has been completed. In 1H FY2022, 37 apartments were sold for a recognised value of HK$180 million. There was unbooked contracted sales approximately HK$140 million as at 30 September 2021. The project has a relatively higher gross profit margin and is expected to contribute to the Group's performance in the coming year.

Hong Kong

The Group built its development pipeline in Hong Kong over the years through the acquisition of re-development sites, participating in government tenders and bidding for projects with the Urban Renewal Authority.

Marin Point is a residential development at Sha Tau Kok, which the Group acquired through a government tender. This development is made up of 261 low-rise apartments with approximately 103,000 sq. ft. in saleable floor area. The remaining units with GDV approximately HK$555 million 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. Total unbooked contracted sales value of HK$436 million was recorded as at 30 September 2021 and expected settlement in FY2025.

Mount Arcadia is a residential development site at Tai Po Road. The project offers 62 apartments and 4 houses and has a saleable floor area of approximately 84,000 sq. ft. and a GDV of HK$1.8 billion. The project has been soft launched during the 1H FY2022.

The Group purchased a site at Lam Tei, Tuen Mun in June 2021 with a total saleable floor area of approximately 212,000 sq. ft. and total estimated GDV estimated at HK$2.8 billion. The project is currently under planning, with overall plans and timetable under review.

In September 2021, the Group entered into a joint venture to acquire another site located in Ho Chung, Sai Kung with 33.3% ownership for residential development. The residential development will feature a number of high-end houses with total approximately 56,640 sq. ft. of saleable floor area and has an expected total GDV of HK$1.5 billion.

Malaysia

Dorsett Place Waterfront Subang is a joint development between the Group and Malaysia Land Properties Sdn. Bhd; the Group has a 50% interest in this development. The project is located next to Dorsett Grand Subang, the Group's renowned 5-star hotel. The development consists of three blocks and will offer 1,989 fully-serviced suites. Presale was launched in September 2019, with HK$282 million of the total GDV having been presold as at 30 September 2021. Completion of the development is expected in FY2023.

Dorsett Bukit Bintang is a residential development adjacent to the Dorsett Kuala Lumpur. The development consists of 252 high-rise apartments with approximately 215,000 sq. ft. in total saleable floor area. The development was completed with a number of the remaining units converted into serviced apartments and 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 town hall into a hotel/serviced apartment tower with communal areas, as well as a residential component which will provide 146 apartments with a saleable floor area of approximately 108,000 sq. ft.. This development also has a commercial component covering 37,500 sq. ft.. Presale for the residential component of this development was launched in FY2019, with a GDV of about HK$431 million presold as at 30 September 2021. Completion of the development is expected in FY2023.

Aspen at Consort Place is a mixed-use development site at Marsh Wall, Canary Wharf in London, which was granted planning approval for a complex featuring private residences of approximately 377,000 sq. ft. in saleable floor area consisting of approximately 495 residential units, 139 new affordable housing units and a hotel of approximately 230 rooms, as well as commercial spaces. Total presales value of HK$1.2 billion was recorded as at 30 September 2021 and the development is expected to be completed in FY2025. In October 2021, the Group entered into an agreement to sell 139 affordable housing units at Consort Place, London. The value of the transaction is approximately GBP43 million.

The Group continued to grow its business footprint and strengthen its development presence in the UK. In February 2020, an agreement was executed for the acquisition of Ensign House in Canary Wharf, London, which is adjacent to Aspen at Consort Place. Ensign House is planned to be a 56-storey residential tower consisting of 370 residential units. It will have a total saleable floor area of approximately 270,000 sq. ft. and a GDV of HK$3.2 billion. The project remains under planning.

Manchester

Victoria North is a mega-scale regeneration development project in Manchester which spans an area of more than 390 acres (equivalent to 17 million sq. ft.), sweeping north from Victoria Station and covering the neighbourhoods of New Cross, the Lower Irk Valley and Collyhurst. This project is expected to deliver an additional 15,000 new homes over the next decade, providing an optimal mix of high-quality housing, while allowing the city centre to expand. 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 of the Victoria North development was approved by the Manchester City Council ("MCC") in February 2019 to provide an Illustrative Masterplan in order to guide development proposals within Victoria North. It will be used to guide and coordinate developments brought forward by the joint venture formed between the Group and MCC and subsequently deliver a series of vibrant, sustainable and integrated residential neighborhoods within the extended city centre of Manchester.

Since the Group entered into a development agreement with MCC in April 2017, the Group has acquired various land plots within the Victoria North area, which will be developed into individual projects as the overall masterplan evolves. In July 2019, the Group further acquired 20 acres of land from Network Rail in central Manchester to progress its delivery of the Victoria North. The site 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 connect Angel Meadow to the North of Manchester.

The Victoria North project is expected to provide the Group with a significant, long-term pipeline within the UK. As at 30 September 2021, the Group had already secured several land plots within the Victoria North area, providing a pipeline with a saleable floor area of more than 3 million sq. ft., which is expected to deliver approximately 4,500 new homes over the next 5 years.

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 Victoria North development. The development will feature 4 towers comprising approximately 756 apartments with approximately 560,000 sq. ft. of saleable floor area around the historic Angel Meadow park near Victoria Station, one of the major transportation hubs of the city. Plots 2 and 3 with a total saleable area of 217,000 sq. ft. and GDV of HK$964 million were launched for presales. Total presales value of HK$630 million was recorded as at 30 September 2021. Construction work is progressing smoothly and are scheduled for completion in 2H FY2022. Plot 5 with a total saleable area of 99,000 sq. ft. and GDV of HK$425 million was completed in 1H FY2021 and started to handover. The cumulative GDV of about HK$363 million has been delivered as at 30 September 2021. The process is expected to continue in phases until FY2023.

New Cross Central is one of the initial sites acquired from MCC as part of the development agreement for the Victoria North. Located within New Cross at the northern edge of the Manchester city centre, the development comprises of 80 residential units with a saleable floor area of approximately 62,000 sq. ft. and a GDV of HK$264 million. Total presales value of HK$163 million was recorded as at 30 September 2021, representing 61.7% of the GDV. Construction work is progressing smoothly and the project is scheduled for completion in FY2023.

Victoria Riverside is located within the Victoria North masterplan area in close proximity to major transport links including Victoria Station and Manchester City Centre. It is a key gateway into the Victoria North masterplan area and expands the city centre northwards from MeadowSide. It will be a predominantly residential development, incorporating a high-quality public realm with commercial and leisure use and a landmark building. The development features three towers comprising approximately 634 units with saleable floor area approximately of 460,000 sq.ft. and a GDV of HK$2.0 billion. Tower A is still under planning. Tower B comprised 128 affordable housing units has been presold to Trafford Housing Trust, which is part of L&Q, one of the largest housing associations in England; the transaction amounted to a total consideration of approximately HK$273 million. Completion is expected to take place in FY2025. Tower C featuring 213 residential units with a total saleable floor area of approximately 149,000 sq. ft. and a total expected GDV of HK$669 million. Presales of Tower C was launched in late March 2021 and total presales value of HK$195 million was recoded as at 30 September 2021. The project is expected to be completed in FY2025.

Singapore

Hyll on Holland is a premium residential development site at Holland Road, a highly attractive and reputable neighbourhood in Singapore. The Group has an 80% interest of the development with an attributable saleable floor area of approximately 194,000 sq. ft. and a attributable GDV of HK$2,928 million. Total attributable presales value of HK$662 million was recorded as at 30 September 2021 and completion expected in FY2024.

The project located at Cuscaden Reserve is a residential development site in the prime area of District 9 in Singapore; it is expected to provide approximately 16,000 sq. ft. in attributable saleable floor area. The Group has a 10% interest in the joint venture. Presale of the development was launched in late FY2020 and completion of the development is expected in FY2025.

Property investment

The Group's property investments comprise of investments in retail and office buildings located mainly in Mainland China, Hong Kong, Singapore and Australia. In 1H FY2022, a fair value gain on investment properties of approximately HK$628 million was recognised, attributable primarily to the revaluation gain from the 21 Anderson Road and Kai Tak development. As at 30 September 2021, the valuation of investment properties was approximately HK$7.7 billion (31 March 2021: HK$8.2 billion).

In September 2021, the Group entered into a sale and purchase agreement to sell a group of companies that holding the freehold condominium development in Singapore located at 21 Anderson Road which comprises 34 residential units for an aggregated consideration of S$213 million (equivalent to approximately HK$1.2 billion). The transaction was completed on 1 November 2021.

2. *Hotel operations and management*

The Group owns and operates its hotel portfolio through four distinct lines of business, which focuses on the three to four-star hotel segment. These include Dorsett Hotels and Resorts, featuring the upscale "Dorsett Grand", the mid-scale "Dorsett", the value-led "Silka" branded hotels and the "d.Collection" which features boutique hotels with unique identities, as well as the newly launched long-stay aparthotel brand, Dao by Dorsett, which offers a collection of creative and harmonious aparthotels.

As at 30 September 2021, the Group owns and operates a total of 30 hotels including the wholly-owned Dorsett Group, Trans World Corporation ("TWC Hotel Group") and the Ritz Carlton hotel in Perth, as well as the partially-owned Sheraton Grand Mirage in Gold Coast and Oakwood Premier AMTD in Singapore with total approximately 7,800 rooms, spreading over Mainland China, Hong Kong, Malaysia, Singapore, Australia, the UK and Continental Europe. As at 30 September 2021, the Group also manages 3 other hotels in Malaysia with approximately 830 rooms and Dorsett City London in the UK with approximately 270 rooms.

As at 30 September 2021, the Group has 13 hotels under the development pipeline which will offer approximately 3,200 more rooms. Among the Group's hotel pipeline, the construction of Dao by Dorsett West London and Dorsett Gold Coast are progressing smoothly and both hotel developments are expected to be completed and opened in 2H FY2022, while Ritz-Carlton Melbourne is expected to be completed in 1H FY2023.

The operating performance of the Group's owned hotels for 1H FY2022 is summarised by region as follows. The results of hotels by region are expressed in the respective local currency ("LC") and Hong Kong dollars ("HK$").

	Occupancy Rate		**Average room rate ("ARR")**			**Revenue per available room ("RevPAR")**			**Revenue**	
	1H FY2022	1H FY2021	**1H FY2022**	1H FY2021	% Change	**1H FY2022**	1H FY2021	% Change	**1H FY2022**	1H FY2021
			(LC)	*(LC)*		***(LC)***	*(LC)*		***(LC'million)***	*(LC'million)*
Hong Kong *(HK$)*	**74.5%**	71.7%	**794**	409	94.1%	**592**	294	101.4%	**333**	176
Malaysia *(MYR)*	**41.3%**	32.4%	**171**	154	11.0%	**71**	50	42.0%	**23**	19
Mainland China *(RMB)*	**52.8%**	33.4%	**312**	283	10.2%	**165**	94	75.5%	**74**	36
Singapore *(SGD)*(i)	**89.5%**	92.4%	**125**	126	(0.8%)	**112**	117	(4.3%)	**6**	7
United Kingdom *(GBP)*(ii)	**36.3%**	20.6%	**112**	64	75.0%	**41**	13	215.4%	**6**	2
Australia *(AUD)*(iii)	**48.9%**	27.6%	**410**	383	7.0%	**200**	106	88.7%	**13**	6
			(HK$)	*(HK$)*		***(HK$)***	*(HK$)*		***(HK$' million)***	*(HK$'million)*
Dorsett Group Total(iv)	**60.9%**	50.7%	**703**	432	62.7%	**428**	219	95.4%	**635**	338
TWC Hotel Group	**27.9%**	24.4%	**648**	587	10.4%	**180**	143	25.9%	**24**	25

Notes:

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

(ii) Includes Dorsett City London up until 30 June 2021 (the date of disposal).

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

(iv) Excludes TWC Hotel Group but includes Ritz-Carlton Perth.

As the COVID-19 pandemic situation has been recurring since its outbreak, strict travel restrictions and immigration control remained in force around the world. Full recovery to normal is not expected in the international tourism market until these restrictions are lifted. To tackle such circumstances and with the responsibility to support the greater community, the Group continued to reinforce its business strategy on working together with local authorities by providing accommodations to medical frontliners and guests with quarantine needs across Mainland China, Hong Kong, the UK, Singapore and Malaysia. As of 30 September 2021, the Group has welcomed over 12,000 medical frontliners and over half million quarantine guests globally.

The ongoing pandemic coupled with international travel restrictions not only affect our hotel operations and business but have also slowed down a lot of processes. Despite this, the Group completed one of the UK's largest hotel deal in the year of 2021 to date by selling the Dorsett City London, a hotel we developed and managed since 2017 for GBP115 million, realising a gain on disposal of HK$547 million in 1H FY2022.

1H FY2022 was still a challenging period across regions, and yet together with all regional teams effort, we managed to overcome the difficulties. In 1H FY2022, Dorsett Group's total revenue for hotel operations and management was approximately HK$635 million, representing a 87.9% rebound compared with HK$338 million in 1H FY2021. The overall OCC have rebounded 10.2 percentage points to 60.9% and the overall ARR also have rebounded 62.7% to HK$703 per night. As a result, RevPAR increased to HK$428 per night for 1H FY2022.

Hong Kong

It has been over two years since the start of the social unrest, which significantly adversely impacted our hotels operations, to be followed by the COVID-19 crisis with stringent social distancing rules and ban on international travel resulting in a significant impact on Hong Kong's hospitality industry since early 2020. Despite this difficult situation, our hotels in Hong Kong have outperformed the market, with overall 74.5% OCC versus approximately 59% in the market.

During 1H FY2022, 6 out of our total 9 Hong Kong hotels were selected as designated quarantine hotels, while Dorsett Kwun Tong and Silka Tsuen Wan were expropriated by the government for close contact and domestic helper quarantine use respectively. Cosmo Hotel was under contract to accommodate medical workers from Pamela Youde Nethersole Eastern Hospital and Queen Mary Hospital.

As a result, total revenue for Hong Kong hotel operations recorded an 89.2% growth over the same period last year. It contributed HK$333 million which accounted for approximately 50.5% of the Group's hotel revenue. OCC in Hong Kong increased 2.8 percentage points to 74.5% and ARR increased by 94.1% to HKD794 as compared with the same period last year, resulting in an increase of 101.4% in RevPAR to HKD592.

Malaysia

Hotel business in Malaysia started picking up in early 2021 but were impacted by another wave of coronavirus of which the Malaysia government announced the third lockdown in May 2021, hotels were allowed to open with strict standard operating procedures without interstate/inter-district travellers.

During 1H FY2022, Dorsett Kuala Lumpur and Dorsett Bukit Bintang remained open to welcome long-stay guests, Dorsett Grand Labuan and Dorsett Grand Subang continued to work together with local authorities by receiving guests with quarantine needs, while Silka Johor Bahru, Silka Maytower Kuala Lumpur and J Hotel are temporarily suspended.

As a result, total revenue from owned hotel operations for 1H FY2022 was approximately MYR23 million, which is 21.1% above the levels of 1H FY2021. ARR increased by 11.0% to MYR171 and OCC increased to 41.3%, resulting in a 42.0% increase of RevPAR to MYR71 given the very low base in 1H FY2021.

Mainland China

The Group's hotel businesses in Mainland China started to show signs of recovery starting in June 2020, in line with overall market. Since early 2021, we have seen a strong recovery due to the increasing demand for domestic travel. Dorsett Shanghai, Dorsett Wuhan and Lushan Resort hotels are actively driving online sales, widening distribution channels and increasing brand awareness in order to attract more local leisure and group businesses.

Dorsett Grand Chengdu, our largest hotel in Mainland China with 556 rooms, was re-selected by the local government to contribute its full inventory as quarantine center to take care of returning China residents starting from July to August 2021 due to another wave of Delta variant. The hotel will also re-enter into a new contract with the local government in early November 2021 to combat another round of outbreak.

During 1H FY2022, OCC in our hotels increased 19.4 percentage points year-on-year and ARR grew 10.2% to RMB312, resulting in our RevPAR recorded a growth of 75.5% year-on-year to RMB165. Total revenue also recorded an increase of 105.6% to RMB74 million.

Singapore

Dorsett Singapore, our 285 rooms hotel in downtown Singapore, after serving as one of the government facilities to accommodate quarantine guests from April to December 2020, was re-selected by the local government to enter into a new contract to serve as close contact quarantine center for another 6 months starting from May 2021.

In 1H FY2022, total revenue of Dorsett Singapore maintains approximately the same level as 1H FY2021, contributing SGD6 million with a slightly decline of OCC and ARR to 89.5% and SGD125, respectively.

UK

During 1H FY2022, business was significantly affected at our hotels in the UK and in January 2021, we reluctantly suspended both hotels. Later in May 2021, Dorsett Shepherds Bush, our 317-room hotel in London, reopened and entered into a 6-month government contract for quarantine guests arriving from specific countries. Dorsett City London also reopened in May 2021 before we completed the sale of the hotel in 30 June 2021. Although, the Group will continue to manage and operate for the new owner in the next 2 years, the hotel performance will not be consolidated going forward.

As a result, total revenue increased by 200.0% to GBP6 million, with 15.7 percentage points increase in OCC to 36.3% and 75.0% increase in ARR to GBP112, due to the very low base in 1H FY2021. The outlook for our hotels in the UK is still challenging, and recovery depends on the ease of travel restriction and the pace of COVID-19 vaccination.

Australia

Despite intermittent interstate borders closures depending on the COVID-19 situation, our hotel business in Australia has outperformed the market due to its leadership position and successful staycations offers to attract domestic travellers. As a result, the Ritz-Carlton Perth hotel recorded a total revenue of AUD13 million with 48.9% OCC and AUD410 ARR for the period of 1H FY2022, representing a growth of 116.7% in total revenue and a 88.7% growth in RevPAR over the same period last year.

Continental Europe – TWC Hotel Group

In Continental Europe where the hotel industry was impacted by another wave of coronavirus since early September 2020, we have decided to suspend all 5 hotels in December 2020 and only reopened to serve essential guests when needed in order to safeguard our people and balance our cost saving efforts. In May 2021, we reopened all 5 hotels and which have been shortlisted to act as vaccination centre in order to support the vaccine effort in Europe.

As a result, overall OCC increase 3.5 percentage points to 27.9% and ARR increased 10.4% to HKD648, resulting a 25.9% growth in RevPAR to HKD180. Total revenue remains largely the same to HKD24 million in 1H FY2022 as compared to HK$25 million in 1H FY2021.

3. Car park operations and facilities management

The Group's car park operations and facilities management business include car park operations operating under the "Care Park" brand, with a portfolio of car park bays owned or under management amounting to approximately 125,758 bays as at 30 September 2021. Among the Group's 461 car parks, 33 were self-owned car parks with approximately 10,871 car park bays. The remaining 114,887 car park bays in Australia, New Zealand, the UK, Hungary and Malaysia remain under management contracts with third-party car park owners.

In 1H FY2022, the Group's car park operations remained affected by COVID-19, with many countries restricting their residents' movements and the continued prevalence of work-from-home arrangements. Despite this, business has rebounded with 43.3% to approximately HK$318 million. As with our other operations, the Group expects a gradual return to normalcy following increasing vaccination rates and other pandemic containment measures.

The Group monetised a few small car parks in Australia for approximately AUD3.3 million in 1H FY2022. As at 30 September 2021, the Group has secured several agreements to dispose other non-core car parks for approximately AUD6.0 million, with expected completion in 2H FY2022 to monetise the non-core assets.

4. *Gaming operations and management*

Europe

Trans World Corporation ("TWC") owns and operates a portfolio of 3 casinos in the Czech Republic. All TWC casinos feature gaming tables and slot machines and are situated on the Czech borders with Germany and Austria to cater to cross-border guests from these countries. With the Group's implementation of the "Asian Wallet" strategy, the Group will endeavor to supplement its own hospitality offerings geographically by introducing more Asian tourists and customers in the region to TWC's properties.

The 3 casinos were temporarily closed from January to late May of 2021. Followed by the relaxing of pandemic-related restrictions and recovery of the economic environment, gaming operations quickly resumed generating positive returns after reopening. For the four-month operation during the 1H FY2022, revenue from TWC's gaming operations has increased 8.0% to HK$86 million (net of gaming tax) from HK$80 million in 1H FY2021 which also temporarily closed for two months due to the COVID-19 restriction.

The following tables set forth certain operating data of TWC's casinos for the period ended 30 September 2021:

	As at 30 September 2021	As at 31 March 2021
Number of slot machines	**392**	442
Number of tables	**65**	65

	1H FY2022	1H FY2021
Table game revenue(i) *(HK$ million)*	**19**	20
Slots revenue(i) *(HK$ million)*	**54**	52
Average table game win rate(ii)	**17.9%**	20.2%
Average slot win per machine per day *(HK$)*	**1,147**	1,063

Notes:

(i) After deduction of net 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 CTF and took a 4.99% equity stake in The Star. The Star is one of the two major casino operators in Australia and holds dominant positions in Sydney, Brisbane and the Gold Coast gaming markets.

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 to add 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.

The Group owns 25% of the integrated resort under construction in Brisbane. Together with The Star and CTF, the Group is building three world-class hotels, high-end gaming facilities with VIP rooms, F&B outlets and more than 6,000 sq.m. of retail and eatery space that will be operated by DFS Group, a leading operator of retail space globally.

5. *Provision of mortgage services*

As an extension of its property development business, the Group established BC Invest, a mortgage lending platform that specialises in providing residential mortgages to non-resident international property buyers. BC Invest is highly synergistic with the Group's property development business and offers significant growth potential beyond it. Indeed, less than 5.4% of the loans extended to buyers were used to purchase the Group's residential properties.

After carefully reviewing potential markets in which it could grow its business, BC Invest expanded to the UK in late FY2021. Following the extension of its footprint to the UK with positive response, the Group is exploring to build an asset management business to further grow and diversify its business model, extend the lending business not only to residential properties but to other asset classes and continue to explore a number of new and promising markets where it can expand its services, such as Hong Kong.

Loan and advances reached AUD1.6 billion as at 30 September 2021, an increase of about 38.6% from 31 March 2021. BC Invest has strict lending rules, a highly diversified portfolio and a prudent weighted average loan-to-value ratio of 60.5% on average as at 30 September 2021. Net interest margin was reduced during the period to 1.55% as at 30 September as BC Invest aimed to capture more market share. Though most of the capital is provided by third parties, the Group has committed AUD75 million and GBP14 million of funding and provided AUD43 million and GBP7 million of funding as at 30 September 2021, which is classified as investment securities. Including interest income from funding, BC Invest contributed HK$10 million to the Group's profit during 1H FY2022.

In October 2021, BC Invest entered into a strategic partnership and long-term funding support arrangement with Mortgageport. The transaction will see BC Invest acquire a 53% stake in Mortgageport, including a significant placement of new equity and sponsorship of Mortgageport's current and future warehouse facilities. Mortgageport is a leading non-bank lender, catering mostly to domestic borrowers.

CONTINGENT LIABILITY

During the year ended 31 March 2021, legal proceedings, which were issued in the High Court of Justice in London, were served upon Ensign House (FEC) Limited ("**EHFL**") and FEC Development Management Limited. The proceedings were instigated by Ensign House Limited ("**EHL**"). The claim which is made by EHL is stated as a claim for "damages and/or equitable compensation and/or an account of profits and/or a constructive trust and/or interest under statute and/or in equity and/or other relief". The essence of the claim is that each of the defendants was involved in a breach of contract and/or breaches of other duties by using confidential information provided by or on behalf of EHL in connection with the acquisition by EHFL of the property known as Ensign House, Admiral's Way, Canary Wharf. As at 31 March 2021 and 30 September 2021, the management is of the opinion, upon advised by the legal counsel, that the claim is not valid as there is no breach of contract and therefore these allegations of wrongdoing will be rigorously denied and the proceedings are being fully contested.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

In the past year, the Group continued with its increased focus on ESG by establishing a new sustainability strategy and sustainability governance structure overseen by the ESG Steering Committee chaired by Ms. Winnie CHIU, Executive Director, to monitor the implementation of the Group's ESG initiatives. The Group has also set numerous key performance indicators with input from different business divisions, which will be used to carefully monitor ESG progress in the years to come. Through the top-down implementation of strategies and a bottom-up information flow, the Group will continue to systematically reshape its ESG approach according to the four core pillars of Managing Environmental Footprint, Employer of Choice, Cultivating Community and Placemaking, in the hopes of creating a more unified plan of action for its employees all around the world. It is the Group's vision to become a role model that inspires this generation and beyond to create a more sustainable, liveable world, starting by encouraging change in its stakeholders and the communities in which it operates.

In November 2021, the Group received an aligned opinion from S&P Global Ratings regarding the Group's sustainable finance framework. The Group will continue to adhere to its proven practices and work on a timeline to raise sustainable finance for eligible projects in order to create sustainable long-term value for stakeholders.

OUTLOOK

The Group remains vigilant and conservative given that the pandemic continues to impact the state of the global economy, and in particular the travel and hospitality industries. There is a large focus on keeping a lid on costs and expenses and executing at full pace the monetisation strategy to raise and recycle capital. The Group has and will continue to proactively manage its liabilities by repaying or refinancing them in the bank and bond markets. Yet the Group is also determined to redeploy capital in areas of growth:

- The Hong Kong residential property market remains attractive;

- A strong pipeline of hotel openings just as the global economy is bouncing back and business/leisure travel reopens;

- The BTR market in the UK and Australia offers interesting opportunities to partner with capital providers;

- Significant number of management contracts are up for grabs for Care Park across Australia, New Zealand and the UK; and

- BC Invest has a clear strategy to grow organically and via acquisitions.

The upcoming years will see the completion of many milestone projects, which will increase the Group's global profile and profitability, particularly in Hong Kong, the UK and Australia. The cumulative presales value and unbooked contracted sales of the Group stood at HK$14.1 billion as at 30 September 2021, providing significant visibility and capital for the years to come.

During 1H FY2022, the Group successfully repositioned its hotel assets to target the quarantine hotel business, allowing its hotels to make a strong contribution to revenues and gross profits, especially in Hong Kong. Hopefully, the next 6 months will see a re-opening of the Hong Kong border with Mainland China, which will benefit our hotel operations in Hong Kong. Similarly, as the rest of the world re-opens, our hotels globally will benefit.

The Group's hotel business will expand with 13 new hotels under development; a few are expected to contribute to the next growth phase of the Group as early as 2H FY2022.

Overall, the Group is optimistic about its business prospects for the years to come. It has a solid balance sheet, an experienced team and businesses well-positioned to grow and navigate the current environment.

BC Invest is embarking on another growth phase. It has secured more warehouse funding from leading financial institutions and aims to continue growing organically and via acquisitions, particularly in the UK, Australia and Hong Kong. The opportunity for BC Invest is immense.

The Group maintains a solid and healthy liquidity position of approximately HK$9.9 billion, with available undrawn credit facilities of HK$9.3 billion and a number of unencumbered hotel assets valued at HK$3.1 billion as at 30 September 2021. As a result, the Group is well-positioned to take advantage of any dislocation in the market where it operates.

As Australia re-opens and exits lockdowns, Care Park should see a sustainable improvement in its operations. In addition, the Group is seeing more opportunities to grow via the award of new management contracts.

In conclusion, thanks to its diversified portfolio and solid foundation, the Group has managed to remain profitable. The Group is confident that it will be able to successfully navigate the current global economic headwinds while delivering a sustainable and attractive dividend to its shareholders.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2021, the Group had approximately 3,500 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 2021, 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 deviation from Code Provision A.2.1 described below.

Pursuant to Code Provision A.2.1 of the CG Code, the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. Currently Tan Sri Dato' David CHIU assumes the roles of both the Chairman and Chief Executive Officer of the Company. The Board believes that this structure provides the Group with strong and consistent leadership and allows for more effective and efficient business planning and decisions as well as execution of long-term business strategies. As such, it is beneficial to the business prospects of the Group.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 September 2021, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

The Audit Committee, comprising all of the Company's three independent non-executive directors, namely Mr. Kwok Wai CHAN, Mr. 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 2021.

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 2021 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, 29 November 2021

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.