鷹君集團有限公司

Great Eagle Holdings Limited

Incorporated in Bermuda with limited liability (Stock Code: 41)

於百慕達註冊成立之有限公司（股份代號：41）

INTERIM REPORT

中期報告

2015

GROUP PROFILE

The Great Eagle Group is one of Hong Kong's leading property companies; the Group also owns and manages an extensive international hotel portfolio branded under The "Langham" and its affiliate brands. Headquartered in Hong Kong, the Group develops, invests in and manages high quality residential, office, retail and hotel properties in Asia, North America, Australasia and Europe.

The Group's principal holdings include a 61.8% interest (as at 30 June 2015) in Champion Real Estate Investment Trust, and a 58.5% interest (as at 30 June 2015) in Langham Hospitality Investments and Langham Hospitality Investments Limited (LHI).

Champion Real Estate Investment Trust owns 1.64 million square feet of Grade-A commercial office space in Citibank Plaza in the central business district of Hong Kong, as well as the office tower and shopping mall of Langham Place comprising a total floor area of 1.29 million square feet in the prime shopping district of Mongkok, Kowloon. As for LHI, it owns three high quality hotels in the heart of Kowloon, the 498-room The Langham hotel in the prime shopping district of Tsimshatsui, the 666-room Langham Place hotel in the prime shopping area of Mongkok and connected to the Langham Place Office and Mall, and the 465-room Eaton hotel located on the busy arterial Nathan Road.

The Group's development projects include a luxury residential development project in Pak Shek Kok, Tai Po, Hong Kong, two development projects in San Francisco, U.S., and a hotel development project in Tokyo, Japan. Total investment costs for these projects are expected to be approximately HK$13,500 million.

The Group also owns a 49.6% equity stake in the U.S. Real Estate Fund, which invests in office properties and residential developments in the U.S. The Group's share of net asset value in the U.S. Real Estate Fund amounted to HK$1,737 million as at the end of June 2015. In addition, the Group is the asset manager of the U.S. Real Estate Fund with an 80% stake in the asset management company of the Fund.

The Group is also active in property management and maintenance services as well as building materials trading.

The Group's extensive international hotel portfolio currently comprises twenty luxury properties with more than 8,000 rooms, including sixteen luxury hotels branded under The Langham and Langham Place brands in the gateway cities of Hong Kong, London, New York, Chicago, Boston, Los Angeles, Sydney, Melbourne, Auckland, Shanghai, Beijing, Shenzhen, Guangzhou, Ningbo and Xiamen; three Eaton hotels in Washington D.C., Hong Kong and New Delhi; and the Chelsea hotel in Toronto. All the hotels are managed by Langham Hotels International Limited, which is a wholly-owned subsidiary of Great Eagle.

The Group was founded in 1963 with The Great Eagle Company, Limited as its holding company, shares of which were listed on the Hong Kong Stock Exchange in 1972. The Group underwent a re-organisation in 1990 and Great Eagle Holdings Limited, a Bermuda-registered company, became the listed company of the Group in place of The Great Eagle Company, Limited.

The Group had a core profit after tax of approximately HK$1,919 million in the financial year 2014 and a net asset value (based on share of net assets of Champion Real Estate Investment Trust and LHI) of approximately HK$61 billion as of 30 June 2015.

CONTENTS

CORPORATE INFORMATION

DIRECTORS

LO Ka Shui *(Chairman and Managing Director)*
LO Kai Shui *(Deputy Managing Director)*
LO TO Lee Kwan#
CHENG Hoi Chuen, Vincent*
WONG Yue Chim, Richard*
LEE Pui Ling, Angelina*
ZHU Qi*
LO Hong Sui, Antony
LAW Wai Duen
LO Hong Sui, Vincent#
LO Ying Sui#
KAN Tak Kwong *(General Manager)*

Non-executive Directors
* Independent Non-executive Directors

AUDIT COMMITTEE

CHENG Hoi Chuen, Vincent *(Chairman)*
WONG Yue Chim, Richard
LEE Pui Ling, Angelina
ZHU Qi

REMUNERATION COMMITTEE

LEE Pui Ling, Angelina *(Chairman)*
CHENG Hoi Chuen, Vincent
WONG Yue Chim, Richard

NOMINATION COMMITTEE

WONG Yue Chim, Richard *(Chairman)*
CHENG Hoi Chuen, Vincent
LEE Pui Ling, Angelina

FINANCE COMMITTEE

LO Ka Shui *(Chairman)*
LO Kai Shui
KAN Tak Kwong

COMPANY SECRETARY

WONG Mei Ling, Marina

AUDITOR

Deloitte Touche Tohmatsu

LEGAL ADVISORS

Appleby
Clifford Chance
Dentons US LLP
Mayer Brown JSM
Shartsis Friese LLP

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DIVIDEND NOTICE AND KEY DATES

INTERIM DIVIDEND

The Board of Directors of the Company has resolved to declare an interim dividend of HK27 cents per share (2014: HK27 cents per share) for the six months ended 30 June 2015 (the "2015 Interim Dividend"), payable on 16 October 2015 to the Shareholders whose names appear on the Registers of Members of the Company on Wednesday, 7 October 2015.

CLOSURE OF REGISTERS OF MEMBERS

The Registers of Members of the Company will be closed from Friday, 2 October 2015 to Wednesday, 7 October 2015, both days inclusive, during which period no transfer of shares will be registered.

In order to qualify for the 2015 Interim Dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong for registration not later than 4:30 p.m. on Wednesday, 30 September 2015.

KEY DATES

2015 Interim Results Announcement	:	20 August 2015
Ex-dividend Date	:	29 September 2015
Closure of Registers of Members	:	2 October 2015 – 7 October 2015 *(both days inclusive)*
Record Date for 2015 Interim Dividend	:	7 October 2015
Payment of 2015 Interim Dividend	:	16 October 2015

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		
	2015 HK$ million	2014 HK$ million	Change
Key Financials on Income Statement			
Based on core business[1]			
Revenue based on core business	**2,685.3**	2,695.6	-0.4%
Core profit after tax attributable to equity holders	**838.1**	965.5	-13.2%
Core profit after tax attributable to equity holders (per share)	**HK$1.26**	HK$1.47	
Based on statutory accounting principles[2]			
Revenue based on statutory accounting principles	**3,982.4**	3,949.2	0.8%
Statutory Profit attributable to equity holders	**1,465.9**	472.8	210.0%
Interim Dividend (per share)	**HK$0.27**	HK$0.27	

1 On the basis of core business, figures excluded fair value changes relating to the Group's investment properties and financial assets, and were based on attributable distribution income from Champion REIT, Langham Hospitality Investments and Langham Hospitality Investments Limited (LHI) and the U.S. Real Estate Fund (U.S. Fund), as well as realised gains on financial assets. The management's discussion and analysis focuses on the core profit of the Group.

2 Financial figures prepared under the statutory accounting principles were based on applicable accounting standards, which included fair value changes and had consolidated financial figures of Champion REIT, LHI and the U.S. Fund.

	As at the end of	
	June 2015	December 2014
Key Financials on Balance Sheet		
Based on share of Net Assets of Champion REIT, LHI and the U.S. Fund (core balance sheet)[1]		
Net gearing	**Net Cash**	Net Cash
Book value (per share)	**HK$91.1**	HK$90.5
Based on statutory accounting principles[2]		
Net gearing	**35.6%**	34.6%
Book value (per share)	**HK$79.7**	HK$78.9

1 The Group's core balance sheet is derived from our share of net assets of LHI. As the hotels owned by LHI are classified as investment properties, the values of these hotels were marked to market. More details about the balance sheet derived from our share of net assets in Champion REIT, LHI and the U.S. Fund are on page 7.

2 As for the Group's balance sheet prepared under the statutory accounting principles, the entire debts of Champion REIT, LHI and the U.S. Fund were consolidated in aggregate. However, the Group only owns a 61.8%, 58.5% and 49.6% equity stake of Champion REIT, LHI and the U.S. Fund respectively as at the end of June 2015.

CORE PROFIT – FINANCIAL FIGURES BASED ON CORE BUSINESS

	Six months ended 30 June		
	2015 HK$ million	2014 HK$ million	Change
Revenue from core business			
Gross Rental Income	**116.2**	217.1	-46.5%
Hotels Division	**1,702.2**	1,595.9	6.7%
Management Fee Income from Champion REIT	**140.2**	157.8	-11.2%
Distribution Income from Champion REIT^	**339.9**	363.2	-6.4%
Distribution Income from LHI^	**127.3**	148.4	-14.2%
Other operations	**259.5**	213.2	21.7%
	2,685.3	2,695.6	-0.4%
Net Rental Income	**85.6**	134.3	-36.3%
Hotel EBITDA	**197.9**	202.9	-2.5%
Management Fee Income from Champion REIT	**140.3**	157.8	-11.1%
Distribution Income from Champion REIT^	**339.9**	363.2	-6.4%
Distribution Income from LHI^	**127.3**	148.4	-14.2%
Operating income from other operations	**104.7**	94.9	10.3%
Operating Income from core business	**995.7**	1,101.5	-9.6%
Depreciation	**(73.7)**	(71.1)	3.7%
Administrative and other expenses	**(163.5)**	(145.5)	12.4%
Other income (including gains on securities)	**83.6**	47.3	76.7%
Interest income	**137.7**	171.4	-19.7%
Finance costs	**(93.1)**	(81.5)	14.2%
Share of results of associates	**(3.7)**	10.4	-135.6%
Share of results of a Joint Venture	**(8.9)**	(19.0)	-53.2%
Core profit before tax	**874.1**	1,013.5	-13.8%
Taxes	**(34.4)**	(46.8)	-26.5%
Core profit after tax	**839.7**	966.7	-13.1%
Non-controlling interest	**(1.6)**	(1.2)	33.3%
Core profit attributable to equity holders	**838.1**	965.5	-13.2%

^ Under the Group's statutory profit, interim results of Champion REIT, LHI and the U.S. Fund are consolidated on the Group's income statement. However, the Group's core profit is based on attributable distribution income from Champion REIT, LHI and the U.S. Fund.

SEGMENT ASSETS AND LIABILITIES (BASED ON NET ASSETS OF CHAMPION REIT, LHI AND THE U.S. FUND)

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

30 June 2015

	Assets HK$ million	Liabilities HK$ million	Net Assets HK$ million
Great Eagle operations[1]	**30,194**	**7,060**	**23,134**
Champion REIT[2]	**39,992**	**10,447**	**29,545**
LHI[2]	**10,274**	**4,127**	**6,147**
The U.S. Fund[3]	**2,579**	**842**	**1,737**
	83,039	**22,476**	**60,563**

31 December 2014

	Assets HK$ million	Liabilities HK$ million	Net Assets HK$ million
Great Eagle operations[1]	31,742	8,293	23,449
Champion REIT[2]	39,239	10,357	28,882
LHI[2]	10,308	4,088	6,220
The U.S. Fund[3]	1,043	255	788
	82,332	22,993	59,339

1 Included in the assets and liabilities are cash of HK$5,984 million (31 December 2014: HK$7,766 million) and principal debts of HK$4,919 million (31 December 2014: HK$6,090 million), representing net cash of HK$1,065 million as at 30 June 2015 (31 December 2014: net cash of HK$1,676 million).

2 Assets and liabilities of Champion REIT and LHI are based on published results of Champion REIT and LHI, excluding distribution payable attributable from Champion REIT of HK$340 million (31 December 2014: HK$354 million), at the respective interests held by Great Eagle Holdings Limited, being 61.8% and 58.5% (31 December 2014: 61.7% and 58.2%), respectively. Additionally, the assets of LHI include the hotel properties' appraised value of HK$17,000 million as at 30 June 2015 (31 December 2014: HK$17,000 million). Such hotel properties have a carrying amount (at cost less accumulated depreciation) of HK$4,187 million as at 30 June 2015 (31 December 2014: HK$4,191 million) as recognised in the Group's condensed consolidated statement of financial position.

3 Assets and liabilities of the U.S. Fund is based on results of the Fund at 49.6% interest held by Great Eagle Holdings Limited.

FINANCIAL FIGURES BASED ON STATUTORY ACCOUNTING PRINCIPLES

	Six months ended 30 June		
	2015 HK$ million	2014 HK$ million	Change
Revenue based on statutory accounting principles			
Gross Rental Income	**116.2**	217.1	-46.5%
Hotels Division	**2,408.5**	2,375.0	1.4%
Management Fee Income from Champion REIT	**140.2**	157.8	-11.2%
Other operations	**259.5**	213.2	21.7%
Hotel Management fee Income from LHI	**32.1**	37.1	-13.5%
Gross Rental income of Champion REIT	**1,110.4**	1,155.0	-3.9%
Gross Rental income of LHI	**323.2**	368.3	-12.2%
Gross Rental income of the U.S. Fund	**111.6**	–	n.a.
Elimination on Intra-Group transactions	**(519.3)**	(574.3)	-9.6%
Consolidated total revenue	**3,982.4**	3,949.2	0.8%
Net Rental Income	**134.4**	134.3	0.1%
Hotel EBITDA	**466.7**	514.1	-9.2%
Net Rental income from Champion REIT	**902.0**	954.5	-5.5%
Operating income from other operations	**92.9**	100.7	-7.7%
Operating Income	**1,596.0**	1,703.6	-6.3%
Depreciation	**(282.0)**	(240.5)	17.3%
Fair value changes on Investment properties	**1,412.0**	(143.8)	n.a.
Fair value changes on Derivative Financial Instruments	**(2.8)**	0.2	n.a.
Fair value changes of financial assets designated at fair value through profit or loss	**0.1**	(0.1)	n.a.
Gain on repurchase of medium term notes	**2.3**	–	n.a.
Administrative and other expenses	**(246.3)**	(324.2)	-24.0%
Other income (including Interest income)	**231.8**	192.9	20.2%
Finance costs	**(354.3)**	(302.7)	17.0%
Share of results of associates	**(3.7)**	0.8	-562.5%
Share of results of a Joint Venture	**(8.9)**	(19.0)	-53.2%
Statutory profit before tax	**2,344.2**	867.2	170.3%
Taxes	**(190.4)**	(284.7)	-33.1%
Statutory profit after tax	**2,153.8**	582.5	269.8%
Non-controlling interest	**(89.4)**	(51.7)	72.9%
Non-controlling unitholders of Champion REIT	**(598.5)**	(58.0)	931.9%
Statutory profit attributable to equity holders	**1,465.9**	472.8	210.0%

OVERVIEW

The Group has continued to make positive progress with its strategy to expand its asset base and thus far into 2015, the Group has acquired two development projects in San Francisco, U.S. for a total of US$68.0 million, and has entered into an agreement to acquire a hotel development site in Tokyo, Japan for JPY22.2 billion. While these cities possess exceptionally strong demand-side fundamentals, land supply is extremely constrained and very few investment opportunities arise, especially in prime areas which could anchor our hotel brands. Therefore, the Group is pleased to execute these projects, which will enable our brands to build market shares in these highly sought-after cities.

The site in Tokyo with a gross floor area of approximately 350,000 sq. ft. is situated in the Roppongi district, and has been earmarked for the development of a 270-key luxury Langham Place hotel. Construction on the site is expected to start in late 2016, as the completion of the acquisition will occur towards the end of this year. Of the two projects located in the heart of downtown San Francisco, one of which is a lifestyle Eaton hotel project with 150 keys and the other is a mixed-use development project comprising of approximately 21,000 sq. ft. of residential development for sale and a 220-key luxury Langham hotel. Although the acquisitions of the two San Francisco projects are already completed, constructions will not commence until the development rights are granted by the town's planning department, which will likely take one to two years.

We are currently working on the design and layout for all of these projects, and construction works for each project are expected to take three to four years to complete, and therefore soft openings of the hotels are slated for 2018/2019 onwards. We expect the expansion of the "Langham" and "Eaton" brands to these gateway cities will strengthen our brands and raise our prestige as a global luxury hotel company. In particular, our footprint will cover six of the top ten cities by gross domestic product in the U.S., which is one of the world's largest outbound travel markets.

Apart from growth through acquisitions, we also expanded our asset management business as we set up a U.S. Real Estate Fund last year and act as its key asset manager. Our joint venture partner has stepped up its investment in the Fund and has contributed a total of US$200 million as of the end of June 2015, which was US$50 million more than its initial capital commitment. Hopefully with more AUM (Assets Under Management), our share of asset management fee received from the U.S. Fund will increase accordingly.

As for the first half of 2015, revenue based on the core business of the Group reached HK$2,685 million, which was 0.4% lower than that of the corresponding period last year (1H 2014: HK$2,696 million). While majority of the Group's businesses witnessed a decline in revenue, such decline has been partially offset by higher revenue of the Hotels Division, attributable to an additional revenue contribution from The Langham, Xintiandi, which has become a wholly-owned hotel since December 2014, as well as increased revenue from The Langham, Chicago where operations have been ramped up.

The decline in gross rental income of the Group was due to the absence of rental contribution from the three U.S. office properties, after they have been transferred to the U.S. Real Estate Fund. The decline in revenue from distribution from LHI, which owns the Hong Kong hotels, was due to the deteriorated hotels performance amidst a drop in overnight tourist arrivals to Hong Kong. The decline in distribution from Champion REIT was a result of a higher office vacancy at Citibank Plaza.

Despite the higher revenue achieved by the Hotels Division, there was a small decline in the EBITDA of the Hotels Division in the first half of 2015. Although there was an increase in EBITDA from the overseas hotels combined, the increase was more than offset by the increased cost incurred as the lessee of LHI's hotels. The drop in hotel management fee income, which has higher margins, also contributed to the decline in EBITDA of the Hotels Division. As operating income from other major profit contributing divisions have also decreased, overall operating income from the core business dropped by 9.6% year-on-year to HK$995.7 million (1H 2014: HK$1,101 million) during the first half of 2015.

Administrative and other expenses was HK$163.5 million in the first half of 2015 (1H 2014: HK$145.5 million), mostly resulted from the increased headcount as the Group embarked on more development projects. In addition, increased professional fees were incurred given more projects have been examined. There was also a write-off of fixture and fitting amounting to HK$4.6 million (1H 2014: Nil) during the first half period.

Nonetheless, the Group has sold some of the shares held in the Group's securities portfolio during the first half period, which resulted in realised gains of HK$54 million and was included under the "other income" item. However, interest income fell by 19.7% year-on-year to HK$137.7 million (1H 2014: HK$171.4 million) in the first half period, which was a result of reduced interest income on currency-linked deposits. The Group has pulled back on these types of deposits in the first half period in view of the volatile markets. The remaining interest income, which accounted for the bulk of total interest income and were mostly derived from the Group's Renminbi deposits, remained at a similar level as compared with that booked in the same period last year. It should be noted that the Group has converted all of its unearmarked Renminbi balance back into Hong Kong dollars by the end of July 2015, which was before the devaluation of the Renminbi. As the related realised Renminbi translation losses were covered by the Renminbi exchange loss provision provided in the second half of 2014's results, no additional translation loss was required.

Interest expense also rose to HK$93.1 million (1H 2014: HK$81.5 million) in the first half of 2015. The increase was primarily due to an additional interest expense incurred upon consolidation of the debt of The Langham, Xintiandi hotel, which has become a wholly-owned company at the end of 2014. Share of losses of associates were HK$3.7 million (1H 2014: profit of HK$10.4 million), which was attributable to the absence of share of profit contribution from The Langham, Xintiandi, after it became a wholly-owned subsidiary and one of the associate investments, which is in the printing business, recorded a loss during the first half period. Loss of a joint venture reduced to HK$8.9 million (1H 2014: loss of HK$19.0 million) in the first half period, as less marketing and administrative expenses were incurred for the presale of the residential apartments in Dalian.

All-in-all, core profit after tax dropped by 13.1% year-on-year to HK$839.7 million in the first half of 2015 (1H 2014: HK$966.7 million), and profit attributable to equity holders dropped 13.2% year-on-year to HK$838.1 million in the first half of 2015 (1H 2014: HK$965.5 million).

HOTELS DIVISION

Hotels Performance

	Average Daily Rooms Available		Occupancy		Average Room Rate (local currency)		RevPar (local currency)	
	1H 2015	1H 2014	**1H 2015**	1H 2014	**1H 2015**	1H 2014	**1H 2015**	1H 2014
The Langham, Hong Kong	**472**	485	**81.8%**	88.0%	**2,204**	2,291	**1,802**	2,017
Langham Place, Hong Kong	**619**	650	**88.2%**	92.5%	**1,725**	1,871	**1,522**	1,731
Eaton, Hong Kong	**465**	465	**86.2%**	95.7%	**1,097**	1,178	**946**	1,127
The Langham, London	**344**	380	**77.3%**	78.5%	**261**	260	**202**	204
The Langham, Melbourne	**388**	388	**86.6%**	86.0%	**304**	282	**263**	242
The Langham, Auckland	**409**	409	**84.0%**	80.9%	**191**	175	**161**	141
The Langham, Sydney	**89**	96	**55.4%**	84.7%	**404**	297	**224**	252
The Langham, Boston	**318**	318	**82.0%**	77.6%	**258**	243	**212**	188
The Langham Huntington, Pasadena	**380**	380	**75.2%**	79.0%	**256**	242	**192**	191
The Langham, Chicago	**316**	313	**65.1%**	51.7%	**332**	301	**216**	155
Chelsea Hotel, Toronto	**1,590**	1,590	**61.2%**	65.9%	**132**	126	**80**	83
Langham Place, Fifth Avenue, New York	**214**	214	**74.5%**	78.8%	**506**	487	**377**	383
The Langham, Xintiandi, Shanghai*	**357**	356	**69.4%**	65.6%	**1,776**	1,664	**1,233**	1,092

* The hotel became wholly owned on 11 December 2014, but operating statistic covered operation from 1 January to 30 June 2014.

		Six months ended 30 June		
		2015 HK$ million	2014 HK$ million	Change
Hotel Revenue				
Overseas Hotels	– Europe	**236.0**	272.1	-13.3%
	– North America	**861.8**	826.0	4.3%
	– Australia/New Zealand	**364.7**	414.2	-12.0%
	– China	**170.3**	–	n.a.
Others (including hotel management income)		**69.4**	83.6	-17.0%
Total Hotel Revenue		**1,702.2**	1,595.9	6.7%
Hotel EBITDA				
Overseas Hotels	– Europe	**35.9**	55.4	-35.2%
	– North America	**37.6**	21.2	77.4%
	– Australia/New Zealand	**47.8**	63.2	-24.4%
	– China	**48.0**	–	n.a.
Others (including hotel management income)		**28.6**	63.1	-54.7%
Total Hotel EBITDA		**197.9**	202.9	-2.5%

Revenue of the Hotels Division, which comprised of ten wholly-owned overseas hotels, and other Hotels Division related businesses such as hotel management income, rose by 6.7% year-on-year to HK$1,702.2 million during the first half of 2015. The increase was primarily due to the additional revenue contribution from The Langham, Xintiandi, which became a wholly-owned hotel in December 2014. Whereas in the first half of prior year, the Group only owned a one-third stake in The Langham, Xintiandi hotel, and only our share of its results was captured under the 'share of results of associates'. Improved revenue at The Langham, Chicago, thanks to its ramped up operations, also helped boosting the revenue of the Hotels Division. It should be noted that the hotel in downtown Washington, D.C., U.S. is still undergoing renovation and will continue to be closed for the remainder of 2015.

In North America, except for the Chelsea Hotel, Toronto and the Langham Place, Fifth Avenue, New York which witnessed a small percentage drop in RevPAR, all of the other existing hotels achieved a RevPAR growth in the first half of 2015. While renovation works affected business at the Chelsea Hotel in Toronto, the performance of the Langham Place, Fifth Avenue, New York was negatively impacted by an increase in the supply of hotel rooms in New York. The improvement in the EBITDA of the North America portfolio in the first half of 2015 was primarily due to the better performance at The Langham, Chicago, which turned a profit after operations have been ramped up.

Hotels in Australasia performed well in local currency terms, although the growth had been translated into a decline in revenue in Hong Kong dollar terms. However, before the impact of foreign currency translation, there was a decline in EBITDA of the Australasia portfolio, which was attributable to a loss incurred by The Langham, Sydney, as some of the hotel's key facilities were not available until the later part of the first quarter of 2015, which negatively impacted the occupancy of the hotel.

In local currency terms, renovation work at The Langham, London also impacted the occupancy of the hotel. The decline in revenue and EBITDA of the hotel was further exacerbated by adverse currency translation. The hotel in Shanghai saw a recovery in demand and had witnessed an increase in both room rates and occupancy of the hotel.

Overall, EBITDA of the Hotels Division dropped by 2.5% year-on-year to HK$197.9 million in the first half of 2015. While EBITDA of the overseas hotels as a whole had increased, the growth was more than offset by an increased deficit incurred for acting as the lessee of LHI's hotels and reduced hotel management fee income.

As the lessee of LHI, the Group receives the income of LHI's hotels and in return pays rents to LHI. As there was a drop in income received from the hotels during the first half period, this led to a shortfall between the income and the rents paid to LHI. The shortfall or deficit incurred by the Group as the Lessee of LHI's hotels was included in "others" under breakdown of the Hotels Division.

Hotel management fee income also declined during the first half period, which was due to a lower hotel management fee received from LHI, and the absence of management fee income from The Langham, Xintiandi, as it has become a wholly-owned hotel in December 2014 and hotel managed fee received from The Langham, Xintiandi was eliminated after intra-Group eliminations. Given the management fee income commanded higher margins, this has also contributed to the drop in EBITDA of the Hotels Division.

After the spinoff of the Hong Kong hotels, the financial returns on the Group's 58.5% equity stake in the three hotels in Hong Kong were reflected through our investment in LHI, under the section "Investment in LHI". Performances of the Hong Kong hotels below were extracted from the 2015 interim results announcement of Langham Hospitality Investments relating to the performance of the Trust Group's properties.

HONG KONG HOTELS

The Langham, Hong Kong

For The Langham, Hong Kong, arrivals from Mainland China managed to sustain and remain flat in the first half of 2015, as compared with that in the same period last year. However, arrivals fell for almost all of the other key markets, including arrivals from other Asian countries, Australia, Europe and the U.S. While the rate of decline for arrivals from the U.S. was a modest one, the decline was much more severe for arrivals from other countries, especially arrivals from Australia and Europe. Revenue from food and beverage rose by 2.8% year-on-year in the first six months of 2015. The increase was fuelled by stronger banqueting business, as well as pick-up in business from the Chinese restaurant.

For the first six months ended June 2015, the hotel achieved an average occupancy of 81.8% on an average of 472 rooms (1H 2014: 88% on an average of 485 rooms) and an average room rate of HK$2,204 (1H 2014: HK$2,291).

Langham Place, Hong Kong

At Langham Place, Hong Kong, business started on a negative note, as room bookings in the early part of 2015 were already negatively impacted by the lagged effect of the "Occupy Central" protests. As such, the hotel started to build up business from the lower yielding aircrew travellers earlier during the year, and there was a 13.4% year-on-year growth in arrivals from this group. The hotel also saw an increase in arrivals from Mainland China, which was up by 4.3% year-on-year, but arrivals fell from all other key markets. Revenue from food and beverage dropped by 7.6% year-on-year for the first six months of 2015. The decline was largely due to the renovation at the all day dining restaurant, The Place, which was closed for 2 months in the first quarter of 2015, as well as a slowdown in the hotel's catering business.

For the first six months ended June 2015, the hotel achieved an average occupancy of 88.2% on an average of 619 rooms (1H 2014: 92.5% on an average of 650 rooms) and an average room rate of HK$1,725 (1H 2014: HK$1,871).

Eaton, Hong Kong

Eaton, Hong Kong, faced severe impact from weaker overnight tourist visitations from Mainland China, and the hotel witnessed a 33% year-on-year drop in arrivals from the Mainland China market in the first half of 2015. Even though there were increases in arrivals from some of the other key markets like Australia and the U.K., such increase was unable to offset the large decline in arrivals from Mainland China. Revenue from food and beverage rose by 3.5% year-on-year in the first six months of 2015. The growth was attributable to an increased number of guests with improved average spending in its catering business, as well as improvements from most of its restaurants.

For the first six months ended June 2015, the hotel achieved an average occupancy of 86.2% (1H 2014: 95.7%) and an average room rate of HK$1,097 (1H 2014: HK$1,178).

OVERSEAS HOTELS

Year-on-year growths for the overseas hotels below refer to percentage growth in local currencies.

EUROPE

The Langham, London

The Langham, London saw increased higher yielding retail leisure travellers during the weekends, which helped the hotel to sustain average room rates in the first half of 2015. However, disruptions from the ongoing renovation at the hotel resulted in an overall lower occupancy. The refurbishment of the 47 rooms and Club Lounge was completed in the second quarter of 2015, whereas the renovation of the suites is scheduled to be finished in the third quarter of 2015. Revenue from food and beverage rose by 6% year-on-year during the first half of 2015, due to an improved business from the restaurants, which was partially offset by the slower catering business.

For the first six months ended June 2015, the hotel achieved occupancy of 77.3% on an average of 344 available rooms (1H 2014: 78.5% on an average of 380 available rooms) and an average room rate of £261 (1H 2014: £260).

NORTH AMERICA

The Langham, Boston

Given the increased number of conventions held in the city in the first half of 2015, The Langham, Boston strategically raised its room rates over the peak period, which helped the hotel to deliver an increase in average room rates during the first half period. Meanwhile, occupancy also improved. Revenue from food and beverage rose by 10% year-on-year during the first half of 2015, which was primarily due to an improvement in the catering business, as more corporate meetings and conference activities were held.

For the first six months ended June 2015, the hotel achieved average occupancy of 82% (1H 2014: 77.6%) and an average room rate of US$258 (1H 2014: US$243).

The Langham Huntington, Pasadena

The Langham Huntington, Pasadena saw a drop in corporate group business in the first half of 2015, but the hotel managed to accommodate more higher yielding retail travellers, which lifted average room rates for the hotel in the first half period. However, as the increase in the number of retail travellers was not enough to offset the slower corporate group business, occupancy for the hotel dropped in the first half of 2015. Revenue from food and beverage rose by 6% year-on-year during the first half of 2015, which was driven by the improved business at The Royce restaurant, as well as the improved catering business given more corporate meetings and events held.

For the first six months ended June 2015, the hotel achieved average occupancy of 75.2% (1H 2014: 79%) and an average rate of US$ 256 (1H 2014: US$242).

The Langham, Chicago

With a low base for comparison in the first half of 2014, when extreme weather conditions significantly impacted the business of The Langham, Chicago, the improvement in the first half of 2015 was very much across the board from both retail and corporate travellers. Occupancy for the hotel increased by 14 percentage points year-on-year, while average room rates also rose during the first half period, bringing RevPAR of the hotel up 40% year-on-year in the first half of 2015. Compared with a loss incurred in the same period last year, the hotel turned a profit in the first half of 2015. Revenue from food and beverage rose by 20% year-on-year during the first half of 2015, the increase was also across the board coming from improvement in catering and restaurant business.

For the first six months ended June 2015, the hotel achieved average occupancy of 65.1% on an average of 316 rooms (1H 2014: 51.7% on an average of 313 rooms) and an average rate of US$332 (1H 2014: US$301).

Langham Place, Fifth Avenue, New York

Operating environment for the hotel became more challenging as there was an increase in the number of hotel rooms in the city. Nonetheless, the hotel managed to accommodate more high-yielding leisure travellers during the weekends, which helped lifting average room rates of the hotel. As a result, average room rates was up 4% year-on-year in the first half of 2015, while occupancy of the hotel dropped in the first half of 2015.

Revenue from food and beverage for the hotel, which only comprised of revenue from the lounge on the ground floor and catering business from its meeting and convention facilities, declined by 5% year-on-year in the first half period. The decline was due to the slower business from the lounge, as well as a reduction in catering business following the temporary closure of the banquet facilities. The banquet facilities were undergoing renovation since the end of May 2015, which is expected to complete by the end of August 2015.

For the first six months ended June 2015, the hotel achieved average occupancy of 74.5% (1H 2014: 78.8%) and an average rate of US$506 (1H 2014: US$487).

Chelsea Hotel, Toronto (Rebranded from Eaton Chelsea on 1 January 2015)

Benefitted from an increased higher yielding retail and corporate group business during the first half of 2015, the hotel managed to deliver a growth in average room rate over the period. However, given that almost half of the rooms of the hotel were undergoing soft renovation during the first half of 2015 since the fourth quarter of last year, occupancy of the hotel has been negatively impacted. Revenue from food and beverage only held steady in the first half of 2015 as compared with the corresponding period last year. While the hotel witnessed an improvement in contribution from banqueting and majority of the restaurants, this increase was offset by the declined revenue from the Bistro restaurant, which was closed for renovation in first quarter of this year.

For the first six months ended June 2015, the hotel achieved average occupancy of 61.2% (1H 2014: 65.9%) and an average rate of C$132 (1H 2014: C$126).

AUSTRALIA/NEW ZEALAND

The Langham, Melbourne

With several high profile events in the city, the increase in demand for hotel rooms allowed the hotel to hike room rates over the first half of 2015, and average room rates rose in the first half of 2015. A generally steady demand throughout the first half also allowed the hotel to maintain its occupancy during the first half period. Revenue from food and beverage was flat as compared with the same period a year ago, as growth in the restaurants was offset by soft catering business during the first half period.

For the first six months ended June 2015, the hotel achieved occupancy of 86.6% (1H 2014: 86%) and an average rate of A$304 (1H 2014: A$282).

The Langham, Sydney

Although The Langham, Sydney reopened since December last year after it was closed for a major renovation, some of the hotel's key facilities were not available until the later part of the first quarter of 2015. As a result, the occupancy of the hotel was negatively impacted and was at 55% in the first half of 2015. On a positive note, the re-launch of the renovated rooms have been very well received by the market, and this allowed the hotel to achieve a 36% year-on-year growth in average room rates in the first half of 2015. Revenue from food and beverage revenue has gained momentum in the second quarter of 2015 with improved business in catering and at some of the restaurants.

For the first six months ended June 2015, the hotel achieved occupancy of 55.4% on an average of 89 available rooms (1H 2014: 84.7% on an average of 96 available rooms) and an average rate of A$404 (1H 2014: A$297).

The Langham, Auckland

The hotel managed to raise room rates as there were major events hosted in the city during the first half period, resulted in higher average room rates for the hotel in the first half of 2015. There was also a decent demand for rooms from the corporate and group segments, which boosted the hotel's occupancy during the first half period. Revenue from food and beverage was marginally lower than that in the same period a year ago. While most of the restaurants delivered revenue growths, there was a reduction in revenue from the SPE restaurant, which has been closed for conversion to meeting rooms. Revenue from catering business was also impacted by the renovation of the function room in the first quarter of this year.

For the first six months ended June 2015, the hotel achieved occupancy of 84% (1H 2014: 80.9%) and an average rate of NZ$191 (1H 2014: NZ$175).

CHINA

The Langham, Xintiandi, Shanghai (became a wholly-owned hotel in December 2014)

Compared with a tough operating environment in Shanghai's hotel market last year, such environment has certainly been improved in the first half of 2015. The Langham, Xintiandi, benefited from an increased demand from both leisure and corporate travellers, and the hotel managed to raise its average room rates during the first half of 2015, while occupancy also rose in the same period. Revenue from food and beverage rose by 4% year-on-year during the first half period, which was driven by banqueting and catering business, as more corporate meetings and conferences were held.

For the first six months ended June 2015, the hotel achieved occupancy of 69.4% (1H 2014: 65.6%) and an average rate of ¥1,776 (1H 2014: ¥1,664).

HOTEL MANAGEMENT BUSINESS

As at the end of June 2015, there are six hotels with approximately 2,000 rooms in our management portfolio. It should be noted that The Langham, Xintiandi hotel has been excluded in calculating the number of hotels in our management portfolio, as the hotel became wholly owned by the Group since 11 December 2014, and was no longer classified as a managed hotel.

ASSET ACQUISITIONS

Hotel in Washington D.C., USA

In July 2014, the Group completed the acquisition of a 265-key hotel in Washington, D.C., USA for US$72 million. The hotel is located in the heart of downtown Washington in the proximity of the White House. The hotel has been closed since 15 December 2014 for a major renovation and will reopen as a brand new 260-key "Eaton" hotel. The Eaton brand is the Group's revamped lifestyle brand that focuses on younger and more socially oriented travellers. Currently, the development team is working on the mock-up for the guest rooms, once the layout and design for the guest rooms have been confirmed, refurbishment and fit-out works will follow. The hotel is expected to open in the autumn of 2016.

Hotels in Shanghai, China

In August 2014, the Group entered into agreements to acquire interests in two hotels in Shanghai. Of these hotels, the Group has completed the acquisition of the remaining two-third interest in The Langham, Xintiandi, Shanghai that the Group did not previously own in December 2014. With regard to the acquisition of the full interest in the HUB hotel, which is directly connected to Hongqiao's infrastructure hub, acquisition was completed in the first half of 2015. The Group also took possession of the bare-shell hotel during the first half period and is currently working on the mock-up for the guest rooms. After the layout and design for the guest rooms have been confirmed, fit-out works will follow and opening of the hotel is expected to be in late 2016/early 2017.

These acquisitions will further increase the awareness of our hotel brands and enhance their positioning as leading international hotel brands.

DEVELOPMENT PROJECTS

Pak Shek Kok Residential Development Project

In May 2014, the Group successfully won the tender of a prime residential site with a site area of 208,820 sq. ft. and a total gross floor area of 730,870 sq. ft. in Pak Shek Kok, Tai Po, Hong Kong. Based on the land cost of HK$2,412 million for the site, this translated to a price of HK$3,300 per sq. ft. The site commands unobstructed sea view of the Tolo Harbour and has been earmarked for a luxury residential development with 500 to 700 residential units. Preliminary works on design and layout are being carried out, and construction is expected to start in the second quarter of 2016. Total investment cost, including the HK$2,412 million paid for the site, is expected to be approximately HK$7,000 million.

Dalian Mixed-use Development Project

The project is located on Renmin Road in the East Harbour area of Zhongshan District, the CBD of Dalian, Liaoning Province. It has a total gross floor area of approximately 286,000 square metres and comprises 1,200 high-end apartments and a luxury hotel with approximately 360 rooms. The Group has a 50% equity interest in the project and acts as the project manager. As of the end of June 2015, the Group had invested HK$570 million for its stake in the project.

Pre-sales of the Phase 1 apartments had been slow since its launch in September 2013 due to the weak housing market in China. The recent recovery was uneven and concentrated in tier 1 cities, while the northeast region, including Dalian, had not seen significant improvement. A more aggressive pricing strategy for lower floors was launched in March 2015 to accelerate sales and generate better cash flow. By the end of June 2015 over 150 units had been sold at approximately RMB19,000 per square metre, with total sales proceeds approaching RMB400 million.

Note that the sales and profits on the presold apartments will not be booked in our income statement until handover, which is targeted for early 2016.

Tokyo Hotel Development Project

The Group has entered into an agreement to acquire a hotel development site situated in Minato, Tokyo for JPY22.2 billion in July 2015 and closing of this acquisition is expected to occur in late December 2015. The site with a gross floor area of approximately 350,000 sq. ft. is situated in the Roppongi district and is in close proximity to the landmark Roppongi Hills complex. We expect construction of the 270-key luxury Langham Place hotel will start in 2016 and the hotel is expected to open in early 2020. Total investment cost, including the JPY22.2 billion to be paid for the site, is expected to be approximately JPY50 billion.

San Francisco Hotel Development Project, 1125 Market Street

Acquisition of this site in San Francisco for US$19.8 million has been completed in May 2015. The land located on 1125 Market Street was the last remaining vacant lot in San Francisco's Central Market. The Central Market area has grown rapidly in recent years amid increasing interest from global technology companies such as Twitters, Uber and Dolby Labs. The site has been earmarked for the development of an "Eaton" hotel with a gross floor area of approximately 125,000 sq. ft. We expect the hotel will have about 150 rooms when completed and construction of the project will start after development right of the hotel is approved by the city's planning department. Assuming development approval has been granted in 2016, opening of the hotel is expected to be in late 2018. Total investment cost, including the US$19.8 million paid for the site, is expected to be approximately US$115 million.

San Francisco Hotel Development Projects, 555 Howard Street

555 Howard Street is a mixed-use development project located right across the new Transbay Transit Center, which is a US$4.5 billion transportation hub in the heart of San Francisco's emerging South of Market business district. The Group has completed the acquisition of this site with a gross floor area of approximately 410,000 sq. ft. for US$45.6 million in April 2015. The project is expected to comprise a 220-key luxury Langham hotel and approximately 210,000 sq. ft. of residential area for sale. Construction of the project will start once the development is approved by the city's planning department, which is expected to take two years. Total investment cost, including the US$45.6 million paid for the site, is expected to be approximately US$320 million.

INCOME FROM CHAMPION REIT

The Group's core profit is based on the attributable distribution income from Champion REIT in respect of the same financial period. On that basis, total income from Champion REIT in the first half of 2015 dropped by 7.9% year-on-year to HK$480.1 million. Given a drop in net property income of Champion REIT, the Group received lowered asset management income, together with lower agency commission income in the first half of 2015, overall management fee income from Champion REIT dropped 11.2% to HK$140.2 million in the first half of 2015. The attributable dividend income from Champion REIT dropped 6.4% year-on-year to HK$339.9 million.

	Six months ended 30 June		
	2015 HK$ million	2014 HK$ million	Change
Attributable Dividend income	**339.9**	363.2	-6.4%
Management fee income	**140.2**	157.8	-11.2%
Total income from Champion REIT	**480.1**	521.0	-7.9%

The following text was extracted from the 2015 interim results announcement of Champion REIT relating to the performance of the REIT's properties.

Citibank Plaza

Occupancy of Citibank Plaza office rebounded to 83.3% as at 30 June 2015 from 75.4% as at 31 December 2014 but was lower than 88.2% as at 30 June 2014. The passing office rent at Citibank Plaza as at 30 June 2015 also declined to HK$74.75 per sq. ft. (based on lettable floor area). Total revenue from Citibank Plaza, decreased by 15.6% to HK$518 million and net property income for the period dropped 18.2% to HK$402 million.

Langham Place Office Tower

The demand for Langham Place offices has continued from location-sensitive occupiers in the lifestyle, health and beauty segments for expansion and relocation. Total revenue from Langham Place Office was HK$173 million for the period, an increase of 8.8% as compared with HK$159 million for the same period last year. The average passing rents have increased to HK$36.21 per sq. ft. (based on gross floor area) as at 30 June 2015 from HK$35.87 per sq. ft. as at 31 December 2014. Net property income went up 12% to HK$141 million for the period.

Langham Place Mall

Due to its strategic location and consistently strong shopper traffic, there has been no abatement in the demand for shops in the Mall, giving the landlord considerable pricing power in lease negotiations. As a result, positive rental reversion has continued in the first half with passing base rents increasing to HK$166.65 per sq. ft. (based on lettable floor area) as at 30 June 2015 from HK$165.44 per sq. ft. as at 31 December 2014. However, the higher base-rent threshold coupled with a softening in the sales of tenants has held back the extra income from turnover rents, which for the period dropped moderately to HK$41.7 million (2014: HK$46.2 million). Total revenue from the Mall increased by 9.8% to HK$419 million for the period compared with HK$381 million in 2014. Net property income went up 10.5% from HK$303 million to HK$335 million.

INVESTMENT IN LHI

On statutory accounting basis, our investment in LHI is classified as a subsidiary, and its results are consolidated into the Group's statutory income statement. However, as LHI is principally focused on distributions, the Group's core profit will be derived from the attributable distribution income after the impact of dividend waived, as we believe this will better reflect the financial return and economic interest attributable to our investment in LHI. This entry is also consistent with our practice in accounting for returns from our investment in Champion REIT, which also focuses on distributions. In the first half of 2015, there was a marked deterioration in the performances of the Hong Kong hotels, and resulted a 14.2% year-on-year drop in distribution income from LHI. Distribution income from LHI was HK$127.3 million in the first half of 2015, compared with HK$148.4 million in the same period a year ago. The distribution has already taken into account a lower number of share stapled units with distributions waived in the first half of 2015.

In the first half of 2015, distribution entitlement in respect of our 100 million share stapled units held will be waived, which was down from 150 million share stapled units in the first half of 2014. The number of distribution waiver units will remain at 100 million share stapled units for the financial year 2016, and reduce to 50 million share stapled units for the financial year 2017, and all of our holdings will be entitled to receive distribution payable from 2018 onwards.

	Six months ended 30 June		
	2015 HK$ million	2014 HK$ million	Change
Attributable Distribution income	**127.3**	148.4	-14.2%

INVESTMENT PROPERTIES

	Six months ended 30 June		
	2015 HK$ million	2014 HK$ million	Change
Gross rental income			
Great Eagle Centre	**71.4**	69.8	2.3%
Eaton Serviced Apartments	**23.4**	24.7	-5.3%
United States Office Properties	**–**	109.1	n.a.
Others	**21.4**	13.5	58.5%
	116.2	217.1	-46.5%
Net rental income			
Great Eagle Centre	**62.6**	59.8	4.7%
Eaton Serviced Apartments	**14.1**	16.2	-13.0%
United States Office Properties	**–**	57.5	n.a.
Others	**8.9**	0.8	1012.5%
	85.6	134.3	-36.3%

Great Eagle Centre

With limited and mostly small size units available, there was a pick-up in office leasing activities at Great Eagle Centre during the first six months of 2015, and occupancy for the office portion rose by 2.3 percentage points to 97.5% as of June 2015 as compared with 95.2% as of June 2014. However, as spot rents at Great Eagle Centre were already at a high level and stood at only a small discount to office rents in Central, spot rents were flat during the first half of 2015. As a result, there was only a small growth in average passing rent for the leased office space at Great Eagle Centre, which raised from HK$63.8 per sq. ft. as of June 2014 to HK$64.2 per sq. ft. as of June 2015.

While the retail space accounted for a smaller portion of lettable floor area at Great Eagle Centre, it benefitted from positive rental reversion, which lifted retail average passing rent from HK$96.2 per sq. ft. as of June 2014 to HK$98.2 per sq. ft. as of June 2015. Overall, gross rental income for Great Eagle Centre increased by 2.3% to HK$71.4 million in the first half of 2015, while net rental income increased by 4.7% to HK$62.6 million. The higher growth achieved in net rental income was due to a higher cost base for comparison last year, as increased maintenance capital expenditure was incurred for the building during the first half of 2014.

	As at the end of		
	June 2015	June 2014	Change
Office (on lettable area)			
Occupancy	**97.5%**	95.2%	+2.3ppt
Average passing rent	**HK$64.2**	HK$63.8	+0.6%
Retail (on lettable area)			
Occupancy	**99.4%**	99.4%	–
Average passing rent	**HK$98.2**	HK$96.2	+3.1%

Eaton Serviced Apartments

Overall occupancy for the three serviced apartments dropped from 76.8% in the first half of 2014 to 70.4% in the first half of 2015. The decline was primarily due to a drop in occupancy at the serviced apartment at the Village Road property, given demand has been negatively impacted by the scaffolding and facelift works on the external walls of the building. To a lesser extent, occupancy also dropped at the Wanchai Gap Road property, given softer corporate demand during the first half period.

Average passing rent for the three serviced apartments dropped by 3.4% to HK$47.7 per sq. ft. on gross floor area in the first half of 2015, as compared with HK$49.4 per sq. ft. in the first half of 2014. Gross rental income dropped by 5.3% year-on-year to HK$23.4 million in the first half, but as more operating expenses have been incurred for the guesthouse operations at the Wanchai Gap Road property, net rental income dropped by 13.0% year-on-year to HK$14.1 million during the first half of 2015.

	Six months ended 30 June		
	2015	2014	Change
(on gross floor area)			
Occupancy	**70.4%**	76.8%	-6.4ppt
Average passing rent	**HK$47.7**	HK$49.4	-3.4%

United States Properties

After the transfer of the 500 Ygnacio, 353 Sacramento Street and 123 Mission Street office properties to the U.S. Real Estate Fund, 2700 Ygnacio was the only office property wholly owned by the Group in U.S. Given its small size and minimal contribution to the Group's overall income and balance sheet, discussion and analysis on this specific remaining property is not presented. Furthermore, gross and net rental income of the remaining property has been included in "others" under the Group's investment properties division.

U.S. Real Estate Fund

Last year, the Group established a U.S. Real Estate Fund targeting office and residential property investments in the United States with China Orient Asset Management (International) Holding Limited ("COAMCI"), and the Group acts as the fund's key asset manager with a 80% stake in the asset management company of the Fund.

Great Eagle injected three of its U.S. office properties to the Fund at primarily re-appraised market values, and the net asset values of which represent the Groups' equity investment in the Fund, whereas COAMCI has committed to invest US$150 million in the Fund at the outset. Up to the end of last year, COAMCI has paid US$101 million into the Fund, and contributed a further US$99 million to the Fund during the first half of this year, which brought their total capital injection to US$200 million as of the end of June 2015, US$50 million more than their initial commitment.

As at the end of June 2015, total net asset value of the Fund stood at US$453 million, which comprised of net asset value of the three transferred properties amounted to US$252 million, cost incurred thus far for a residential development project on 1545 Pine Street at US$21 million and cash of US$177 million. The Group's interest in the U.S. Fund was 49.6% as at the end of June 2015.

Given the Group has an equity stake in the U.S. Fund and acts as its asset manager, the financials of the U.S. Fund have been consolidated into the Group's financial statements under statutory accounting principles. Furthermore, asset manager fee earned by the Group has also been eliminated after intra-Group eliminations. However, one of the reasons that the Group had decided to set up the U.S. Fund was to expand on our management fee income. In order to reflect the growth in our management fee income, the Group will book its share of asset management fee income from the U.S. Fund under the Group's core profit.

As for the booking of return on our equity investment in the U.S. Fund, which is included in the Group's core profit, this will be based on the distribution received on our share of investment in the U.S. Fund, whereas our share of net asset in the U.S. Fund will be included in the Group's core balance sheet. Given the U.S. Fund is primarily focused on growth of its net asset and it also invests in development projects that does not generate recurring periodic income, we believe that the distribution, which is based on realised proceeds, fits most with our definition of core profit and appropriately reflects the return on our investment in the U.S. Fund.

Since the establishment of the U.S. Fund, apart from properties transferred by the Group, the Fund has completed an acquisition of a site at 1545 Pine Street, San Francisco for US$21 million in January 2015. The land is situated within walking distance to the traditional luxury residential neighbourhoods of Nob Hill and Pacific Heights. The site has been earmarked for a residential development with a gross floor area of approximately 135,000 sq. ft. comprising approximately 100 studio, and one- and two-bedroom residences. Total investment cost for the project, including the US$21 million paid for the site, is expected to be approximately US$83 million. As the development rights have already been granted for this project, excavation work is expected to start in mid-September 2015.

In the first half of 2015, the Group booked HK$11.0 million in asset management fee for our 80% stake in the asset management company of the U.S. Fund, which was included under "Other Operations" in profit from operations. There was no distribution income from the U.S. Fund during this period.

FINANCIAL REVIEW

DEBT

On statutory basis, after consolidating the results of Champion REIT, LHI and the U.S. Fund, the consolidated net debts of the Group as of 30 June 2015 was HK$18,835 million, an increase of HK$933 million compared with that as of 31 December 2014. The increase in reported net borrowings at the balance sheet date was mainly due to the acquisition of properties in China and the U.S.; and investment in bonds and notes, as partially offset by cash injection from an U.S. Fund investor.

Equity Attributable to Shareholders, based on professional valuation of the Group's investment properties as of 30 June 2015 and the depreciated costs of the Group's hotel properties (including Hong Kong hotel properties held by LHI), amounted to HK$52,971 million, representing an increase of HK$1,201 million compared to the value of HK$51,770 million as of 31 December 2014. The increase was mainly attributable to the profit for the period, increase in share premium due to additional shares issued and other reserves offset by dividend paid during the period.

For statutory accounting purpose, on consolidation the Group is treated as to include entire debts of Champion REIT, LHI and the U.S. Fund. Based on such statutorily reported consolidated net debts ("Reported Debts") and equity attributable to shareholders, the gearing ratio of the Group as at 30 June 2015 was 35.6%. However, since only 61.8%, 58.5% and 49.6% of the net debts of Champion REIT, LHI and the U.S. Fund respectively are attributable to the Group, and debts of these three subsidiary groups had no recourse to the Group, we consider it is more meaningful to account for the net debts based on sharing of net assets of those subsidiaries instead of Reported Debts, and the resulting net cash position is illustrated below.

Net debt (cash) at 30 June 2015	Consolidated HK$ million	Sharing of Net Assets* HK$ million
Great Eagle	(1,065)	(1,065)
Champion REIT	13,823	–
LHI	6,322	–
The U.S. Fund	(245)	–
Net debts (cash)	18,835	(1,065)
Equity Attributable to Shareholders of the Group	52,971	60,563
Gearing ratio as at 30 June 2015	35.6%	n/a

* Net debts/(cash) based on the sharing of net assets of the subsidiary groups.

Because of the persistent low interest rate environment and in order to enhance return to shareholders, as a normal treasury function the Group has been prudently investing in quality short-term bonds which are intended to be held to maturity, principal protected notes with reputable banks and financial institutions as counter-parties and selected quality equities. As at 30 June 2015, the market value of these bonds and notes amounted to HK$479 million and invested securities amounted to HK$650 million. Should these amounts be taken into account, the consolidated net borrowings and gearing ratio would be reduced to HK$17,706 million and 33.4% respectively. The net cash based on sharing of net assets of Champion REIT, LHI and the U.S. Fund would be correspondingly increased to HK$2,194 million.

The following analysis is based on the statutorily consolidated financial statements:

Indebtedness

Our gross debts (including medium term note) after consolidating Champion REIT, LHI and the U.S. Fund amounted to HK$27,810 million as of 30 June 2015. Foreign currency gross debts as of 30 June 2015 amounted to the equivalent of HK$8,017 million, of which the equivalent of HK$3,401 million or 42% was on fixed-rate basis.

Finance Cost

The net consolidated finance cost incurred during the year was HK$206 million. Overall interest cover at the reporting date was 7.1 times.

Liquidity and Debt Maturity Profile

As of 30 June 2015, our cash, bank deposits and undrawn loan facilities amounted to a total of HK$9,441 million. The majority of our loan facilities are secured by properties with sufficient value to loan coverage. The following is a profile of the maturity of our outstanding gross debts as of 30 June 2015:

Within 1 year	41.5%
1-2 years	15.1%
3-5 years	29.1%
Over 5 years	14.3%

Pledge of Assets

At 30 June 2015, properties of the Group with a total carrying value of approximately HK$61,121 million and RMB deposit with equivalent amount of HK$285 million were mortgaged or pledged to secure credit facilities granted to its subsidiaries.

Commitments and Contingent Liabilities

At 30 June 2015, the Group has authorised capital expenditure for investment properties and property, plant and equipment which is not provided for in these consolidated financial statements amounting to HK$1,570 million (31 December 2014: HK$931 million) of which HK$473 million (31 December 2014: HK$181 million) was contracted for.

At 30 June 2015, the Group has outstanding financial commitment in respect of capital injection to a joint venture of RMB25.8 million (equivalent to HK$33 million) (31 December 2014: RMB25.8 million) and cash commitment to the China Fund of US$65 million (equivalent to HK$504 million) (31 December 2014: US$90 million).

At 30 June 2015, the Group has outstanding commitments for the acquisition of underground and carpark portion of a hotel development project located at Minhang District, Shanghai, the PRC of RMB193 million (equivalent to HK$241 million) (31 December 2014: RMB869 million).

On 31 July 2015, the Group entered into two purchase and sale agreements for the acquisition of properties in Tokyo, Japan at total consideration of JPY22.2 billion (equivalent to HK$1,378 million). Deposit of JPY2.2 billion (equivalent to HK$138 million) was paid in August 2015.

Other than that, the Group did not have any significant commitments and contingent liabilities at the end of the reporting period.

OUTLOOK

Despite a generally supportive monetary policy globally, especially aggressive monetary easing in Europe, Japan and China, this was not enough to spur faster economic growth for these countries or contribute to lifting global economic growth thus far into 2015. While the U.S., and perhaps the U.K., are the exceptions, these economies are still not generating earnings growth that are fast enough so that their central banks will feel compelled enough to tighten monetary policy quickly.

Adding recent disruptions arising from the Greek debt saga, as well as the latest series of shocks to China's stock market, the path to regenerate faster global growth appears to be slower than expected. Hence, a continued accommodative monetary policy remains essential in order to sustain global economic growth, and therefore, we expect global monetary conditions will remain expansionary throughout the remainder of 2015, which should be able to support the global economic growth and the Group's business in the second half of 2015. Nonetheless, as uneven global economic recovery continues, we must remain vigilant given the outlook seems uncertain, and the effects of raising U.S. dollar interest rate remain to be seen.

As overnight visitors to Hong Kong will likely remain weak, tough operating conditions for Hong Kong's hotel industry is set to remain, and therefore, distributions and hotel management incomes from LHI will likely be under pressure in the second half of 2015. As for the outlook on the Group's hotels outside Hong Kong, RevPAR for the hotels in the U.S. should continue to grow amid further strengthening of the U.S. economy. As for our hotel in Toronto, RevPAR should start to recover after completion of the renovation. Despite generally weak demand for rooms in London, our hotel in London should benefit from higher room rates commanded by the renovated rooms, especially during the 2015 Rugby World Cup from mid-September to the end of October 2015. Hotels in Australasia should continue to deliver RevPAR growth, whereas The Langham, Sydney should deliver a profit in the second half of the year after operations ramps up, as compared to its loss-making position in the second half of last year during which it was mostly closed for a major renovation. The hotel in Shanghai should benefit from the continued recovery in demand for rooms.

For Champion REIT, it has successfully stabilised the occupancy of Citibank Plaza for the coming several years and thereby built a solid foundation for the resumption of rental growth. Top-line property income should start rising in the second half of 2015. However, higher tax payable in the second half, and leasing commissions payable on the large new leases will both suppress profit in the second half of 2015. A resumption of growth in the REIT's distributable income is expected in 2016.

In a volatile market, our strong balance sheet, which is among the best in the real estate industry, as well as our strong cash flow generation, makes us well positioned to take advantage in case of any dramatic drop in asset prices. Nonetheless, being prudent stewards of our capital has been a cornerstone of our long term strategy, and we will only close on those investments that will either be accretive to the Group's net asset value or that are expected to have a synergistic effect with our current businesses.

Lo Ka Shui
Chairman and Managing Director

Hong Kong, 20 August 2015

DIRECTORS' BIOGRAPHICAL INFORMATION

The Directors' updated information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the date of the 2014 Annual Report of the Company is set out below. Upon specific enquiry by the Company and following confirmations from the Directors, save as otherwise set out in this Interim Report, there is no change in the information of the Directors since the Company's last published annual report.

DR. LO KA SHUI

Chairman and Managing Director

Dr. LO Ka Shui, aged 68, has been a member of the Board since 1980. He is the Chairman, Managing Director of the Company, the Chairman of the Finance Committee and a director of various subsidiaries of the Company. He is the Chairman and a Non-executive Director of the Manager of the publicly listed trusts, Champion Real Estate Investment Trust and Langham Hospitality Investments. Dr. Lo is an Independent Non-executive Director of Shanghai Industrial Holdings Limited, Phoenix Satellite Television Holdings Limited, China Mobile Limited and City e-Solutions Limited. He is also a Vice President of the Real Estate Developers Association of Hong Kong, a Trustee of the Hong Kong Centre for Economic Research, a Vice Chairman of The Chamber of Hong Kong Listed Companies and a Member of the Exchange Fund Advisory Committee of the Hong Kong Monetary Authority. Dr. Lo graduated from McGill University with a Bachelor of Science Degree and from Cornell University with a Doctor of Medicine (M.D.) Degree. He was certified in Internal Medicine and Cardiology. He has over three decades of experience in property and hotel development and investment both in Hong Kong and overseas. Dr. Lo is a son of Madam Lo To Lee Kwan and an elder brother of Mr. Lo Kai Shui, Mr. Lo Hong Sui, Vincent and Dr. Lo Ying Sui, and a younger brother of Mr. Lo Hong Sui, Antony and Madam Law Wai Duen, all being Directors of the Company. Also, he is the father of Ms. Lo Bo Lun, Katherine and Mr. Lo Chun Him, Alexander, both being senior management of the Company.

MR. LO KAI SHUI

Executive Director and Deputy Managing Director

Mr. LO Kai Shui, aged 55, has been a member of the Board since 1984. He is the Deputy Managing Director, a member of the Finance Committee and a director of various subsidiaries of the Company. Mr. Lo is also a Non-executive Director of the Manager of the publicly listed Champion Real Estate Investment Trust and the founder of Sun Fook Kong Group Limited. He has decades of property development and investment, and building construction experience and has been involved in numerous construction projects both in public and private sectors. Mr. Lo graduated from Columbia University with a Bachelor's Degree in Engineering. He is a son of Madam Lo To Lee Kwan, and a younger brother of Dr. Lo Ka Shui, Mr. Lo Hong Sui, Antony, Madam Law Wai Duen, Mr. Lo Hong Sui, Vincent and Dr. Lo Ying Sui, all being Directors of the Company. Also, he is an uncle of Ms. Lo Bo Lun, Katherine and Mr. Lo Chun Him, Alexander, both being senior management of the Company.

MADAM LO TO LEE KWAN

Non-executive Director

Madam LO TO Lee Kwan, aged 95, has been a Director of the Group since 1963. She was an Executive Director of the Company prior to her re-designation as a Non-executive Director of the Company in December 2008. She is the wife of Mr. Lo Ying Shek, the late chairman of the Company, and is the co-founder of the Group. She actively involved in the early stage development of the Group. She is the mother of Dr. Lo Ka Shui, Mr. Lo Kai Shui, Mr. Lo Hong Sui, Antony, Madam Law Wai Duen, Mr. Lo Hong Sui, Vincent and Dr. Lo Ying Sui, all being Directors of the Company. Also, she is the grandma of Ms. Lo Bo Lun, Katherine and Mr. Lo Chun Him, Alexander, both being senior management of the Company.

MR. CHENG HOI CHUEN, VINCENT

Independent Non-executive Director

Mr. CHENG Hoi Chuen, Vincent, aged 67, is an Independent Non-executive Director of the Company. He has been a Director of the Group since 1994 and is the Chairman of the Audit Committee and a member of both the Remuneration Committee and the Nomination Committee of the Company. Mr. Cheng is an Independent Non-executive Director of China Minsheng Banking Corp., Ltd., MTR Corporation Limited, Hui Xian Asset Management Limited (Manager of the public listed Hui Xian Real Estate Investment Trust), CLP Holdings Limited, Shanghai Industrial Holdings Limited, Wing Tai Properties Limited and CK Hutchison Holdings Limited. He is a former Chairman of The Hongkong and Shanghai Banking Corporation Limited, HSBC Bank (China) Company Limited and HSBC Bank (Taiwan) Company Limited and a former Executive Director of HSBC Holdings plc. Mr. Cheng is also a former Independent Non-executive Director of Hutchison Whampoa Limited, which has been withdrawn from listing on 3 June 2015. Mr. Cheng is a Vice Patron of Community Chest of Hong Kong and a member of the Advisory Committee on Post-service Employment of Civil Servants. In 2008, Mr. Cheng was appointed a member of the National Committee of the 11th Chinese People's Political Consultative Conference ("CPPCC") and a senior adviser to the 11th Beijing Municipal Committee of the CPPCC. He graduated from The Chinese University of Hong Kong with Bachelor of Social Science Degree in Economics and from The University of Auckland with a Master's Degree in Philosophy (Economics).

PROFESSOR WONG YUE CHIM, RICHARD

Independent Non-executive Director

Professor WONG Yue Chim, Richard, aged 63, is an Independent Non-executive Director of the Company. He has been a Director of the Group since 1995 and is the Chairman of the Nomination Committee and a member of both the Audit Committee and the Remuneration Committee of the Company. Professor Wong is Chair of Economics at The University of Hong Kong. He is a leading figure in advancing economic research on policy issues in Hong Kong through his work as Founding Director of the Hong Kong Centre for Economic Research and the Hong Kong Institute of Economics and Business Strategy. He was awarded the Silver Bauhinia Star in 1999 in recognition of his contributions in education, housing, industry and technology development and was appointed a Justice of the Peace in 2000 by the Government of the Hong Kong Special Administrative Region. He is an adviser of Our Hong Kong Foundation. Professor Wong is an Independent Non-executive Director of Orient Overseas (International) Limited, Pacific Century Premium Developments Limited and Sun Hung Kai Properties Limited, all of which are companies whose shares are listed on the Stock Exchange. Professor Wong is also an Independent Non-executive Director of Link Asset Management Limited (Manager of the publicly listed Link Real Estate Investment Trust) and Industrial and Commercial Bank of China (Asia) Limited. He is a former Independent Non-executive Director of CK Life Sciences Int'l., (Holdings) Inc.

MRS. LEE PUI LING, ANGELINA

Independent Non-executive Director

Mrs. LEE Pui Ling, Angelina, aged 66, was appointed as an Independent Non-executive Director of the Company in 2002 and is the Chairman of the Remuneration Committee and a member of both the Audit Committee and Nomination Committee of the Company. She is a practising solicitor in Hong Kong and a partner of the firm of solicitors, Woo, Kwan, Lee & Lo. She is also a Non-executive Director of Cheung Kong Infrastructure Holdings Limited, Henderson Land Development Company Limited and TOM Group Limited. She is active in public service and is a Member of the Exchange Fund Advisory Committee of the Hong Kong Monetary Authority and a Member of the Takeovers and Mergers Panel of the Securities and Futures Commission. She has a Bachelor of Laws Degree from University College London, United Kingdom and is a Fellow of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants.

MR. ZHU QI

Independent Non-executive Director

Mr. ZHU Qi, aged 55, was appointed as an Independent Non-executive Director of the Company in August 2009 and is a member of the Audit Committee of the Company. Mr. Zhu is an Executive Director and Chief Executive of Wing Lung Bank Limited. He has decades of banking experience. From 2000 to July 2008, he had been the Managing Director and Chief Executive Officer of Industrial and Commercial Bank of China (Asia) Limited, the Chairman of Chinese Mercantile Bank and a Director of ICBC (Asia) Bullion Company Limited, ICBC (Asia) Nominee Limited and ICBC (Asia) Asset Management Company Limited. Mr. Zhu also had been a Director of China Ping An Insurance (Hong Kong) Company Limited, the Deputy Chairman of ICEA Finance Holdings Limited, the Chairman of Industrial and Commercial International Capital Limited and a Director of The Tai Ping Insurance Company, Limited. He graduated with a Bachelor's Degree from Dongbei University of Finance and Economics, and a Master's Degree in Economics from the Zhongnan University of Finance and Economics in 1986.

MR. LO HONG SUI, ANTONY

Executive Director

Mr. LO Hong Sui, Antony, aged 73, is an Executive Director and a director of various subsidiaries of the Company. He has been a Director of the Group since 1967. Mr. Lo has been actively involved in property development, construction and investment for decades. He graduated from the University of New South Wales with a Bachelor's Degree in Commerce. Mr. Lo is a son of Madam Lo To Lee Kwan and an elder brother of Dr. Lo Ka Shui, Mr. Lo Kai Shui, Mr. Lo Hong Sui, Vincent and Dr. Lo Ying Sui, and a younger brother of Madam Law Wai Duen, all being Directors of the Company. Also, he is an uncle of Ms. Lo Bo Lun, Katherine and Mr. Lo Chun Him, Alexander, both being senior management of the Company.

MADAM LAW WAI DUEN

Executive Director

Madam LAW Wai Duen, aged 78, is an Executive Director and a director of certain subsidiaries of the Company. She has been a Director of the Group since 1963. Madam Law graduated from The University of Hong Kong with a Bachelor's Degree in Arts and has been actively involved in the Group's property development and investment in Hong Kong for decades. Madam Law is a daughter of Madam Lo To Lee Kwan, and an elder sister of Dr. Lo Ka Shui, Mr. Lo Kai Shui, Mr. Lo Hong Sui, Antony, Mr. Lo Hong Sui, Vincent and Dr. Lo Ying Sui, all being Directors of the Company. Also, she is an aunt of Ms. Lo Bo Lun, Katherine and Mr. Lo Chun Him, Alexander, both being senior management of the Company.

MR. LO HONG SUI, VINCENT

Non-executive Director

Mr. LO Hong Sui, Vincent, aged 67, has been a Director of the Group since 1970. He was an Executive Director of the Company prior to his re-designation as a Non-executive Director of the Company in December 2008. He is also the Chairman of the Shui On Group which he founded in 1971. The Shui On Group is principally engaged in property development, construction and construction materials with interests in Hong Kong and the Chinese Mainland. He is the Chairman of SOCAM Development Limited and Shui On Land Limited, both are listed on the Stock Exchange, and the Chairman of China Xintiandi Limited, a wholly owned subsidiary of Shui On Land Limited. He is also a Non-executive Director of Hang Seng Bank Limited. Mr. Lo is the Chairman of the Hong Kong Trade Development Council and an adviser of Our Hong Kong Foundation. He is also a former Chairman of the Board of Airport Authority Hong Kong and a former non-official member of Lantau Development Advisory Committee of the Hong Kong Government. Mr. Lo is a son of Madam Lo To Lee Kwan and an elder brother of Mr. Lo Kai Shui and Dr. Lo Ying Sui, and a younger brother of Dr. Lo Ka Shui, Mr. Lo Hong Sui, Antony and Madam Law Wai Duen, all being Directors of the Company. Also, he is an uncle of Ms. Lo Bo Lun, Katherine and Mr. Lo Chun Him, Alexander, both being senior management of the Company.

DR. LO YING SUI

Non-executive Director

Dr. LO Ying Sui, aged 63, has been a Director of the Group since 1993. He was an Executive Director of the Company prior to his re-designation as a Non-executive Director of the Company in December 2008. With a Doctor of Medicine Degree from the University of Chicago, he is a specialist in Cardiology and a Clinical Associate Professor (honorary) at The Chinese University of Hong Kong Faculty of Medicine. He is a son of Madam Lo To Lee Kwan and an elder brother of Mr. Lo Kai Shui, and a younger brother of Dr. Lo Ka Shui, Mr. Lo Hong Sui, Antony, Madam Law Wai Duen and Mr. Lo Hong Sui, Vincent, all being Directors of the Company. Also, he is an uncle of Ms. Lo Bo Lun, Katherine and Mr. Lo Chun Him, Alexander, both being senior management of the Company.

MR. KAN TAK KWONG

Executive Director and General Manager

Mr. KAN Tak Kwong, aged 63, has been a Director of the Group since 1988. He is an Executive Director, the General Manager and a member of the Finance Committee of the Company. Mr. Kan also holds directorships in various principal subsidiaries of the Company, including The Great Eagle Company, Limited, The Great Eagle Properties Management Company, Limited, Eagle Property Management (CP) Limited, Langham Hospitality Group Limited, Langham Hotels International Limited, Great Eagle (China) Investment Limited, Pacific Eagle Holdings Corporation, Pacific Eagle China Orient (Cayman) Real Estate GP, Ltd. and Great Eagle Tokyo TMK. He graduated from The Chinese University of Hong Kong with a Master's Degree in Business Administration and is a member of various professional bodies including the Hong Kong Institute of Certified Public Accountants. Mr. Kan has decades of experience in finance, accounting, strategic development and corporate administration in the real estate, finance and construction industries.

The information in respect of any Director of the Company who is also a director or employee of a company which has an interest in the shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO are set out in the Disclosure of Interests.

CORPORATE GOVERNANCE POLICIES AND PRACTICES

The Company is committed to maintaining and developing a high standard of corporate governance practices that are designed to enhance company image, boost Shareholders' confidence, and reduce the risk of fraudulent practices and ultimately serve the long-term interests of our Shareholders. The Board of Directors of the Company will from time to time monitor and review the Company's corporate governance practices in light of the regulatory requirements and the needs of the Company to underpin our engrained value of integrity and accountability. Throughout the period under review, the Company has complied with all the code provisions and mandatory disclosure requirements as set out in the CG Code, except the following deviations in respect of which remedial steps for compliance have been taken or considered reasons are given below:

CG Code Provision A.2.1 requires that the roles of chairman and chief executive should be separate and should not be performed by the same individual

Dr. Lo Ka Shui is the Chairman of the Board and is holding the office of Managing Director of the Company. While this is a deviation from CG Code Provision A.2.1, dual role leadership has been in practice by the Company for decades and has withstood the test of time. The Board considers this arrangement to be appropriate for the Company as it can preserve the consistent leadership culture of the Company and allow efficient discharge of the executive functions of the chief executive. The Board believes that a balance of power and authority is adequately ensured by the operations of the Board which comprises experienced and high caliber individuals including four Independent Non-executive Directors and three Non-executive Directors. Meanwhile, the day-to-day management and operation of the Group are delegated to divisional management under the leadership and supervision of Dr. Lo in the role of Managing Director who is supported by Mr. Lo Kai Shui, the Deputy Managing Director, Mr. Kan Tak Kwong, the General Manager and Mr. Lo Hong Sui, Antony and Madam Law Wai Duen, all being Executive Directors of the Company.

CG Code Provision A.4.1 requires that non-executive directors should be appointed for a specific term, subject to re-election

While the Bye-laws of the Company requires that one-third of the Directors (other than the Executive Chairman and Managing Director) should retire by rotation, the Non-executive Directors (including the Independent Non-executive Directors) have no fixed term of office. The Board considers that the provisions in the Bye-laws of the Company and its corporate governance measures are no less exacting than those prescribed by CG Code Provision A.4.1 and therefore does not intend to take any steps in this regard.

CG Code Provision A.4.2 requires that every director should be subject to retirement by rotation at least once every three years

Under the existing Bye-laws of the Company, the Executive Chairman and Managing Director of the Company are not subject to retirement by rotation. The same provision is contained in The Great Eagle Holdings Limited Company Act, 1990 of Bermuda. As such, Directors who hold the offices of either the Executive Chairman or the Managing Director of the Company are by statute not required to retire by rotation. After due consideration, in particular to the legal costs and procedures involved, the Board considers that it is not desirable to propose any amendment to The Great Eagle Holdings Limited Company Act, 1990 for the sole purpose of subjecting the Executive Chairman and Managing Director of the Company to retirement by rotation. Notwithstanding that Dr. Lo is not subject to retirement by rotation, Dr. Lo has disclosed his biographical details in accordance with Rule 13.74 of the Listing Rules in the general mandate annually for Shareholders' information.

CG Code Provision B.1.5 requires that details of any remuneration payable to members of senior management should be disclosed by band in annual reports

Remuneration details of senior management are highly sensitive and confidential. Over-disclosure of such information may induce inflationary spiral and undesirable competition which in turn is detrimental to the interests of the Shareholders. The Board considers that our current approach in disclosing the emoluments of Directors on named basis, the emoluments of the five highest paid individuals of the Group in the forms of aggregate amount and by bands in our annual reports is appropriate to maintain the equilibrium between transparency and privacy.

It is a mandatory disclosure requirement that the Company must disclose how each of its directors, by name, complied with CG Code Provision A.6.5 in relation to participation in continuous professional development

Madam Lo To Lee Kwan, a Non-executive Director of the Company, is the co-founder of the Group. She is actively involved in the early stage of development of the Group and has valuable contribution to the growth and success of the Group over the years. Since she is relatively inactive in the Group's business in recent years, she has not participated in the Director Development Program provided by the Company.

The Board of Directors assumes responsibility for leadership and control of the Group, and is collectively responsible for promoting the success of the Company. It plays a central supportive and supervisory role in the Company's corporate governance duties. The governance framework of the Company is constituted by the Statement of Corporate Governance Practice of the Company which is reviewed from time to time in light of the latest statutory requirements and governance practice. The Statement serves as an ongoing guidance for the Directors in performing and fulfilling their respective roles and obligations to the Company. The Board is also responsible for overseeing the management and operation of the Group and is ultimately accountable for the Group's activities, strategies and financial performance. The Company has put in place a comprehensive set of compliance policies and procedures, which set out the key processes, systems and measures to implement this corporate governance framework, including:

- Schedule of Matters Reserved for the Board of Directors
- Code of Conduct for Securities Transactions
- Policy on the Preservation and Prevention of Misuse of Inside Information
- Reporting and Monitoring Policy on Connected Transactions
- Shareholders' Communication Policy
- Employee's Code of Conduct

The Board is responsible for reviewing overall corporate governance arrangements to ensure that such arrangements remain appropriate to the needs of the Company.

CORPORATE SOCIAL RESPONSIBILITY

Our CSR vision "Create Value, Improve Quality of Life" is based on our belief that CSR will create long-term value for our customers, partners, investors, employees and community, and improve the quality of life in our workplace as well as the local community and the world at large. Our continuous efforts in CSR are reflected in being selected as a constituent member of Hang Seng Corporate Sustainability Benchmark Index since its inception in 2011.

WORKFORCE SUSTAINABILITY

We recognise the importance of workforce sustainability which is about retaining and attracting right people to meet current and future business requirements. We offer competitive salary to the employees and discretionary bonuses are granted based on performance of the Group as well as performance of individual employees. Other employee benefits include educational allowance, insurance, medical scheme and provident fund schemes. Senior employees (including executive directors) are entitled to participate in the Great Eagle Holdings Limited Share Option Scheme. In line with our commitment to corporate social responsibility, staff wellness program (e.g. green workshop, mindfulness class) is provided to employees. As at 30 June 2015, the number of employees of the Group increased approximately 10.8% to 6,275 (2014: 5,665), which was mainly attributable to the increase in staff upon completion of the acquisition of the remaining 2/3 interest in The Langham, Xintiandi hotel.

We believe that the provision of opportunities for training and development is an important component to attract and retain staff. Ever since 2012, the corporate culture of applying the best practices from "The 7 Habits of Highly Effective People" program and adopting innovative approaches at work has continuously been cultivated. We raise staff awareness through different channels such as training programs, promotional items, forming committee and intranet for staff to express their ideas. Since 2013, the Group has further promoted the innovation culture through establishing an on-line platform of Great Eagle Innovation Portal to facilitate exchange of innovative ideas among staff and Business Units/Departments. Besides, the Group has also developed external and in-house designed training programmes including eLearning courses in supervisory, management, soft skills as well as technical skills training. Focusing on talent management through training & development, succession planning and mentoring program further strengthens the Group's organisational agility. The organisation strategies are sustainable due to staff involvement and management support. Since strategic alignment with the corporate Vision, Mission & Value plays an important role in organisational development, various strategic planning initiatives will be organised to ensure business objectives are achieved.

The hotel division has launched a certification system "First60 Certification" to all hotels globally in 2015. The objective is to ensure all employees of Langham Hospitality Group are well equipped with knowledge and skills to provide the desired level of service and to drive guest loyalty. The programme covers the company vision, mission, commitment, objectives and values; brand knowledge, team building and also the Standard and Operations Procedures of each individual position. Every employee will attend a 4-module customer service programme "Passion" which covers the type of hotel guests and their unique needs and wants, service skills to provide genuine service, Service with Poise (how to deliver the brand essence) and turning oops to wows (service recovery). All service leaders are required to attend the "Service Leadership" class with the objective of sustaining our service excellence.

Our Hotel Division is continued to be acknowledged as "Manpower Developer 1st." in the Manpower Developer Scheme by the Employee Retraining Board from 2010 to 2016. Both Eaton Hotel Hong Kong and Langham Place Hotel Hong Kong are awarded by The Hong Kong Joint Council for People with Disabilities as 18 Districts Caring Employer 2014 and the Hong Kong Council of Social Services as Barrier-free Company.

Langham Logic is the company signature tool to drive process improvement in a systematic way. The hotel colleagues form Langham Logic Improvement teams to work on departmental or cross-departments project. Each project aims at achieving tangible results on improving guest satisfaction, colleague satisfaction, financial returns or process efficiency. Each year, there is an award winner from across the globe to be recognised as the team who has made significant improvements through Langham Logic. The project awarded in 2014 was "Boosting guest satisfaction of 1865 loyalty programme members". The project details shared among hotels as best practices.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted its own Code of Conduct for Securities Transactions on terms no less exacting than the required standard set out in the Model Code and the same is updated from time to time in accordance with the Listing Rules requirements.

Having made specific enquiry, all Directors and relevant employees of the Company have confirmed that they have fully complied with the Code of Conduct for Securities Transactions throughout the six months ended 30 June 2015.

REVIEW OF INTERIM RESULTS

The unaudited financial statements for the six months ended 30 June 2015 were prepared in accordance with HKAS 34 "Interim Financial Reporting" issued by the HKICPA, and have been reviewed by Deloitte Touche Tohmatsu, the independent auditor of the Company in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

This interim report comprising the unaudited financial statements has been reviewed by the Audit Committee of the Company.

NEW SHARES ISSUED

As at 30 June 2015, the total number of issued shares of the Company was 664,677,017. As compared with the position of 31 December 2014, a total of 8,870,066 new shares were issued during the period. These new shares comprise the following:

- During the period, 735,000 new shares were issued pursuant to exercise of share options under the Share Option Scheme of the Company by Directors and employees of the Company or its subsidiaries. Total funds raised therefrom amounted to HK$16,908,920.
- On 16 June 2015, a total of 8,135,066 new shares at a price of HK$27.07 per share were issued to the Shareholders who had elected to receive scrip shares under the Scrip Dividend Arrangement in respect of the 2014 final dividend.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

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

PUBLIC FLOAT

As at the date of this interim report, based on information that is publicly available to the Company and within the knowledge of the Directors, the Company maintains a sufficient public float with more than 25% of the issued shares of the Company being held by the public.

DISCLOSURE OF INTERESTS

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2015, the interests and short positions of the Directors or chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange, are as follows:

Long positions in shares and underlying shares of the Company

	Number of Ordinary Shares/Underlying Shares						
Name of Director	Personal interests	Family interests	Corporate interests	Trust interests	Number of outstanding share options	Total	Percentage of issued share capital [7]
Lo Ka Shui	62,026,208	–	3,893,976 [1]	306,154,404 [2]	2,543,000	374,617,588	56.36
Lo Kai Shui	447,138	–	473,110 [3]	222,946,147 [4]	500,000	224,366,395	33.76
Lo To Lee Kwan	1,052,443	–	4,832,166 [5]	222,946,147 [4]	–	228,830,756	34.43
Cheng Hoi Chuen, Vincent	–	10,000	–	–	–	10,000	0.00
Wong Yue Chim, Richard	10,000	–	–	–	–	10,000	0.00
Lo Hong Sui, Antony	344,409	–	–	222,946,147 [4]	525,000	223,815,556	33.67
Law Wai Duen	1,299,716	–	–	222,946,147 [4]	500,000	224,745,863	33.81
Lo Hong Sui, Vincent	293	–	–	222,946,147 [4]	–	222,946,440	33.54
Lo Ying Sui	1,500,000	–	35,628,206 [6]	222,946,147 [4]	–	260,074,353	39.13
Kan Tak Kwong	1,539,655	–	–	–	1,510,000	3,049,655	0.46

Notes:

(1) These interests were held by certain companies wholly-owned by Dr. Lo Ka Shui who is also a director of these companies.

(2) These 306,154,404 shares comprise:

(i) 222,946,147 shares owned by a discretionary trust of which Dr. Lo Ka Shui, Mr. Lo Kai Shui, Madam Lo To Lee Kwan, Mr. Lo Hong Sui, Antony, Madam Law Wai Duen, Mr. Lo Hong Sui, Vincent and Dr. Lo Ying Sui are among the discretionary beneficiaries; and

(ii) 83,208,257 shares owned by another discretionary trust of which Dr. Lo Ka Shui is the founder.

(3) These 473,110 shares comprise 363,325 shares held by certain companies wholly-owned by Mr. Lo Kai Shui and 109,785 shares held by a company controlled by him. Mr. Lo Kai Shui is also a director of these companies.

(4) These shares are the same parcel of shares referred to in Note (2)(i) above.

(5) These 4,832,166 shares were held by certain companies wholly-owned by Madam Lo To Lee Kwan who is also a director of one of these companies.

(6) These 35,628,206 shares were held by a company wholly-owned by Dr. Lo Ying Sui who is also a director of this company.

(7) This percentage has been compiled based on 664,677,017 shares of the Company in issue as at 30 June 2015.

Long positions in shares and underlying shares of associated corporations of the Company

Champion Real Estate Investment Trust ("Champion REIT")

Champion REIT (Stock Code: 2778), a Hong Kong collective investment scheme authorised under section 104 of SFO, is accounted for as a subsidiary of the Company. As at 30 June 2015, the Group owned 61.75% interests in Champion REIT. While the definition of "associated corporation" under the SFO caters only to corporations, for the purpose of enhancing the transparency, the interests of the Directors or chief executives of the Company in Champion REIT as at 30 June 2015 are disclosed as follows:

	Number of Units						
Name of Director	Personal interests	Family interests	Corporate interests	Other interests	Number of Underlying Units	Total	Percentage of issued units [4]
Lo Ka Shui	–	–	829,000 [1]	6,200,000 [2]	3,494,095 [3]	10,523,095	0.18

Notes:

(1) These units were held by certain companies wholly-owned by Dr. Lo Ka Shui who is also the director of these companies.

(2) These interests were held by a charitable trust. Dr. Lo Ka Shui is the settlor and a member of the Advisory Committee and Management Committee of the trust.

(3) These underlying units were held by Dr. Lo Ka Shui personally.

(4) This percentage has been compiled based on 5,758,888,964 units of Champion REIT in issue as at 30 June 2015.

Langham Hospitality Investments and Langham Hospitality Investments Limited ("LHI")

LHI (Stock Code: 1270), the share stapled units of which are listed on the Stock Exchange. As at 30 June 2015, the Group owned 58.46% interests in LHI and is therefore a subsidiary of the Company. The holdings of the Directors or chief executives of the Company in LHI as at 30 June 2015 are disclosed as follows:

	Number of Share Stapled Units ("SSUs")						
Name of Director	Personal interests	Family interests	Corporate interests	Other interests	Number of Underlying SSUs	Total	Percentage of issued SSUs (3)
Lo Ka Shui	1,950,500	–	1,000,000 (1)	17,200,000	–	20,150,500	0.99
Lo To Lee Kwan	–	–	306,177 (2)	–	–	306,177	0.02
Law Wai Duen	280,000	–	–	–	–	280,000	0.01
Wong Yue Chim, Richard	150,000	–	–	–	–	150,000	0.01

Notes:

(1) These share stapled units were held by a company wholly-owned by Dr. Lo Ka Shui who is also a director of this company.

(2) These share stapled units were held by certain companies wholly-owned by Madam Lo To Lee Kwan who is also a director of one of these companies.

(3) This percentage has been compiled based on 2,032,888,934 share stapled units of LHI in issue as at 30 June 2015.

Cinderella Media Group Limited ("Cinderella Media")

Cinderella Media (Stock Code: 550), the shares of which are listed on the Stock Exchange, in which the Group indirectly owned 18.74% interests in its issued share capital as at 30 June 2015. It is an associate of the Company as the Group is able to exercise significant influence over Cinderella Media through its shareholding in City Apex Limited which holds over 50% equity interests in Cinderella Media. The shareholdings of the Directors or chief executives of the Company in Cinderella Media as at 30 June 2015 are disclosed as follows:

	Number of Shares						
Name of Director	Personal interests	Family interests	Corporate interests	Other interests	Number of Underlying Shares	Total	Percentage of issued shares (1)
Lo Ka Shui	150,000	–	–	–	–	150,000	0.04

Notes:

(1) This percentage has been compiled based on 333,784,000 shares of Cinderella Media in issue as at 30 June 2015.

Save as disclosed above, as at 30 June 2015, none of the Directors or chief executives of the Company were taken to be interested or deemed to have any other interests or short positions in shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTION SCHEMES

In accordance with the 2009 Share Option Scheme of the Company, the Board of Directors may grant options to eligible employees, including Executive Directors of the Company and its subsidiaries, to subscribe for shares in the Company.

Details of the movements in the share options granted to the Company's employees (including Directors) under the 2009 Share Option Scheme during the six months ended 30 June 2015 are as follows:

	Number of Share Options						
Date of grant	Outstanding as at 01/01/2015	Grant during the period	Exercised during the period	Lapsed during the period	Outstanding as at 30/06/2015	Exercise period	Exercise price per share (HK$)
04/03/2010 (1)	763,000	–	(611,000)	(152,000)	–	05/03/2012–04/03/2015	22.80
07/03/2011 (1)	1,478,000	–	(34,000)	(112,000)	1,332,000	08/03/2013–07/03/2016	26.18
08/03/2012 (1)	2,407,000	–	(90,000)	(116,000)	2,201,000	09/03/2014–08/03/2017	23.20
06/06/2013 (1)	3,016,000	–	–	(139,000)	2,877,000	07/06/2015–06/06/2018	31.45
27/02/2014 (1)	3,465,000	–	–	(164,000)	3,301,000	28/02/2016–27/02/2019	26.05
17/03/2014 (1)	300,000	–	–	–	300,000	18/03/2016–17/03/2019	27.55
11/03/2015 (1)	–	4,042,000 (2)	–	(80,000)	3,962,000	12/03/2017–11/03/2020	26.88
10/04/2015 (1)	–	100,000 (2)	–	–	100,000	11/04/2017–10/04/2020	28.25
Total	**11,429,000**	**4,142,000**	**(735,000)**	**(763,000)**	**14,073,000**		

Notes:

(1) Share options were granted under the 2009 Share Option Scheme.

(2) During the six months ended 30 June 2015, 1,265,000 and 2,877,000 share options were granted to the Directors and employees of the Group respectively.

(3) During the six months ended 30 June 2015, no share option was cancelled.

(4) Consideration paid for each grant of share options was HK$1.00.

(5) The vesting period for the share options granted is 24 months from the date of grant.

(6) The closing price of the shares of the Company immediately before the date of grant of 11 March 2015, i.e. 10 March 2015 was HK$26.60.

(7) The closing price of the shares of the Company immediately before the date of grant of 10 April 2015, i.e. 9 April 2015 was HK$28.10.

On 11 March 2015, 1,265,000 share options of the Company were granted to the following Executive Directors of the Company and according to the Company's share accounting policy, the following option value in respect of the aforesaid options are accounted for over the vesting period from 12 March 2015 to 11 March 2017 as non-cash emoluments of the respective Executive Directors:

Name of Executive Directors	Number of Options	Option Value * (HK$)
Lo Ka Shui *(Chairman and Managing Director)*	655,000	2,109,100
Lo Kai Shui *(Deputy Managing Director)*	100,000	322,000
Lo Hong Sui, Antony	100,000	322,000
Law Wai Duen	100,000	322,000
Kan Tak Kwong *(General Manager)*	310,000	998,200

Details of the movements in the share options granted to Directors of the Company (some are also substantial shareholders) under the 2009 Share Option Scheme as required to be disclosed according to Rule 17.07 of the Listing Rules during the six months ended 30 June 2015 are as follows:

		Number of Share Options						
	Date of grant	Outstanding as at 01/01/2015	Grant during the period	Exercised during the period	Lapsed during the period	Outstanding as at 30/06/2015	Exercise price per share (HK$)	Weighted average closing price immediately before the date of exercise (HK$)
Lo Ka Shui	08/03/2012 (1)	628,000	–	–	–	628,000	23.20	N/A
	06/06/2013 (1)	630,000	–	–	–	630,000	31.45	N/A
	27/02/2014 (1)	630,000 (7)	–	–	–	630,000	26.05	N/A
	11/03/2015 (1)	–	655,000	–	–	655,000	26.88	N/A
		1,888,000	655,000	–	–	2,543,000		
Lo Kai Shui	04/03/2010 (1)	100,000	–	(100,000)	–	–	22.80	27.11
	07/03/2011 (1)	100,000	–	–	–	100,000	26.18	N/A
	08/03/2012 (1)	100,000	–	–	–	100,000	23.20	N/A
	06/06/2013 (1)	100,000	–	–	–	100,000	31.45	N/A
	27/02/2014 (1)	100,000	–	–	–	100,000	26.05	N/A
	11/03/2015 (1)	–	100,000	–	–	100,000	26.88	N/A
		500,000	100,000	(100,000)	–	500,000		
Lo Hong Sui, Antony	04/03/2010 (1)	150,000	–	(150,000)	–	–	22.80	27.11
	07/03/2011 (1)	125,000	–	–	–	125,000	26.18	N/A
	08/03/2012 (1)	100,000	–	–	–	100,000	23.20	N/A
	06/06/2013 (1)	100,000	–	–	–	100,000	31.45	N/A
	27/02/2014 (1)	100,000	–	–	–	100,000	26.05	N/A
	11/03/2015 (1)	–	100,000	–	–	100,000	26.88	N/A
		575,000	100,000	(150,000)	–	525,000		

	Date of grant	Number of Share Options: Outstanding as at 01/01/2015	Grant during the period	Exercised during the period	Lapsed during the period	Outstanding as at 30/06/2015	Exercise price per share (HK$)	Weighted average closing price immediately before the date of exercise (HK$)
Law Wai Duen	07/03/2011 [(1)]	100,000	–	–	–	100,000	26.18	N/A
	08/03/2012 [(1)]	100,000	–	–	–	100,000	23.20	N/A
	06/06/2013 [(1)]	100,000	–	–	–	100,000	31.45	N/A
	27/02/2014 [(1)]	100,000	–	–	–	100,000	26.05	N/A
	11/03/2015 [(1)]	–	100,000	–	–	100,000	26.88	N/A
		400,000	100,000	–	–	500,000		
Kan Tak Kwong	04/03/2010 [(1)]	200,000	–	(200,000)	–	–	22.80	27.11
	07/03/2011 [(1)]	300,000	–	–	–	300,000	26.18	N/A
	08/03/2012 [(1)]	300,000	–	–	–	300,000	23.20	N/A
	06/06/2013 [(1)]	300,000	–	–	–	300,000	31.45	N/A
	27/02/2014 [(1)]	300,000	–	–	–	300,000	26.05	N/A
	11/03/2015 [(1)]	–	310,000	–	–	310,000	26.88	N/A
		1,400,000	310,000	(200,000)	–	1,510,000		
Employees (other than Directors of the Company)	04/03/2010 [(1)]	313,000	–	(161,000)	(152,000)	–	22.80	27.11
	07/03/2011 [(1)]	853,000	–	(34,000)	(112,000)	707,000	26.18	27.11
	08/03/2012 [(1)]	1,179,000	–	(90,000)	(116,000)	973,000	23.20	27.11
	06/06/2013 [(1)]	1,786,000	–	–	(139,000)	1,647,000	31.45	N/A
	27/02/2014 [(1)]	2,235,000	–	–	(164,000)	2,071,000	26.05	N/A
	17/03/2014 [(1)]	300,000	–	–	–	300,000	27.55	N/A
	11/03/2015 [(1)]	–	2,777,000	–	(80,000)	2,697,000	26.88	N/A
	10/04/2015 [(1)]	–	100,000	–	–	100,000	28.25	N/A
		6,666,000	2,877,000	(285,000)	(763,000)	8,495,000		

Notes:

(1) Share options were granted under the 2009 Share Option Scheme.

Share options granted on 04/03/2010 are exercisable during the period from 05/03/2012 to 04/03/2015.

Share options granted on 07/03/2011 are exercisable during the period from 08/03/2013 to 07/03/2016.

Share options granted on 08/03/2012 are exercisable during the period from 09/03/2014 to 08/03/2017.

Share options granted on 06/06/2013 are exercisable during the period from 07/06/2015 to 06/06/2018.

Share options granted on 27/02/2014 are exercisable during the period from 28/02/2016 to 27/02/2019.

Share options granted on 17/03/2014 are exercisable during the period from 18/03/2016 to 17/03/2019.

Share options granted on 11/03/2015 are exercisable during the period from 12/03/2017 to 11/03/2020.

Share options granted on 10/04/2015 are exercisable during the period from 11/04/2017 to 10/04/2020.

(2) During the six months ended 30 June 2015, no share option was cancelled.

(3) Consideration paid for each grant of share options was HK$1.00.

(4) The vesting period for the share options granted is 24 months from the date of grant.

(5) The closing price of the shares of the Company immediately before the date of grant of 11 March 2015, i.e. 10 March 2015 was HK$26.60.

(6) The closing price of the shares of the Company immediately before the date of grant of 10 April 2015, i.e. 9 April 2015 was HK$28.10.

(7) Due to the postponement of the 2013 Annual Grant of Options, the number of shares to be issued upon exercise of the options granted to Dr. Lo Ka Shui under the 2013 Annual Grant of Options and the 2014 Annual Grant of Options during the then past 12-month period representing in aggregate over 0.1% of the issued share capital of the Company and having an aggregate market value in excess of HK$5 million. Pursuant to Rule 17.04 of the Listing Rules, the grant of options to Dr. Lo Ka Shui under the 2014 Annual Grant of Options was approved by independent shareholders at the 2014 annual general meeting of the Company held on 30 April 2014.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 30 June 2015, the interests and short positions of persons (other than the Directors or chief executives of the Company) in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of Part XV of the SFO as having an interest in 5% or more of the issued share capital of the Company are as follows:

Long positions in shares of the Company

Name of Shareholders	Number of shares	Percentage of issued share capital (6)
HSBC International Trustee Limited	304,082,691 (1)	45.75
Powermax Agents Limited (2)	165,372,764	24.88
Surewit Finance Limited (3)	49,694,695	7.48
Green Jacket Limited (4)	33,513,562	5.04
Adscan Holdings Limited (5)	35,628,206	5.36

Notes:

(1) The number of shares disclosed was based on the latest Disclosure of Interest Form with the date of relevant event as 5 January 2015 received from HSBC International Trustee Limited ("HITL"). According to the latest disclosures made by the Directors of the Company, as at 30 June 2015:

(i) 222,946,147 shares representing 33.54% of the issued share capital of the Company were held in the name of HITL as a trustee of a discretionary trust, of which Dr. Lo Ka Shui, Mr. Lo Kai Shui, Madam Lo To Lee Kwan, Mr. Lo Hong Sui, Antony, Madam Law Wai Duen, Mr. Lo Hong Sui, Vincent and Dr. Lo Ying Sui, all being Directors of the Company, are among the discretionary beneficiaries.

(ii) 83,208,257 shares representing 12.52% of the issued share capital of the Company were held in the name of HITL as a trustee of another discretionary trust, of which Dr. Lo Ka Shui is the founder.

(2) Powermax Agents Limited is wholly-owned by HITL in the capacity of a trustee of a discretionary trust and the said 165,372,764 shares held by it were among the shares referred to in Note (1)(i) above.

(3) Surewit Finance Limited is wholly-owned by HITL in the capacity of a trustee of a discretionary trust and the said 49,694,695 shares held by it were among the shares referred to in Note (1)(ii) above. Dr. Lo Ka Shui is the sole director of this company.

(4) Green Jacket Limited is wholly-owned by HITL in the capacity of a trustee of a discretionary trust and the said 33,513,562 shares held by it were among the shares referred to in Note (1)(ii) above. Dr. Lo Ka Shui is the sole director of this company.

(5) Adscan Holdings Limited is a company wholly-owned by Dr. Lo Ying Sui, who is also a director of this company.

(6) This percentage has been compiled based on 664,677,017 shares of the Company in issue as at 30 June 2015.

Save as disclosed above, as at 30 June 2015, no person (other than Directors or chief executives of the Company whose interests in shares, underlying shares and debentures of the Company are set out on pages 33 and 34) was interested (or deemed to be interested) or held any short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

Deloitte.
德勤

TO THE BOARD OF DIRECTORS OF GREAT EAGLE HOLDINGS LIMITED
(incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Great Eagle Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 42 to 78, which comprise the condensed consolidated statement of financial position as of 30 June 2015 and the related condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKAS 34"). The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
20 August 2015

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2015

	NOTES	Six months ended 30 June 2015 HK$'000 (unaudited)	2014 HK$'000 (unaudited)
Revenue	4	**3,982,435**	3,949,207
Cost of goods and services		**(2,386,391)**	(2,245,620)
Operating profit before depreciation		**1,596,044**	1,703,587
Depreciation		**(282,038)**	(240,473)
Operating profit		**1,314,006**	1,463,114
Fair value changes on investment properties		**1,411,996**	(143,768)
Fair value changes on derivative financial instruments		**(2,752)**	182
Fair value changes on financial assets designated at fair value through profit or loss		**97**	(117)
Other income		**231,840**	192,924
Gain on repurchase of medium term notes		**2,273**	–
Administrative and other expenses		**(246,306)**	(324,107)
Finance costs	6	**(354,325)**	(302,709)
Share of results of associates		**(3,731)**	764
Share of results of a joint venture		**(8,892)**	(19,039)
Profit before tax	7	**2,344,206**	867,244
Income taxes	8	**(190,414)**	(284,723)
Profit for the period, before deducting the amounts attributable to non-controlling unitholders of Champion REIT		**2,153,792**	582,521
Profit for the period attributable to:			
Owners of the Company		**1,465,908**	472,803
Non-controlling interests		**89,416**	51,725
		1,555,324	524,528
Non-controlling unitholders of Champion REIT		**598,468**	57,993
		2,153,792	582,521
Earnings per share:	10		
Basic		**HK$2.21**	HK$0.72
Diluted		**HK$2.20**	HK$0.72

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2015

	Six months ended 30 June	
	2015 **HK$'000** **(unaudited)**	2014 HK$'000 (unaudited)
Profit for the period, before deducting the amounts attributable to non-controlling unitholders of Champion REIT	**2,153,792**	582,521
Other comprehensive (expense) income:		
Items that will not be reclassified to profit or loss:		
Surplus on revaluation of an owner occupied property upon change of use to investment property	**13,657**	–
Items that may be subsequently reclassified to profit or loss:		
Fair value gain on available-for-sale investments	**70,112**	2,965
Reclassification adjustment upon disposal of available-for-sale investments	**(53,966)**	(44,686)
Exchange differences arising on translation of foreign operations	**(148,654)**	110,034
Share of other comprehensive income (expense) of associates	**17,024**	(84)
Share of other comprehensive expense of a joint venture	**(1,098)**	(16,802)
Cash flow hedges:		
Fair value adjustment on cross currency swaps designated as cash flow hedge	**(42,319)**	21,931
Reclassification of fair value adjustments to profit or loss	**(4,181)**	(2,934)
	(163,082)	70,424
Other comprehensive (expense) income for the period, before deducting amounts attributable to non-controlling unitholders of Champion REIT	**(149,425)**	70,424
Total comprehensive income for the period, before deducting amounts attributable to non-controlling unitholders of Champion REIT	**2,004,367**	652,945
Total comprehensive income for the period attributable to:		
Owners of the Company	**1,334,303**	535,573
Non-controlling interests	**89,382**	51,722
	1,423,685	587,295
Non-controlling unitholders of Champion REIT	**580,682**	65,650
	2,004,367	652,945

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2015

	NOTES	At 30 June 2015 HK$'000 (unaudited)	At 31 December 2014 HK$'000 (audited)
Non-current assets			
Property, plant and equipment	11	**17,167,651**	15,819,104
Investment properties	11	**71,339,659**	69,867,294
Deposit for acquisition of a hotel property	12	**–**	121,185
Interests in associates	13	**97,233**	90,366
Interest in a joint venture	14	**569,558**	579,548
Loan receivable	15	**193,813**	–
Notes receivable	16	**253,817**	50,470
Available-for-sale investments	17	**1,623,318**	1,607,288
Derivative financial instruments	24	**–**	3,974
		91,245,049	88,139,229
Current assets			
Property under development	18	**2,610,628**	2,415,529
Inventories		**115,551**	155,365
Debtors, deposits and prepayments	19	**878,942**	645,659
Financial assets designated at fair value through profit or loss	20	**369,932**	249,512
Notes receivable	16	**79,739**	124,635
Tax recoverable		**3,205**	17,298
Pledged bank deposits	21	**284,743**	862,871
Restricted cash		**205,685**	235,037
Bank balances and cash		**8,484,923**	9,100,225
		13,033,348	13,806,131
Current liabilities			
Creditors, deposits and accruals	22	**3,097,693**	3,112,992
Derivative financial instruments	23	**3,111**	343
Provision for taxation		**263,281**	139,376
Distribution payable		**210,604**	219,981
Borrowings due within one year	25	**11,485,773**	3,230,655
		15,060,462	6,703,347
Net current (liabilities) assets		**(2,027,114)**	7,102,784
Total assets less current liabilities		**89,217,935**	95,242,013

	NOTES	At 30 June 2015 HK$'000 (unaudited)	At 31 December 2014 HK$'000 (audited)
Non-current liabilities			
Derivative financial instruments	23,24	42,695	152
Borrowings due after one year	25	12,536,070	21,611,553
Medium term notes	26	3,637,833	3,070,002
Deferred taxation		1,218,472	1,182,743
		17,435,070	25,864,450
		71,782,865	69,377,563
Equity attributable to:			
Owners of the Company			
Share capital	27	332,339	327,904
Share premium and reserves		52,638,392	51,441,774
		52,970,731	51,769,678
Non-controlling interests		721,633	(138,627)
		53,692,364	51,631,051
Net assets attributable to non-controlling unitholders of Champion REIT		18,090,501	17,746,512
		71,782,865	69,377,563

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015

	Attributable to owners of the Company														
	Share capital HK$'000	Share premium HK$'000	Investment revaluation reserve HK$'000	Property revaluation reserve HK$'000	Capital redemption reserve HK$'000	Contributed surplus HK$'000 (note a)	Exchange translation reserve HK$'000	Share option reserve HK$'000	Hedging reserve HK$'000	Other reserves HK$'000	Retained profits HK$'000	Sub-total HK$'000	Amount attributable to non-controlling unitholders of Champion REIT HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 1 January 2014	319,638	4,214,554	90,096	23,109	3,054	400,965	113,509	39,707	(27,106)	7,297,506	37,480,993	49,956,025	17,986,810	(855,761)	67,087,074
Profit for the period	–	–	–	–	–	–	–	–	–	–	472,803	472,803	57,993	51,725	582,521
Change in fair value of cash flow hedges	–	–	–	–	–	–	–	–	11,340	–	–	11,340	7,657	–	18,997
Fair value gain on available-for-sale investments	–	–	2,965	–	–	–	–	–	–	–	–	2,965	–	–	2,965
Reclassification adjustment upon disposal of available-for-sale investments	–	–	(44,686)	–	–	–	–	–	–	–	–	(44,686)	–	–	(44,686)
Exchange differences arising on translation of foreign operations	–	–	–	–	–	–	110,037	–	–	–	–	110,037	–	(3)	110,034
Share of other comprehensive expense of associates	–	–	–	–	–	–	(84)	–	–	–	–	(84)	–	–	(84)
Share of other comprehensive expense of a joint venture	–	–	–	–	–	–	(16,802)	–	–	–	–	(16,802)	–	–	(16,802)
Total comprehensive (expense) income for the period	–	–	(41,721)	–	–	–	93,151	–	11,340	–	472,803	535,573	65,650	51,722	652,945
Transaction with non-controlling unitholders of Champion REIT:															
Distribution to non-controlling unitholders of Champion REIT	–	–	–	–	–	–	–	–	–	–	–	–	(233,866)	–	(233,866)
	–	–	–	–	–	–	–	–	–	–	–	–	(233,866)	–	(233,866)
Transactions with owners:															
Dividend paid	–	–	–	–	–	–	–	–	–	–	(595,199)	(595,199)	–	–	(595,199)
Shares issued at premium	8,230	426,445	–	–	–	–	–	(3,973)	–	–	–	430,702	–	–	430,702
Share issue expenses	–	(24)	–	–	–	–	–	–	–	–	–	(24)	–	–	(24)
Recognition of equity-settled share based payments	–	–	–	–	–	–	–	8,903	–	–	–	8,903	–	–	8,903
Increase of interests in subsidiaries (note b)	–	–	–	–	–	–	–	–	–	101,884	–	101,884	(197,062)	22,184	(72,994)
Waiver of distribution from a subsidiary (note c)	–	–	–	–	–	–	–	–	–	–	(11,858)	(11,858)	–	11,858	–
Distribution to non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	–	–	(159,087)	(159,087)
At 30 June 2014 (unaudited)	327,868	4,640,975	48,375	23,109	3,054	400,965	206,660	44,637	(15,766)	7,399,390	37,346,739	50,426,006	17,621,532	(929,084)	67,118,454

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015

	Attributable to owners of the Company														
	Share capital HK$'000	Share premium HK$'000	Investment revaluation reserve HK$'000	Property revaluation reserve HK$'000	Capital redemption reserve HK$'000	Contributed surplus HK$'000 (note a)	Exchange translation reserve HK$'000	Share option reserve HK$'000	Hedging reserve HK$'000	Other reserves HK$'000	Retained profits HK$'000	Sub-total HK$'000	Amount attributable to non-controlling unitholders of Champion REIT HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 1 January 2015	327,904	4,642,970	38,204	23,109	3,054	400,965	(104,886)	53,951	(148)	7,581,732	38,802,823	51,769,678	17,746,512	(138,627)	69,377,563
Profit for the period	-	-	-	-	-	-	-	-	-	-	1,465,908	1,465,908	598,468	89,416	2,153,792
Change in fair value of cash flow hedges	-	-	-	-	-	-	-	-	(28,714)	-	-	(28,714)	(17,786)	-	(46,500)
Fair value gain on available-for-sale investments	-	-	70,112	-	-	-	-	-	-	-	-	70,112	-	-	70,112
Reclassification adjustment upon disposal of available-for-sale investments	-	-	(53,966)	-	-	-	-	-	-	-	-	(53,966)	-	-	(53,966)
Exchange differences arising on translation of foreign operations	-	-	183	-	-	-	(148,803)	-	-	-	-	(148,620)	-	(34)	(148,654)
Surplus on revaluation of an owner occupied property upon change of use to investment property	-	-	-	13,657	-	-	-	-	-	-	-	13,657	-	-	13,657
Share of other comprehensive income of associates	-	-	17,024	-	-	-	-	-	-	-	-	17,024	-	-	17,024
Share of other comprehensive expense of a joint venture	-	-	-	-	-	-	(1,098)	-	-	-	-	(1,098)	-	-	(1,098)
Total comprehensive (expense) income for the period	-	-	33,353	13,657	-	-	(149,901)	-	(28,714)	-	1,465,908	1,334,303	580,682	89,382	2,004,367
Transaction with non-controlling unitholders of Champion REIT: Distribution to non-controlling unitholders of Champion REIT	-	-	-	-	-	-	-	-	-	-	-	-	(210,604)	-	(210,604)
	-	-	-	-	-	-	-	-	-	-	-	-	(210,604)	-	(210,604)
Transactions with owners:															
Dividend paid	-	-	-	-	-	-	-	-	-	-	(308,550)	(308,550)	-	-	(308,550)
Shares issued at premium	4,435	238,603	-	-	-	-	-	(5,912)	-	-	-	237,126	-	-	237,126
Share issue expenses	-	(20)	-	-	-	-	-	-	-	-	-	(20)	-	-	(20)
Recognition of equity-settled share based payments	-	-	-	-	-	-	-	7,163	-	-	-	7,163	-	-	7,163
Increase of interests in subsidiaries (note b)	-	-	-	-	-	-	-	-	-	2,355	-	2,355	(26,089)	21,621	(2,113)
Recognised on disposal of interests in subsidiary without losing control	-	-	-	-	-	-	-	-	-	(61,853)	-	(61,853)	-	99,906	38,053
Waiver of distribution from a subsidiary (note c)	-	-	-	-	-	-	-	-	-	-	(9,471)	(9,471)	-	9,471	-
Contribution from non-controlling interests (note d)	-	-	-	-	-	-	-	-	-	-	-	-	-	768,250	768,250
Distribution to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(128,370)	(128,370)
At 30 June 2015 (unaudited)	332,339	4,881,553	71,557	36,766	3,054	400,965	(254,787)	55,202	(28,862)	7,522,234	39,950,710	52,970,731	18,090,501	721,633	71,782,865

Notes:

(a) Contributed surplus represents the surplus arising under the Scheme of Arrangement undertaken by the Group in 1989/90. Under the Bermuda Companies Act, the contributed surplus of the Group is available for distribution to shareholders.

(b) It represents the effect from the Group's increase in interests in Champion REIT and Langham upon the settlement of management fees in units and purchase of units of Champion REIT and Langham from the market by the Group.

(c) Pursuant to a distribution entitlement waiver deed, LHIL Assets Holdings Limited, a subsidiary, has agreed to waive its entitlement to receive any distributions payable from its 150,000,000 (30 June 2014: 150,000,000) share stapled units in Langham. During the period, distribution of HK$9,471,000 (30 June 2014: HK$11,858,000) was waived by the Group.

(d) Pursuant to a limited partnership agreement, a new entity was formed in August 2014 and the Group had contributed an investment property and a bank loan aggregately valued at HK$802,262,000 and other investors had a capital contribution of HK$768,250,000 during the six-month period ended 30 June 2015.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2015

	Six months ended 30 June	
	2015	2014
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Cash generated from (used in) operations	**915,438**	(993,763)
Hong Kong Profits Tax paid	**(2,518)**	(10,178)
Other jurisdictions tax paid	**(35,751)**	(45,551)
Hong Kong Profits Tax refunded	**66,597**	–
Net cash from (used in) operating activities	**943,766**	(1,049,492)
Investing activities		
Decrease in time deposits with original maturity over three months	**2,675,937**	–
Decrease in pledged bank deposits	**578,128**	–
Proceeds on disposal of financial assets designated at fair value through profit or loss	**500,424**	2,147,436
Proceeds on disposal of available-for-sale investments	**336,887**	526,214
Interest received	**232,442**	150,512
Decrease (increase) in restricted cash	**29,352**	(343)
Proceeds on redemption of notes receivable	**65,595**	16,534
Dividends received from listed available-for-sale investments	**10,065**	22,101
Dividends received from associates	**6,426**	14,888
Proceeds on disposal of property, plant and equipment	**1,719**	69
Additions of property, plant and equipment	**(1,676,518)**	(160,034)
Additions of financial assets designated at fair value through profit or loss	**(622,454)**	(605,329)
Additions of available-for-sale investments	**(283,171)**	(707,824)
Additions of notes receivable	**(224,911)**	–
Increase in loan receivable	**(193,813)**	–
Deposit for acquisition of a hotel property	**–**	(96,894)
Additions of investment properties	**(57,294)**	(20,103)
Net cash from investing activities	**1,378,814**	1,287,227

For the six months ended 30 June 2015

	Six months ended 30 June	
	2015 HK$'000 (unaudited)	2014 HK$'000 (unaudited)
Financing activities		
Repayments of bank loans	**(1,796,272)**	(7,528,254)
Interest paid	**(310,835)**	(265,775)
Distribution paid to non-controlling unitholders of Champion REIT	**(219,952)**	(249,971)
Distribution paid to non-controlling interests	**(128,370)**	(159,087)
Dividends paid to shareholders	**(88,334)**	(179,920)
Repurchase of medium term notes	**(72,944)**	–
Bank origination fees	**(7,599)**	(73,350)
Acquisition of additional interests in subsidiaries	**(2,113)**	(72,994)
New bank loans raised	**969,263**	7,500,000
Contribution from non-controlling interests	**768,250**	–
Proceeds from issuance of medium term notes	**643,000**	–
Issue of shares	**16,890**	15,399
Net cash used in financing activities	**(229,016)**	(1,013,952)
Net increase (decrease) in cash and cash equivalents	**2,093,564**	(776,217)
Effect of foreign exchange rate changes	**(32,929)**	28,406
Cash and cash equivalents at 1 January	**5,628,234**	10,711,723
Cash and cash equivalents at 30 June	**7,688,869**	9,963,912
Analysis of the bank balances and cash:		
Balance of cash and cash equivalents	**7,688,869**	9,963,912
Time deposits with original maturity over three months	**796,054**	–
	8,484,923	9,963,912

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 (the "Listing Rules") and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The condensed consolidated financial statements have been prepared on a going concern basis because the Directors of the Company are of the opinion that the banking facilities could be refinanced taking into account of the existing banking relationship and the current fair value of the assets of the Group.

2. SIGNIFICANT 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.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2015 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2014.

In the current interim period, the Group has applied, for the first time, amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are mandatorily effective for the current interim period.

The application of the amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

3. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair values of the Group's financial assets and financial liabilities that are measured at fair values on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair values at the end of the reporting period. The following table gives information about how the fair values of these financial instruments are determined (in particular, the valuation techniques and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

3. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair values of the Group's financial assets and financial liabilities that are measured at fair values on a recurring basis (continued)

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) to active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than those quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets/(liabilities)	Fair value as at 30 June 2015 HK$'000	Fair value as at 31 December 2014 HK$'000	Fair value hierarchy	Valuation technique and key inputs
Listed equity securities classified as available-for-sale investments in the condensed consolidated statement of financial position.	**411,424**	565,184	Level 1	Quoted market bid prices in an active market.
Listed debt securities classified as available-for-sale investments in the condensed consolidated statement of financial position.	**72,485**	73,682	Level 1	Quoted market bid prices in an active market.
Unlisted equity securities classified as available-for-sale investments in the condensed consolidated statement of financial position.	**578,054**	556,465	Level 1	Quoted market bid prices in an active market/calculated based on fair value of the underlying investments which are publicly traded equity investments.
Equity and currency linked notes classified as financial assets designated at fair value through profit or loss ("FVTPL") in the condensed consolidated statement of financial position.	**–**	14,783	Level 2	Discounted cash flow. Future cash flows are estimated based on share price/foreign currency exchange rate (from observable share price/foreign currency exchange rate at the end of the reporting period) and contracted share price/foreign currency exchange rate, discounted at a rate that reflects the credit risk of various counterparties.

3. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair values of the Group's financial assets and financial liabilities that are measured at fair values on a recurring basis (continued)

Financial assets/(liabilities)	Fair value as at 30 June 2015 HK$'000	Fair value as at 31 December 2014 HK$'000	Fair value hierarchy	Valuation technique and key inputs	Significant unobservable inputs
Foreign currency derivative contracts classified as derivative financial instruments in the condensed consolidated statement of financial position.	**(3,247)**	(495)	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contracted forward rates, discounted at a rate that reflects the credit risk of various counterparties.	N/A
Cross currency swaps classified as derivative financial instruments in the condensed consolidated statement of financial position.	**(42,559)**	3,974	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates and interest rates (from observable forward exchange rates and interest rates at the end of the reporting period) and contracted forward rates discounted at a rate that reflects the credit risk of various counterparties.	N/A
Equity linked notes classified as financial assets designated at FVTPL in the condensed consolidated statement of financial position.	**369,932**	154,729	Level 3	Discounted cash flow. Future cash flows are estimated based on probability-adjusted share prices and volatility discounted at a rate that reflects the credit risk of various counterparties.	Volatility of underlying share prices. (Note 1)
Credit linked notes classified as financial assets designated at FVTPL in the condensed consolidated statement of financial position.	**–**	80,000	Level 3	Discounted cash flow. Future cash flows are estimated based on historical credit risk, discounted at a rate that reflects the credit risk of various counterparties.	Credit risk of underlying listed entity. (Note 2)

Note 1: The higher the volatility, the higher the fair value of equity linked notes. A reasonably possible change in the unobservable input would result in a significantly higher or lower fair value measurement.

Note 2: The higher the credit risk, the lower the fair value of credit linked notes. A reasonably possible change in the unobservable input would result in a significantly higher or lower fair value measurement.

There were no transfers between Level 1 and 2 during the period.

3. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair values of the Group's financial assets and financial liabilities that are measured at fair values on a recurring basis (continued)

Reconciliation of Level 3 fair value measurements

	Equity/credit linked notes HK$'000
As at 1 January 2015	234,729
Purchases	622,454
Redemption upon maturity	(485,424)
Change in fair value	(1,827)
As at 30 June 2015	369,932

The above change in fair value is included in "fair value changes on financial assets designated at fair value through profit or loss" in the condensed consolidated income statement.

The Directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised costs in the condensed consolidated financial statements approximate their fair values.

4. REVENUE

Revenue represents the aggregate of gross rental income, building management service income, income from hotel operations, proceeds from sales of building materials, dividend income from investments, property management and maintenance income, property agency commission and income from restaurant operations.

	Six months ended 30 June	
	2015 HK$'000 (unaudited)	2014 HK$'000 (unaudited)
Property rental income	1,208,432	1,242,810
Building management service income	121,625	118,254
Hotel income	2,408,302	2,374,955
Sales of goods	128,124	101,768
Dividend income	12,744	25,550
Others	103,208	85,870
	3,982,435	3,949,207

5. SEGMENT INFORMATION

Operating segments are identified on the basis of organisational structure and internal reports about components of the Group. Such internal reports are regularly reviewed by the chief operating decision maker ("CODM") (i.e. the chairman and managing director of the Group) in order to allocate resources to segments and to assess their performance. Performance assessment is more specifically focused on the segment results of Pacific Eagle (US) Real Estate Fund, L.P. and its subsidiaries (collectively referred to as "US Real Estate Fund") and each listed group, including Great Eagle Holdings Limited, Champion Real Estate Investment Trust ("Champion REIT") and Langham Hospitality Investments and Langham Hospitality Investments Limited ("Langham"). The Group's operating and reportable segments under HKFRS 8 "Operating Segments" are as follows:

Property investment	–	gross rental income and building management service income from leasing of furnished apartments and properties held for investment potential.
Hotel operation	–	hotel accommodation, food and banquet operations as well as hotel management.
Other operations	–	sales of building materials, restaurant operation, investment in securities, provision of property management, maintenance and property agency services.
Results from Champion REIT	–	based on published financial information of Champion REIT.
Results from Langham	–	based on published financial information of Langham.
US Real Estate Fund	–	based on rental income and related expenses of the properties owned by the US Real Estate Fund.

Segment results of Champion REIT represent the published net property income less manager's fee. Segment results of Langham represent revenue less property related expenses and services fees. Segment results of US Real Estate Fund represent revenue less fund related expenses. Segment results of other operating segments represent the results of each segment without including any effect of allocation of interest income from bank balances and cash centrally managed, central administration costs, Directors' salaries, share of results of associates, share of results of a joint venture, depreciation, fair value changes on investment properties, derivative financial instruments and financial assets designated at FVTPL, gain on repurchase of medium term notes, other income, finance costs and income taxes. This is the measurement basis reported to the CODM for the purposes of resource allocation and performance assessment.

5. SEGMENT INFORMATION (CONTINUED)

The following is the analysis of the Group's revenue and results by reportable segment for the period under review:

Segment revenue and results

Six months ended 30 June 2015

	Property investment HK$'000 (unaudited)	Hotel operation HK$'000 (unaudited)	Other operations HK$'000 (unaudited)	Sub-total HK$'000 (unaudited)	Champion REIT HK$'000 (unaudited)	Langham HK$'000 (unaudited)	US Real Estate Fund HK$'000 (unaudited)	Eliminations HK$'000 (unaudited)	Consolidated HK$'000 (unaudited)
REVENUE									
External revenue	116,166	2,408,302	244,076	2,768,544	1,099,547	2,706	111,638	–	3,982,435
Inter-segment revenue	–	32,259	155,683	187,942	10,871	320,495	–	(519,308)	–
Total	116,166	2,440,561	399,759	2,956,486	1,110,418	323,201	111,638	(519,308)	3,982,435

Inter-segment revenue are charged at a mutually agreed prices and are recognised when services are provided.

	Property investment	Hotel operation	Other operations	Sub-total	Champion REIT	Langham	US Real Estate Fund	Eliminations	Consolidated
RESULTS									
Segment results	85,547	197,940	244,980	528,467	772,651	265,895	35,660	(6,629)	1,596,044
Depreciation				(199,390)	–	(82,238)	–	(410)	(282,038)
Operating profit after depreciation				329,077	772,651	183,657	35,660	(7,039)	1,314,006
Fair value changes on investment properties				21,270	1,065,102	–	326,824	(1,200)	1,411,996
Fair value changes on derivative financial instruments				(2,752)	–	–	–	–	(2,752)
Fair value changes on financial assets designated at FVTPL				97	–	–	–	–	97
Other income				83,562	–	–	–	–	83,562
Gain on repurchase of medium term notes				–	2,273	–	–	–	2,273
Administrative and other expenses				(193,641)	(7,547)	(7,544)	(40,562)	2,988	(246,306)
Net finance costs				42,959	(164,697)	(58,337)	(25,972)	–	(206,047)
Share of results of associates				(3,731)	–	–	–	–	(3,731)
Share of results of a joint venture				(8,892)	–	–	–	–	(8,892)
Profit before tax				267,949	1,667,782	117,776	295,950	(5,251)	2,344,206
Income taxes				(35,325)	(103,161)	(26,492)	–	(25,436)	(190,414)
Profit for the period				232,624	1,564,621	91,284	295,950	(30,687)	2,153,792
Less: Profit attributable to non-controlling interests/ non-controlling unitholders of Champion REIT				(1,558)	(598,468)	(37,920)	(149,159)	99,221	(687,884)
Profit attributable to owners of the Company				231,066	966,153	53,364	146,791	68,534	1,465,908

5. SEGMENT INFORMATION (CONTINUED)

Segment revenue and results (continued)

Six months ended 30 June 2014

	Property investment HK$'000 (unaudited)	Hotel operation HK$'000 (unaudited)	Other operations HK$'000 (unaudited)	Sub-total HK$'000 (unaudited)	Champion REIT HK$'000 (unaudited)	Langham HK$'000 (unaudited)	Eliminations HK$'000 (unaudited)	Consolidated HK$'000 (unaudited)
REVENUE								
External revenue	217,132	2,374,955	213,188	2,805,275	1,141,411	2,521	–	3,949,207
Inter-segment revenue	–	37,065	157,817	194,882	13,591	365,766	(574,239)	–
Total	217,132	2,412,020	371,005	3,000,157	1,155,002	368,287	(574,239)	3,949,207

Inter-segment revenue are charged at a mutually agreed prices and are recognised when services are provided.

	Property investment HK$'000 (unaudited)	Hotel operation HK$'000 (unaudited)	Other operations HK$'000 (unaudited)	Sub-total HK$'000 (unaudited)	Champion REIT HK$'000 (unaudited)	Langham HK$'000 (unaudited)	Eliminations HK$'000 (unaudited)	Consolidated HK$'000 (unaudited)
RESULTS								
Segment results	134,315	202,877	252,716	589,908	810,229	305,346	(1,896)	1,703,587
Depreciation				(163,509)	–	(76,964)	–	(240,473)
Operating profit after depreciation				426,399	810,229	228,382	(1,896)	1,463,114
Fair value changes on investment properties				245,946	(389,714)	–	–	(143,768)
Fair value changes on derivative financial instruments				182	–	–	–	182
Fair value changes on financial assets designated at FVTPL				(117)	–	–	–	(117)
Other income				47,323	–	–	–	47,323
Administrative and other expenses				(297,814)	(9,076)	(19,113)	1,896	(324,107)
Net finance costs				49,488	(151,523)	(55,073)	–	(157,108)
Share of results of associates				764	–	–	–	764
Share of results of a joint venture				(19,039)	–	–	–	(19,039)
Profit before tax				453,132	259,916	154,196	–	867,244
Income taxes				(138,754)	(111,861)	(34,108)	–	(284,723)
Profit for the period				314,378	148,055	120,088	–	582,521
Less: Profit attributable to non-controlling interests/ non-controlling unitholders of Champion REIT				(1,228)	(57,993)	(50,497)	–	(109,718)
Profit attributable to owners of the Company				313,150	90,062	69,591	–	472,803

5. SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

30 June 2015

	Assets HK$'000 (unaudited)	**Liabilities HK$'000 (unaudited)**	**Net Assets HK$'000 (unaudited)**
Property investment (note a)	**5,092,263**	**1,471,470**	**3,620,793**
Hotel operation (note a)	**14,190,855**	**5,240,995**	**8,949,860**
Other operations (note a)	**2,872,406**	**178,899**	**2,693,507**
Unallocated	**8,038,537**	**168,509**	**7,870,028**
Great Eagle operations (note b)	**30,194,061**	**7,059,873**	**23,134,188**
Champion REIT (note c)	**39,991,857**	**10,446,933**	**29,544,924**
Langham (note c)	**10,274,500**	**4,127,080**	**6,147,420**
US Real Estate Fund (note d)	**2,578,645**	**841,889**	**1,736,756**

31 December 2014

	Assets HK$'000 (audited)	Liabilities HK$'000 (audited)	Net Assets HK$'000 (audited)
Property investment (note a)	6,480,727	2,181,489	4,299,238
Hotel operation (note a)	13,006,151	5,485,441	7,520,710
Other operations (note a)	2,866,521	201,407	2,665,114
Unallocated	9,388,790	425,061	8,963,729
Great Eagle operations (note b)	31,742,189	8,293,398	23,448,791
Champion REIT (note c)	39,239,160	10,356,909	28,882,251
Langham (note c)	10,307,606	4,088,251	6,219,355
US Real Estate Fund (note d)	1,042,963	254,552	788,411

5. SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities (continued)

Notes:

(a) The segment assets include primarily investment properties, property, plant and equipment, loan receivable, equity securities classified as available-for-sale investments, inventories, notes receivable, financial assets designated at FVTPL and debtors, deposits and prepayments attributable to respective operating segments. The segment liabilities include primarily creditors, deposits and accruals, provision for taxation and deferred taxation attributable to respective operating segments.

(b) In addition to the major items discussed in note (a), included in the assets and liabilities are bank deposit, pledged bank deposit and restricted cash of HK$5,983,781,000 (31 December 2014: HK$7,765,491,000) and borrowings of HK$4,918,918,000 (31 December 2014: HK$6,089,419,000), representing net cash of HK$1,064,863,000 as at 30 June 2015 (31 December 2014: HK$1,676,072,000).

(c) Assets and liabilities of Champion REIT and Langham are based on published results of Champion REIT and Langham, excluding distribution payable attributable from Champion REIT of HK$339,996,000 (31 December 2014: HK$353,633,000), at the respective interests held by Great Eagle Holdings Limited, being 61.75% and 58.46% (31 December 2014: 61.65% and 58.22%), respectively. Additionally, the assets of Langham include the hotel properties' appraised value of HK$17,000,000,000 as at 30 June 2015 (31 December 2014: HK$17,000,000,000). Such hotel properties have a carrying amount (at cost less accumulated depreciation) of HK$4,186,923,000 as at 30 June 2015 (31 December 2014: HK$4,190,973,000) as recognised in the Group's condensed consolidated statement of financial position.

(d) Assets and liabilities of the US Real Estate Fund are based on consolidated financial information of the fund at the 49.6% (31 December 2014: 48.9%) interest held by Great Eagle Holdings Limited.

6. FINANCE COSTS

	Six months ended 30 June	
	2015 **HK$'000** **(unaudited)**	2014 HK$'000 (unaudited)
Interest on bank borrowings	**209,546**	160,500
Interest on other loans	**36,898**	40,515
Interest on medium term notes	**60,796**	57,839
Other borrowing costs	**47,085**	43,855
	354,325	302,709

7. PROFIT BEFORE TAX

	Six months ended 30 June	
	2015 HK$'000 (unaudited)	2014 HK$'000 (unaudited)
Profit before tax has been arrived at after charging (crediting):		
Staff costs (including directors' emoluments)	**1,068,823**	1,061,210
Share based payments (including directors' emoluments)	**7,163**	8,903
	1,075,986	1,070,113
Depreciation	**282,038**	240,473
Recovery of bad debts written off	**(1,524)**	(1,267)
Share of tax of associates (included in the share of results of associates)	**957**	1,110
Dividend income from listed investments	**(12,744)**	(25,550)
Bank interest income (included in other income)	**(103,129)**	(121,704)
Interest income received from other financial assets (included in other income)	**(45,149)**	(23,897)
Net gain on disposal of listed available-for-sale investments (included in other income)	**(53,966)**	(44,686)
Loss on disposal of property, plant and equipment	**5,899**	93
Net exchange loss (included in other expenses)	**24,099**	169,547

8. INCOME TAXES

	Six months ended 30 June	
	2015	2014
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Current tax:		
Current period:		
Hong Kong Profits Tax	**109,038**	108,770
Other jurisdictions	**12,412**	25,870
	121,450	134,640
(Over)underprovision in prior periods:		
Hong Kong Profits Tax	**(154)**	2,625
Other jurisdictions	**(10,484)**	6,433
	(10,638)	9,058
	110,812	143,698
Deferred tax:		
Current period	**82,298**	151,470
Overprovision in prior periods	**(2,696)**	(10,445)
	79,602	141,025
	190,414	284,723

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods. Taxation arising in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

9. DIVIDENDS

	Six months ended 30 June	
	2015 **HK$'000** **(unaudited)**	2014 HK$'000 (unaudited)
Dividends paid:		
Final dividend of HK47 cents in respect of the financial year ended 31 December 2014 (2014: HK43 cents in respect of the financial year ended 31 December 2013) per ordinary share	**308,550**	275,199
Special final dividend of HK50 cents in respect of the financial year ended 31 December 2013 per ordinary share	**–**	320,000
	308,550	595,199
Dividends declared:		
Interim dividend of HK27 cents in respect of the six months ended 30 June 2015 (2014: HK27 cents in respect of the six months ended 30 June 2014) per ordinary share	**179,463**	177,049

On 16 June 2015, a final dividend of HK47 cents (2014: final dividend of HK43 cents and a special final dividend of HK50 cents) per ordinary share, which included scrip dividend alternatives offered to shareholders, were paid to shareholders as the final dividend in respect of the financial year ended 31 December 2014. The scrip dividend alternatives were accepted by the shareholders as follows:

	Six months ended 30 June	
	2015 **HK$'000** **(unaudited)**	2014 HK$'000 (unaudited)
Dividends		
Cash	**88,334**	179,919
Share alternative	**220,216**	415,280
	308,550	595,199

The Directors have determined that an interim dividend of HK27 cents (2014: interim dividend of HK27 cents) per ordinary share will be paid to the shareholders of the Company whose names appear in the Register of Members on 7 October 2015.

10. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	Six months ended 30 June	
	2015 HK$'000 (unaudited)	2014 HK$'000 (unaudited)
Earnings		
Earnings for the purpose of basic and diluted earnings per share (Profit for the period attributable to owners of the Company)	**1,465,908**	472,803

	Six months ended 30 June	
	2015	2014
Number of shares		
Weighted average number of shares for the purpose of basic earnings per share	**664,355,465**	655,438,169
Effect of dilutive potential shares:		
Share options	**490,874**	609,603
Weighted average number of shares for the purpose of diluted earnings per share	**664,846,339**	656,047,772

11. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

During the current interim period, the Group had additions in relation to structural improvement work on hotel properties of HK$6,433,000 and hotel buildings under development of HK$1,470,313,000 (six months ended 30 June 2014: structural improvement work on hotel properties of HK$17,917,000). The additions of other property, plant and equipment were HK$311,763,000 (six months ended 30 June 2014: HK$141,880,000). During the current interim period, the Group had disposals of other property, plant and equipment with carrying amount of HK$7,620,000 (six months ended 30 June 2014: HK$162,000).

At 30 June 2015 and 2014, the Directors conducted an impairment assessment on hotel properties, no reversal or additional impairment loss was recognised for the six months ended 30 June 2015 and 2014.

During the current interim period, the Group had additions to improvement work on investment properties at a cost of HK$43,636,000 (six months ended 30 June 2014: HK$37,769,000).

In addition, investment properties with carrying value of HK$18,900,000 were transferred from property, plant and equipment due to change in use from owner occupation to earning rental income from outsiders. During the year ended 31 December 2014, property, plant and equipment with carrying value of HK$244,900,000 was transferred from investment properties due to change in use from earning rental income from outsiders to owner occupation.

11. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES (CONTINUED)

The fair value of the Group's investment properties of HK$71,339,659,000 as at 30 June 2015 (31 December 2014: HK$69,867,294,000) has been arrived at on a basis of valuation carried out by independent professional property valuers not connected with the Group:

Investment properties in Hong Kong – Knight Frank Petty Limited and Savills Valuation and Professional Services Limited.

Investment properties in the People's Republic of China – Knight Frank Petty Limited.

Investment properties in the United States of America ("USA") – Cushman & Wakefield Western, Inc.

The valuations for investment properties were arrived at by using income capitalisation method which is determined based on the future cash flow of market rentals at market yield expected by property investors and applicable discount rates. The market rentals are also assessed by reference to the rentals achieved in other similar properties in the neighbourhood. Additionally, in estimating the fair value of the investment properties, the highest and best use of the properties is their current use.

12. DEPOSIT FOR ACQUISITION OF A HOTEL PROPERTY

As at 31 December 2014, purchase deposit of RMB96,500,000 (equivalent to HK$121,185,000) was paid for the acquisition of a hotel development project in Minhang District, Shanghai, the People's Republic of China ("PRC").

13. INTERESTS IN ASSOCIATES

	30 June 2015 HK$'000 (unaudited)	31 December 2014 HK$'000 (audited)
Cost of investment in associates:		
Unlisted associates in Hong Kong (note a)	**109**	109
Listed associate in Hong Kong	**2,596**	2,596
Share of post-acquisition profit and other comprehensive income, net of dividend received (note b)	**82,474**	75,607
	85,179	78,312
Amount due from an associate (note c)	**12,054**	12,054
	97,233	90,366
Fair value of listed associate, based on market share price	**207,724**	102,611

13. INTERESTS IN ASSOCIATES (CONTINUED)

Notes:

(a) In July 2014, the Group simultaneously entered into a shareholder's agreement, memorandum of the agreement and subscription agreement in respect of the purchase of 12,500 shares of Class B of Redwood Peak Partners, an exempted company incorporated in the Cayman Islands, for a total consideration of US$12,500 (equivalent to approximately HK$97,000) from a close family member of a Director of the Company.

(b) During the year ended 31 December 2014, an associate had distributed dividend in the form of investment shares which were held by the associate. The Group recognised such shares amounting to HK$29,776,000 as an available-for-sale investment.

(c) Amounts due from associates were unsecured, interest-free and have no fixed terms of repayment. The associates are not expected to repay within twelve months from the end of the reporting period and the balances are classified as non-current.

In determining whether there exists any objective evidence of impairment of the Group's interests in associates, the Directors consider any loss events at the end of the reporting period which may have an impact on the estimated future cash flows of its associates. The Directors assessed that no objective evidence of impairment was identified. Accordingly, no impairment loss is recognised.

At the end of the reporting period, fair value of listed associate is determined on the number of shares held by the Group and by reference to the closing price in an active market.

14. INTEREST IN A JOINT VENTURE

	30 June 2015 HK$'000 (unaudited)	31 December 2014 HK$'000 (audited)
Cost of investment in a joint venture	**632,612**	632,612
Share of post-acquisition results and other comprehensive income	**(63,054)**	(53,064)
	569,558	579,548

Pursuant to a subscription and shareholders' agreement signed between an indirect wholly-owned subsidiary of the Company and an independent third party investor (the "Investor") in February 2010, the financial and operating policies of Wealth Joy Holdings Limited ("Wealth Joy") that significantly affect the return of Wealth Joy, require unanimous consent from the Group and the Investor, accordingly Wealth Joy is accounted for as a joint arrangement. As the joint arrangement does not result in either parties having rights to assets and obligations to liabilities of Wealth Joy, the Group has accounted for Wealth Joy as a joint venture.

Wealth Joy and its subsidiaries are principally engaged in developing a parcel of land in Donggang area, Renmin Road East, which is the commercial and financial centre of Dalian, the PRC.

14. INTEREST IN A JOINT VENTURE (CONTINUED)

The Group's interest in the joint venture amounting to HK$569,558,000 as at 30 June 2015 (31 December 2014: HK$579,548,000) are accounted for using the equity method in these condensed consolidated financial statements.

15. LOAN RECEIVABLE

Smart Easy Global Limited ("Smart Easy"), a wholly owned subsidiary of the Company, entered into a subordinated unsecured convertible promissory note dated 15 June 2015 (the "Note") with a third party for the loan receivable of US$25,000,000 (equivalent to approximately HK$193,813,000), which bears interest at 5% per annum and has a maturity date on 15 June 2020.

Subject to the terms in the Note, the loan receivable may, by Smart Easy's election, be converted into fully paid class D non-voting common units of the third party at an initial conversion price of US$6. Upon conversion, accrued and unpaid interest on the loan receivable shall be immediately due and payable in cash. Notwithstanding the above, the Note will also be mandatory converted at an initial conversion price of US$6 upon the occurrence of the earlier of (i) an initial public offering of the third party's equity securities at a price per share of US$12; and (ii) the sale of at least US$20 million of new capital of the third party's equity securities at the implied unit price of at least US$12.

Based on the market conditions and the operations of the third party at the end of the reporting period, the management considered that the loan receivable will not be converted into units. Accordingly, the fair value of the conversion right of the loan receivable is insignificant.

16. NOTES RECEIVABLE

	30 June 2015 HK$'000 (unaudited)	31 December 2014 HK$'000 (audited)
Unsecured bonds	**333,556**	156,353
Medium term notes	**–**	18,752
	333,556	175,105
Less: Amounts due within one year shown under current assets	**(79,739)**	(124,635)
Amounts due after one year	**253,817**	50,470

At the end of the reporting period, the Group held unsecured bonds with principal amounts of HK$333,556,000 (31 December 2014: unsecured bonds HK$156,353,000 and medium term notes HK$18,752,000), issued by reputable financial institutions.

16. NOTES RECEIVABLE (CONTINUED)

The unsecured bonds issued by reputable financial institutions are detailed as follows:

(i) carrying amount of HK$253,817,000 (31 December 2014: HK$29,529,000) is denominated in United States dollars with nominal values ranging from US$1,000,000 to US$2,000,000 (31 December 2014: US$1,000,000 to US$2,000,000), bears interest at fixed interest rates ranging from 2.63% to 5.88% (31 December 2014: 2.63% to 3.25%) per annum and has maturity dates ranging from January 2018 to May 2024 (31 December 2014: January 2018 to April 2018); and

(ii) carrying amount of HK$79,739,000 (31 December 2014: HK$126,824,000) is denominated in Renminbi with nominal values ranging from RMB2,000,000 to RMB10,000,000 (31 December 2014: RMB2,000,000 to RMB10,000,000), bears interests at fixed interest rates ranging from 3% to 4% (31 December 2014: variable interest rate of 3-month's Shanghai Interbank Offered Rate less 0.6% or fixed interest rates ranging from 2.25% to 8.50%) per annum and has maturity dates ranging from July 2015 to June 2016 (31 December 2014: January 2015 to June 2016).

At 31 December 2014, the medium term notes issued by reputable financial institutions was denominated in Renminbi with an aggregate nominal value of RMB15,000,000. The medium term notes bore interest at 3.25% per annum and matured in June 2015.

17. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments comprise:

	30 June 2015 HK$'000 (unaudited)	31 December 2014 HK$'000 (audited)
Listed equity securities in Hong Kong	**320,988**	464,654
Listed equity securities outside Hong Kong	**90,436**	100,530
Listed debt securities outside Hong Kong	**72,485**	73,682
Unlisted equity securities in Hong Kong	**246**	246
Unlisted equity securities outside Hong Kong	**1,139,163**	968,176
	1,623,318	1,607,288
Market value of listed securities	**483,909**	638,866

At the end of the reporting period, all the listed securities are stated at fair values which have been determined by reference to closing prices quoted in the active markets.

Unlisted investments represent unlisted equity investments and club debentures. An aggregate amount of unlisted equity securities of HK$578,054,000 (31 December 2014: HK$556,465,000) are measured at fair values. The remaining amount of unlisted equity securities and club debentures of HK$561,355,000 (31 December 2014: HK$411,957,000) are measured at cost less impairment at the end of the reporting period because the range of reasonable fair value estimates is so widespread that the Directors are of the opinion that their fair values cannot be measured reliably.

17. AVAILABLE-FOR-SALE INVESTMENTS (CONTINUED)

Included in unlisted equity investments, which is carried at cost less impairment, is the Group's investment in an investor of China Orient Great Eagle (PRC) Real Estate Investment Opportunity Fund L.P. ("China Fund LP"), namely China Orient Great Eagle (PRC) Real Estate Investment Opportunity Fund Limited Partner, an exempted company incorporated with limited liability in the Cayman Islands. At 30 June 2015, the Group had invested HK$275,050,000 (31 December 2014: HK$155,096,000), which represents 40% equity interests in China Fund LP. China Fund LP is not regarded as an associate of the Group because the Group is unable to exercise significant influence under arrangements with other investors.

During the year ended 31 December 2014, the Group had deemed disposal of an unlisted investment of HK$14,811,000 with the receipt of capital return from two unlisted equity investments, which had been carried at cost less impairment before the disposal.

18. PROPERTY UNDER DEVELOPMENT

During the period ended 30 June 2015, the Group acquired a site in Pine Street, San Francisco, the USA with a consideration of US$21,000,000. The site will be used for development of residential properties for sale.

The Group during the year ended 31 December 2014 acquired a residential site in Pak Shek Kok, Tai Po at the land premium of HK$2,412,000,000. The site will be used for development of luxury residential properties for sale.

The property under development is expected to be completed and available for sale to the customers more than twelve months from the end of the reporting period.

19. DEBTORS, DEPOSITS AND PREPAYMENTS

	30 June 2015 HK$'000 (unaudited)	31 December 2014 HK$'000 (audited)
Trade debtors, net of allowance for doubtful debts	**397,382**	316,825
Deferred rent receivables	**130,488**	121,326
Other receivables	**47,025**	40,873
Deposits and prepayments	**304,047**	166,635
	878,942	645,659

For sales of goods, the Group allows an average credit period of 30-60 days to its trade customers. Rentals receivable from tenants and service income receivable from customers are payable on presentation of invoices. For hotel income, the Group allows a credit period of 30 days to certain customers.

19. DEBTORS, DEPOSITS AND PREPAYMENTS (CONTINUED)

The following is an analysis of trade debtors by age, presented based on the invoice date, net of allowance for doubtful debts:

	30 June 2015 HK$'000 (unaudited)	31 December 2014 HK$'000 (audited)
0-3 months	**279,273**	210,340
3-6 months	**17,507**	15,482
Over 6 months	**100,602**	91,003
	397,382	316,825

Deposits and prepayments mainly consist of deposits paid to contractors for hotels renovation and prepaid expenses for hotels operations.

20. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2015 HK$'000 (unaudited)	31 December 2014 HK$'000 (audited)
Equity linked notes designated at FVTPL	**369,932**	169,512
Credit linked notes designated at FVTPL	**–**	80,000
	369,932	249,512

At the end of the reporting period, the Group had entered into equity linked notes with banks and are detailed as follows:

(i) US$ equity linked notes with nominal values ranging from US$500,000 to US$1,000,000 (31 December 2014: US$500,000 to US$2,000,000) have maturity periods ranging from three months to twelve months (31 December 2014: five months to twelve months). Redemption amount and interest rates vary depending on various conditioning terms and different strike prices.

(ii) HK$ equity linked notes with nominal values ranging from HK$6,000,000 to HK$15,000,000 (31 December 2014: HK$5,000,000 to HK$15,000,000) have maturity periods ranging from three months to four months (31 December 2014: three months to six months). Redemption amount and interest rates vary depending on various conditioning terms and different strike prices.

20. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

At 31 December 2014, the Group also entered into a credit linked note with nominal value of HK$80,000,000. The credit linked note bore interest at 3-month Hong Kong Interbank Offer Rate ("HIBOR") plus 3.50% and matured in April 2015.

21. PLEDGED BANK DEPOSITS

Pledged bank deposits represented the following:

(i) RMB deposit with equivalent amount of HK$284,743,000 (31 December 2014: HK$847,357,000) was pledged as security for short-term loan facilities; and

(ii) An amount equivalent to nil (31 December 2014: HK$15,514,000) was placed as security deposit for acquisition of a development project in San Francisco, the USA.

22. CREDITORS, DEPOSITS AND ACCRUALS

	30 June 2015 HK$'000 (unaudited)	31 December 2014 HK$'000 (audited)
Trade creditors	**246,814**	219,163
Deposits received	**807,980**	803,544
Construction fee payable and retention money payable	**32,404**	41,606
Accruals, interest payable and other payables	**2,010,495**	2,048,679
	3,097,693	3,112,992

The following is an analysis of trade creditors by age, presented based on the invoice date:

	30 June 2015 HK$'000 (unaudited)	31 December 2014 HK$'000 (audited)
0 – 3 months	**207,968**	165,268
3 – 6 months	**6,327**	24,682
Over 6 months	**32,519**	29,213
	246,814	219,163

22. CREDITORS, DEPOSITS AND ACCRUALS (CONTINUED)

Included in accruals and other payables is accrual of stamp duty of HK$963,475,000 (31 December 2014: HK$963,475,000) which is based on the current applicable stamp duty rate of 4.25% (31 December 2014: 4.25%) and the stated consideration of HK$22,670,000,000 in the property sale and purchase agreements for the legal assignment of the investment properties which Champion REIT acquired the property interests in Citibank Plaza upon listing.

Apart from the above, accruals and other payables mainly consist of accrued renovation and operating expenses for the hotels.

23. DERIVATIVE FINANCIAL INSTRUMENTS

	30 June 2015 HK$'000 (unaudited)	31 December 2014 HK$'000 (audited)
Foreign currency derivative contracts – liabilities	**(3,247)**	(495)
Less: Amounts due within one year shown under current liabilities	**3,111**	343
Amounts due after one year	**(136)**	(152)

The Group used foreign currency derivative contracts to manage its exposure to foreign exchange rate movements on its operations in Hong Kong. The Group is required to sell or buy Euro against Hong Kong dollars and United States dollars (31 December 2014: Euro against Hong Kong dollars) at contracted rates under these derivative contracts. At the end of the reporting period, the unexpired notional amount of these outstanding derivatives contracts amounted to Euro13,066,000 (equivalent to HK$111,541,000) (31 December 2014: Euro610,000 (equivalent to HK$6,264,000)). The derivative contracts will be fully expired by 2018 (31 December 2014: 2016).

The fair values of foreign currency derivative contracts at the end of the reporting periods are provided by counterparty banks.

24. DERIVATIVE FINANCIAL INSTRUMENTS UNDER HEDGE ACCOUNTING

	30 June 2015 HK$'000 (unaudited)	31 December 2014 HK$'000 (audited)
Non-current asset		
Cash flow hedge – cross currency swaps	–	3,974
Non-current liability		
Cash flow hedge – cross currency swaps	42,559	–

The Group entered into cross currency swaps with The Hongkong and Shanghai Banking Corporation Limited to minimise the exposure to fluctuation in foreign currency and interest rate of the medium term notes as described in note 26, which is denominated in United States dollars, in respect of the principal and fixed rate interest payments.

The cross currency swaps and the corresponding medium term notes have similar terms and the Directors considered that the cross currency swaps were highly effective hedging instruments.

The fair values of the cross currency swaps at the end of the reporting periods are based on the valuation provided by the counterparty financial institution.

25. BORROWINGS

	30 June 2015 HK$'000 (unaudited)	31 December 2014 HK$'000 (audited)
Bank loans and revolving loans (secured)	21,342,422	22,557,422
Other non-current loans (secured)	2,799,896	2,440,346
	24,142,318	24,997,768
Loan front-end fee	(120,475)	(155,560)
	24,021,843	24,842,208
The maturity of the above loans based on scheduled repayment terms is as follows:		
Within one year	11,485,773	3,230,655
More than one year but not exceeding two years	4,173,516	9,454,544
More than two years but not exceeding five years	8,051,528	11,757,812
More than five years	311,026	399,197
	24,021,843	24,842,208
Less: Amounts due within one year shown under current liabilities	(11,485,773)	(3,230,655)
Amounts due after one year	12,536,070	21,611,553

25. BORROWINGS (CONTINUED)

The ranges of effective interest rates (which approximate to contracted interest rates) on the Group's borrowings are as follows:

	30 June 2015 (unaudited)	31 December 2014 (audited)
Effective interest rate:		
Fixed-rate borrowings	**3.84% to 4.88%**	3.84% to 6.09%
Variable-rate borrowings	**0.84% to 7.30%**	0.84% to 7.53%

At the end of the reporting period, included in the Group's borrowings are fixed-rate borrowings with carrying amount of HK$374,726,000 (31 December 2014: HK$977,078,000), the remaining balances were variable-rate borrowings.

26. MEDIUM TERM NOTES

	30 June 2015 HK$'000 (unaudited)	31 December 2014 HK$'000 (audited)
Medium term notes	**3,668,025**	3,102,720
Origination fee	**(30,192)**	(32,718)
	3,637,833	3,070,002

On 6 December 2012, the Group established a US$1 billion guaranteed medium term note programme (the "MTN Programme"), under which unsecured notes may be issued from time to time in various currencies and amounts with fixed or floating rates to be set upon issuance of notes and will be guaranteed by the HSBC Institutional Trust Services (Asia) Limited, trustee of Champion REIT. On 17 January 2013, the Group issued US$400,000,000 10-year unsecured notes at a fixed rate of 3.75% per annum under the MTN Programme (the "USD MTN"). The USD MTN is repayable in full on 17 January 2023. The currency rate and interest rate are fixed by the use of cross currency swaps.

On 26 March 2015, the Group issued HK$643,000,000 7-year unsecured notes at a floating rate of 3-month HIBOR plus 1.275% per annum under the MTN Programme. The issued medium term note is repayable in full on 26 March 2022.

26. MEDIUM TERM NOTES (CONTINUED)

On 23 June 2015, an amount of US$9,800,000 of the USD MTN was repurchased at a consideration of HK$72,944,000 and a gain on repurchase of medium term notes amounting to HK$2,273,000 has been recognised in profit and loss for the period. As at 30 June 2015, the outstanding principal amount of the USD MTN was US$390,200,000 (31 December 2014: US$400,000,000).

27. SHARE CAPITAL

	30 June 2015 (unaudited)		31 December 2014 (audited)	
	Number of shares '000	Nominal value HK$'000	Number of shares '000	Nominal value HK$'000
Authorised:				
Shares of HK$0.50 each				
Balance brought forward and carried forward	**800,000**	**400,000**	800,000	400,000
Issued and fully paid:				
Shares of HK$0.50 each				
Balance brought forward	**655,807**	**327,904**	639,276	319,638
Issued upon exercise of share options under the share option schemes	**735**	**367**	825	413
Issued as scrip dividends	**8,135**	**4,068**	15,706	7,853
Balance carried forward	**664,677**	**332,339**	655,807	327,904

During the six months ended 30 June 2015, 8,135,066 (year ended 31 December 2014:15,706,487) shares of HK$0.5 each in the Company were issued at HK$27.07 (31 December 2014: HK$26.44) per share as scrip dividends.

28. MAJOR NON-CASH TRANSACTION

During the six months ended 30 June 2015, 8,135,066 (year ended 31 December 2014:15,706,487) shares of HK$0.5 each in the Company were issued at HK$27.07 (31 December 2014: HK$26.44) per share as scrip dividends.

29. SHARE-BASED PAYMENTS

The Company has a share option scheme for eligible employees of the Group. Details of the share options outstanding during the period are as follows:

	Number of share options (unaudited)
Outstanding at 1 January 2015	11,429,000
Granted during the period	4,142,000
Exercised during the period	(735,000)
Lapsed during the period	(763,000)
Outstanding at 30 June 2015	14,073,000

The weighted average closing price of the Company's shares immediately before the date on which the options were exercised was HK$27.11 for the six months ended 30 June 2015.

During the period, 4,042,000 and 100,000 share options were granted on 11 March 2015 and 10 April 2015, respectively. The closing prices of the Company's shares immediately before 11 March 2015 and 10 April 2015, the date of grant, were HK$26.60 and HK$28.10, respectively. The fair values of the options determined at the date of grant using the Black-Scholes option pricing model were derived with the following significant assumptions:

Date of grant:	11.3.2015	10.4.2015
Exercise price:	HK$26.88	HK$28.25
Expected volatility (note a):	19.33%	18.19%
Expected dividend yield (note b):	3.58%	3.34%
Expected life from grant date:	5 years	5 years
Risk free interest rate (note c):	1.66%	1.46%
Fair value per option:	HK$3.22	HK$3.36

Notes:

(a) The expected volatility was based on historical volatility.
(b) The expected dividend yield was based on historical dividends.
(c) Risk free interest rate approximated the yield of 5-year Exchange Fund Note on the date of grant.

The variables and assumptions used in computing the fair value of the share options are based on the Directors' best estimate. Change in variables and assumptions may result in changes in the fair value of the options.

30. COMMITMENTS AND CONTINGENT LIABILITIES

At 30 June 2015, the Group has authorised capital expenditure for investment properties and property, plant and equipment which is not provided for in the condensed consolidated financial statements amounting to HK$1,569,674,000 (31 December 2014: HK$930,645,000) of which HK$472,543,000 (31 December 2014: HK$181,127,000) was contracted for.

At 30 June 2015, the Group has outstanding financial commitment in respect of capital injection to a joint venture of RMB25,800,000 (equivalent to HK$33,050,000) (31 December 2014: RMB25,800,000 (equivalent to HK$33,050,000)).

At 30 June 2015, the Group has outstanding commitments for the acquisition of underground and carpark portion of a hotel development project located at Minhang District, Shanghai, the PRC of RMB193,000,000 (equivalent to HK$241,000,000) (31 December 2014: RMB868,500,000 (equivalent to HK$1,086,000,000)).

At 30 June 2015, the Group has outstanding cash commitments to the China Fund LP of US$65,000,000 (equivalent to HK$504,000,000) (31 December 2014: US$90,000,000 (equivalent to HK$698,000,000)).

At 31 December 2014, the Group had outstanding capital commitments (in respective form of cash and injection of properties) to the US Real Estate Fund of US$133,700,000 (equivalent to HK$1,037,000,000).

At 31 December 2014, the Group also had outstanding capital commitments for a for-sale condominium development project in the City of San Francisco, the USA with a consideration of US$21,000,000 (equivalent to HK$163,000,000).

Other than as disclosed above, the Group did not have any significant commitments and contingent liabilities at the end of the reporting period.

31. CONNECTED AND RELATED PARTY DISCLOSURES

The Group had the following significant related party balances and transactions during the period. The transactions were carried out in the normal course of the Group's business on terms mutually agreed between the parties. Dr. Lo Ka Shui is the chairman (the "Chairman") and managing director of the Company. Transactions with the Group were disclosed as related party transactions.

Related companies are companies in which Mr. Lo Hong Sui, Vincent or Mr. Lo Kai Shui, both being Directors of the Company who are also close family members of the Chairman, has controlling interests. Mr. Lo Hong Sui, Vincent, Mr. Lo Kai Shui, the Chairman and other family members are among the beneficiaries under a family trust holding 33.54% (31 December 2014: 33.42%) interest, which is a substantial shareholder of the Company. Additionally, connected party includes a company in which a director of a subsidiary has controlling interest.

Transactions with related companies (other than Wealth Joy) are also connected transactions as defined in the chapter 14A of the Listing Rules.

31. CONNECTED AND RELATED PARTY DISCLOSURES (CONTINUED)

	Six months ended 30 June	
	2015 HK$'000 (unaudited)	2014 HK$'000 (unaudited)
Transactions with a related party for the period		
Dr. Lo Ka Shui		
Management fee received	**600**	600
Transactions with related companies for the period		
Sun Fook Kong Holdings Ltd and its subsidiaries		
Rental income	**3,416**	3,416
Building management fee income	**532**	512
Carpark income	**118**	87
Consultancy service income	**–**	150
Cleaning service charge	**10,326**	6,049
SOCAM Development Limited and its subsidiaries		
Trading income	**13,259**	20
Shui On Land Limited and its subsidiaries		
Licence fee and hotel management fee income	**–**	746
Reimbursable centralised hotel expenses	**–**	459
Rental expenses	**906**	–
Management fee expenses	**95**	–
Shui Sing Holding Limited and its subsidiaries		
Rental expenses	**350**	300
Management fee expense	**280**	268
Management fee income	**120**	120
Transactions with a connected party for the period		
Haining Hai Xing Hotel Co. Ltd.		
Supply procurement and consultancy services income	**–**	818
Transactions with associates for the period		
Magic Garden Investments Limited ("MGIL") and its subsidiaries		
Licence fee and hotel management fee income	**–**	5,626
Reimbursable centralised hotel expenses	**–**	3,730
Transactions with a joint venture for the period		
Wealth Joy and its subsidiaries		
Investment management income	**5,929**	5,929
Project advisory service income	**9,507**	10,331
Supply procurement and consultancy services income	**4,233**	7,248

31. CONNECTED AND RELATED PARTY DISCLOSURES (CONTINUED)

	30 June 2015 HK$'000 (unaudited)	31 December 2014 HK$'000 (audited)
Balances with an associate, a joint venture, related companies and a connected party as at		
Amount due from an associate (see note 13(c))		
City Apex Limited	**12,054**	12,054
Amount due from a joint venture[1]		
(included in trade debtors under debtors, deposits and prepayments)		
Wealth Joy and its subsidiaries	**81,842**	67,982
Amounts due from related companies[1]		
(included in debtors, deposits and prepayments)		
Sun Fook Kong Holdings Ltd and its subsidiaries	**–**	41
SOCAM Development Limited and its subsidiaries	**1,902**	644
Shui On Land Limited and its subsidiaries	**–**	31
	1,902	716
Amount due from a connected party[1]		
(included in debtors, deposits and prepayments)		
Haining Hai Xing Hotel Co. Ltd.	**87**	88
Amounts due to related companies[1]		
(included in creditors, deposits and accruals)		
Sun Fook Kong Holdings Ltd and its subsidiaries	**1,149**	1,149
Shui On Land Limited and its subsidiaries	**749**	750
	1,898	1,899

Notes:

[1] The amounts are unsecured, interest-free and repayable on demand.

During the year ended 31 December 2014, the Group entered into certain agreements with related parties as disclosed in note 13(a).

Additionally, during the year ended 31 December 2014, the Group acquired the remaining two-thirds of the entire share capital of MGIL from Shui On Land Limited ("SOL") for a consideration of HK$626,540,000. SOL is a related company in which a Director of the Company who is also a close family member of the chairman and managing director of the Group has controlling interest.

32. EVENT AFTER THE END OF THE REPORTING PERIOD

The Group entered into purchase and sale agreements in July 2015 for acquisition of a hotel development project in Tokyo, Japan with a consideration of JPY22,200,000,000 (equivalent to HK$1,377,578,000).

DEFINITIONS

In this interim report, unless the context otherwise requires, the following expressions shall have the following meanings:

Term	Definition
"2009 Share Option Scheme"	the share option scheme of the Company adopted by an ordinary resolution passed on 27 May 2009
"CG Code"	Corporate Governance Code and Corporate Governance Report set out in Appendix 14 to the Listing Rules
"Champion REIT"	Champion Real Estate Investment Trust (Stock Code: 2778), a Hong Kong collective investment scheme authorised under section 104 of SFO, in which the Group has an interest of approximately 61.75% as at 30 June 2015
"China Fund" or "China Fund LP"	China Orient Great Eagle (PRC) Real Estate Investment Opportunity Fund L.P.
"Cinderella Media"	Cinderella Media Group Limited (Stock Code: 550), an associate of the Company, the shares of which are listed on the Stock Exchange, in which the Group has an interest of approximately 18.74% as at 30 June 2015 (as at 25 August 2015, the said interest was reduced to 6.48%)
"Code of Conduct for Securities Transactions"	Code of Conduct regarding Securities Transactions by Directors and relevant employees of the Company
"Company"	Great Eagle Holdings Limited
"CSR"	Corporate Social Responsibility
"EBITDA"	Earning before interest, taxes, depreciation and amortisation
"Group"	the Company and its subsidiaries

Term	Definition
"HITL"	HSBC International Trustee Limited
"HKAS"	Hong Kong Accounting Standard
"HKFRS"	Hong Kong Financial Reporting Standard
"HKICPA"	Hong Kong Institute of Certified Public Accountants
"Langham" or "LHI"	Langham Hospitality Investments and Langham Hospitality Investments Limited (Stock Code: 1270) the share stapled units of which are listed on the Stock Exchange, in which the Group had an interest of approximately 58.46% as at 30 June 2015
"Listing Rules"	Rules Governing the Listing of Securities on the Stock Exchange
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules
"PRC"	The People's Republic of China
"RevPAR"	Revenue per available room
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shareholder(s)"	holder(s) of ordinary share(s) in the share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"U.S." or "United States"	United States of America
"U.S. Fund" or "U.S. Real Estate Fund"	Pacific Eagle (US) Real Estate Fund, L.P.

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