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## **FAR EAST CONSORTIUM INTERNATIONAL LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

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

**(Stock Code: 00035)**

### **ANNOUNCEMENT OF RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011**

#### **INTERIM RESULTS HIGHLIGHTS**

- Net profit attributable to owners of the Company at HK\$84 million, a decrease of 60% compared with the same period of last financial year. The drop in profit is mainly attributable to decrease in completion of property developments and decrease in gain on fair value of investment property.
- Revenue of car park business and hotel operation business increased by 23% and 30% respectively from the same period of last financial year.
- Presale of properties under development amounted to HK\$4 billion as at 30 September 2011 (HK\$0.5 billion is attributable to KHI), compared to HK\$2.6 billion as at 31 March 2011. Increase in the presale value is mainly due to the launch of stage 2 of Upper West Side in Australia.
- Central Park Hotel to be disposed of at a consideration of HK\$515 million. Transaction will be booked in the second half of the financial year ended 31 March 2012 (“financial year 2012”) with an estimated profit of HK\$270 million attributable to shareholders of the Company.
- Dividend per share is recommended to be HK1 cent (30 September 2010: HK2 cents).

## 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 (the “Group”) for the six months ended 30 September 2011. The Company’s Audit Committee has reviewed the results of the financial statements of the Group for the period ended 30 September 2011 prior to recommending them to the Board for approval.

## FINANCIAL HIGHLIGHTS

	Six months ended 30 September		
	2011	2010	Change
	<i>HK\$ Million</i>	<i>HK\$ Million</i>	
Revenue	<b>827</b>	782	+6%
Gross profit	<b>392</b>	374	+5%
Profit for the period	<b>111</b>	215	-48%
Profit attributable to owners	<b>84</b>	212	-60%
Earnings per share	<b>HK4.4 cents</b>	HK11.1 cents	
Dividend per share	<b>HK1 cent</b>	HK2 cents	

**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011**

		<b>Six months ended</b>	
	<i>NOTES</i>	<b>30.9.2011</b>	30.9.2010
		<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(unaudited)</b>	(unaudited) (restated)
Revenue	3	<b>827,041</b>	782,424
Cost of sales and services		<b>(371,160)</b>	(353,490)
Depreciation and amortisation		<b>(64,277)</b>	(54,923)
		<hr/>	<hr/>
Gross profit		<b>391,604</b>	374,011
Other income		<b>10,490</b>	11,762
Administrative expenses		<b>(224,218)</b>	(174,874)
Other gains and losses	4	<b>30,992</b>	161,329
KHI initial public offering expenses		–	(19,000)
Share of results of associates		<b>11,983</b>	8,350
Share of results of jointly controlled entities		<b>5,127</b>	6,799
Finance costs	5	<b>(86,767)</b>	(84,214)
		<hr/>	<hr/>
Profit before tax		<b>139,211</b>	284,163
Income tax expense	6	<b>(28,344)</b>	(68,707)
		<hr/>	<hr/>
Profit for the period	7	<b>110,867</b>	215,456
		<hr/>	<hr/>
Attributable to:			
Owners of the Company		<b>84,458</b>	212,133
Non-controlling interests		<b>26,409</b>	3,323
		<hr/>	<hr/>
		<b>110,867</b>	215,456
		<hr/>	<hr/>
Earnings per share	8		
– Basic (HK cents)		<b>4.4</b>	11.1
		<hr/>	<hr/>
– Diluted (HK cents)		<b>4.4</b>	11.1
		<hr/>	<hr/>

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011**

	<b>Six months ended</b>	
	<b>30.9.2011</b>	30.9.2010
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(unaudited)
		(restated)
Profit for the period	<u><b>110,867</b></u>	<u>215,456</u>
Other comprehensive (expense) income:		
Exchange differences arising on translation of foreign operations	(65,826)	115,403
Revaluation (decrease) increase on available-for-sale investments	(32,735)	20,980
Reclassification to profit or loss on disposal of available-for-sale investments	<u>(2,809)</u>	<u>(53,575)</u>
Other comprehensive (expense) income for the period	<u>(101,370)</u>	<u>82,808</u>
Total comprehensive income for the period	<u><b>9,497</b></u>	<u>298,264</u>
Total comprehensive income attributable to:		
Owners of the Company	(18,142)	292,989
Non-controlling interests	<u>27,639</u>	<u>5,275</u>
	<u><b>9,497</b></u>	<u>298,264</u>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AT 30 SEPTEMBER 2011**

	<i>NOTES</i>	<b>30.9.2011</b> <i>HK\$'000</i> <b>(unaudited)</b>	31.3.2011 <i>HK\$'000</i> <b>(audited)</b>
<b>Non-current assets</b>			
Investment properties		<b>2,674,039</b>	2,581,274
Property, plant and equipment		<b>5,682,841</b>	5,442,801
Prepaid lease payments		<b>573,120</b>	586,070
Goodwill		<b>68,400</b>	68,400
Other intangible assets		<b>3,386</b>	4,672
Interests in associates		<b>218,908</b>	209,010
Interests in jointly controlled entities		<b>57,999</b>	63,441
Available-for-sale investments		<b>191,119</b>	175,919
Financial assets at fair value through profit or loss		<b>4,678</b>	4,671
Deposit for acquisition of property, plant and equipment		<b>115,900</b>	121,357
Amounts due from associates		<b>97,146</b>	96,650
Amount due from an investee company		<b>119,995</b>	119,995
Other receivables		<b>137,591</b>	136,896
Pledged deposits		<b>12,750</b>	12,928
		<b>9,957,872</b>	9,624,084
<b>Current assets</b>			
Properties for sale			
Completed properties		<b>108,601</b>	132,490
Properties for/under development		<b>3,128,613</b>	2,718,531
Other inventories		<b>7,079</b>	8,225
Prepaid lease payments		<b>16,828</b>	13,636
Debtors, deposits and prepayments	<i>10</i>	<b>360,523</b>	229,326
Amounts due from associates		<b>5,108</b>	4,863
Tax recoverable		<b>12,933</b>	13,352
Available-for-sale investments		<b>17,747</b>	23,566
Financial assets at fair value through profit or loss		<b>28,413</b>	69,708
Derivative financial instruments		<b>14</b>	398
Pledged deposits		<b>289,460</b>	261,870
Restricted bank deposits		<b>12,751</b>	2,690
Bank balances and cash		<b>1,203,135</b>	1,986,347
		<b>5,191,205</b>	5,465,002
Assets classified as held for sale		<b>214,479</b>	79,648
		<b>5,405,684</b>	5,544,650

	<i>NOTES</i>	<b>30.9.2011</b> <i>HK\$'000</i> <b>(unaudited)</b>	31.3.2011 <i>HK\$'000</i> <b>(audited)</b>
<b>Current liabilities</b>			
Creditors and accruals	<i>11</i>	<b>475,628</b>	406,976
Obligations under finance leases		<b>269</b>	474
Amounts due to related companies		<b>45,777</b>	44,803
Amounts due to associates		<b>17,934</b>	17,950
Amounts due to non-controlling interests		<b>51,225</b>	30,233
Dividend payable		<b>95,913</b>	–
Customers' deposits received		<b>180,604</b>	176,100
Deposit for disposal of hotel property		<b>51,500</b>	–
Derivative financial instruments		<b>1,592</b>	751
Tax payable		<b>321,676</b>	308,266
Convertible bond		<b>703,819</b>	716,785
Secured bank and other borrowings		<b>1,530,869</b>	1,112,991
		<b>3,476,806</b>	2,815,329
Liabilities associated with assets classified as held for sale		<b>95</b>	–
		<b>3,476,901</b>	2,815,329
<b>Net current assets</b>		<b>1,928,783</b>	2,729,321
<b>Total assets less current liabilities</b>		<b>11,886,655</b>	12,353,405
<b>Non-current liabilities</b>			
Secured bank and other borrowings		<b>3,768,343</b>	4,139,282
Obligations under finance leases		<b>627</b>	84
Derivative financial instruments		<b>76,513</b>	68,615
Deferred tax liabilities		<b>229,262</b>	226,631
		<b>4,074,745</b>	4,434,612
<b>Net assets</b>		<b>7,811,910</b>	7,918,793
<b>Capital and reserves</b>			
Share capital		<b>191,826</b>	191,826
Share premium		<b>2,770,185</b>	2,770,185
Reserves		<b>3,949,413</b>	4,064,577
Equity attributable to owners of the Company		<b>6,911,424</b>	7,026,588
Non-controlling interests		<b>900,486</b>	892,205
<b>Total equity</b>		<b>7,811,910</b>	7,918,793

## NOTES ON THE CONDENSED FINANCIAL STATEMENTS

### 1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) and with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting”.

### 2. PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies and method of computation used in the condensed consolidated financial information for the six months ended 30 September 2011 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2011.

#### Application of new and revised Hong Kong Financial Reporting Standards (“HKFRS”)

In the current interim period, the Group has applied, for the first time, the following new or revised standards and interpretations (“new and revised HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”):

HKFRSs (Amendments)	Improvements to HKFRSs 2010
HKAS 24 (Revised)	Related Party Disclosures
HK(IFRIC) – Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments

The adoption of the new and revised HKFRSs has had no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

The Group early applied Amendments to HKAS 12 Income Tax titled Deferred Tax: Recovery of Underlying Assets in the preparation of the consolidated financial statements for the year ended 31 March 2011. Accordingly, the comparative amounts presented in the condensed consolidated financial statements for the six months ended 30 September 2011 have been restated to reflect the remeasurement of deferred tax on the investment properties in Hong Kong and Singapore. The restatement has resulted in a decrease in the deferred tax liability and retained profits by HK\$109,336,000 and HK\$128,870,000 at 1 April 2009 and 31 March 2010 respectively, and an increase in profit for the six months ended 30 September 2010 by HK\$25,000,000.

#### New and revised HKFRS issued but not yet effective

The Group has not early applied the new and revised HKFRSs that have been issued but are not yet effective.

The following new and revised HKFRSs have been issued after the date the consolidated financial statements for the year ended 31 March 2011 were authorised for issuance:

HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income <sup>1</sup>
HKAS 19 (as revised in 2011)	Employee Benefits <sup>2</sup>
HKAS 27 (as revised in 2011)	Separate Financial Statements <sup>2</sup>
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures <sup>2</sup>
HKFRS 10	Consolidated Financial Statements <sup>2</sup>
HKFRS 11	Joint Arrangements <sup>2</sup>
HKFRS 12	Disclosure of Interests in Other Entities <sup>2</sup>
HKFRS 13	Fair Value Measurement <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 July 2012

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2013

The new and revised Standards on consolidation, joint arrangements and disclosures, namely HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 and HKAS 28 are mandatorily effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted on condition that all of them are applied simultaneously.

HKFRS 10 replaces the parts of HKAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements. HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios. Overall, the application of HKFRS 10 requires additional judgement.

HKFRS 11 replaces HKAS 31 Interests in Joint Ventures. HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. Under HKFRS 11, there are two types of joint arrangements: joint ventures and joint operations. The classification in HKFRS 11 is based on parties' rights and obligations under the arrangements. In contrast, under HKAS 31, there are three different types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations. In addition, joint ventures under HKFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate accounting.

The directors are in the process of assessing the financial impact of the application of above Standards and Interpretations on the results and financial position of the Group.

### **3. SEGMENT INFORMATION**

#### **Segment revenue and profit**

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

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



	Segment revenue		Segment profit(loss)	
	Six months ended 30.9.2011 HK\$'000 (unaudited)	Six months ended 30.9.2010 HK\$'000 (unaudited)	Six months ended 30.9.2011 HK\$'000 (unaudited)	Six months ended 30.9.2010 HK\$'000 (unaudited)
Property development				
– Australia	1,939	14,515	3,264	5,829
– Hong Kong (“HK”)	8,281	3,930	3,088	2,130
– Malaysia	–	–	–	–
– Other regions in the People’s Republic of China (“PRC”)	19,218	128,772	4,657	102,513
	<b>29,438</b>	147,217	<b>11,009</b>	110,472
Property investment				
– HK	13,806	12,034	89,555	136,747
– PRC	6,208	5,711	(2,901)	(925)
– Singapore	12,470	11,925	4,842	60,655
	<b>32,484</b>	29,670	<b>91,496</b>	196,477
Hotel operation				
– HK	308,647	211,096	111,988	61,634
– Malaysia	143,066	127,805	23,936	25,420
– PRC	47,277	45,261	(13,635)	7,400
– Singapore	–	–	(3,921)	(6,422)
– United Kingdom (“UK”)	–	–	(12)	–
	<b>498,990</b>	384,162	<b>118,356</b>	88,032
Car park operation				
– Australia	249,826	202,718	17,425	21,118
– Malaysia	9,183	8,095	4,566	4,232
	<b>259,009</b>	210,813	<b>21,991</b>	25,350
Securities and financial product investments	6,735	9,433	(32,470)	835
Other operations	385	1,129	(6,872)	(17,330)
Segment revenue/segment profit	<b>827,041</b>	782,424	<b>203,510</b>	403,836
Unallocated corporate expenses			(24,179)	(35,459)
Finance costs			(40,120)	(84,214)
Profit before tax			<b>139,211</b>	284,163

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

## Segment assets

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

	<b>30.9.2011</b> <i>HK\$'000</i> <b>(unaudited)</b>	31.3.2011 <i>HK\$'000</i> (audited)
Property development		
– Australia	<b>1,007,684</b>	688,946
– HK	<b>680,734</b>	664,244
– Malaysia	<b>364,259</b>	368,904
– PRC	<b>1,685,227</b>	1,581,883
	<b>3,737,904</b>	3,303,977
Property investment		
– HK	<b>1,634,942</b>	1,554,886
– PRC	<b>3,843</b>	4,515
– Singapore	<b>567,664</b>	579,693
	<b>2,206,449</b>	2,139,094
Hotel operation		
– HK	<b>3,596,591</b>	3,024,830
– Malaysia	<b>1,056,385</b>	1,048,077
– PRC	<b>1,651,288</b>	1,561,550
– Singapore	<b>583,041</b>	531,397
– UK	<b>253,402</b>	–
	<b>7,140,707</b>	6,165,854
Car park operation		
– Australia	<b>682,227</b>	702,202
– Malaysia	<b>152,669</b>	153,941
	<b>834,896</b>	856,143
Securities and financial product investments	<b>191,078</b>	340,019
Other operations	<b>408,556</b>	377,300
Segment assets	<b>14,519,590</b>	13,182,387
Unallocated corporate assets	<b>843,966</b>	1,986,347
	<b>15,363,556</b>	15,168,734

Segment liability information is not presented as this information is not regularly reviewed by the chief operating decision maker.

#### 4. OTHER GAINS AND LOSSES

	Six months ended	
	30.9.2011 <i>HK\$'000</i> (unaudited)	30.9.2010 <i>HK\$'000</i> (unaudited)
Change in fair value of investment properties	69,999	194,838
Gain on disposal of available-for-sale investments	2,809	53,575
Change in fair value of financial assets at fair value through profit or loss	(14,440)	3,241
Change in fair value of derivative financial instruments	(27,376)	(66,873)
Allowance for amount due from a jointly controlled entity	–	(5,152)
Impairment loss on property, plant and equipment	–	(18,300)
	<u>30,992</u>	<u>161,329</u>

#### 5. FINANCE COSTS

	Six months ended	
	30.9.2011 <i>HK\$'000</i> (unaudited)	30.9.2010 <i>HK\$'000</i> (unaudited)
Interest on:		
Bank loans		
– wholly repayable within five years	73,816	58,624
– not wholly repayable within five years	23,568	20,517
Other loans		
– wholly repayable within five years	698	813
Convertible bond	23,242	23,755
Finance leases	16	15
Amortisation of front-end fee	6,923	6,284
Others	1,590	3,385
	<u>129,853</u>	<u>113,393</u>
Total interest costs		
<i>Less:</i> Amounts capitalised to properties under development:		
– properties for sale	(32,656)	(18,947)
– properties for owners' occupation	(9,788)	(9,586)
– investment properties	(642)	(646)
	<u>86,767</u>	<u>84,214</u>

## 6. INCOME TAX EXPENSE

	<b>Six months ended</b>	
	<b>30.9.2011</b>	30.9.2010
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(unaudited)
		(restated)
Current period income tax:		
Hong Kong Profits Tax	7,971	8,495
PRC Enterprise Income Tax ("EIT")	6,292	19,597
PRC Land Appreciation Tax ("LAT")	3,542	27,100
Australia Income Tax	4,783	5,209
Malaysia Income Tax	1,690	1,046
Singapore Income Tax	178	2
Other Jurisdictions	487	–
	<u>24,943</u>	<u>61,449</u>
Deferred taxation	<u>3,401</u>	<u>7,258</u>
	<u><b>28,344</b></u>	<u><b>68,707</b></u>

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

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

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

Income tax arising in other regions is calculated at the rates prevailing in the relevant jurisdictions.

## 7. PROFIT FOR THE PERIOD

	<b>Six months ended</b>	
	<b>30.9.2011</b>	30.9.2010
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(unaudited)
Profit for the period is arrived at after charging:		
Amortisation of prepaid lease payments	<b>6,851</b>	5,180
<i>Less:</i> amount capitalised to properties under development for owners' occupation	<b>(1,872)</b>	(1,122)
	<b>4,979</b>	4,058
Amortisation of intangible assets	<b>1,286</b>	1,286
Depreciation	<b>70,123</b>	54,536
Share of taxation of associates (included in share of results of associates)	<b>450</b>	1,650
Share option expense	<b>2,499</b>	6,451
and after crediting:		
Dividend income from:		
Investments held for trading	<b>1,235</b>	332
Available-for-sale investments	<b>495</b>	369
	<b>1,730</b>	701
Bank interest income	<b>2,779</b>	873

## 8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the consolidated profit for the six months period ended 30 September 2011 attributable to the owners of the Company of HK\$84,458,000 (six months ended 30 September 2010: HK\$212,133,000 (restated)) and the number of shares calculated as follows:

	<b>30.9.2011</b>	30.9.2010
	<b>'000</b>	'000
Weighted average number of ordinary shares for the purpose of basic earnings per share	<b>1,918,263</b>	1,904,117
Effect of dilutive potential ordinary shares – share options	<b>785</b>	3,218
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<b>1,919,048</b>	1,907,335

The computations of diluted earnings per share does not assume the exercise of the conversion of outstanding convertible bond since their exercise would result in an increase in earnings per share for both periods.

The computation of diluted earnings per share does not assume the exercise of the Company's share options granted on 21 October 2004 and 25 August 2006 because the exercise price of those options was higher than the average market price for shares during both periods.

## 9. DIVIDENDS

Six months ended	
30.9.2011	30.9.2010
<i>HK\$'000</i>	<i>HK\$'000</i>
(unaudited)	(unaudited)

Dividends recognised as distribution during the period:

Final dividend for the year ended 31 March 2011 of HK5 cents (2010: year ended 31 March 2010 of HK4 cents) per share paid on 31 October 2011	<b>95,913</b>	<b>76,092</b>
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Subsequent to the end of the reporting period, the directors have declared an interim dividend of HK1 cent (2010: HK2 cents) per share to the shareholders of the Company whose names appear in the register of member on 30 December 2011. Shareholders have an option to receive cash in lieu of new shares of the Company.

## 10. DEBTORS, DEPOSITS AND PREPAYMENTS

Included in debtors, deposits and prepayments are trade debtors of approximately HK\$79,391,000 (31.3.2011: HK\$73,079,000).

Trade debtors mainly comprise of receivables from sale and renting of properties. Sales of properties are settled according to the payment terms of individual contract but have to be fully settled before transfer of the legal titles. No credit is provided to the tenants of the 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.

The following is an aged analysis of the trade debtors, based on the invoice date, at the reporting dates:

	30.9.2011	31.3.2011
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(audited)
0-60 days	<b>69,117</b>	62,688
61-90 days	<b>4,687</b>	5,431
Over 90 days	<b>5,587</b>	4,960
	<b>79,391</b>	<b>73,079</b>

## 11. CREDITORS AND ACCRUALS

Included in creditors and accruals are trade creditors of HK\$194,557,000 (31.3.2011: HK\$116,385,000). The following is an aged analysis of the trade creditors at the reporting dates:

	30.9.2011	31.3.2011
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(audited)
0-60 days	<b>111,103</b>	46,978
61-90 days	<b>6,512</b>	10,880
Over 90 days	<b>76,942</b>	58,527
	<b>194,557</b>	<b>116,385</b>

## **INTERIM DIVIDEND**

The Board has declared the payment of an interim dividend for the six months ended 30 September 2011 of HK1 cent (30 September 2010: HK2 cents) per share (“Interim Dividend”). Interim Dividend will be paid to the shareholders of the Company (the “Shareholders”) whose names appear on the Company’s Register of Members on 30 December 2011. Interim Dividend will be paid in the form of a scrip dividend with Shareholders being given an option to elect to receive cash in lieu of all or part of their scrip dividend entitlements (“Scrip Dividend Scheme”).

The Scrip Dividend Scheme will be subject to the Stock Exchange granting listing of and permission to deal in the new shares to be allotted thereunder. For the purpose of determining the number of new shares to be allotted, the market value of new shares will be calculated as the average of the closing prices of the existing shares of the Company on the Stock Exchange for the 5 trading days prior to and including 30 December 2011. Full details of the Scrip Dividend Scheme will be set out in a circular which is expected to be sent to Shareholders together with a form of election on or around 10 January 2012. Dividend warrants and/or new share certificates will be posted on or around 10 February 2012.

## **CLOSURE OF REGISTER OF MEMBERS**

The Register of Members of the Company will be closed from Wednesday, 28 December 2011 to Friday, 30 December 2011, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for entitlement to the Interim Dividend, unregistered holders of shares of the Company should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the Company’s share registrar in Hong Kong, Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Friday, 23 December 2011.

## MANAGEMENT DISCUSSION AND ANALYSIS

### *Financial and Business Reviews*

#### **Financial review**

##### *1. Interim results*

During the period from 1 April 2011 to 30 September 2011 (“Interim Period 2012”), net profit attributable to owners of the Company was HK\$84 million, representing a decrease of 60% as compared with the same period of last financial year. The decline was mainly due to decrease in completion of property developments during the Interim Period 2012 and decrease in gain on fair value of investment property.

For the Interim Period 2012, consolidated revenue increased by 6% to HK\$827 million. Revenue of recurring income business (investment properties, hotel operation and car park operation) was HK\$790 million, representing approximately 96% of the consolidated revenue. Sale of property development was HK\$29 million, representing a decrease of 80% as compared with the same period of last financial year. The remaining revenue of approximately HK\$7 million was derived from treasury investment.

	<b>Interim Period 2012</b>	Interim Period 2011	<b>Growth</b>
	<b>Revenue</b>	Revenue	
<b>Recurring Income Business</b>	<b>HK\$ million</b>	HK\$ million	%
KHI	<b>499</b>	384	30%
Car parks	<b>259</b>	211	23%
Investment properties	<b>32</b>	30	7%
Total recurring income business	<b>790</b>	625	26%

Revenue of recurring income business grew by 26% to HK\$790 million. Revenue from Kosmopolito Hotels International Limited (“KHI”) reached HK\$499 million, representing an increase of 30% as compared with the same period of last financial year, due to increases in average room rate and occupancy rate during the Interim Period 2012. In addition, full period contribution from Cosmo Hotel Mongkok (opened in July 2010) and the opening of Dorsett Regency Hong Kong in June 2011 also contributed to the increase in revenue.

Car park revenue reached HK\$259 million, an increase of 23% during the Interim Period 2012. The increase was mainly due to the increase of number of car parking bays under our management and increase in foreign currency exchange rates. Investment property revenue grew by 7% and amounted to HK\$32 million.



The Group continued to maintain and manage a portfolio of residential, office and commercial investment properties, a wide array of car park properties and well-diversified hotel properties which constituted the major components of the earnings base and served as key growth drivers for the recurring income business of the Group.

The scheduled completion of property development throughout our core presences in Shanghai, Hong Kong, Australia and Malaysia is anticipated to deliver a strong performance in the coming years.

Gross profit for the Interim Period 2012 totaled HK\$392 million, representing an increase of approximately 5% from the same period of last financial year. Gross profit margin was maintained at a similar level at approximately 47.4% for the Interim Period 2012, whilst gross profit margin was recorded at 47.8% in the same period of last financial year. Gross profit margin of KHI for the Interim Period 2012 increased to 58% from 55% of the same period of last financial year. Gross profit margin of car park business for both Interim Periods 2011 and 2012 was maintained at 23%.

Administrative expenses included mainly selling and distribution expenses, staff costs for management and administrative personnel, and other operating expenses. Due to the increase in the number of operating hotels in Hong Kong and the number of car parking bays managed in Australia, administrative expenses for the Interim Period 2012 increased by 28% to HK\$224 million from the same period of last financial year.

Finance costs referred to cost of borrowings for hotel operations, car park management and investment properties business and interest cost of convertible bond issued in March 2010. For the Interim Period 2012, finance costs were HK\$87 million, representing an increase of 3% from the same period of last financial year. The increase was mainly due to an increase of interest costs for hotel operations and increase in foreign currency exchange rates on bank borrowings for overseas operations.

Gain on fair value of investment property for Interim Period 2012 was HK\$70 million, a decrease of HK\$125 million from the same period of last financial year. This decrease was one of the main reasons of decrease in net profit attributable to owners of the Company for the Interim Period 2012.

Income tax expenses for Interim Period 2012 decreased by 59% to HK\$28 million, compared with the same period of last financial year. The main reason was due to decrease in taxable profit related to sales of property development.

2. *Liquidity, financial resources and net gearing*

Borrowings and charge on Group assets

	<b>30.9.2011</b> <i>HK\$'000</i>	31.3.2011 <i>HK\$'000</i>
Bank and other loans	<b>5,299,212</b>	5,252,273
Convertible bond	<b>703,819</b>	716,785
Obligations under finance leases	<b>896</b>	558
	<b>6,003,927</b>	5,969,616
The above borrowings are repayable as follows:		
On demand or within one year	<b>2,234,957</b>	1,830,250
Amount due after one year	<b>3,768,970</b>	4,139,366
	<b>6,003,927</b>	5,969,616
Analysed as:		
Secured	<b>5,300,108</b>	5,252,831
Unsecured	<b>703,819</b>	716,785
	<b>6,003,927</b>	5,969,616
Net asset value, other than bank balances and cash	<b>5,393,328</b>	4,762,753
Bank balances and cash (current pledged deposits, restricted bank deposits, deposits with investment banks, bank balances and cash)	<b>1,518,096</b>	2,263,835
Equity attributable to owners of the Group	<b>6,911,424</b>	7,026,588
Hotel revaluation surplus as at 31 March 2011 (not recognised in consolidated statement of financial position)	<b>4,370,475</b>	4,370,475
	<b>11,281,899</b>	11,397,063
Net gearing ratio	<b>64.90%</b>	52.74%
Net gearing ratio (adjusted for hotel revaluation surplus)	<b>39.76%</b>	32.52%

As at 30 September 2011, the Group's borrowings (total bank loans, obligations under finance lease, convertible bond and derivative financial instruments) was approximately HK\$6.00 billion (31 March 2011: HK\$5.97 billion).

Bank balances and cash as at 30 September 2011 reached HK\$1.52 billion (31 March 2011: HK\$2.26 billion). The equity attributable to owners of the Group amounted to HK\$6.91 billion as at 30 September 2011 (31 March 2011: HK\$7.03 billion).

Fair value of hotel properties exceeding their carrying amount was approximately HK\$5.98 billion as at 31 March 2011, which was not recognized in the Group's consolidated statement of financial position. As at 30 September 2011, the Company owned 73.1% stake of KHI and therefore the unrecognized revaluation surplus was HK\$4.37 billion. Taking into account the revaluation surplus of the hotel properties, the net gearing ratio of the Group as at 30 September 2011 was 39.76% (31 March 2011: 32.52%).

To cope with the pace of property development, hotel property development pipeline and the potential exercise of put option by convertible bond holders in March 2012, the Group had sufficient financial resources and maintained a strong financial position to cater for the funding needs of its ordinary course of business and potential investment opportunities.

### 3. *Capital expenditure*

The Group currently has a number of hotel property development projects in Hong Kong, Singapore, Mainland China and United Kingdom. Capital expenditure for expansion of our hotel portfolio is expected to be approximately HK\$294 million for the second half of the financial year 2012.

The capital expenditure shall be financed with our existing financial resources, banking facility and funds generated from our business operation.

## **Business review**

### 1. *Property division*

Our property division includes property investment and property development.

Property investment is primarily comprised of retail shops and office buildings located in Shanghai, Hong Kong, Singapore, Melbourne and Malaysia. During the Interim Period 2012, valuation surplus of approximately HK\$70 million was recognised. As at 30 September 2011, valuation of the investment properties reached HK\$2.67 billion (31 March 2011: HK\$2.58 billion). During the Interim Period 2012, the Group's revenue and gross profit in relation to investment property reached HK\$32 million and HK\$17 million respectively.

During the Interim Period 2012, revenue from property development decreased by 80% to HK\$29 million. Gross profit decreased by 79% to HK\$20 million. The significant decrease in revenue and gross profit was mainly due to a decrease in the completion of property developments. However, our property developments in terms of presales and development program achieved significant progress in Australia, Shanghai and Hong Kong and projects in these regions are anticipated to deliver a strong performance in the coming years.

## Australia

One of our major property developments is Upper West Side which is located in the heart of Melbourne Central Business District. This is a residential development of approximately 1.3 million sq. ft. GFA, with 3,000 apartments to be completed in 4 stages. The development is expected to contribute revenues in the coming 3 to 4 years. Stage 1 of 700 apartments with approximately 400,000 sq. ft. GFA had been launched for pre-sale in July 2010. Completion of the stage is expected to be in the first half of financial year 2014. Stage 2 of 584 apartments with approximately 370,000 sq. ft. GFA had also been launched for presale in April 2011. Stage 2 completion is expected to be in financial year 2015. Up to 30 September 2011, presale value in respect of both stages 1 and 2 had reached HK\$3.5 billion. Currently stage 3 is under planning and design.

## Shanghai, Mainland China

Sale of properties in Shanghai California Garden will be one of the major sources of revenue contribution. Shanghai California Garden is a residential development currently consisting of approximately 5 million sq. ft. GFA for development for the coming 5 to 6 years. There is a diversified portfolio of residences including mid rise apartments, low rise apartments, high rise apartments and townhouses. Presale for 288 high rise apartments, amounting to approximately 230,000 sq. ft. GFA, will be launched in the second half of the financial year 2012. Expected completion of the 288 high rise apartments is in financial year 2013.

2 new phases consisting of approximately 1 million sq. ft. GFA in Shanghai California Garden is under construction. These 2 new phases consist of approximately 150 houses and 1,000 apartments. They are expected to be completed in financial year 2014 and financial year 2015 respectively.

## Hong Kong

The Group did not have significant sale of development properties during the Interim Period 2012. Existing developments including (i) No. 684, Clearwater Bay Road, Sai Kung, (ii) No. 1-11A, San Wai Street, Hunghom, (iii) No. 287-293, Sai Yeung Choi Street North, Sham Shui Po, and (iv) No. 90 -100 Hill Road, Pok Fu Lam, continued with significant progress.

### No. 684, Clearwater Bay Road, Sai Kung

Construction was completed in March 2011. This residential development had been launched for sale in the market. Total GFA of the development is 20,000 sq. ft.

### No. 1-11A, San Wai Street, Hunghom

Construction works had commenced during the Interim Period 2012. The project, named Star Ruby, is planned for presale in the second half of the financial year 2012. Total GFA of this development is approximately 66,000 sq. ft. Completion is expected to be in financial year 2014.

No. 287–293, Sai Yeung Choi Street North, Sham Shui Po

Earth works commenced during the Interim Period 2012. Presale is expected to be in financial year 2013. Completion is expected to be in financial year 2014. Total GFA of this residential development is approximately 39,000 sq. ft.

No. 90–100 Hill Road, Pok Fu Lam

Legal proceedings for acquisition of the entire development site through compulsory sale under Land (Compulsory Sale For Redevelopment) Ordinance, Chapter 545 of the Laws of Hong Kong is in final stage. This development is a residential development and still under planning stage.

2. *Kosmopolito Hotels International Limited (“KHI”)*

Revenue and gross profit for the Interim Period 2012 were HK\$499 million and HK\$289 million respectively, representing an increase of 30% and 36% respectively from the same period of last financial year. During the Interim Period 2012, RevPar increased by 24% to HK\$592. Occupancy rate and average room rate increased by 5% and 18% respectively from the same period of last financial year.

The fair value of our hotel portfolio exceeded its carrying amount by approximately HK\$5.98 billion based on valuation as at 31 March 2011. The valuation surplus has not been accounted for in the financial statements.

As at 30 September 2011, KHI operated 16 owned hotels (9 in Hong Kong, 5 in Malaysia and 2 in China) and 1 hotel under management contract (“The Mercer by Kosmopolito”) in Hong Kong. The Mercer by Kosmopolito had been owned by KHI and sold in March 2011 with the hotel management contract retained by KHI. It became our first hotel management contract starting from the Interim Period 2012. During the Interim Period 2012, “Dorsett Regency Hong Kong” in Kennedy Town was opened. It consists of 209 rooms. This hotel represents the 10th hotel in Hong Kong under operation by KHI. As at 30 September 2011, total number of hotel rooms under KHI management exceeded 4,000 rooms.

As at 30 September 2011, KHI had 6 hotels under development and planning (2 in Hong Kong, 2 in Mainland China, 1 in Singapore and 1 in London, United Kingdom), consisting of more than 2,300 rooms when completed. In Hong Kong, Dorsett Regency Kwun Tong and Dorsett Regency Tsuen Wan will be opened within the next 12 months and approximately 900 rooms will be added to our hotel portfolio. In Mainland China, 2 Dorsett Regency hotels in Chengdu and Zhongshan will be opened next year, consisting of approximately 1,000 rooms in total. Dorsett Regency “On New Bridge” in Singapore will add approximately 300 rooms to our hotel portfolio within the next 24 months. Hence, the total number of hotel rooms in Asia will increase to more than 2,000 rooms in next 24 months, representing an increase of more than 50%. Apart from this, a hotel project on the newly acquired development site in West London, expected to be completed in the year of 2014, will provide a new foothold for the Group in Europe.

The following table shows the operating data of our owned hotels during the interim period.

	<b>Six months ended</b>		
	<b>30 September</b>		
	<b>2011</b>	2010	<b>% of growth</b>
<b>Hong Kong</b>			
Occupancy rate	<b>95%</b>	89%	7%
Average room rate (HK\$)	<b>857</b>	709	21%
RevPAR (HK\$)	<b>813</b>	630	29%
Revenue (HK\$m)	<b>309</b>	211	46%
<b>Malaysia</b>			
Occupancy rate	<b>73%</b>	73%	0%
Average room rate (HK\$)	<b>505</b>	464	9%
RevPAR (HK\$)	<b>371</b>	340	9%
Revenue (HK\$m)	<b>143</b>	128	12%
<b>China</b>			
Occupancy rate	<b>50%</b>	53%	-6%
Average room rate (HK\$)	<b>587</b>	604	-3%
RevPAR (HK\$)	<b>294</b>	320	-8%
Revenue (HK\$m)	<b>47</b>	45	4%
<b>Group Total</b>			
Occupancy rate	<b>82%</b>	78%	5%
Average room rate (HK\$)	<b>726</b>	615	18%
RevPAR (HK\$)	<b>592</b>	479	24%
Revenue (HK\$m)	<b>499</b>	384	30%

### 3. *Car park division*

Revenue for the Interim Period 2012 was HK\$259 million, an increase of 23% from the same period of last financial year. Profit margins were maintained at the similar level of 23% for two Interim Periods 2012 and 2011. The division recorded a steady growth and will continue to contribute to the recurring income of the Group.

The car park division manages both third party owned car parks and self owned car parks located in Australia, New Zealand and Hartamas shopping mall in Kuala Lumpur in Malaysia. As at 30 September 2011, the total number of car parks under the management of our car park division reached approximately 250, representing more than 50,000 car parking bays. Of these, there were 20 self owned car parks consisting of approximately 5,600 car parking bays. The remaining car parks are operated under management contracts entered with third party car park owners which include local governments, shopping malls, retailers, universities, airport, hotels, hospitals, government departments and commercial and office buildings.

## Contingent Liabilities

The Group has given guarantees in respect of mortgage loans provided to the home buyers of the Group's properties in the PRC. As at 30 September 2011, total amount of mortgage loans outstanding under guarantee was HK\$126,537,000 (31 March 2011: HK\$123,426,000). The directors of the Company considered that the fair values of these financial guarantee contracts at their initial recognition are insignificant on the basis of short maturity periods and low default rate of mortgage loans.

During the financial year ended 31 March 2010, a subsidiary of the Company initiated a law suit against a contractor for unsatisfactory performance in relation to the construction of a hotel for an amount of HK\$14,735,000. In response to the claim, the contractor has filed counterclaims against the subsidiary for an amount of HK\$25,841,000. The trial will be commenced on 30 July 2012 with 10 days reserved. In the opinion of the directors of the Company, there is a fair chance of winning the lawsuit after consulting with the lawyer. Accordingly, no provision for potential liability has been made in the consolidated financial statements.

## Commitments

	<b>As at 30.9.2011 HK\$'000</b>	As at 31.3.2011 HK\$'000
Capital expenditure contracted but not provided for in the interim financial information in respect of:		
Acquisition, development and refurbishment of hotel properties	<b>599,955</b>	595,557
Others	<b>3,249</b>	1,528
	<b>603,204</b>	597,085
Capital expenditure authorised but not contracted for in respect of:		
Development and refurbishment of hotel properties	<b>26,752</b>	28,177
Development and refurbishment of investment properties under development	<b>20,072</b>	22,933
	<b>46,824</b>	51,110
	<b>650,028</b>	648,195

## **SIGNIFICANT EVENTS**

### **1 A joint venture between KHI and Mayland Valiant for a property development at Subang, Malaysia**

A joint venture agreement dated 11 October 2011 was entered into between KHI and Mayland Valiant which is indirectly owned by the Company's Chairman and CEO, Tan Sri Dato' David CHIU, to develop two 17-storey high apartment blocks with approximately 1,989 units of hotel suite apartments and approximately 1,329 parking spaces. The total net floor area for the development is approximately 91,000 square metres.

The development site is on the outskirts of and occupied by the Grand Dorsett Subang Hotel in Malaysia. The development will not affect the existing operation of the Grand Dorsett Subang Hotel. The joint venture provides a good opportunity to develop the vacant land without the need for KHI to contribute any further capital towards its development. The development enables further enhancement of value of the asset. KHI provides the land for the development while Mayland Valiant provides the technical, commercial, financial management and property marketing and sales expertise and bears the development costs. Each of KHI and Mayland Valiant are entitled to sharing profit and loss on a 50:50 basis.

The value of the land is RM65,000,000 (equivalent to approximately HK\$162,500,000) as at 24 August 2011. Total development costs are expected to be approximately RM297,000,000 (equivalent to approximately HK\$742,500,000). The expected completion for the development will be in the year of 2016.

### **2 Agreement entered into for disposal of Central Park Hotel in Hong Kong owned by KHI**

On 7 September 2011, KHI entered into a Sale and Purchase Agreement with a third party for disposal of Central Park Hotel for a consideration of HK\$515 million. Completion shall take place on or before 7 December 2011. The disposal would provide a good opportunity for KHI to cash in one of its smaller assets and realise shareholder value. The hotel had been a commercial building, subsequently converted into a hotel. The hotel consists of 142 rooms. Upon completion of the disposal, both the Company and KHI are expected to record an attributable profit to shareholders of approximately HK\$270 million and HK\$370 million respectively.



### **3 Acquisition of a hotel site in London, United Kingdom**

On 11 August 2011, KHI entered into a Sale and Purchase Agreement with a third party vendor for an acquisition of a freehold property located at Shepherd's Bush, West London, United Kingdom for a consideration of GBP16,000,000 (equivalent to approximately HK\$202,400,000).

KHI acquired the property for redevelopment into a hotel. The site is located in the heart of Shepherd's Bush with an excellent transport and communications network, served by four underground stations, rail and within a 30-minute drive to Heathrow Airport. The property has permission for construction of a 242-bedroom hotel. KHI is currently considering submission of applications for variation of the existing approvals with the objective of maximising the financial returns and strategic value of the investment.

United Kingdom, particularly London, has become one of the most popular destinations to Mainland Chinese outbound travelers. The acquisition enables KHI to establish its hotel networking in the United Kingdom and capture the growth of Chinese tourism in the United Kingdom. The proposed hotel is expected to be opened as a Dorsett Regency Hotel in the year of 2014.

### **4 Presale value of property under development amounted to HK\$4 billion**

The Upper West Side in Melbourne, Australia is one of our major property developments. As at 30 September 2011, presale value of properties under both stages 1 and stage 2 had reached to HK\$3.5 billion, which represented a presale value of approximately 83% of these 2 stages of developments in aggregate. Both stages 1 and 2 will be completed in financial year 2014 and 2015 respectively. Another development of 68 apartments at Dorsett Regency "On New Bridge" hotel in Singapore was presold in 2010 through KHI amounted to approximately HK\$0.5 billion. The development is expected to be completed in financial year 2014.

## **PROSPECTS**

The macro economic environment is showing signs of weakness with credit market tightening. Despite this the Group's underlying business remains sound and the Group is cautiously optimistic about its business prospects.

Our property development business has a strong pipeline which is expected to drive its growth in the coming years. Presale value of properties under development of approximately HK\$4 billion (of which KHI accounted for HK\$0.5 billion) has been recorded as at 30 September 2011. Other presale plan in Shanghai and Hong Kong will shortly commence. We will continue to focus our future projects in the regions where we have an existing presence.

KHI has achieved a strong growth in room rates and occupancy rates during the Interim Period 2012. With a robust hotel development pipeline, the number of hotel rooms under KHI's management will increase by more than 50% over the next 2 years. In addition, KHI has strategically disposed of one of the smaller scale hotel properties to recycle the capital in larger assets. KHI will continue its growth in the several few years ahead.

With steady increase in the number of car park bays under management the car park business will continue to contribute to the Group with stable income and cash flow. This will further enhance the recurring income to the Group.

With a strong balance sheet supported by strong cash flow generated by its assets, the Group has secured a solid foundation and strong financing capacity for its future development. As a fast growing property player in Asia Pacific, the Group aims to expand its market share by capturing new business opportunities and through development of its pipeline.

## **EMPLOYEE AND REMUNERATION POLICIES**

The number of employees of the Group as at 30 September 2011 was approximately 2,300. The Group provides its employees with comprehensive benefit packages and career development opportunities, including medical benefits and both internal and external trainings appropriate to each individual's requirements.

## **CORPORATE GOVERNANCE**

### **Compliance with the Code on Corporate Governance Practice**

The Company has complied with the code provisions (the "Code Provisions") in the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange throughout the six months ended 30 September 2011, except for deviations from Code Provisions A.2.1 and A.4.1 of the CG Code described below.

Under 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. Following the retirement of Mr. Deacon Te Ken CHIU as an executive director and Chairman of the Board and the appointment of Tan Sri Dato' David CHIU as the Chairman of the Board, 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.

Under Code Provision A.4.1 of the CG Code, non-executive directors should be appointed for a specific term, subject to re-election. The non-executive directors of the Company are not appointed for a specific term of office. However, they are subject to retirement by rotation and Shareholders' re-election at annual general meetings in accordance with the Company's Articles of Association (the "Articles"). In the opinion of the Board, such provision in the Articles meets the objective of the said Code Provision A.4.1.

## **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. Peter Man Kong WONG has reviewed the unaudited consolidated interim results of the Group for the six months ended 30 September 2011.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 September 2011, the Company via its subsidiary, Singford Holdings Limited, purchased a total principal amount of HK27,000,000 of convertible bond of the Company (Stock Code: 4317) on the Stock Exchange and details of which are as follows:

<b>Month of Repurchase</b>	<b>Principal Amount Repurchased HK\$</b>
September 2011	27,000,000

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed shares during the period under review.

## PUBLICATION OF THE INTERIM RESULTS AND INTERIM REPORT

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

By Order of the Board  
**FAR EAST CONSORTIUM INTERNATIONAL LIMITED**  
**Boswell Wai Hung CHEUNG**  
*Chief Financial Officer and Company Secretary*

Hong Kong, 24 November 2011

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