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)

2015 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 2015 as follows:

	Six months ended 30 June		
	2015	2014	
	HK$ million	*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 realized 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 4.

[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	**2014**	
	HK$ million	***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 Inc. 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	**Liabilities**	**Net Assets**
	HK$ million	***HK$ million***	***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	Liabilities	Net Assets
	HK$ million	*HK$ million*	*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)	- 1081.9%
Fair value changes on Derivative Financial Instruments	(2.8)	0.2	- 1500.0%
Fair value changes of financial assets designated at fair value through profit or loss	0.1	(0.1)	- 200.0%
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 redevelopment 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 Divisions 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 realized 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 Redevelopment Project

The Group has entered into an agreement to acquire a hotel redevelopment 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 Redevelopment 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	**2014**	
	HK$ million	***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.

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 stabilized 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.

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.

REVIEW OF INTERIM RESULTS

The unaudited financial statements for the six months ended 30 June 2015 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

The Board of Directors of the Company has resolved to declare an interim dividend of HK27 cents per share (the "2015 Interim Dividend") (2014: HK27 cents per share) for the six months ended 30 June 2015, 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, 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 Wednesday, 30 September 2015.

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, 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 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 (the "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 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.

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 2015.

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.

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.

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.

BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises 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) being the Executive Directors; Madam LO TO Lee Kwan, Mr. LO Hong Sui, Vincent and Dr. LO Ying Sui being the Non-executive Directors; and Mr. CHENG Hoi Chuen, Vincent, Professor WONG Yue Chim, Richard, Mrs. LEE Pui Ling, Angelina and Mr. ZHU Qi being the Independent Non-executive Directors.

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

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	3	**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	5	**(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	6	**2,344,206**	867,244
Income taxes	7	**(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:	9		
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	2014
	HK$'000	HK$'000
	(unaudited)	(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:		
Item 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		**17,167,651**	15,819,104
Investment properties		**71,339,659**	69,867,294
Deposit for acquisition of a hotel property		**-**	121,185
Interests in associates		**97,233**	90,366
Interest in a joint venture		**569,558**	579,548
Loan receivable		**193,813**	-
Notes receivable		**253,817**	50,470
Available-for-sale investments		**1,623,318**	1,607,288
Derivative financial instruments		**-**	3,974
		91,245,049	88,139,229
Current assets			
Property under development		**2,610,628**	2,415,529
Inventories		**115,551**	155,365
Debtors, deposits and prepayments	10	**878,942**	645,659
Financial assets designated at fair value through profit or loss		**369,932**	249,512
Notes receivable		**79,739**	124,635
Tax recoverable		**3,205**	17,298
Pledged bank deposit		**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	11	**3,097,693**	3,112,992
Derivative financial instruments		**3,111**	343
Provision for taxation		**263,281**	139,376
Distribution payable		**210,604**	219,981
Borrowings due within one year		**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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2015

	At 30 June 2015 HK$'000 (unaudited)	At 31 December 2014 HK$'000 (audited)
Non-current liabilities		
Derivative financial instruments	**42,695**	152
Borrowings due after one year	**12,536,070**	21,611,553
Medium term notes	**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	**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

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 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. 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	2014
	HK$'000	HK$'000
	(unaudited)	(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

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 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.

4. **SEGMENT INFORMATION - continued**

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 fair value through profit or loss ("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.

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

4. 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	Hotel operation	Other operations	Sub-total	Champion REIT	Langham	Eliminations	Consolidated
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. 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

6. PROFIT BEFORE TAX

	Six months ended 30 June	
	2015	2014
	HK$'000	HK$'000
	(unaudited)	(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

7. 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

7. INCOME TAXES - continued

	Six months ended 30 June	
	2015	2014
	HK$'000	HK$'000
	(unaudited)	(unaudited)
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.

8. DIVIDENDS

	Six months ended 30 June	
	2015	2014
	HK$'000	HK$'000
	(unaudited)	(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

8. DIVIDENDS - continued

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	2014
	HK$'000	HK$'000
	(unaudited)	(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.

9. 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	2014
	HK$'000	HK$'000
	(unaudited)	(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

10. 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.

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.

11. 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

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.