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)

2016 INTERIM RESULTS ANNOUNCEMENT

The Board of Directors (the "Board") 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 2016 as follows:

	Six months ended 30 June 2016 HK$ million	Six months ended 30 June 2015 HK$ million	Change
Key Financials on Income Statement			
Based on core business[1]			
Revenue based on core business	**2,786.0**	**2,685.3**	**3.7%**
Core profit after tax attributable to equity holders	**787.4**	**838.1**	**- 6.0%**
Core profit after tax attributable to equity holders (per share)	**HK$ 1.17**	**HK$ 1.26**	
Based on statutory accounting principles[2]			
Revenue based on statutory accounting principles	**4,180.2**	**3,982.4**	**5.0%**
Statutory Profit attributable to equity holders	**1,492.0**	**1,465.9**	**1.8%**
Interim Dividend (per share)	**HK$ 0.27**	**HK$ 0.27**	

[1] On the basis of core business, figures excluded fair value changes relating to the Group's investment properties and financial assets, and were based on attributable distribution income from Champion REIT, Langham Hospitality Investments and Langham Hospitality Investments Limited (LHI) and the U.S. Real Estate Fund (U.S. Fund), as well as realised gains and losses 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 Jun 2016	Dec 2015 Restated
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	**1%**	**Net Cash**
Book value (per share)	**HK$93.3**	**HK$ 94.5**
Based on statutory accounting principles[2]		
Net gearing [3]	**26.5%**	**21.9%**
Book value (per share)	**HK$80.4**	**HK$81.7**

[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 62.81%, 61.71% and 49.97% equity stake of Champion REIT, LHI and the U.S. Fund respectively as at the end of June 2016.

[3]Net gearing based on statutory accounting principles is based on net debts attributable to shareholders of the Group divided by equity attributable to shareholders of the Group.

Core Profit - Financial Figures based on core business

	Six months ended 30 June 2016 HK$ million	Six months ended 30 June 2015 HK$ million	Change
Revenue from core business			
Gross Rental Income	119.0	116.2	2.4%
Hotels Division	1,708.6	1,702.2	0.4%
Management Fee Income from Champion REIT	173.3	140.2	23.6%
Distribution Income from Champion REIT^	398.4	339.9	17.2%
Distribution Income from LHI^	136.8	127.3	7.5%
Other operations	249.9	259.5	- 3.7%
	2,786.0	**2,685.3**	**3.7%**
Net Rental Income	87.2	85.6	1.9%
Hotel EBITDA	235.9	197.9	19.2%
Management Fee Income from Champion REIT	173.3	140.3	23.5%
Distribution Income from Champion REIT^	398.4	339.9	17.2%
Distribution Income from LHI^	136.8	127.3	7.5%
Operating income from other operations	110.6	104.7	5.6%
Operating Income from core business	**1,142.2**	**995.7**	**14.7%**
Depreciation	(75.9)	(73.7)	3.0%
Administrative and other expenses	(193.9)	(163.5)	18.6%
Other income (including gains on securities)	29.3	83.6	- 64.9%
Interest income	31.2	137.7	- 77.3%
Finance costs	(67.4)	(93.1)	- 27.6%
Share of results of associates	-	(3.7)	n.a.
Share of results of Joint Ventures	(22.1)	(8.9)	148.3%
Core profit before tax	**843.4**	**874.1**	**- 3.5%**
Taxes	(53.3)	(34.4)	54.9%
Core profit after tax	**790.1**	**839.7**	**- 5.9%**
Non-controlling interest	(2.7)	(1.6)	68.8%
Core profit attributable to equity holders	**787.4**	**838.1**	**- 6.0%**

^ 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 2016

	Assets	**Liabilities**	**Net Assets**
	HK$ million	***HK$ million***	***HK$ million***
Great Eagle operations	**30,269**	**7,609**	**22,660**
Champion REIT	**42,361**	**10,652**	**31,709**
LHI	**11,604**	**4,366**	**7,238**
The U.S. Fund	**2,826**	**1,310**	**1,516**
	87,060	**23,937**	**63,123**

31 December 2015

	Assets	Liabilities	Net Assets
	HK$ million	*HK$ million*	*HK$ million*
Great Eagle operations	29,204	5,863	23,341
Champion REIT	41,373	10,600	30,773
LHI	11,413	4,323	7,090
The U.S. Fund	2,787	1,173	1,614
	84,777	21,959	62,818

Financial Figures based on statutory accounting principles

	Six months ended 30 June 2016 *HK$ million*	2015 *HK$ million*	Change
Revenue based on statutory accounting principles			
Gross Rental Income	119.0	116.2	2.4%
Hotels Division	2,437.7	2,440.6	- 0.1%
Other operations (including management fee income from Champion REIT)	423.2	399.7	5.9%
Gross Rental income - Champion REIT	1,251.8	1,110.4	12.7%
Gross Rental income - LHI	322.3	323.2	- 0.3%
Gross Rental income - U.S. Fund	182.9	111.6	63.9%
Elimination on Intra-Group transactions	(556.7)	(519.3)	7.2%
Consolidated Total Revenue	**4,180.2**	**3,982.4**	**5.0%**
Net Rental Income	87.2	85.6	1.9%
Hotel EBITDA	235.9	197.9	19.2%
Operating income from other operations	283.9	245.0	15.9%
Net Rental income - Champion REIT	875.1	772.6	13.3%
Net Rental income - LHI	270.4	265.9	1.7%
Net Rental income – U.S Fund	99.8	35.6	180.3%
Elimination on Intra-Group transactions	(27.1)	(6.6)	310.6%
Consolidated Operating Income	**1,825.2**	**1,596.0**	**14.4%**
Depreciation	(295.0)	(282.0)	4.6%
Fair value changes on Investment properties	1,815.8	1,412.0	28.6%
Fair value changes on Derivative Financial Instruments	(73.0)	(2.8)	n.m.
Fair value changes of financial assets designated at fair value through profit or loss	(14.9)	0.1	n.m.
Gain on repurchase of medium term notes	-	2.3	n.a.
Administrative and other expenses	(210.5)	(246.3)	- 14.5%
Other income (including Interest income)	67.7	231.8	-70.8%
Finance costs	(367.5)	(354.3)	3.7%
Share of results of associates	-	(3.7)	n.m.
Share of results of Joint Ventures	(22.1)	(8.9)	148.3%
Statutory profit before tax	**2,725.7**	**2,344.2**	**16.3%**
Taxes	(283.7)	(190.4)	49.0%
Statutory profit after tax	**2,442.0**	**2,153.8**	**13.4%**
Non-controlling interest	(249.3)	(89.4)	178.9%
Non-controlling unitholders of Champion REIT	(700.7)	(598.5)	17.1%
Statutory profit attributable to equity holders	**1,492.0**	**1,465.9**	**1.8%**

OVERVIEW

During the first half of 2016, the Group has successfully completed the acquisition of a prime hotel site in Roppongi, Tokyo. The original completion date of acquisition was scheduled in December 2015, but was extended to June 2016 at the request of the seller. We are pleased that this acquisition has been finally closed, as the site is situated in one of the most important commercial and cultural tourism hubs in downtown Tokyo, the penetration of our brand to such a strategically important location will further enhance the positioning of our international luxury hotel brand.

Furthermore, as the asset manager of the U.S. Fund, we had entered into agreements with buyers to dispose of the U.S. Fund's office towers in San Francisco. We took advantage of a strong office sale market in San Francisco and commanded high sales prices for the disposals. However, as completion of the disposals occurred after the end of June 2016, the financial items related to these transactions will only be included in the Group's results for the second half of the year.

The Group's core operating income increased by 14.7% to HK$1,142.2 million for the first half of 2016 (1H 2015: HK$995.7 million) attributable mainly to a 17.2% year-on-year growth in distribution income from Champion REIT, which was attributable to the higher distribution per unit declared by the REIT and our increased holdings in the REIT. Furthermore, management fee income received from the REIT, which comprised of leasing commission income and asset management fee, rose by 23.5%. EBITDA of the Hotels Division rose by 19.2%, primarily due to the improved revenue and significant EBITDA margin expansion of the North American hotels. There was also a 7.5% increase in distribution income from LHI as we have increased our holdings in LHI, although LHI declared only a flat distribution per share stapled unit for the first half of 2016.

Administration and other expenses increased by 18.6% to HK$193.9 million for the first half of 2016 (1H 2015: HK$163.5 million), mostly attributable to the increased headcount mainly for the Project Management and Development as the Group has invested in more development projects. Other expenses also included a charge amounting to HK$17.0 million in relation to the roll-over of certain hedging contracts for Japanese Yen which had appreciated significantly since the contracts were entered into in early 2016. We had entered into these contracts in preparation for payments for the Tokyo hotel project.

As compared with the first half of last year, when a majority of the Group's interest income was derived from Renminbi deposits which commanded deposit rates of over 3% per annum, the Group's interest income fell by 77.3% to HK$31.2 million (1H 2015: HK$137.7 million) for the first half of 2016, as the Group had converted its Renminbi deposits into Hong Kong dollars, which bore minimal deposit rates but the effect of marked depreciation of the Renminbi had been avoided. Furthermore, due to the poor performance of financial markets, realised gains booked on securities, which was included in other income, have reduced to HK$6.0 million (1H 2015: HK$54 million) for the first half period, these have led to a decline in the Group's core profit.

Interest expenses dropped by 27.6% to HK$67.4 million for the first half of 2016 (1H 2015: HK$93.1 million) as the Group repaid a loan with relatively high interest rate in the second half of last year. There were also interest expense savings from some of the debts which have been refinanced at lower interest rates during the past twelve months.

Share of results of joint ventures for the first half of 2016 comprised of returns on our 50% interest in the Dalian project and a US$13 million investment, which implied an effective 25% equity interest, in a residential development project in Miami, USA. As both of these projects are at the early stage of the pre-sales process, total losses of HK$22.1 million were recorded during the first half of 2016 which were primarily marketing and administrative expenses incurred.

All-in-all, core profit after tax dropped by 5.9% year-on-year to HK$790.1 million in the first half of 2016 (1H 2015: HK$839.7 million), and profit attributable to equity holders dropped by 6.0% year-on-year to HK$787.4 million for the first half of 2016 (1H 2015: HK$838.1 million).

HOTELS DIVISION

Hotels Performance

	Average Daily Rooms Available		**Occupancy**		**Average Room Rate (local currency)**		**RevPAR (local currency)**	
	1H 2016	1H 2015	1H 2016	1H 2015	1H 2016	1H 2015	1H 2016	1H 2015
The Langham, Hong Kong	498	472	84.2%	81.8%	2,078	2,204	1,749	1,802
Cordis, Hong Kong	650	619	85.4%	88.2%	1,610	1,725	1,374	1,522
Eaton, Hong Kong	465	465	92.2%	86.2%	963	1,097	888	946
The Langham, London	266	344	81.8%	77.3%	274	261	224	202
The Langham, Melbourne	388	388	86.5%	86.6%	299	304	259	263
The Langham, Auckland	409	409	90.1%	84.0%	205	191	185	161
The Langham, Sydney	81	89	66.3%	55.4%	436	404	289	224
The Langham, Boston	318	318	76.8%	82.0%	278	258	214	212
The Langham Huntington, Pasadena	380	380	74.5%	75.2%	279	256	208	192
The Langham, Chicago	316	316	63.8%	65.1%	355	332	226	216
Chelsea Hotel, Toronto	1,590	1,590	70.5%	61.2%	141	132	99	80
Langham Place, Fifth Avenue, New York	214	214	63.7%	74.5%	497	506	317	377
The Langham, Xintiandi, Shanghai	357	357	69.9%	69.4%	1,768	1,776	1,237	1,233

		Six months ended 30 June		
		2016	**2015**	
		HK$ million	***HK$ million***	**Change**
Hotel Revenue				
Overseas Hotels	- Europe	**202.7**	**236.0**	**-14.1%**
	- North America	**910.2**	**861.8**	**5.6%**
	- Australia/New Zealand	**359.7**	**364.7**	**-1.4%**
	- China	**163.7**	**170.3**	**-3.9%**
Others (including hotel management income)		**72.3**	**69.4**	**4.2%**
Total Hotel Revenue		**1,708.6**	**1,702.2**	**0.4%**
Hotel EBITDA				
Overseas Hotels	- Europe	**25.6**	**35.9**	**- 28.7%**
	- North America	**78.7**	**37.6**	**109.3%**
	- Australia/New Zealand	**55.9**	**47.8**	**16.9%**
	- China	**45.7**	**48.0**	**-4.8%**
Others (including hotel management income)		**30.0**	**28.6**	**4.9%**
Total Hotel EBITDA		**235.9**	**197.9**	**19.2%**

Despite the increase in revenue for the hotels in North America, such increase was mostly offset by the lowered hotel revenue in other regions. Total revenue of the Hotels Division rose by only 0.4% to HK$1,708.6 million for the first half of 2016. Nonetheless, EBITDA of the Hotels Division grew by 19.2% to HK$235.9 million, which was primarily driven by improved revenue and significant EBITDA margin expansion of The Langham, Chicago and the Chelsea Hotel, whereas The Langham, Sydney had turned to a small profit from a large loss last year when the hotel was under renovation. It should be noted that the hotel in downtown Washington, D.C., USA is still undergoing renovation and will continue to be closed throughout 2016.

In North America, the Langham Place, Fifth Avenue hotel in New York was the only hotel of the Group that suffered a decline in revenue during the first half period, which was attributable to the negative impact of the renovation works and challenging market conditions in New York. Nonetheless, all other hotels in North America have witnessed revenue growth during the first half period. While total revenue of the hotels in North America increased by 5.6% in the first half of 2016, the growth in EBITDA was much higher at 109.3% for the period. The growth in EBITDA was led by a significant improvement in EBITDA margin at The Langham, Chicago, due to its operations continued to ramp up as a relatively new hotel, and margin expansion of the Chelsea hotel in Toronto, where its EBITDA margin recovered from a low level of occupancy during the renovation works in the first half of last year.

Supported by the improved performance of The Langham, Auckland and The Langham, Sydney, hotels in Australasia achieved an overall growth in revenue in local currency terms. However, as there was a 6% to 8% depreciation in the average exchange rate of the Australian and New Zealand dollar, the growth in revenue in local currency terms had been translated into a small decline in revenue in Hong Kong dollar terms. A strong growth in EBITDA of the hotels in Australasia was attributable to the turnaround of The Langham, Sydney, which recorded a small profit in the first half of 2016 as compared to a large loss incurred during the same period last year when major renovation works were being done.

Performance of The Langham, London in local currency terms has been negatively impacted by its renovation works. The decline in revenue and EBITDA of the hotel was further exacerbated by the adverse currency translation, given a 5.7% depreciation in the average exchange rate of the British pound in the first half of 2016. Performance of The Langham, Xintiandi in Shanghai remained stable in the first half of 2016, but revenue and EBITDA of the hotel declined in Hong Kong dollar terms, as the average exchange rate of the Renminbi experienced a depreciation of 4.7% in the first half of 2016.

EBITDA of the Hotels Division also included hotel management fee income from pure managed hotels and any surplus or shortfall incurred by the Group as the lessee of LHI’s hotels, which are included under the “others” breakdown of the Hotels Division’s EBITDA. While there was an increase in hotel management fee income for the first half of 2016 due to operations of the newly added managed hotels ramped up, the increase was partially offset by slightly increased shortfall incurred as the lessee of LHI.

Note that after the spinoff of the Hong Kong hotels, the financial returns on the Group’s 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 2016 interim results announcement of LHI relating to the performance of the trust group’s properties.

HONG KONG HOTELS

The Langham, Hong Kong

The hotel benefitted from keen demand for its renovated rooms and witnessed growth of arrivals from most geographical regions, especially China. The hotel only saw decline in arrivals from Europe, which was not a major contributor to the hotel’s overall room demand. However, Average Room Rate had dropped due to subdued overall market condition. Food and beverage (“F&B”) revenue for the hotel rose by 1.6% as compared with the restated F&B revenue for the first half of 2015. The increase was driven by growth in business from T’ang Court, which has received the prestigious Michelin three-star rating for this year, and the growth at this restaurant had more than offset lower F&B revenue from banqueting business.

Cordis, Hong Kong (rebranded from Langham Place, Hong Kong in August 2015)

At the hotel, business was negatively impacted during the Chinese New Year when there were violent breakouts in Mongkok, and RevPAR for the hotel dropped by 18% year-on-year during February and March 2016. Nonetheless, demand for rooms recovered and the hotel witnessed growth in arrivals across most major markets since April. Arrivals from China were a major contributor to the overall growth in room demand in the second quarter of 2016. Overall for the first half of 2016, RevPAR was significantly lower. Despite a lack of revenue contribution from the Tokoro space that had been converted to office use last year, revenue from F&B still rose 3.2% year-on-year for the first six months of 2016. The increase was largely due to improved business at the all day dining restaurant, which underwent renovation and was closed for two months in the first half of last year.

Eaton, Hong Kong

The hotel faced severe room rate competition from other hotels which relied heavily on arrivals from China. Accordingly, the hotel shifted its focus to arrivals from other geographical regions in the first half of 2016. Hence, while there was a drop in arrivals from the China market during the first half, increases in arrivals from other Asian countries, Australia and Europe had more than offset decline in arrivals from China. Overall, the markedly lower Room Rate brought down RevPAR significantly. Revenue from F&B dropped by 7.3% year-on-year in the first six months of 2016 as a result of reduced business in the restaurants and a drop in banqueting business.

OVERSEAS HOTELS

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

EUROPE

The Langham, London

Disruptions from the ongoing renovation at the hotel has resulted in a lower room revenue for the first half of 2016. The renovation of 109 rooms started in November 2015 is scheduled to complete in the third quarter 2016. Meanwhile, the average room rate achieved by the hotel during the first half period has increased as the hotel accommodated more high yielding retail leisure travellers. Revenue from F&B fell slightly in the first half of 2016, given a decline in revenue in the restaurants.

NORTH AMERICA

The Langham, Boston

Given the steady demand in the city in the first half of 2016, the hotel strategically targeted at high yielding retail leisure and corporate travellers during the period. This helped the hotel to deliver an 8% increase in average room rate during the first half of 2016. Revenue from F&B was slightly behind the same period last year, which was due to a combination of slower pickup in catering demand and softer restaurant business.

The Langham Huntington, Pasadena

The hotel witnessed a strong return in demand from high yielding corporate group business during the first half of 2016, which was relatively low for the same period last year. Therefore, the hotel strategically targeted room rates growth during the first half of 2016, which rose by 9% during the period. Revenue from F&B grew by 23% year-on-year during the first half of 2016, which was driven by increased catering business in corporate meetings and conferences.

The Langham, Chicago

After receiving multiple prestigious accolades in the lodging industry stemming from its luxurious product and services, the hotel has firmly established itself as one of the most luxurious hotel in Chicago. This has helped the hotel to gain market share and increase its average room rate, which rose by 7% during the first half period. Revenue from F&B rose by 11% year-on-year during the first half of 2016, which was driven by increased catering business.

Langham Place, Fifth Avenue, New York

In addition to the challenging operating conditions in New York, the performance of the hotel was also impacted by the room renovation that commenced in January 2016. Competition from Airbnb in New York had been quite significant. As a result, both average room rate and occupancy declined during the first half of 2016. Revenue from F&B for the hotel declined by 3% in the first half of 2016, driven by lower revenue in the bar which was closed in April 2016. However, there was some growth in revenue from catering business, as the banquet facilities were undergoing renovation from the end of May to November last year.

Chelsea Hotel, Toronto
The hotel benefitted from strong demand as there were several large citywide events in the first half of 2016. This allowed the hotel to deliver a growth in average room rate of 7% in the first half period. Room revenue demonstrated a strong growth as well, as it had more available rooms following the completion of the room renovation in 2015. Revenue from F&B rose by 7% driven by stronger banqueting business and increased revenue from the restaurants.

AUSTRALIA/NEW ZEALAND
The Langham, Melbourne
As compared with the first half of last year, when there were several high profile events in the city, demand for hotel rooms dropped in the first half of this year, given the absence of similar scale events. As a result, there was a drop in average room rate for the hotel in the first half of 2016. Revenue from F&B also declined as both catering and restaurants business dropped.

The Langham, Sydney
Since the hotel reopened in December 2014 after it was closed for a major renovation, business at the hotel continued to ramp up and there was an improvement in both occupancy and average room rate during the first half of 2016. The increase in demand was supported by retail and corporate group segments. Revenue from F&B increased by 11% in the first half of 2016 with improved business in the catering segment.

The Langham, Auckland
Given a strong hotel market in Auckland, the hotel benefitted from an increase in demand from travellers of both retail and corporate segments. As a result, the hotel achieved higher occupancy and average room rate for the first half of 2016. Revenue from F&B rose by 20% in the first half 2016, which was driven by increase in revenue in both restaurants and banquet business. Note that the function room for banqueting business was closed for renovation in the first quarter of last year.

CHINA
The Langham, Xintiandi, Shanghai
While demand from the group segment was slow during the first half of 2016, the hotel focused on demand from the retail leisure business, which helped offset the slower group business. Hence, the hotel managed to deliver steady performance in the first half of 2016. Revenue from F&B rose by 1.4% year-on-year during the first half period, which was driven by improved business in the restaurants while business from the catering segment was stable.

HOTEL MANAGEMENT BUSINESS
As at the end of June 2016, there are seven hotels with approximately 2,200 rooms in our management portfolio. As compared with the number of managed hotels as at the end of June 2015, one long-term hotel management contract was added to the growing portfolio of hotels under management, the Langham hotel in Haikou with 249 rooms.

DEVELOPMENT PROJECTS

HONG KONG AND CHINA

Pak Shek Kok Residential Development Project
In May 2014, the Group successfully won the tender of a 208,820 sq. ft. prime residential site in Pak Shek Kok, Tai Po, Hong Kong. Based on a total permissible gross floor area of 730,870 sq. ft. and HK$2,412 million paid for the site, this translated to a price of HK$3,300 per sq. ft., and it was the lowest price paid on a per sq. ft. basis for a residential site in the vicinity. The site commands spectacularly unobstructed sea views over Tolo Harbour and has been earmarked for a luxury residential development with 700 to 800 residential units. Foundation works are currently in progress and superstructure works are expected to start in mid-2017. Total investment cost,

including the payment of HK$2,412 million 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 central business district 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 an equity interest in the project and acts as the project manager. The Group's share of net asset value in the project, including an additional HK$245 million invested in the preferred shares of the project with a fixed rate of return in the first half of 2016, was HK$752 million as at the end of June 2016.

The project is developed in two phases: Phase I comprises approximately 800 apartments and Phase II comprises the remaining apartments and the hotel. Phase I will be completed and handed over by stage from the third quarter of 2016 onwards, a slight delay from the original plan of the second quarter of 2016. Phase II development is scheduled to commence in 2018. Up to the end of June 2016, 220 apartments of the Phase I development had been pre-sold and will be handed over to buyers starting from the third quarter of 2016. Accumulated sales proceeds reached approximately RMB500 million up to the end of June 2016, or an average price of RMB17,600 per sq. m.

Sales and profits on the presold apartments will not be booked in our income statement until handover of the units. Note that given the sluggish real estate market in Dalian and higher than projected construction costs due to difficult construction management conditions, this project will not likely generate much profit.

Hotel Development Project in Shanghai, China

The HUB hotel is directly connected to Shanghai's Hongqiao transportation hub and is situated within The HUB project, which comprises offices, retail malls and F&B outlets built by another developer. The Group completed the acquisition of the HUB hotel in bare shell condition in 2015 and took possession of the hotel in May 2015. Fit-out works have started since May 2015, and the hotel under the Cordis brand with approximately 400 rooms is targeted to open in the first quarter of 2017.

JAPAN

Tokyo Hotel Redevelopment Project

The Group had entered into agreements to acquire a hotel redevelopment site situated in Roppongi, Tokyo for JPY22.2 billion in July 2015. The original closing date of this acquisition was scheduled in late December 2015, but it was subsequently extended to June 2016 as requested by the seller. The site with an estimated total building area of about 36,000 sq. m. is located in close proximity to the landmark Roppongi Hills Midtown, and construction on the site is expected to start in 2017. World renowned architect, Kengo Kuma & Associates has been commissioned to design this flagship Langham Place Hotel in Central Tokyo. Total investment cost, including the sum of JPY22.2 billion to be paid for the site, is expected to be approximately JPY48 billion and will be mostly funded by bank loans with a low interest rate.

UNITED STATES

Hotel Development Project in Washington D.C., USA

The Group acquired a 265-key hotel in Washington, D.C., USA in July 2014, 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 fall of 2017.

San Francisco Hotel Development Project, 1125 Market Street

The Group acquired a site in San Francisco for US$19.8 million in May 2015. The land located at 1125 Market Street was the last remaining vacant lot in San Francisco's Central Market and is situated opposite to San Francisco's City Hall and numerous cultural venues nearby. The Central Market area has transformed rapidly in recent years amid increasing presence interest from the global headquarters of technology companies such as Twitter, Uber and Square Dolby. The site has been earmarked for the development of an "Eaton" hotel with a gross floor area of approximately 125,000 sq. ft. It is planned to be developed as a 150-key hotel, construction of the project will start after development right of the hotel is approved by the city's planning department in 2017. The famous AvroKO group has been commissioned as the interior designer for this iconic Eaton Hotel project. At current, we expect development approval will be granted in the latter part of 2016, and hence, opening of the hotel is still expected to be in late 2018. Total investment cost, including the sum of 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 untitled site with an estimated gross floor area of 430,000 sq. ft. for US$45.6 million in April 2015. The project is expected to comprise a 257-key luxury Langham Place hotel and approximately 100,000 net sq. ft. of for-sale condominiums. The world renowned international architect, Renzo Piano Building Workshop, has been commissioned to design this prestigious project. Construction of the project will start once the development is approved by the city's planning department, which is expected to be in 2018/2019.

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 2016 increased by 19.1% year-on-year to HK$571.7 million. Distribution income rose 17.2% year-on-year to HK$398.4 million as the REIT declared higher distribution per unit and our holdings in the REIT has been increased. Given an increase in net property income of Champion REIT, together with higher agency leasing commission income in the first half of 2016, overall management fee income from Champion REIT increased by 23.5% to HK$173.3 million in the first half of 2016.

	Six months ended 30 June		
	2016	**2015**	
	HK$ million	***HK$ million***	**Change**
Revenue from core business			
Attributable Dividend income	398.4	339.9	17.2 %
Management fee income	173.3	140.2	23.6 %
Total income from Champion REIT	**571.7**	**480.1**	**19.1 %**

The following text was extracted from the 2016 interim results announcement of Champion REIT relating to the performance of the REIT's properties.

Three Garden Road (Renamed from Citibank Plaza)
Occupancy of Three Garden Road office further improved to 95.1% as at 30 June 2016 from 91.2% as at 31 December 2015 and 83.3% as at 30 June 2015. The passing office rent of the property as at 30 June 2016 attained a moderate growth to HK$76.59 per sq. ft. (based on lettable floor area) as compared with HK$75.39 per sq. ft. as at 31 December 2015. Three Garden Road achieved a superb rental income growth of 22.2% to HK$567.0 million for the first half period and net property income recorded a growth of 24.3% to HK$499.2 million from HK$401.7 million in 2015.

Langham Place Office Tower
Total rental income from Langham Place Office Tower continued to go up with an increase of 4.5% to HK$159.2 million recorded for the first half of the year, as compared with HK$152.3 million for the same period last year. The revenue growth was mainly attributable to positive rental reversion when the office building remained fully occupied. The passing rent has increased to HK$38.24 per sq. ft. based on gross floor area as at 30 June 2016, from HK$37.50 per sq. ft. as at 31 December 2015. Net property income went up 2.4% to HK$144.5 million for the period as compared with HK$141.2 million for the first half of 2015.

Langham Place Mall
Despite the unfavourable market conditions, the mall closed the first half of 2016 with a 3.2% rental income growth to HK$396.9 million, compared with HK$384.6 million last year, thanks to overall positive rental reversion in base rents. Net property income expanded by 4.6% to HK$350.7 million from HK$335.2 million in 2015. Passing base rents increased moderately by 1.1% to HK$176.40 per sq. ft. (based on lettable floor area) as at 30 June 2016 from HK$174.54 per sq. ft. as at 31 December 2015. Though the turnover rent portion was impacted by the fall in sales of tenants, the growth in base rent portion outweighed the decline in turnover rent, hence the overall rental income maintained the growth trajectory in the period under review.

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 2016, the distribution income from LHI was steady and LHI declared a flat distribution per share stapled unit. However, given the Group had increased its holding in LHI during the first half of 2016, our distribution income received from LHI increased by 7.5% to HK$136.8 million (1H 2015: HK$127.3 million).

In the first half of 2016, distribution entitlement in respect of our 100 million share stapled units held will be waived, which was the same as that in the first half of 2015. Note the number of distribution waiver units will be reduced 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		
	2016 *HK$ million*	**2015** *HK$ million*	**Change**
Attributable Distribution income	136.8	127.3	7.5%

INVESTMENT PROPERTIES

	Six months ended 30 June 2016 *HK$ million*	2015 *HK$ million*	Change
Gross rental income			
Great Eagle Centre	69.8	71.4	-2.2%
Eaton Serviced Apartments	24.4	23.4	4.3%
Others	24.8	21.4	15.9%
	119.0	**116.2**	**2.4%**
Net rental income			
Great Eagle Centre	68.1	62.6	8.8%
Eaton Serviced Apartments	14.8	14.1	5.0%
Others	4.3	8.9	-51.7%
	87.2	**85.6**	**1.9%**

Great Eagle Centre
In the first half of 2016, there was a modest improvement in both occupancy and average passing rent of the office space at the Great Eagle Centre. As spot rents at the Great Eagle Centre remained at a high level during the first half of 2016, a lack of spot rent growth has limited the growth in average passing rent. Therefore, there was only a 1.9% growth in average passing rent for the leased office space at the Great Eagle Centre, which increased from HK$64.2 per sq. ft. as of June 2015 to HK$65.4 per sq. ft. as of June 2016. Occupancy growth was also modest given the number of units available is limited and mostly are small size units. Occupancy rose by 0.7 percentage points to 98.2% as at the end of June 2016.

Performance for the retail space at the Great Eagle Centre was steady for the first half of 2016. However, overall gross rental income for the Great Eagle Centre actually dropped by 2.2% to HK$69.8 million in the first half of 2016, which was attributable to the absence of rental income after the expiry of a lease for a large signage space in October 2015. Nonetheless, net rental income increased by 8.8% to HK$68.1 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 2015.

	As at the end of		
	June 2016	**June 2015**	**Change**
Office (on lettable area)			
Occupancy	**98.2%**	97.5%	*+ 0.7ppt*
Average passing rent	**HK$65.4**	HK$64.2	*+ 1.9%*
Retail (on lettable area)			
Occupancy	**99.4%**	99.4%	-
Average passing rent	**HK$98.2**	HK$98.2	-

Eaton Serviced Apartments

Overall occupancy of the three serviced apartments rose from 70.4% in the first half of 2015 to 75.3% in the first half of 2016. The increase was driven primarily by an increase in occupancy of the serviced apartment at the Village Road property, whereas scaffolding and facelift works had negatively impacted occupancy for the property last year. Improvement in occupancy at Wanchai Gap Road, which benefitted from increased demand from the corporate segment, also helped boost occupancy of the portfolio during the first half of 2016.

With the recovery in demand for the serviced apartments at Wanchai Gap Road and Village Road properties, average net passing rent for the three serviced apartments increased by 2.3% to HK$31.2 per sq. ft. on gross floor area in the first half of 2016, as compared with HK$30.5 per sq. ft. in the first half of 2015. Gross rental income rose by 4.3% year-on-year to HK$24.4 million in the first half of the 2016, whereas net rental income increased by 5.0% year-on-year to HK$14.8 million for the first half of 2016.

.	Six months ended 30 June		
	2016	**2015**	**Change**
(on gross floor area)			
Occupancy	**75.3%**	70.4%	*+4.9ppt*
Average net passing rent	**HK$31.2**	HK$30.5	*+2.3%*

U.S. Fund

As part of the Group's effort to expand our asset-light asset management business, the Group has established a U.S. Real Estate Fund in 2014, which targets at office and residential property investments in the United States. As at the end of June 2016, the Group held 49.97% interest in the U.S. Fund and acts as the fund's key asset manager with a 80% stake in the asset management company, and the remaining interest was held by China Orient Asset Management (International) Holding Limited.

While the financials of the U.S. Fund are consolidated into the Group's financial statements under statutory accounting principles, the Group's core profit is based on distribution received from the U.S. Fund, as well as our share of asset management fee income from the U.S. Fund. The Group's core balance sheet is based on our share of net asset in the U.S. Fund. Since the establishment of the U.S. Fund, apart from properties transferred by the Group, the U.S. Fund had acquired several projects and updates of which are as follows.

The site located at 1545 Pine Street, San Francisco was acquired for US$21 million in January 2015. The site is situated in the trendy Polk Street neighbourhood, in proximity to the traditional luxury residential areas of Nob Hill and Pacific Heights. The development with gross floor area of approximately 135,000 sq. ft. will comprise 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. Construction work on the site will start in the third quarter of 2016 after the excavation and fill works are completed. Soft marketing on the sale of this condominium project has begun in the second quarter of 2016, and the project will be officially launched in early 2017.

The acquisition of the residential property in Malibu, California was completed in September 2015 for US$62 million. The strategy is to reposition its 68 rental apartment units into high-end for-sale condominiums. Malibu is a sought-after high-end coastal residential area in Los Angeles, where regulatory development constraints establish high barriers to entry and currently no similar competing properties are available for sale or under development. Renovation works has commenced since the second quarter of 2016 after vacant possession of all units had been taken. Soft marketing on the sale of the apartment units has begun in the second quarter of 2016.

The office building in Seattle the U.S. Fund had acquired is known as the Dexter Horton Building, a historic building named after the founder of Seattle First Bank. It is a 15-storey building with a rental floor area of 336,355 sq. ft. and is located at 710 Second Avenue in Seattle’s central business district. The building was acquired by the U.S. Fund for US$124.5 million in September 2015. As there is currently strong demand for office space from technology companies, this property provides a value-add opportunity. The plan for the property is to improve the building and to solicit more technology tenants that pay higher rents.

Since the start of 2016, as the asset manager of the U.S. Fund, we had taken advantage of the strong office market in San Francisco and commanded high sale prices for the divestment of the Fund’s office towers in San Francisco. 123 Mission was sold for US$255 million which translated to price per sq. ft. of US$740 on rentable floor area or a net property income yield of 3.0% on last year’s net operating income. 353 Sacramento Street was sold for US$169.5 million which translated to price per sq. ft. of US$600 on rentable floor area or a net property income yield of 3.4% on last year’s net operating income. 500 Ygnacio was sold for US$35.9 million which translated to price per sq. ft. of US$340 on rentable floor area or a net property income yield of 3.4% on last year’s net operating income. Total disposal gain, including distribution and asset management fee from the Fund, attributable to the Group and before tax is approximately US$110 million.

However, as completions of the above disposals occurred after the end of June 2016, the gain mentioned above for the divestments will be reflected in the Group’s result for the second half of 2016. Meanwhile, the Group booked HK$22 million (1H 2015: HK$11 million) in asset management fee from the U.S. Fund for the first half of 2016, which was included under “Other Operations” in profit from operations.

OUTLOOK

There are signs indicating that global economic growth has weakened further, as gross domestic product growth forecasts for the world's major economies have been revised downward by rating agencies over the past months. Adding potential disruptions caused by the U.K. leaving the European Union and rising global political instability since June 2016, global economic recovery is set to move on a very slow path.

Nonetheless, major central banks have already acknowledged the risk of further economic slowdown, and their officials have all hinted on accommodative or more easing monetary policies. At the same time, the comparatively strong US economy might allow US interest rate to be increased. While these policies are in general supportive of the global economy, the risk of further economic slowdown cannot be underestimated. Further uncertainty in geopolitical event might also pose volatility in the world market. Therefore, we must stay exceptionally vigilant and be ready to respond to any slowdown in our business.

As for the three hotels in Hong Kong owned by LHI, there are signs indicating that Hong Kong's RevPAR is close to bottoming out as the rate of RevPAR decline narrowed markedly in the first half of 2016 as compared with that witnessed in the first and second half of 2015.

For the Group's overseas hotels, before the impact of currency movements, their performance in the second half of 2016 will still be uneven, partly because of the effects of the renovations and the slowdown of the global economy that will have varying degree of impact on different markets in which we operate.

Steady result is expected for Champion REIT as major leases committed in 2015 will have a full-year impact this year. While the base rent of Langham Place Mall should maintain a slight growth in 2016, the sustainability may be at risk next year in view of the uncertainties and difficulties in the retail market and the general economy.

Upon completion of the disposal of office properties in San Francisco under the U.S. Fund in the second half of the year, the Group's results for the second half of 2016 will also be lifted by a gain from the disposal.

With regard to acquisitions, we are taking on a prudent stance in expanding our asset base, given the potential of increasing downside risks of the global asset prices, as global volatilities have increased significantly in recent months. Nonetheless, we are still well placed to pursue acquisitions, as we have a strong balance sheet and recurring operating cash flow from our distribution based subsidiaries.

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 2016 was HK$23,105 million, an increase of HK$2,648 million compared to that as of 31 December 2015. The increase in reported net borrowings at the balance sheet date was mainly due to payment of a special dividend and a new bank loan for financing the acquisition of a property in Japan.

Equity Attributable to Shareholders, based on professional valuation of the Group's investment properties as of 30 June 2016 and the depreciated costs of the Group's hotel properties (including Hong Kong hotel properties held by LHI), amounted to HK$54,377 million, representing an increase of HK$44 million compared to the value of HK$54,333 million as of 31 December 2015. The increase was mainly attributable to profit for the period, increase in share premium from additional shares issued under employee share option scheme and after offsetting by dividends paid out, exchange loss from translating foreign entities and investment revaluation deficit from a drop in invested equity securities during the period.

For statutory accounts reporting purpose, on consolidation the Group is treated as to include entire debts of Champion REIT, LHI and the U.S. Fund. Based on the consolidated net debts attributable to the Group (i.e only 62.81%, 61.71% and 49.97% of the net debts of Champion REIT, LHI and the U.S. Fund respectively) and equity attributable to shareholders, the gearing ratio of the Group as at 30 June 2016 was 26.5%. Since the debts of these three subsidiary groups had no recourse to the Group, we consider it is more meaningful to account for the Group's own net debts instead of attributable consolidated net debts against the Group's sharing of net assets of those subsidiaries, and the resulting net position is illustrated below.

Net debt at 30 June 2016	**On Consolidated Basis**	**On Core Balance Sheet Basis**
	HK$ million	**HK$ million**
Great Eagle	**640**	**640**
Champion REIT	**13,879**	**-**
LHI	**6,550**	**-**
U.S. Fund	**2,036**	**-**
Consolidated Net debts	**23,105**	**640**

Consolidated Net debts attributable to Shareholders of the Group	**14,417**	**640**
Equity Attributable to Shareholders of the Group	**54,377**	**63,123**
Net Gearing ratio^	**26.5%**	**1%**

^Net debts attributable to Shareholders of the Group/Equity Attributable to Shareholders of the Group.

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

INDEBTEDNESS

Our gross debts (including medium term note) after consolidating Champion REIT, LHI and the U.S. Fund amounted to HK$28,956 million as of 30 June 2016. Foreign currency gross debts as of 30 June 2016 amounted to the equivalent of HK$10,513 million, of which the equivalent of HK$3,367 million or 32% was on fixed-rate basis.

FINANCE COST

The net consolidated finance cost incurred during the period was HK$329 million. Overall interest cover at the reporting date was 5 times.

LIQUIDITY AND DEBT MATURITY PROFILE

As of 30 June 2016, our cash, bank deposits and undrawn loan facilities amounted to a total of HK$5,847 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 2016:

Within 1 year	10.3%
1-2 years	2.4%
3-5 years	74.2%
Over 5 years	13.1%

PLEDGE OF ASSETS

At 30 June 2016, properties of the Group with a total carrying value of approximately HK$55,338 million (31 December 2015: HK$64,691 million) and HK dollars deposit of HK$754 million (31 December 2015: HK$621 million) were mortgaged or pledged to secure credit facilities granted to its subsidiaries.

COMMITMENTS AND CONTINGENT LIABILITIES

At 30 June 2016, 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$3,558 million (31 December 2015: HK$1,308 million) of which HK$535 million (31 December 2015: HK$292 million) has been contracted for.

At 30 June 2016, 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 2015: RMB25.8 million) and cash commitment to the China Fund of US$46 million (equivalent to HK$357 million) (31 December 2015: US$46 million).

At 30 June 2016, the Group has outstanding commitments for the acquisition of a hotel development project located at Minhang District, Shanghai, the PRC of RMB193 million (equivalent to approximately HK$230 million) (31 December 2015: RMB193 million).

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 2016 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 for the six months ended 30 June 2016 (the "2016 Interim Dividend") (2015: HK27 cents per share), payable on 14 October 2016 to the Shareholders whose names appear on the Registers of Members of the Company on Wednesday, 5 October 2016.

CLOSURE OF REGISTERS OF MEMBERS

The Registers of Members of the Company will be closed from Friday, 30 September 2016 to Wednesday, 5 October 2016, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the 2016 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 Thursday, 29 September 2016.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to maintaining and developing a high standard of corporate governance practices that are designed to enhance company image, boost Shareholders' confidence, and reduce the risk of fraudulent practices and ultimately serve the long-term interests of our Shareholders. The Board of Directors of the Company 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 most of the code provisions and where appropriate, adopted some of the recommended best practices 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 five 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 the Executive Directors and Senior Management.

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. Dr. Lo Ka Shui is the Executive Chairman and Managing Director of the Company. There is no service contract between the Company and Dr. Lo Ka Shui, and he is not appointed for any specified length or proposed length of services with the Company. Notwithstanding that Dr. Lo is not subject to retirement by rotation, he has disclosed his biographical details in accordance with Rule 13.74 of the Listing Rules in the circular to the Shareholders in relation to, among other things, the re-election of retiring Directors, 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 and that 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.

CG Code Provision A.6.5 requires that all directors should participate in continuous professional development to develop and refresh their knowledge and skills

Madam Lo To Lee Kwan, a Non-executive Director of the Company, is the co-founder of the Group. She was 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 2016 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 2016.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

During the six months ended 30 June 2016, 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 2016, the total number of issued shares of the Company was 676,444,835. As compared with the position of 31 December 2015, a total of 11,719,818 new shares were issued during the period. These new shares comprise the following:

- During the period, 3,096,000 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$80,025,750.

- On 22 June 2016, a total of 8,623,818 new shares at a price of HK$27.08 per share were issued to the Shareholders who had elected to receive scrip shares under the Scrip Dividend Arrangement in respect of the 2015 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, Mr. LO Chun Him, Alexander, Mr. KAN Tak Kwong (General Manager) and Mr. CHU Shik Pui 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, Mr. LEE Siu Kwong, Ambrose and Professor POON Ka Yeung, Larry being the Independent Non-executive Directors.

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

Hong Kong, 17 August 2016

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2016

	NOTES	Six months ended 30 June 2016 HK$'000 (unaudited)	2015 HK$'000 (unaudited)
Revenue	3	**4,180,155**	3,982,435
Cost of goods and services		**(2,355,004)**	(2,386,391)
Operating profit before depreciation		**1,825,151**	1,596,044
Depreciation		**(294,989)**	(282,038)
Operating profit		**1,530,162**	1,314,006
Fair value changes on investment properties		**1,815,790**	1,411,996
Fair value changes on derivative financial instruments		**(72,971)**	(2,752)
Fair value changes on financial assets at fair value through profit or loss		**(14,958)**	97
Other income		**67,703**	231,840
Gain on repurchase of medium term notes		**-**	2,273
Administrative and other expenses		**(210,576)**	(246,306)
Finance costs	5	**(367,462)**	(354,325)
Share of results of associates		**48**	(3,731)
Share of results of joint ventures		**(22,078)**	(8,892)
Profit before tax	6	**2,725,658**	2,344,206
Income taxes	7	**(283,697)**	(190,414)
Profit for the period, before deducting the amounts attributable to non-controlling unitholders of Champion REIT		**2,441,961**	2,153,792
Profit for the period attributable to:			
Owners of the Company		**1,492,012**	1,465,908
Non-controlling interests		**249,267**	89,416
		1,741,279	1,555,324
Non-controlling unitholders of Champion REIT		**700,682**	598,468
		2,441,961	2,153,792
Earnings per share:	9		
Basic		**HK$2.21**	HK$2.21
Diluted		**HK$2.21**	HK$2.20

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2016

	Six months ended 30 June	
	2016	2015
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Profit for the period, before deducting the amounts attributable to non-controlling unitholders of Champion REIT	**2,441,961**	2,153,792
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 (loss) gain on available-for-sale investments	**(61,218)**	70,112
Reclassification adjustment upon disposal of available-for-sale investments	**(1,166)**	(53,966)
Exchange differences arising on translation of foreign operations	**(37,820)**	(148,654)
Share of other comprehensive income of associates	**8,312**	17,024
Share of other comprehensive expense of a joint venture	**(12,956)**	(1,098)
Cash flow hedges:		
Fair value adjustment on cross currency swaps designated as cash flow hedge	**82,930**	(42,319)
Reclassification of fair value adjustments to profit or loss	**(6,206)**	(4,181)
	(28,124)	(163,082)
Other comprehensive expense for the period, before deducting amounts attributable to non-controlling unitholders of Champion REIT	**(28,124)**	(149,425)
Total comprehensive income for the period, before deducting amounts attributable to non-controlling unitholders of Champion REIT	**2,413,837**	2,004,367
Total comprehensive income for the period attributable to:		
Owners of the Company	**1,435,351**	1,334,303
Non-controlling interests	**249,205**	89,382
	1,684,556	1,423,685
Non-controlling unitholders of Champion REIT	**729,281**	580,682
	2,413,837	2,004,367

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2016

	NOTES	**At 30 June 2016 HK$'000 (unaudited)**	At 31 December 2015 HK$'000 (audited)
Non-current assets			
Property, plant and equipment		**18,709,255**	17,155,227
Investment properties		**72,176,339**	73,975,154
Deposit for acquisition of property, plant and equipment		**-**	142,868
Interests in associates		**74,853**	69,164
Interests in joint ventures		**852,103**	533,507
Loan receivables		**211,613**	211,409
Notes receivable		**252,840**	253,514
Available-for-sale investments		**1,259,071**	1,467,334
Derivative financial instruments		**9,960**	-
		93,546,034	93,808,177
Current assets			
Stock of properties		**3,295,888**	3,151,545
Inventories		**97,788**	127,906
Debtors, deposits and prepayments	10	**900,091**	868,814
Financial assets at fair value through profit or loss		**284,810**	368,903
Notes receivable		**-**	20,248
Tax recoverable		**2,659**	11,010
Pledged bank deposits		**753,946**	620,790
Restricted cash		**51,092**	132,652
Bank balances and cash		**5,045,644**	6,078,152
		10,431,918	11,380,020
Assets classified as held for sale		**3,677,529**	-
		14,109,447	11,380,020
Current liabilities			
Creditors, deposits and accruals	11	**3,214,513**	3,176,466
Derivative financial instruments		**55,395**	121
Provision for taxation		**231,592**	137,760
Distribution payable		**235,901**	221,933
Borrowings due within one year		**2,986,525**	9,968,284
		6,723,926	13,504,564
Net current assets (liabilities)		**7,385,521**	(2,124,544)
Total assets less current liabilities		**100,931,555**	91,683,633

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2016

	At 30 June 2016 HK$'000 (unaudited)	At 31 December 2015 HK$'000 (audited)
Non-current liabilities		
Derivative financial instruments	**125**	70,319
Borrowings due after one year	**22,141,934**	13,581,971
Medium term notes	**3,614,456**	3,609,826
Deferred taxation	**1,513,587**	1,378,399
	27,270,102	18,640,515
	73,661,453	73,043,118
Equity attributable to:		
Owners of the Company		
Share capital	**338,222**	332,363
Share premium and reserves	**54,038,437**	54,000,282
	54,376,659	54,332,645
Non-controlling interests	**745,968**	641,548
	55,122,627	54,974,193
Net assets attributable to non-controlling unitholders of Champion REIT	**18,538,826**	18,068,925
	73,661,453	73,043,118

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").

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 2016 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2015.

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	
	2016	2015
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Property rental income from investment properties	**1,409,636**	1,208,432
Building management service income	**141,468**	121,625
Hotel income	**2,406,004**	2,408,302
Sales of goods	**113,079**	128,124
Dividend income	**16,428**	12,744
Others	**93,540**	103,208
	4,180,155	3,982,435

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.

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 joint ventures, depreciation, fair value changes on investment properties, derivative financial instruments and financial assets at fair value through profit or loss ("FVTPL"), other income, finance costs and income taxes. This is the measurement basis reported to the CODM for the purposes of resource allocation and performance assessment.

4. SEGMENT INFORMATION - continued

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

Segment revenue and results

Six months ended 30 June 2016

	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	118,998	2,406,004	223,047	2,748,049	1,246,183	3,060	182,863	-	4,180,155
Inter-segment revenue	-	31,733	200,138	231,871	5,577	319,269	-	(556,717)	-
Total	118,998	2,437,737	423,185	2,979,920	1,251,760	322,329	182,863	(556,717)	4,180,155

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	87,221	235,862	283,910	606,993	875,093	270,383	99,840	(27,158)	1,825,151
Depreciation				(203,061)	-	(91,518)	-	(410)	(294,989)
Operating profit after depreciation				403,932	875,093	178,865	99,840	(27,568)	1,530,162
Fair value changes on investment properties				73,401	1,334,490	-	408,699	(800)	1,815,790
Fair value changes on derivative financial instruments				(72,971)	-	-	-	-	(72,971)
Fair value changes on financial assets at FVTPL				(14,958)	-	-	-	-	(14,958)
Other income				24,471	-	-	4,881	-	29,352
Administrative and other expenses				(187,098)	(12,300)	(7,506)	(28,850)	25,178	(210,576)
Net finance costs				(36,270)	(198,676)	(62,853)	(31,312)	-	(329,111)
Share of results of associates				48	-	-	-	-	48
Share of results of joint ventures				(22,078)	-	-	-	-	(22,078)
Profit before tax				168,477	1,998,607	108,506	453,258	(3,190)	2,725,658
Income taxes				(53,286)	(114,547)	(25,196)	-	(90,668)	(283,697)
Profit for the period				115,191	1,884,060	83,310	453,258	(93,858)	2,441,961
Less: Profit attributable to non-controlling interests/non-controlling unitholders of Champion REIT				(2,726)	(700,682)	(30,619)	(215,922)	-	(949,949)
Profit attributable to owners of the Company				112,465	1,183,378	52,691	237,336	(93,858)	1,492,012

4. SEGMENT INFORMATION - continued

Segment revenue and results - continued

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

5. FINANCE COSTS

	Six months ended 30 June	
	2016	2015
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Interest on bank borrowings	**219,212**	209,546
Interest on other loans	**7,137**	36,898
Interest on medium term notes	**62,746**	60,796
Other borrowing costs	**78,367**	47,085
	367,462	354,325

6. PROFIT BEFORE TAX

	Six months ended 30 June	
	2016	2015
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Profit before tax has been arrived at after charging (crediting):		
Staff costs (including directors' emoluments)	**1,073,939**	1,068,823
Share based payments (including directors' emoluments)	**6,536**	7,163
	1,080,475	1,075,986
Depreciation	**294,989**	282,038
Recovery of bad debts written off	**(834)**	(1,524)
Share of tax of associates (included in the share of results of associates)	**57**	957
Dividend income from listed available-for-sale investments	**(16,428)**	(12,744)
Bank interest income (included in other income)	**(23,088)**	(103,129)
Interest income received from other financial assets (included in other income)	**(15,263)**	(45,149)
Net gain on disposal of listed available-for-sale investments (included in other income)	**(1,166)**	(53,966)
Loss on disposal of property, plant and equipment (included in administrative and other expenses)	**99**	5,899
Net exchange loss (included in administrative and other expenses)	**9,264**	24,099

7. INCOME TAXES

	Six months ended 30 June	
	2016	2015
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Current tax:		
Current period:		
Hong Kong Profits Tax	**125,027**	109,038
Other jurisdictions	**15,362**	12,412
	140,389	121,450
Under(over)provision in prior periods:		
Hong Kong Profits Tax	**142**	(154)
Other jurisdictions	**469**	(10,484)
	611	(10,638)
	141,000	110,812
Deferred tax:		
Current period	**145,742**	82,298
Overprovision in prior periods	**(3,045)**	(2,696)
	142,697	79,602
	283,697	190,414

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	
	2016	2015
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Dividends paid:		
Final dividend of HK47 cents in respect of the financial year ended 31 December 2015 (2015: HK47 cents in respect of the financial year ended 31 December 2014) per ordinary share	**313,854**	308,550
Special final dividend of HK$2 in respect of the financial year ended 31 December 2015 per ordinary share	**1,335,556**	-
	1,649,410	308,550

8. **DIVIDENDS** - continued

	Six months ended 30 June	
	2016	2015
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Dividends declared:		
Interim dividend of HK27 cents in respect of the six months ended 30 June 2016 (2015: HK27 cents in respect of the six months ended 30 June 2015) per ordinary share	**182,640**	179,463

On 22 June 2016, a final dividend of HK47 cents per ordinary share and a special final dividend of HK$2 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 2015.

On 16 June 2015, a final dividend of HK47 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	
	2016	2015
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Dividends		
Cash	**80,321**	88,334
Share alternative	**233,533**	220,216
	313,854	308,550

The Directors have determined that an interim dividend of HK27 cents (2015: 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 5 October 2016.

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	
	2016	2015
	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)	**1,492,012**	1,465,908

9. EARNINGS PER SHARE - continued

	Six months ended 30 June	
	2016	2015
	(unaudited)	(unaudited)
Number of shares		
Weighted average number of shares for the purpose of basic earnings per share	**674,549,654**	664,355,465
Effect of dilutive potential shares:		
Share options	**179,573**	490,874
Weighted average number of shares for the purpose of diluted earnings per share	**674,729,227**	664,846,339

10. DEBTORS, DEPOSITS AND PREPAYMENTS

	30 June 2016	31 December 2015
	HK$'000	HK$'000
	(unaudited)	(audited)
Trade debtors, net of allowance for doubtful debts	**309,958**	307,589
Deferred rent receivables	**183,508**	150,139
Other receivables	**157,719**	190,983
Deposits and prepayments	**248,906**	220,103
	900,091	868,814

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 2016	31 December 2015
	HK$'000	HK$'000
	(unaudited)	(audited)
0 - 3 months	**163,688**	174,990
3 - 6 months	**17,161**	20,219
Over 6 months	**129,109**	112,380
	309,958	307,589

Deposits and prepayments mainly consist of prepaid expenses for hotels operations.

11. CREDITORS, DEPOSITS AND ACCRUALS

	30 June 2016 HK$'000 (unaudited)	31 December 2015 HK$'000 (audited)
Trade creditors	**227,254**	275,804
Deposits received	**887,768**	851,666
Construction fee payable and retention money payable	**37,507**	33,938
Accruals, interest payable and other payables	**2,061,984**	2,015,058
	3,214,513	3,176,466

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

	30 June 2016 HK$'000 (unaudited)	31 December 2015 HK$'000 (audited)
0 - 3 months	**205,628**	229,449
3 - 6 months	**1,902**	13,856
Over 6 months	**19,724**	32,499
	227,254	275,804

Included in accruals and other payables is accrual of stamp duty of HK$963,475,000 (31 December 2015: HK$963,475,000) which is based on the current applicable stamp duty rate of 4.25% (31 December 2015: 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 Three Garden Road (formerly known as Citibank Plaza) upon listing.

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