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鷹君集團有限公司
Great Eagle
Holdings Limited

於百慕達註冊成立之有限公司
Incorporated in Bermuda with limited liability
(Stock Code: 41)

2013 INTERIM RESULTS ANNOUNCEMENT

The Board of Directors of Great Eagle Holdings Limited (the "Company") is pleased to announce the unaudited consolidated financial results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2013 as follows:

	Six months ended 30 June		
	2013	2012	
	HK$ million	HK$ million (restated)	Change
Key Financials on Income Statement			
Based on core business			
Revenue based on core business	**2,734.1**	**2,653.6**	**3.0%**
Core profit after tax attributable to equity holders	**780.2**	**835.0**	**-6.6%**
Core profit after tax attributable to equity holders (per share)	**HK$ 1.22**	**HK$ 1.32**	**- 7.5%**
Based on statutory accounting principles			
Revenue based on statutory accounting principles	**3,402.7**	**3,216.3**	**5.8%**
Statutory Profit attributable to equity holders	**1,272.3**	**1,329.7**	**- 4.3%**
Interim Dividend per share	**HK$ 0.23**	**HK$ 0.23**	
Special Interim Dividend per share	**HK$1.00**	**-**	

On the basis of core business, figures primarily exclude fair value changes relating to the Group's investment properties and financial assets, and are based on attributable distribution income from Champion REIT and Langham Hospitality Investments and Langham Hospitality Investments Limited (LHI), which the Group believes to be a more meaningful measure of return from our investments in entities that focused principally on distributions. Whereas financial figures prepared under statutory accounting principles are based on applicable accounting standards, which include fair value changes and consolidate financials of Champion REIT and LHI. The management's discussion and analysis focuses on core businesses of the Group.

		As of
	30 June 2013	**31 Dec 2012 (restated)**
Key Financials on Balance Sheet		
Based on share of Net Assets of Champion REIT and LHI (core balance sheet)		
Net gearing	**Net Cash**	**1%**
Book value (per share)	**HK$ 87.8**	**HK$ 67.7**
Based on statutory accounting principles		
Net gearing	**16.0%**	**27.7%**
Book value (per share)	**HK$ 76.5**	**HK$ 67.7**

As for the Group's balance sheet prepared under statutory accounting principles, the entire debts of Champion REIT and LHI are consolidated. However, the Group only owns a 58.15% and 57.69% equity stake of Champion REIT and LHI respectively as at the end of June 2013. As the Group has no obligations in respect of the debts of Champion REIT and LHI, the net gearing ratio calculated based on figures prepared under statutory accounting principles overstates the Group's underlying indebtedness position. In order to better reflect the underlying financial position of the Group, the Group's core balance sheet is based on our share of net assets of Champion REIT and LHI.

Furthermore, under statutory accounting principles, as the Group still manages and operates the Hong Kong hotels that are owned by LHI, the Group's equity stake in LHI continued to be stated on a cost less accumulated depreciation basis and cannot be marked to market. This has the impact of significantly understating the value of our investment in LHI. In comparison, the Group's core balance sheet is based on our share of net assets of LHI, and as the hotels owned by LHI are classified as investment properties, the values of the hotels have been marked to market, and hence, the Group's core balance sheet should better reflect the scale of the Group's net asset base. More details of the balance sheet based on net assets of Champion REIT and LHI are on page 4.

Core Profit - Financial Figures based on core business

	Six months ended 30 June		
	2013	**2012**	**Change**
	HK$ million	**HK$ million (restated)**	
Revenue from core business			
Gross Rental Income	155.5	148.8	4.5 %
Hotels Division*	1,910.7	1,905.6	0.3 %
Management Fee Income from Champion REIT	141.0	134.0	5.2 %
Distribution Income from Champion REIT^	331.7	299.4	10.8 %
Distribution Income from LHI^	21.2	-	n.a.
Other operations	174.0	165.8	4.9 %
	2,734.1	**2,653.6**	**3.0%**
Core Profit			
Net Rental Income	92.4	98.0	- 5.7 %
Hotel EBITDA*	442.9	442.2	0.2 %
Management Fee Income from Champion REIT	141.0	134.0	5.2 %
Distribution Income from Champion REIT^	331.7	299.4	10.8 %
Distribution Income from LHI^	21.2	-	n.a.
Operating income from other operations	62.8	55.2	13.7 %
Operating Income from core business	**1,092.0**	**1,028.8**	**6.1 %**
Depreciation and amortisation	(63.6)	(54.3)	17.0 %
Administration expenses	(147.8)	(105.3)	40.4 %
Other income (including Interest income)	19.3	95.2	- 79.7 %
Finance costs	(60.8)	(50.8)	19.7 %
Share of results of associates	11.1	11.6	- 4.3 %
Share of results of a JCE	(9.6)	(5.1)	88.2 %
Core profit before taxation	**840.6**	**920.1**	**- 8.6 %**
Taxes	(59.8)	(84.8)	- 29.5 %
Core profit after tax	**780.8**	**835.3**	**- 6.5 %**
Non-controlling interest	**(0.6)**	**(0.3)**	**149.0%**
Core profit after tax	**780.2**	**835.0**	**- 6.6 %**

** Hotel income includes contribution from the Hong Kong hotels. It should be noted that upon the public listing of LHI on 30th May 2013, the Group's interests in the Hong Kong hotels were disposed of to LHI. Hotel income from the Hong Kong hotels for the first half of 2013 therefore covered the period from 1st January 2013 to 29th May 2013.*

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

Segment assets and liabilities (Based on net assets of Champion REIT and LHI)

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

30 June 2013

	Assets HK$ million	**Liabilities** HK$ million	**Net Assets** HK$ million
Great Eagle operations (note 1)	**28,375**	**4,912**	**23,463**
Champion REIT (note 2)	**35,313**	**8,615**	**26,698**
LHI (note 2)	**9,992**	**4,003**	**5,989**
	73,680	**17,530**	**56,150**

Note 1: Included in the assets and liabilities are cash of HK$13,414 million and principal debts of HK$3,479 million, representing net cash of HK$9,935 million as at 30 June 2013.

Note 2: Assets and liabilities of Champion REIT and LHI are based on published financial information of Champion REIT and LHI and the respective interests held by Great Eagle Holdings Limited, being 58.15% and 57.69%, respectively (31 December 2012: 57.86% interests in Champion REIT held). Additionally, the assets of LHI include the hotel properties' appraised value as of 30 June 2013.

Financial Figures based on Statutory Accounting Principles

	Six months ended 30 June 2013 HK$ million	2012 HK$ million (restated)	Change
Revenue based on statutory accounting principles			
Gross Rental Income	155.5	148.8	4.5 %
Hotels Division	2,036.4	1,905.6	6.9 %
Management Fee Income from Champion REIT	141.0	134.0	5.2 %
Other operations	174.0	165.7	5.0 %
Gross Rental income of Champion REIT	1,058.7	1,010.8	4.7 %
Gross Rental income of LHI	55.8	-	n.a.
Elimination on Intra-Group transactions	(218.7)	(148.6)	47.1%
Consolidated total revenue	**3,402.7**	**3,216.3**	**5.8 %**
Net Rental Income	92.4	98.0	- 5.7 %
Hotel EBITDA	497.2	450.1	10.5 %
Net Rental income from Champion REIT	881.1	849.9	3.7 %
Operating income from other operations	68.2	60.1	13.4 %
Operating Income	**1,538.9**	**1,458.1**	**5.5 %**
Depreciation and amortisation	(186.5)	(171.9)	8.5 %
Fair value changes on Invest. properties	794.7	1,167.0	-31.9%
Fair value changes on Derivative Financial Instruments	308.0	(14.9)	n.m.
Gain on conversion of convertible bonds of Champion REIT	29.3	-	n.a.
Administration expenses	(191.4)	(110.6)	73.1 %
Other income (including Interest income)	30.0	28.8	4.1 %
Finance costs	(264.9)	(201.2)	31.7 %
Share of results of associates	0.6	11.6	- 94.6 %
Share of results of a JCE	(9.6)	(5.1)	88.2 %
Statutory profit before taxation	**2,049.1**	**2,161.8**	**- 5.2 %**
Taxes	(127.2)	(221.9)	- 42.7 %
Statutory profit after tax	**1,921.9**	**1,939.9**	**- 0.9 %**
Statutory profit attri. to non-controlling unitholders of Champion REIT and non-controlling interests	**(649.6)**	**(610.2)**	**6.5%**
Statutory profit attri. to equity holders	**1,272.3**	**1,329.7**	**- 4.3%**

OVERVIEW

Great Eagle's 2013 first half results demonstrate the Group's continued successful execution of capital recycling with the public listing of Langham Hospitality Investments and Langham Hospitality Investments Limited (LHI). The initial public offering of LHI was well-received and LHI was successfully listed on 30th May 2013. The listing of LHI, comprising of an initial portfolio of three high quality hotels in Hong Kong, creates a platform for growth in the hospitality sector. All three hotels are well-positioned and located in prime shopping and commercial areas in the Kowloon Peninsula, where major infrastructure projects are currently underway. Furthermore, the listing of LHI has unlocked the value of the Group's owned Hong Kong hospitality assets.

As for the Group's core balance sheet, which figures are based on our share of net assets of Champion REIT and LHI, the Group's net book value rose to HK$87.8 per share as at the end of June 2013 (as at Dec 2012: HK$67.7), and the increase was primarily due to realization of the values of the Hong Kong hotels that have been valued at cost less accumulated depreciation prior to the spin off. Given the proceeds received from the spun off of the Hong Kong hotels, the Group was in a net cash position as at the end of June 2013. However, based on financials prepared under statutory accounting principles which in part consolidated the entire debts of Champion REIT and LHI, net gearing was at 16.0% as at the end of June 2013. However, this 16.0% gearing ratio overstates the indebtedness position of the Group, as the Group has no obligations in respect of the debts of Champion REIT and LHI.

On core profit, EBITDA from the Hotels Division in the first half period managed to stay flat compared with a year ago, despite the absence of approximately one month of income from the Hong Kong hotels after being spun off in May 2013. Income from Champion REIT rose on the back of higher management fee income, as well as higher distribution income. The increase in distribution income from Champion REIT was however, primarily due to timing difference that lowered the base for comparison. Excluding such timing difference, distribution income from Champion REIT would have been flat compared with a year ago.

Overall, operating income from core business, which included approximately one month of distribution income from LHI, rose 6.1% year-on-year to HK$1,092 million in the first half of 2013. However, core profit after tax dropped 6.6% year-on-year to HK$780.2 million over the period. The decline in core profit after tax was primarily due to absence of interest income booked from our investment in Champion REIT's convertible bonds, as they have been converted to units of the REIT in August 2012. Furthermore, an increase in administration expense associated with the spin-off project and unrealized losses from foreign currency translations also impacted profit over the first half period.

In terms of recent developments, the grand opening of our owned hotel, the Langham Chicago, in September 2013 should help to solidify Langham's positioning as a major global luxury hotel brand, given its prime location with high visibility along the Chicago River. In addition to Chicago, the Langham brand has also penetrated to the strategically important gateway city of New York, with the newly rebranded Langham Place Fifth Avenue hotel. Although this hotel is under contract to be purchased by the Group, the hotel has been managed by us under a pure management basis since May 2013.

Furthermore, with the rebranding of Delta Chelsea in Toronto to our own brand under "Eaton Chelsea" in July 2013, all of the hotels that are owned or part-owned by the Group are managed by our own hotel management subsidiary.

In the near term, the kick-off of the pre-sale of the apartments in the mixed-use Dalian project in September 2013 will mark another key milestone for the Group's first major investment in China. Meanwhile, the spin-off exercise has brought in net proceeds of HK$10.3 billion to the Group, hence the Group is considered extremely well-positioned financially and placed on a strong footing for acquisition growth. Going forward, the Group will be constantly evaluating investment opportunities that will enhance shareholder value.

HOTELS DIVISION

	Six months ended 30 June		
	2013	**2012**	**Change**
	HK$ million	**HK$ million**	
Hotel Revenue			
Hong Kong^	**656.3**	**763.1**	**- 14.0%**
Europe	**248.6**	**237.1**	**4.9%**
North America	**551.0**	**545.0**	**1.1%**
Australia/New Zealand	**410.4**	**332.8**	**23.3%**
Others (including hotel management income)	**44.4**	**27.6**	**60.9%**
Total Hotel Revenue	**1,910.7**	**1,905.6**	**0.3%**
Hotel EBITDA			
Hong Kong^	**254.8**	**282.0**	**- 9.7%**
Europe	**61.0**	**50.6**	**20.6%**
North America	**41.9**	**39.6**	**5.8%**
Australia/New Zealand	**63.4**	**59.7**	**6.2%**
Others (including hotel management income)	**21.8**	**10.3**	**111.7%**
Total Hotel EBITDA	**442.9**	**442.2**	**0.2%**

^ Upon the public listing of LHI on 30th May 2013, the Group's interests in the Hong Kong hotels were disposed of to LHI. Hotel income contribution from the Hong Kong hotels for the first half of 2013 therefore covered the period from 1st January 2013 to 29th May 2013.

Although the three hotels in Hong Kong were spun off into LHI on 30th May 2013, these hotels still have contributed to almost five months of operating income to the Group's Hotels Division in the first half period. Overall, earnings before interest, tax, depreciation and amortization (EBITDA) of the Hotels Division rose 0.2% year-on-year to HK$442.9 million in the first half of 2013. Despite lowered earnings contribution from the Hong Kong hotels, this was more or less offset by an increase in EBITDA of the overseas hotels, as well as higher hotel management income.

From 30th May 2013 onward, the financial returns on our 57.69% equity stake in the three hotels in Hong Kong will be reflected through our investment in LHI, under the section "Investment in LHI". While the financial figures for the Hong Kong hotels mentioned above are for the period up to 29th May 2013, hotels performance are based on a six month period from January to June of 2013, which provides a more meaningful comparative operational performance analysis.

Hotels Performance

	Average Daily Rooms Available		**Occupancy**		**Average Room Rate (local currency)**		**RevPar (local currency)**	
	1H 2013	1H 2012	1H 2013	1H 2012	1H 2013	1H 2012	1H 2013	1H 2012
The Langham, Hong Kong	495	495	85.4%	81.6%	2,254	2,221	1,924	1,811
Langham Place, Hong Kong	652	654	87.7%	85.8%	1,846	1,850	1,619	1,587
Eaton Hotel, Hong Kong	440	461	93.3%	92.5%	1,159	1,141	1,082	1,055
The Langham, London	380	378	76.0%	71.3%	267	264	203	189
The Langham, Melbourne	377	376	85.6%	78.9%	273	262	234	207
The Langham, Auckland	411	411	72.5%	69.4%	184	186	133	129
The Langham, Sydney	96	n.a.	82.9%	n.a.	281	n.a.	233	n.a.
The Langham, Boston	318	318	66.9%	64.3%	243	239	162	154
The Langham Huntington, Pasadena	380	380	72.1%	74.6%	228	210	164	157
Delta Chelsea Toronto	1,590	1,590	69.1%	67.4%	122	120	85	81
The Langham, Xintiandi, Shanghai (33.3% owned)	356	347	55.3%	52.3%	1,729	1,597	957	835

HONG KONG HOTELS

The discussions on the performance of the Hong Kong hotels are based on a six month period from January to June of 2013, so as to provide a more meaningful comparative operational performance analysis.

The Langham, Hong Kong

The Langham Hong Kong had a good start to the year. Despite continued slow-down in travellers from Mainland Europe, there was some rebound in travellers from the U.S. over the first six months of 2013. At the same time, The Langham Hong Kong continued to accommodate more individual leisure tourist arrivals from Mainland China and other Asia-Pacific regions, which helped The Langham Hong Kong to outperform the market in RevPAR growth in the first six months period. Although there were signs of a slow-down in revenue growth in May 2013 amidst uncertainties in the world economies, improved performance was witnessed in June. Overall, occupancy increased by 3.8 percentage points in the first six months of 2013 to 85.4% (1H 2012: 81.6%) while average room rate increased 1.5% year-on-year to HK$2,254 (1H 2012: HK$2,221).

Revenue from food and beverages rose 7% year-on-year in the first six months of 2013 for The Langham Hong Kong, which was mainly driven by an increase in average check achieved. In addition, there was an improvement in the catering business relating to wedding banquets and corporate events.

Langham Place, Hong Kong

Langham Place Hong Kong achieved a higher average occupancy of 87.7% (1H 2012: 85.8%) for the first six months of 2013. The increase was primarily driven by rising corporate and leisure travellers from Mainland China and other Asian countries. Except for arrivals from the U.K., arrivals from the long haul markets remained weak. Similar to the experience at The Langham Hong Kong, Langham Place Hong Kong also witnessed reduced demand in May, but there was a recovery in demand in June. Average room rate for the first six months of 2013 came to HK$1,846 (1H 2012: HK$1,850).

For Langham Place Hong Kong, there was a modest increase in revenue from food and beverages for the first six months of 2013. The increase was supported by the steady catering business and higher average check achieved. Business at the refurbished Michelin-starred Chinese restaurant has gained momentum over the six months period with revenue at the restaurant having reached pre-refurbishment level.

Eaton Hotel, Hong Kong (Rebranded from Eaton Smart in February 2013)

The renovation on approximately one-fifth of the guest rooms at the Eaton Hotel from the second quarter of 2013 has negatively impacted performance of the hotel. Average occupancy came to 93.3% on an average of 440 rooms available for the first six months of 2013, as compared to 92.5% achieved on an average of 461 rooms available in the first six months of 2012. Average room rate for the first six months came to HK$1,159 (1H 2012: HK$1,141). Upon completion of the renovations targeted at the early part of July 2013, the new rooms will help to increase the competitiveness of the hotel, and they should underpin further growth in its market share.

Revenue from food and beverages rose 7% year-on-year in the first six months for the Eaton hotel, mainly from improved business at the restaurants, as well as improved revenue from the catering business arising from wedding banquets.

OVERSEAS HOTELS

EUROPE

The Langham, London

After a slow start in the first quarter of 2013, activities in London picked up in the second quarter of 2013, which led to an overall RevPAR growth of 7.8% for Langham London in the first half period. The growth was coming from an increase in both leisure and corporate travellers, which led a 4.7 percentage points increase in average occupancy achieved for the hotel. Average occupancy was 76% in the first half of 2013 (1H 2012: 71.3%), while average room rate was ₤267 in the first half of 2013 (1H 2012: ₤264). On the other hand, revenue from food and beverages rose 10% year-on-year in the first half, driven by strong restaurant business, particularly from Roux at the Landau restaurant.

AUSTRALIA/NEW ZEALAND

The Langham, Melbourne

A string of sporting events and conferences have helped boost performance of the Langham Melbourne for the first half period. The hotel has secured some major group events and together with its continued focus on increasing its share of weekend retail leisure travellers, both have contributed to lifting the average occupancy and room rate for the hotel. Average occupancy for the first half of 2013 came to 85.6% as compared to 78.9% for the same period a year ago. Average room rate rose to A$273 in the first half of 2013 (1H 2012: A$262).

However, revenue from food and beverages dropped 0.3% year-on-year during the first half period, which was due to a reduction in guests dining at the restaurants.

The last phase of the room renovation comprising 81 rooms commenced in early May of 2013 and is targeted for completion in August 2013. With the delivery of a more luxurious product to the market, this will help to enhance guest experiences at the Langham Melbourne.

The Langham, Auckland

While demand from the corporate segment was weak, the hotel managed to keep up its occupancy by targeting the retail segment. The focus to shift to more retail travellers however, has resulted in a modest decline in average room rate achieved. Average occupancy was 72.5% in the first half of 2013 (1H 2012: 69.4%), while the average room rate was marginally lower at NZ$184 in the first half of 2013 (1H 2012: NZ$186).

Nonetheless, revenue from food and beverages rose 4% year-on-year in the first half of 2013, despite the closure of the Barolo restaurant in January for conversion into event space, which was re-opened in March. The increase in overall revenue from food and beverages was on the back of increased business from catering and from the restaurants.

The Langham, Sydney

After acquisition and rebranding of the hotel to Langham in August 2012, the hotel continues to build retail business and market share while gaining brand recognition in the market. For the six months ended June 2013, the hotel achieved an average occupancy of 82.9% and an average room rate of A$281. While the hotel was able to achieve a high level of occupancy and room rates over the first half period, the pickup in revenue from food and beverages was relatively slower given a lack of demand for catering business.

NORTH AMERICA

The Langham, Boston

The hotel market in the U.S. continues to experience improving fundamentals as a result of the economic recovery that is currently underway. With increased business from the meetings and conference market, RevPAR for Langham Boston rose 5.5% year-on-year over the first half of 2013, driven by a 2.6 percentage points increase in occupancy and higher average room rate. Average occupancy for the first half of 2013 was 66.9% as compared to 64.3% for the same period in the prior year. Average room rate came to US$243 in the first half of 2013, as compared to US$239 in the first half of 2012. The marathon bombs and subsequent manhunt in Boston did not have an impact on Langham Boston in the second quarter of 2013.

Revenue from food and beverages rose 8% year-on-year in the first half, as the hotel benefited from increased financial roadshows, meetings and conferences.

The Langham Huntington, Pasadena

After a good start in the first quarter, there was evidence of a slowdown in the market during the second quarter of 2013. The hotel pursued a strategy to accommodate more higher-yield retail business, which helped lift average room rate by 8.4% year-on-year. Average room rate came to US$228 in the first half of 2013 (1H 2012: US$210). However, occupancy was lowered and average occupancy was 72.1% for the first half of 2013 (1H 2012: 74.6%). All-in-all, there was a year-on-year RevPAR increase of 4.8%.

Food and beverage revenue dropped 5% year-on-year in the first half of 2013. The decline was led by fewer wedding events, as well as lower contribution from the restaurant, which underwent closure for approximately one month for refurbishment during the first half.

Delta Chelsea Hotel, Toronto (Rebranded as Eaton Chelsea in July 2013)

Over the first half of 2013, given there were signs of an improvement in Toronto's hotel market, the hotel managed to drive more higher yielding corporate travellers, as well as groups bookings, which served to displace lower yielding leisure travellers. As a result, average room rate rose to C$122 in the first half of 2013, as compared with C$120 in the first half of 2012. Average occupancy was also higher at 69.1% for the first half of 2013 (1H 2012: 67.4%). The refurbishment of the Lobby, restaurants and function rooms in association with the rebranding to Eaton Chelsea in July 2013 will help the hotel to maintain its market share through the transition associated with the rebranding.

Revenue from food and beverages dropped 6% year-on-year in the first half, due to a decline in catering business with less meetings and conference events, as well as negative impact from the refurbishment works at the restaurant during the second quarter of 2013.

CHINA

The Langham Xintiandi, Shanghai (33.3% owned and share of its results is captured under share of associates)

Although the Shanghai hotel market as a whole was impacted by a number of factors including slower economic growth, tightened government spending and intensified competition from new hotels, the Langham Xintiandi continued to solidify its positioning as one of the most luxurious hotels in Shanghai and managed to deliver both occupancy and average room rate growth over the first half of 2013. Average occupancy rose to 55.3% on an average inventory of 356 rooms in the first half of 2013 (1H 2012: 52.3% on an average of 347 rooms). Average room rate achieved for the hotel was ¥1,729 in the first half of 2013 (1H 2012: ¥1,597).

Food and beverage revenue rose 14% year-on-year in the first half of 2013 due to improvement in both restaurants and catering business.

In addition to the revenue generated by the hotel portion of The Langham Xintiandi, there are also rental incomes from the shops which are all located on the street level of the hotel. The shops, with a total gross floor area of approximately 16,200 square feet, have all been leased to luxury fashion retailers as at the end of June 2013. Given their prime locations in the heart of Xintiandi, all the shops commanded high rental rates. As a result, net rental income from the shops made a meaningful contribution to the operating profit of the Langham Xintiandi in the first half of 2013.

PROJECT UNDER DEVELOPMENT

Langham Hotel, Chicago

We acquired this redevelopment project in downtown Chicago at the end of 2010. The property, which comprises the lower 13 floors and part of the basement of an existing commercial building, has been converted into a 316-room Langham Hotel. The hotel soft opened in July 2013 and the grand opening will be in September 2013.

ASSET ACQUISITIONS

We have previously made announcements on the acquisition of a hotel with 214 rooms in Manhattan, New York, for US$229 million. We are pleased to advise that positive progress has been made. We hope to complete the acquisition as soon as practicable, and hopefully within this year. We will issue further announcement on the date of the completion.

HOTEL MANAGEMENT BUSINESS

In the first half of 2013, another long-term hotel management contract was added to the growing portfolio of hotels under management, namely the Langham Place Fifth Avenue, which is the same hotel the Group is under contract to acquire as mentioned in the "Asset Acquisitions" above, to join the ranks of third-party hotels managed by our hotel management subsidiary. These openings brought the number of hotels in our management portfolio to eight with approximately 1,900 rooms at the end of June 2013. Except for a 33.3% stake in the Langham Xintiandi, the Group has no equity stakes in these hotels.

DEVELOPMENT PROJECTS

Dalian Mixed-use Development Project

The project comprises approximately 1,200 high-end apartments and a luxury international hotel with approximately 360 rooms, aggregating to a gross floor area of approximately 286,000 square metres. The Group has a 50% equity interest in this project and acts as the project manager. After the completion of excavation and foundation works, construction of the first phase of the project commenced in February 2012 and the project is targeted for completion in two phases from 2014/15 onward. Up to the end of June 2013, the Group has invested HK$649 million for its stake in the project.

As pre-sale of the apartments will start in September of this year, the sales office and show flats have already been put in operation. The show flats are furnished with the best-in-class finishing that portrays grandness and contemporary elegance of the Langham Place brand.

INCOME FROM CHAMPION REIT

Given the accounting change to consolidate our 58.15% stake in Champion REIT, such consolidation has resulted in significant distortion to our underlying financial position. In this regard, the Group's core profit will continue to be based on attributable distribution income from Champion REIT in respect of the same financial period. This we believe will better reflect the underlying financial return and economic interest attributable to our investment in Champion REIT. On that basis, total income from Champion REIT in the first half rose by 9.1% year-on-year to HK$472.7 million. With higher asset management income, together with an increase in agency commission income in the first half of 2013, overall management fee income from Champion REIT rose 5.2% to HK$141 million in the first half of 2013 (1H 2012: HK$134 million).

	Six months ended 30 June		
	2013	**2012 (restated)**	**Change**
	HK$ million	***HK$ million***	
Attributable Distribution income	**331.7**	**299.4**	**10.8%**
Management fee income	**141.0**	**134.0**	**5.2%**
Total income from Champion REIT	**472.7**	**433.4**	**9.1%**

The following are excerpts from Champion REIT's 2013 interim results announcement relating to the performance of the REIT's properties.

Citibank Plaza

Occupancy at Citibank Plaza decreased marginally from 89.1% at the beginning of the year to 88.4% as of 30 June 2013. Asking rents at Citibank Plaza are currently at HK$80-85 per sq. ft. on lettable area. Passing rents, which are the average rental rate of existing tenancies weighted by floor area, increased slightly from HK$85.12 per sq. ft. at the beginning of the year to HK$85.26 per sq. ft. at mid-year. Rental income at Citibank Plaza was flat and gross revenue only saw a marginal improvement to HK$600 million because of a 10% increase in building management fee income. There was a corresponding increase in building management fee expense which drove operating expenses up 5.2% to HK$102 million. The net result was a marginal 0.3% decrease in net property income commensurate with the slight drop in occupancy.

Langham Place Office Tower

The resilience of the non-financial sectors in Hong Kong has sustained demand for office space outside of the Central district. The occupancy rate was 98.8% as of 30 June 2013. Asking rents at the Langham Place Office Tower have risen this year and are now HK$38-45 per sq. ft. on gross floor area compared to HK$32-38 per sq. ft. a year ago. Passing rent increased from HK$28.36 at the end of last year to HK$30.42 as of 30 June 2013. This was a result of higher rent rates on 20% of the floor area subject to new leases during the first half. Revenue at the Office Tower increased 7.4% to HK$138 million. Net property income grew 6.2% from HK$104 million to HK$110 million.

Langham Place Mall

In the first half of 2013, the mall continued to enjoy very high levels of foot traffic. It remained virtually fully let at mid-year 2013. Average sales per sq. ft. for tenants at the mall for the first half grew 9.7% year-on-year. The pace of growth has moderated mainly due to the lackluster performance of fashion retailers which was affected by unfavourable weather conditions in April and May. In the first half, tenancies representing only 5% of the mall's floor area were rolled over. Nonetheless the average passing rent rate increased from HK$114.89 per sq. ft. on lettable area as at the end of 2012 to HK$118.71 per sq. ft. as of June 2013. Revenue increased 12.2% from HK$285 million to HK$320 million. Overall, net property income increased by 10.3% from HK$227 million to HK$250 million.

INVESTMENT IN LHI

On statutory accounting basis, our investment in LHI is classified as a subsidiary, and its results are consolidated on the Group's statutory income statement. However, as LHI is principally focused on distributions, the Group's core profit will be based on attributable distribution income, as we believe it 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.

As LHI was listed on 30th May 2013, distribution income covered the period from 30th May 2013 to 30th June 2013 in the first half of 2013. After taking into consideration of the distributions waived by the Group, distribution income from LHI came to HK$21.2 million in the first half of 2013.

In 2013, distribution entitlement in respect of 13.1% of our holdings in the share stapled units of LHI (before the impact of hotel management fee issued in units) will be waived, and the said percentage will drop to approximately 4.4% in 2017 and all of our holdings are entitled to distributions in 2018.

It was a gesture by the Group, as a major investor of LHI to waive part of its distributions so as to minimise dilution impact on initial yield to other investors. The dilution arose from additional units issued at the time of the initial public offering. The additional capital has been raised to fund asset enhancement initiatives on the initial portfolio, which should help support performance and value of the properties of LHI going forward.

	Six months ended 30 June	
	2013	**2012**
	HK$ million	***HK$ million***
Attributable Distribution income	**21.2**	**n.a.**

INVESTMENT PROPERTIES

	Six months ended 30 June		
	2013	**2012**	
Gross rental income	**HK$ million**	**HK$ million**	**Change**
Great Eagle Centre	**69.6**	**60.4**	**15.2%**
Eaton Serviced Apartments	**19.4**	**21.2**	**- 8.4%**
United States Properties	**54.2**	**55.1**	**- 1.7%**
Others	**12.3**	**12.1**	**1.7%**
	155.5	**148.8**	**4.5%**

Net rental income	**HK$ million**	**HK$ million**	**Change**
Great Eagle Centre	**56.7**	**58.6**	**- 3.2%**
Eaton Serviced Apartments	**10.3**	**14.7**	**- 29.7%**
United States Properties	**24.5**	**23.7**	**3.3%**
Others	**0.9**	**1.0**	**9.7%**
	92.4	**98.0**	**- 5.7%**

Great Eagle Centre

The Wanchai office market displayed considerable resilience in the first half of 2013, given continued demand from Mainland Chinese companies and relocations of Central tenants seeking more affordable rents. As for Great Eagle Centre, majority of the leases executed in the first half of 2013 were between HK$60 and HK$73 per sq. ft. on lettable area. As a result, average passing rent at the Great Eagle Centre went from HK$55.2 per sq. ft. as of June 2012 to HK$61.8 per sq. ft. as of June 2013.

However, given the Group’s planned strategy to improve operational efficiency, the Group will further consolidate its office space requirement at Great Eagle Centre from early 2014. This has resulted in increased downtime on certain office space when their leases expired during the first half of 2013. As a result, occupancy for the office portion of Great Eagle Centre was lowered to 91.7% as at the end of June 2013, as compared to 94.5% as at the end of June 2012.

The retail portion of Great Eagle Centre stayed at 100% leased throughout the first half period with a 4.6% year-on-year growth in average rent achieved as of June 2013. Overall, gross rental income for Great Eagle Centre increased 15.2% to HK$69.6 million in the first half of 2013 (1H 2012: HK$60.4 million). However, net rental income was impacted by booking of additional expenses. These expenses are for the relocation and upgrading of the cooling water pumping facilities and other maintenance capital expenditure that cannot be capitalized. As a result, net rental income dropped 3.2% to HK$56.7 million in the first half of 2013 (1H 2012: HK$58.6 million).

Eaton Serviced Apartments

On the back of slower demand for short term accommodations, coupled with interruptions from redevelopment works at the Wanchai Gap road property, these factors have added pressure on the occupancy of our serviced apartments in the first half. Overall occupancy for the three serviced apartments fell from 75.6% in the first half of 2012 to 65.9% in the first half of 2013. However, rents achieved for the portfolio for the half year period are still higher than that achieved a year ago. Achieved rental rates rose 4.1% from HK$42.9 per sq. ft. on gross floor area in the first half of 2012 to HK$44.8 per sq. ft. in the first half of 2013. Gross rental income dropped 8.4% year-on-year to HK$19.4 million in the first half of 2013, whereas net rental income dropped 29.7% year-on-year to HK$10.3 million.

United States Properties

As recovery in the office leasing market in California progresses, vacancy rates in the San Francisco area continued to decline over the first half of 2013. As such, asking rental rates in the area over the first half of 2013 remained on an upward trend. Even though spot rents at 353 Sacramento and 500 Ygnacio have risen to levels above their average passing rents, a lack of lease renewals has constrained growth in their passing rents. Spot rents at 2700 Ygnacio as at the end of June 2013 were still below its average passing rent.

Occupancy of the portfolio was flat at 93% as at the end of June 2013 as compared to the end of June 2012. Average passing rent for the portfolio was US$34 per sq. ft. on net rentable area as at the end of June 2013, as compared with US$34.8 per sq. ft. as at the end of June 2012. Gross rental income dropped slightly to HK$54.2 million in the first half of 2013 (1H 2012: HK$55.1 million). With lower tenant inducement costs, net rental income rose 3.3% to HK$24.5 million in the first half of 2013 (1H 2012: HK$23.7 million).

OUTLOOK

Talks on tapering of the Federal Reserve's bond buying programme, coupled with slower growth in China have contributed to the volatile global financial markets since mid-May of this year. However, markets have stabilised somewhat after statements that there is no preset course for trimming the bond purchases and the Chinese premier's reiteration on supporting China's economic growth. Nonetheless, we believe financial markets will remain volatile in the near term, which could have a wider impact on global economic growth. Therefore, we must remain vigilant and prepare ourselves to face uncertainties in the global economy.

In the second half of 2013, distribution and hotel management incomes from LHI are expected to be higher to reflect the full six months of contributions after its listing in May 2013. At the hotel operating level, outlook for the three hotels in Hong Kong remains steady, as the hotels are witnessing encouraging booking pace, although forward booking window is short. The roll out of a new cruise terminal and expansion of Hong Kong Disneyland in the second half of 2013 should help to support leisure and business arrivals into the city.

Income from the Hotels Division will be lowered in the second half after the three hotels in Hong Kong were spun off into LHI in May 2013. In terms of the outlook for the hotels outside of Hong Kong, our hotels in the U.S. should benefit from further recovery in the U.S. hotel market amid improving economic outlook. For the hotel in London, we are cautiously optimistic, given signs of improving trends from the second quarter of this year. Performance of the hotels in Australasia should be steady, whereas the rebranding of the hotel in Toronto from July 2013 to our own Eaton brand could lead to some earning volatility, given interruptions from the rebranding.

For Champion REIT, there is limited downside on the income of Citibank Plaza for the rest of 2013 and a high likelihood of higher rental income at Langham Place. However, a better operating performance at the properties level in the second half will not necessarily result in higher distributions in the second half, as the REIT is faced with higher interest costs.

Although economic conditions will be more challenging in the near term, the Group is well-prepared to face such challenges, given our disciplined approach to maintaining a strong financial position, which will provide us with a sufficient buffer against any market adversities. In fact, with our ample liquidity, we will take the opportunity to exploit weak asset values in selected markets for growth into the future.

FINANCIAL REVIEW

DEBT

On statutory basis, after consolidating the results of Champion REIT and LHI, the consolidated net debts of the Group as of 30 June 2013 was HK$7,796 million, a decrease of HK$4,041 million compared with that as of 31 December 2012. The decrease in net borrowings during the period was mainly contributed by the cash proceeds from the spin-off of the three Hong Kong hotels.

Equity Attributable to Shareholders, based on professional valuation of the Group's investment properties as of 30 June 2013 and the depreciated costs of the Group's hotel properties (including Hong Kong hotel properties held by LHI), amounted to HK$48,875 million, representing an increase of HK$6,104 million compared to the restated value of HK$42,771 million as of 31 December 2012. The increase was mainly attributable to the profit for the period and surplus credited to other reserves on deemed disposal of the three Hong Kong hotels.

For accounting purpose, on consolidation the Group is treated as to include entire debts of Champion REIT and LHI. 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 2013 was 16.0%. However, since only 58.15% and 57.69% of the net debts of Champion REIT and LHI respectively are attributable to the Group, and debts of these two separately listed 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 listed subsidiaries instead of Reported Debts, and the resulting net cash position is illustrated below.

Net debt (cash) at 30 June 2013	Consolidated	Sharing of Net Assets*
	HK$ million	HK$ million
Great Eagle	(9,935)	(9,935)
LHI	6,178	-
Champion REIT	11,553	-
Net debts (cash)	7,796	(9,935)
Equity Attributable to Shareholders of the Group	48,875	56,150
Gearing ratio as at 30 June 2013	16.0%	n/a

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

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

INDEBTEDNESS

Our gross debts (including medium term note) after consolidating Champion REIT and LHI in Hong Kong dollars amounted to HK$23,082 million as of 30 June 2013. Foreign currency gross debts as of 30 June 2013 amounted to the equivalent of HK$5,182 million, of which the equivalent of HK$3,597 million or 69% was on fixed-rate basis.

FINANCE COST

The net consolidated finance cost incurred during the period was HK$237.8 million. Overall interest cover at the reporting date was 5.8 times.

LIQUIDITY AND DEBT MATURITY PROFILE

As of 30 June 2013, our cash, bank deposits and undrawn loan facilities amounted to a total of HK$16,024 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 debts as of 30 June 2013:

Within 1 year	31.0%
1-2 years	0.6%
3-5 years	54.9%
Over 5 years	13.5%

PLEDGE OF ASSETS

At 30 June 2013, properties of the Group with a total carrying value of approximately HK$51,251 million (31 December 2012: HK$64,649 million) were mortgaged or pledged to secure credit facilities granted to its subsidiaries.

COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 June 2013, the Group had authorised capital expenditure of HK$2,324 million (31 December 2012 (restated): HK$527 million) of which capital commitment contracted for but not provided in the condensed consolidated financial statements as follows:

(a) HK$248 million (31 December 2012 (restated): HK$454 million) for the acquisition and addition of investment properties and property, plant and equipment; and

(b) HK$1,939.8 million, being the balance of the consideration of HK$2,155.3 million and stamp duty of HK$91.6 million in respect of the acquisition of a portion of the third floor and the whole of the fourth, fifth and sixth floors of Citibank Tower.

As at 30 June 2013, the Group had outstanding financial commitment of RMB25.5 million (equivalent to HK$32 million) (31 December 2012: HK$32.5 million) for capital injection to a joint venture.

The Group signed a sale and purchase agreement in October 2012 for the acquisition of a hotel property in New York at a consideration of approximately US$229 million. Completion of the acquisition is subject to certain conditions precedent which have not yet been fulfilled at the reporting date. A sum of US$15 million has been paid and held in escrow pending completion.

Other than set out above, the Group did not have any significant commitments and contingent liabilities as at 30 June 2013.

EVENTS AFTER THE END OF THE REPORTING PERIOD

On 11 July 2013, Champion REIT completed the acquisition of a portion of the third floor and the whole of the fourth, fifth and sixth floors of Citibank Tower at a consideration of HK$2,155.3 million (the "Acquisition"). A new loan facility of HK$1,900 million was drawn to finance the Acquisition. Following the Acquisition, Champion REIT owns 100% of the rentable area of Citibank Plaza.

REVIEW OF INTERIM RESULTS

The unaudited financial statements for the six months ended 30 June 2013 were prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), and have been reviewed by the Audit Committee of the Company, and 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.

INTERIM DIVIDEND AND SPECIAL INTERIM DIVIDEND

The Board of Directors of the Company has resolved to declare an interim dividend of HK23 cents (2012: HK23 cents) per share and a special interim dividend of HK$1.00 per share (2012: Nil) for the six months ended 30 June 2013 ("2013 Interim Dividend"), payable on 16 October 2013 to Shareholders whose names appear on the Registers of Members of the Company on Monday, 7 October 2013.

CLOSURE OF REGISTERS OF MEMBERS

The Registers of Members of the Company will be closed from Wednesday, 2 October 2013 to Monday, 7 October 2013, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the 2013 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, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 30 September 2013.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

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 continues to monitor and review the Company's corporate governance practices in light of the regulatory requirements and the needs of the Company to underpinning our engrained value of integrity and accountability.

Throughout the period under review, the Company has complied with all the code provisions and mandatory disclosures as set out in the Corporate Governance Code and Corporate Governance Report ("CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"), 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 officer 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 officer. 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.

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

Executive Chairman and Managing Director) should retire by rotation, the Non-executive Directors
While the Bye-laws of the Company requires that one-third of the Directors (other than the
(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.

CG Code Provision B.1.5 requires that details of any remuneration payable to members of senior management should be disclosed by band in the 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 shareholders. The Board considers that our current approach on disclosing the emoluments of Directors on named basis and 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.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted its own Code of Conduct regarding Securities Transactions by Directors and Relevant Employees of the Company (the "Code of Conduct for Securities Transactions") on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules 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 2013.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

During the six months ended 30 June 2013, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities.

NEW SHARES ISSUED

As at 30 June 2013, the total number of issued shares of the Company was 639,249,964. As compared with the position of 31 December 2012, a total of 7,850,354 new shares were issued during the period in the following manner:

- During the period, 2,870,500 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$65,126,380.

- On 21 June 2013, a total of 4,979,854 new shares at a price of HK$32.04 per share were issued to the Shareholders who had elected to receive scrip shares under the Scrip Dividend Arrangement in respect of the 2012 final dividend.

PUBLIC FLOAT

As at the date of this announcement, 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.

EMPLOYEES

During the period, the number of employees of the Group slightly increased mainly due to the increase in staff in our hotel operations. Salary levels of employees are competitive 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 staff (including executive directors) are entitled to participate in the Great Eagle Holdings Limited Share Option Scheme.

In 2013, 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 electronic platform for staff to express their ideas. The Group has also facilitated external and in-house designed training programmes in supervisory, management, soft skills as well as technical skills training. The organization strategies are sustainable due to staff involvement and management support. Since strategic alignment plays an important role in organizational development, various strategic planning initiatives will be organized to ensure business objectives are achieved.

Our Hotel Division continues to create a diversified, multifacet development platform for our colleagues in 2013. Apart from the around-the year training calendar, a targeted programme for department heads and executives named APEX "Advanced Programme for Executives" is continued to equip them with essential knowledge, skills and experiences to take up next level or more challenging roles in the future. Colleagues participating in APEX gained various development opportunities, such as targeted work assignments, eCornell training on leadership and hospitality topics and mentor arrangement. Our Hotel Division successfully renewed the Manpower Developer Scheme by the Employee Retraining Board and is continued to be acknowledged as "Manpower Developer 1st." from 2012 to 2014. The Langham Place Hotel won the "Excellent Sourcing & Staffing Award" and "Grand Award of the Year" by the Hong Kong Institute of Human Resource Management in 2012.

"Innovation" is one of the key strategies of the Hotel Division. An electronic platform, "THNIK PINK" is established for all colleagues to share their ideas. Each June, all hotels globally participated in the annual Think Pink Festival, to engage the guests and colleagues celebrating the Langham's innovation initiatives. The first Annual Think Pink Ideas Awards is launched in 2013 awarding the hotel that contributed the best idea for "How do we create the Most Unforgettable Arrival and Departure Experience?". Also, a video was shown in the guest rooms, showcasing Langham's innovation with its new products and initiatives.

CORPORATE SOCIAL RESPONSIBILITY

We recognise that high levels of corporate social responsibility ("CSR") will create long-term value for our customers, partners, investors, employees and community. At the same time, as this business approach improves the quality of life in our workplace as well as the local community and the world at large, we strive to embed CSR into our organizational culture.

The Company has presented its 2012 Annual Report to the Global Reporting Initiative's Report Services for Application Level Check, and our Group has achieved Report Application Level C. This achievement recognises our remarkable performance and reporting in CSR.

BOARD OF DIRECTORS

As at the date of this announcement, the Board of Directors comprises five Executive Directors, namely Dr. LO Ka Shui (Chairman and Managing Director), Mr. LO Kai Shui (Deputy Managing Director), Mr. LO Hong Sui, Antony, Madam LAW Wai Duen and Mr. KAN Tak Kwong (General Manager); three Non-executive Directors, namely Madam LO TO Lee Kwan, Mr. LO Hong Sui, Vincent and Dr. LO Ying Sui; and four Independent Non-executive Directors, namely Mr. CHENG Hoi Chuen, Vincent, Professor WONG Yue Chim, Richard, Mrs. LEE Pui Ling, Angelina and Mr. ZHU Qi.

By Order of the Board
Great Eagle Holdings Limited
LO Ka Shui
Chairman and Managing Director

Hong Kong, 16 August 2013

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2013

	NOTES	Six Months Ended 30 June 2013 HK$'000 (unaudited)	2012 HK$'000 (unaudited) (restated)
Revenue	3	**3,402,675**	3,216,341
Cost of goods and services		**(1,863,740)**	(1,758,261)
Operating profit before depreciation		**1,538,935**	1,458,080
Depreciation		**(186,475)**	(171,889)
Operating profit		**1,352,460**	1,286,191
Fair value changes on investment properties		**794,670**	1,167,007
Fair value changes on derivative financial instruments		**(242)**	(874)
Fair value change of derivative components of convertible bonds		**308,236**	(13,992)
Gain on conversion of convertible bonds		**29,302**	-
Other income		**29,990**	28,805
Administrative and other expenses		**(191,441)**	(110,626)
Finance costs	5	**(264,946)**	(201,194)
Share of results of associates		**632**	11,597
Share of results of a joint venture		**(9,560)**	(5,138)
Profit before tax	6	**2,049,101**	2,161,776
Income taxes	7	**(127,175)**	(221,918)
Profit for the period, before deducting the amounts attributable to non-controlling unitholders of Champion REIT		**1,921,926**	1,939,858
Profit (loss) for the period attributable to:			
Owners of the Company		**1,272,332**	1,329,698
Non-controlling interests		**(7,282)**	255
		1,265,050	1,329,953
Non-controlling unitholders of Champion REIT		**656,876**	609,905
		1,921,926	1,939,858
Earnings per share:	9		
Basic		**HK$2.00**	HK$2.11

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2013

	Six Months Ended 30 June	
	2013	2012
	HK$'000	HK$'000
	(unaudited)	(unaudited)
		(restated)
Profit for the period, before deducting the amounts attributable to non-controlling unitholders of Champion REIT	**1,921,926**	1,939,858
Other comprehensive expense:		
Items that may be subsequently reclassified to profit or loss:		
Fair value (loss) gain on available-for-sale investments	**(9,639)**	796
Exchange differences arising on translation of foreign operations	**(232,272)**	36,683
Share of other comprehensive income of associates	**915**	33
Share of other comprehensive income (expense) of a joint venture	**9,998**	(6,430)
Cash flow hedges:		
Fair value adjustment on cross currency swaps designated as cash flow hedge	**(12,184)**	-
Reclassification of fair value adjustments in profit or loss	**(5,375)**	-
Other comprehensive (expense) income for the period, before deducting amounts attributable to non-controlling unitholders of Champion REIT	**(248,557)**	31,082
Total comprehensive income for the period, before deducting amounts attributable to non-controlling unitholders of Champion REIT	**1,673,369**	1,970,940
Total comprehensive income (expense) for the period attributable to:		
Owners of the Company	**1,031,123**	1,360,780
Non-controlling interests	**(7,282)**	255
	1,023,841	1,361,035
Non-controlling unitholders of Champion REIT	**649,528**	609,905
	1,673,369	1,970,940

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2013

	NOTES	**At 30 June 2013 HK$'000 (unaudited)**	At 31 December 2012 HK$'000 (audited) (restated)
Non-current assets			
Property, plant and equipment		**11,202,905**	11,216,070
Investment properties		**64,464,405**	63,630,210
Deposit and direct cost for acquisition of investment properties		**307,130**	-
Interests in associates		**538,660**	555,556
Interest in a joint venture		**649,148**	648,710
Available-for-sale investments		**250,396**	133,711
Notes receivable		**166,406**	-
Restricted cash		**125,737**	122,487
		77,704,787	76,306,744
Current assets			
Inventories		**109,380**	93,754
Debtors, deposits and prepayments	10	**501,553**	551,447
Notes receivable		**6,262**	-
Tax recoverable		**-**	1,257
Bank balances and cash		**15,286,310**	4,962,339
		15,903,505	5,608,797
Current liabilities			
Creditors, deposits and accruals	11	**2,500,043**	2,479,684
Derivative financial instruments		**3**	-
Provision for taxation		**214,170**	217,159
Distribution payable		**238,629**	256,562
Borrowings due within one year		**7,144,180**	3,329,626
Convertible bonds		**-**	3,051,344
		10,097,025	9,334,375
Net current assets (liabilities)		**5,806,480**	(3,725,578)
Total assets less current liabilities		**83,511,267**	72,581,166

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2013

	At 30 June 2013 HK$'000 (unaudited)	At 31 December 2012 HK$'000 (audited) (restated)
Non-current liabilities		
Derivative financial instruments	**12,423**	-
Borrowings due after one year	**12,678,155**	10,371,674
Medium term note	**3,064,831**	-
Deferred taxation	**780,416**	787,752
	16,535,825	11,159,426
	66,975,442	61,421,740
Equity attributable to:		
Owners of the Company		
Share capital	**319,625**	315,700
Share premium and reserves	**48,555,353**	42,455,304
	48,874,978	42,771,004
Non-controlling interests	**(875,068)**	2,859
	47,999,910	42,773,863
Net assets attributable to the non-controlling unitholders of Champion REIT	**18,975,532**	18,647,877
	66,975,442	61,421,740

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

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.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2013 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2012.

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

HKFRS 13 "Fair Value Measurement"

The Group has applied HKFRS 13 for the first time in the current interim period. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements, and replaces those requirements previously included in various HKFRSs. Consequential amendments have been made to HKAS 34 to require certain disclosures to be made in the interim condensed consolidated financial statements.

The scope of HKFRS 13 is broad, and applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about the fair value measurements, subject to a few exceptions. HKFRS 13 contains a new definition for 'fair value' and defines fair value as at the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

In accordance with the transitional provisions of HKFRS 13, the Group has applied the new fair value measurement and disclosure requirements prospectively. Other than additional disclosures, the application of HKFRS 13 has not had any material impact on the amounts recognised in the Group's condensed consolidated financial statements.

Amendments to HKAS 1 "Presentation of Items of Other Comprehensive Income"

The Group has applied the new and revised to HKAS 1 for the first time in the current interim period. The amendments to HKAS 1 introduce a new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, a statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and an income statement is renamed as a statement of profit or loss. The Directors have decided to retain the use of the previous terminology in the Group's condensed consolidated financial statements. However, the amendment to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the existing option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes.

New and revised standards on consolidation, joint arrangements, associates and disclosures

In the current interim period, the Group has applied for the first time HKFRS 10, HKFRS 11, HKFRS 12 and HKAS 28 (as revised in 2011) together with the amendments to HKFRS 10, HKFRS 11 and HKFRS12 regarding the transitional guidance. HKAS 27 (as revised in 2011) is not applicable to these condensed consolidated financial statements as it deals only with separate financial statements.

The impact of the application of these standards is set out below.

Impact of the application of HKFRS 10

HKFRS 10 replaces the parts of HKAS 27 "Consolidated and Separate Financial Statements" that deal with consolidated financial statements and HK(SIC)-Int 12 "Consolidation – Special Purpose Entities". HKFRS 10 changes the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in HKFRS 10 to explain when an investor has control over an investee.

2. SIGNIFICANT ACCOUNTING POLICIES - continued

New and revised standards on consolidation, joint arrangements, associates and disclosures - continued

Impact of the application of HKFRS 10 - continued

As at 23 July 2010, the Group held 51.28% ownership interest in Champion Real Estate Investment Trust ("Champion REIT"), which is listed on The Stock Exchange of Hong Kong Limited. At that time, the Group's 51.28% ownership interest in Champion REIT gave the Group the same percentage of the voting rights in Champion REIT and the remaining 48.72% of the units of Champion REIT are owned by numerous unitholders, none individually holding more than one per cent with the exception of two unitholders who held 3.33% and 1.54%, respectively. Since then the Group continued to hold increasing ownership interests in Champion REIT and as at 30 June 2013, the Group has a 58.15% ownership interest. The Directors of the Company made an assessment as at the date of initial application of HKFRS 10 (i.e. 1 January 2013) as to whether or not the Group has control over Champion REIT in accordance with the new definition of control and the related guidance set out in HKFRS 10. The Directors of the Company concluded that, solely for the purpose of HKFRS 10, it would have had control over Champion REIT since 23 July 2010 on the basis of the Group's absolute size of holding in Champion REIT and the relative size and dispersion of the shareholdings owned by the other shareholders. Therefore, in accordance with the requirements of HKFRS 10, Champion REIT has been a subsidiary of the Company. Previously, Champion REIT was treated as an associate of the Group and accounted for using the equity method of accounting. Comparative figures for 2012 have been restated in accordance with the relevant transitional provisions set out in HKFRS 10.

Impact of the application of HKFRS 11

HKFRS 11 replaces HKAS 31 "Interests in Joint Ventures", and the guidance contained in a related interpretation, HK(SIC)-Int 13 "Jointly Controlled Entities – Non-Monetary Contributions by Venturers", has been incorporated in HKAS 28 (as revised in 2011). HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified and accounted for. Under HKFRS 11, there are only two types of joint arrangements – joint operations and joint ventures. The classification of joint arrangements under HKFRS 11 is determined based on the rights and obligations of parties to the joint arrangements by considering the structure, the legal form of the arrangements, the contractual terms agreed by the parties to the arrangement, and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement. Previously, HKAS 31 had three types of joint arrangements – jointly controlled entities, jointly controlled operations and jointly controlled assets. The classification of joint arrangements under HKAS 31 was primarily determined based on the legal form of the arrangement (e.g. a joint arrangement that was established through a separate entity was classified as a jointly controlled entity).

2. SIGNIFICANT ACCOUNTING POLICIES - continued

New and revised standards on consolidation, joint arrangements, associates and disclosures - continued

Impact of the application of HKFRS 11 - continued

The initial and subsequent accounting of joint ventures and joint operations are different. Investments in joint ventures are accounted for using the equity method (proportionate consolidation is no longer allowed). Investments in joint operations are accounted for such that each joint operator recognises its assets (including its share of any assets jointly held), its liabilities (including its share of any liabilities incurred jointly), its revenue (including its share of revenue from the sale of the output by the joint operation) and its expenses (including its share of any expenses incurred jointly). Each joint operator accounts for the assets and liabilities, as well as revenues and expenses, relating to its interest in the joint operation in accordance with the applicable standards.

The Directors of the Company reviewed and assessed the classification of the Group's investment in joint arrangement in accordance with the requirements of HKFRS 11. The Directors concluded that the Group's investment in Wealth Joy Holdings Limited ("Wealth Joy"), which was classified as a jointly controlled entity under HKAS 31, should be classified as a joint venture under HKFRS 11 and accounted for using the equity method. The Group's investment in Wealth Joy has been applied in accordance with the relevant transitional provisions set out in HKFRS 11.

The application of the other new and revised 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.

2. SIGNIFICANT ACCOUNTING POLICIES - continued

Summary of the effect of the above changes in accounting policy

The effect of the changes in the Group's accounting policy described above on the results for the current and preceding interim periods by line items presented in the condensed consolidated income statement and condensed consolidated statement of comprehensive income is as follows:

Impact on profit for the interim period:

	Six Months Ended 30 June	
	2013	2012
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Increase in revenue	**902,282**	862,160
Increase in costs of goods and services	**(148,682)**	(133,471)
Increase in fair value changes on investment properties	**698,166**	938,451
Increase (decrease) in fair value of derivative components of convertible bonds	**308,236**	(56,689)
Increase in gain on settlement of convertible bonds	**29,302**	-
Increase (decrease) in other income	**10,456**	(79,173)
Increase in administrative expenses and others	**(7,777)**	(5,350)
Increase in finance costs	**(192,703)**	(150,378)
Decrease in share of results of associates	**(912,720)**	(656,772)
Increase in income taxes	**(29,684)**	(108,873)
Profit for the period, before deducting the amounts attributable to non-controlling unitholders of Champion REIT	**656,876**	609,905
Profit for the period attributable to:		
Owners of the Company	**-**	-
Non-controlling interests	**-**	-
	-	-
Non-controlling unitholders of Champion REIT	**656,876**	609,905
	656,876	609,905

Impact on other comprehensive expense for the interim period

Increase in cash flow hedges	**(7,348)**	-
Other comprehensive expense for the period attributable to:		
Owners of the Company	**-**	-
Non-controlling interests	**-**	-
	-	-
Non-controlling unitholders of Champion REIT	**(7,348)**	-
	(7,348)	-
	649,528	609,905

2. SIGNIFICANT ACCOUNTING POLICIES - continued

Summary of the effect of the above changes in accounting policy - continued

The effect of the change in accounting policy described above on the assets and liabilities of the Group as at the end of the immediately preceding financial year 31 December 2012 is as follows:

	As at 31/12/2012 (originally stated)	Adjustments	As at 31/12/2012 (restated)
	HK$'000	HK$'000	HK$'000
Investment properties	5,333,210	58,297,000	63,630,210
Interests in associates	20,679,926	(20,124,370)	555,556
Debtors, deposits and prepayments	490,956	60,491	551,447
Tax recoverable	-	1,257	1,257
Bank balances and cash	3,565,257	1,397,082	4,962,339
Creditors, deposits and accruals	(1,021,938)	(1,457,746)	(2,479,684)
Provision for taxation	(96,331)	(120,828)	(217,159)
Distribution payable	-	(256,562)	(256,562)
Borrowings	(3,776,462)	(9,924,838)	(13,701,300)
Convertible bonds	-	(3,051,344)	(3,051,344)
Deferred taxation	(447,711)	(340,041)	(787,752)
Net assets attributable to non-controlling unitholders of Champion REIT	-	(18,647,877)	(18,647,877)
		5,832,224	

3. 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 fitness centre and restaurant operations.

	Six Months Ended 30 June	
	2013	2012
	HK$'000	HK$'000
	(unaudited)	(unaudited) (restated)
Property rental income	**1,093,025**	1,048,090
Building management service income	**106,130**	96,875
Hotel income	**2,029,477**	1,905,558
Sales of goods	**81,964**	72,387
Dividend income	**3,375**	2,712
Others	**88,704**	90,719
	3,402,675	3,216,341

4. 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 each listed group, including Great Eagle Holdings Limited, Champion REIT and Langham Hospitality Investments ("Langham"). During the period, the Group has completed a separate spin-off of three Hong Kong hotel properties, resulting in the listed company, Langham and therefore its segment information is separately disclosed in the current period. Additionally, the results of the Group, with the exclusion of results of Champion REIT and Langham, are reported in more detailed reportable segments. As such, comparative information for segment reporting has been restated. The Group's operating and reportable segments under HKFRS 8 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, fitness centre 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.

Segment results 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, gain on conversion of convertible bond, 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.

4. 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 2013

	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	155,466	2,029,477	174,044	2,358,987	1,043,266	422	-	3,402,675
Inter-segment revenue	-	6,875	140,986	147,861	15,396	55,401	(218,658)	-
Total	155,466	2,036,352	315,030	2,506,848	1,058,662	55,823	(218,658)	3,402,675

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	92,422	442,886	203,805	739,113	755,478	46,223	(1,879)	1,538,935
Depreciation				(172,819)	-	(13,656)		(186,475)
Operating profit after depreciation				566,294	755,478	32,567	(1,879)	1,352,460
Fair value changes on investment properties				96,504	698,166	-		794,670
Fair value changes on derivative financial instruments				(242)	308,236	-		307,994
Gain on conversion of convertible bonds				-	29,302	-		29,302
Other income				2,864	-	-		2,864
Administrative and other expenses				(147,794)	(9,656)	(35,870)	1,879	(191,441)
Net finance costs				(44,369)	(182,247)	(11,204)		(237,820)
Share of results of associates				632	-	-		632
Share of results of a joint venture				(9,560)	-	-		(9,560)
Profit before tax				464,329	1,599,279	(14,507)		2,049,101
Income taxes				(93,288)	(29,684)	(4,203)		(127,175)
Profit for the period				371,041	1,569,595	(18,710)		1,921,926
Less: Profit attributable to non-controlling interests / non-controlling unitholders of Champion REIT				(634)	(656,876)	7,916		(649,594)
Profit attributable to owners of the Company				370,407	912,719	(10,794)		1,272,332

4. SEGMENT INFORMATION - continued

Segment revenue and results - continued

Six months ended 30 June 2012

	Property investment HK$'000 (unaudited) (restated)	Hotel operation HK$'000 (unaudited) (restated)	Other operations HK$'000 (unaudited) (restated)	Sub-total HK$'000 (unaudited) (restated)	Champion REIT HK$'000 (unaudited) (restated)	Eliminations HK$'000 (unaudited) (restated)	Consolidated HK$'000 (unaudited) (restated)
REVENUE							
External revenue	148,841	1,905,558	165,818	2,220,217	996,124	-	3,216,341
Inter-segment revenue	-	-	133,964	133,964	14,659	(148,623)	-
Total	148,841	1,905,558	299,782	2,354,181	1,010,783	(148,623)	3,216,341

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	Eliminations	Consolidated
RESULTS							
Segment results	98,010	442,172	189,209	729,391	730,549	(1,860)	1,458,080
Depreciation				(171,889)	-		(171,889)
Operating profit after depreciation				557,502	730,549	(1,860)	1,286,191
Fair value changes on investment properties				228,556	938,451		1,167,007
Fair value changes on derivative financial instruments				41,823	(56,689)		(14,866)
Other income				5,331	-		5,331
Administrative and other expenses				(105,276)	(7,210)	1,860	(110,626)
Net finance costs				51,831	(229,551)		(177,720)
Share of results of associates				11,597	-		11,597
Share of results of a joint venture				(5,138)	-		(5,138)
Profit before tax				786,226	1,375,550		2,161,776
Income taxes				(113,045)	(108,873)		(221,918)
Profit for the period				673,181	1,266,677		1,939,858
Less: Profit attributable to non-controlling interests / non-controlling unitholders of Champion REIT				(255)	(609,905)		(610,160)
Profit attributable to owners of the Company				672,926	656,772		1,329,698

No segment revenue and results for Langham is presented as it was listed on 30 May 2013.

5. FINANCE COSTS

	Six Months Ended 30 June	
	2013	2012
	HK$'000	HK$'000
	(unaudited)	(unaudited)
		(restated)
Interest on bank borrowings wholly repayable within five years	**99,950**	83,671
Interest on other loans wholly repayable within five years	**17,326**	16,531
Interest on convertible bonds wholly repayable within five years	**69,969**	81,562
Interest on medium term note not wholly repayable within five years	**52,618**	-
Other borrowing costs	**25,083**	19,430
	264,946	201,194

6. PROFIT BEFORE TAX

	Six Months Ended 30 June	
	2013	2012
	HK$'000	HK$'000
	(unaudited)	(unaudited)
		(restated)
Profit before tax has been arrived at after charging (crediting):		
Staff costs (including directors' emoluments)	**852,844**	840,143
Share based payments (including directors' emoluments)	**6,199**	592
	859,043	840,735
Depreciation	**186,475**	171,889
Reversal of allowance for doubtful debts, net	**(1,449)**	(229)
Share of tax of associates (included in the share of results of associates)	**3,902**	2,506
Dividend income from listed investments	**(3,375)**	(2,712)
Interest income	**(27,126)**	(23,474)
Gain on disposal of property, plant and equipment	**(75)**	-
Net exchange loss (gain)	**17,585**	(4,271)
Listing expenses in relation to the spin-off of Langham (note)	**45,521**	-

Note: The amount represents the portion of listing expenses recognised in the profit or loss of which HK$34,695,000 was borne by Langham.

7. INCOME TAXES

	Six Months Ended 30 June	
	2013	2012
	HK$'000	HK$'000
	(unaudited)	(unaudited)
		(restated)
Current tax:		
Current period:		
Hong Kong Profits Tax	**92,015**	114,624
Other jurisdictions	**11,771**	5,882
	103,786	120,506
Under(over)provision in prior periods:		
Hong Kong Profits Tax	**9,694**	(1,630)
Other jurisdictions	**4,159**	(1,650)
	13,853	(3,280)
	117,639	117,226
Deferred tax:		
Current period	**1,394**	92,496
Underprovision in prior periods	**8,142**	12,196
	9,536	104,692
	127,175	221,918

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.

8. DIVIDENDS

	Six Months Ended 30 June	
	2013	2012
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Dividends paid:		
Final dividend of HK43 cents in respect of the financial year ended 31 December 2012 (2012: HK40 cents in respect of the financial year ended 31 December 2011) per ordinary share	**272,684**	251,604
Dividends declared:		
Interim dividend of HK23 cents in respect of the six months ended 30 June 2013 (2012: HK23 cents in respect of the six months ended 30 June 2012) per ordinary share	**147,027**	145,210
Special interim dividend of HK$1 in respect of the six months ended 30 June 2013 (2012: nil) per ordinary share	**639,250**	-
	786,277	145,210

On 21 June 2013, a final dividend of HK43 cents (2012: final dividend of HK40 cents) per ordinary share, which included scrip dividend alternatives offered to shareholders, was paid to shareholders as the final dividend in respect of the financial year ended 31 December 2012. The scrip dividend alternatives were accepted by the shareholders as follows:

	Six Months Ended 30 June	
	2013	2012
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Dividends		
Cash	**113,129**	204,824
Share alternative	**159,555**	46,780
	272,684	251,604

The Directors have determined that an interim dividend of HK23 cents (2012: HK23 cents) and a special interim dividend of HK$1 (2012: nil) per ordinary share will be paid to the shareholders of the Company whose names appear in the Register of Members on 7 October 2013.

9. EARNINGS PER SHARE

	Six Months Ended 30 June	
	2013	2012
	HK$'000	HK$'000
	(unaudited)	(unaudited)
		(restated)
Earnings per share:		
Basic	**HK$2.00**	HK$2.11
Diluted	**HK$1.62**	HK$2.11

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	
	2013	2012
	HK$'000	HK$'000
	(unaudited)	(unaudited)
		(restated)
Earnings		
Earnings for the purpose of basic earnings per share (Profit for the period attributable to owners of the Company)	**1,272,332**	1,329,698
Adjustment to earnings on assumed conversion of convertible bonds in Champion REIT (note)	**(235,262)**	-
Earnings for the purpose of diluted earnings per share	**1,037,070**	1,329,698

	Six Months Ended 30 June	
	2013	2012
Number of shares		
Weighted average number of shares for the purpose of basic earnings per share	**637,501,052**	631,007,418
Effect of dilutive potential shares:		
Share options	**1,664,932**	513,696
Weighted average number of shares for the purpose of diluted earnings per share	**639,165,984**	631,521,114

For the six months ended 30 June 2012, the computation of diluted earnings per share did not assume the conversion of outstanding convertible bonds since such conversion would result in an increase in earnings per share.

Note:
The holders of the convertible bonds in Champion REIT were entitled to convert their bonds into units of Champion REIT. For accounting purpose, the adjustment has taken into account (i) the aggregate effect of interest on convertible bonds, change in fair value of derivative components of convertible bonds, and gain on conversion of convertible bonds attributable to owners of the Company and (ii) the decrease in earnings attributable to the owners of the Company due to decrease in the Group's unitholding in Champion REIT as a result of the assumed conversion of the convertible bonds at the beginning of the period. The aforesaid assumed conversion did not actually take place and the relevant convertible bonds in Champion REIT were fully redeemed in June 2013.

10. DEBTORS, DEPOSITS AND PREPAYMENTS

	30 June 2013 HK$'000 (unaudited)	31 December 2012 HK$'000 (audited) (restated)
Trade debtors, net of allowance for doubtful debts	**255,790**	287,632
Deposits and prepayments	**117,274**	125,842
Deferred rent receivables	**113,012**	125,574
Other receivables	**15,477**	12,399
	501,553	551,447

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.

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

	30 June 2013 HK$'000 (unaudited)	31 December 2012 HK$'000 (audited) (restated)
0 - 3 months	**199,208**	200,475
3 - 6 months	**11,463**	21,530
Over 6 months	**45,119**	65,627
	255,790	287,632

11. CREDITORS, DEPOSITS AND ACCRUALS

	30 June 2013 HK$'000 (unaudited)	31 December 2012 HK$'000 (audited) (restated)
Trade creditors	**157,304**	204,366
Deposits received	**678,621**	638,435
Construction fee payable and retention money payable	**3,895**	8,164
Accruals, interest payable and other payables	**1,660,223**	1,628,719
	2,500,043	2,479,684

Included in accruals is accrual of stamp duty of HK$963,475,000 (31 December 2012: HK$963,475,000) which is based on the current applicable stamp duty rate of 4.25% (31 December 2012: 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.

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

	30 June 2013 HK$'000 (unaudited)	31 December 2012 HK$'000 (audited) (restated)
0 - 3 months	**144,466**	192,222
3 - 6 months	**3,133**	1,646
Over 6 months	**9,705**	10,498
	157,304	204,366