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鷹君集團有限公司
Great Eagle Holdings Limited
於百慕達註冊成立之有限公司
Incorporated in Bermuda with limited liability

(Stock Code: 41)

2017 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 2017 as follows:

	Six months ended 30 June		
	2017	**2016**	
	HK$ million	***HK$ million***	**Change**
Key Financials on Income Statement			
Based on core business[1]			
Revenue based on core business	**2,937.7**	**2,786.0**	**5.4%**
Core profit after tax attributable to equity holders	**904.1**	**787.4**	**14.8%**
Core profit after tax attributable to equity holders (per share)	**HK$ 1.32**	**HK$ 1.17**	
Based on statutory accounting principles[2]			
Revenue based on statutory accounting principles	**4,216.6**	**4,180.2**	**0.9%**
Statutory Profit attributable to equity holders	**3,685.7**	**1,492.0**	**147.0%**
Interim Dividend (per share)	**HK$ 0.30**	**HK$ 0.27**	
Special Interim Dividend (per share)	**HK$ 0.50**	**-**	

[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	
	June 2017	**December 2016**
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	0.9%	0.5%
Book value (per share)	HK$99.8	HK$ 95.4
Based on statutory accounting principles[2]		
Net gearing [3]	23.8%	24.9%
Book value (per share)	HK$86.6	HK$82.4

[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 65.62%, 62.11% and 49.97% equity stake of Champion REIT, LHI and the U.S. Fund respectively as at the end of June 2017.

[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		
	2017	2016	
	HK$ million	*HK$ million*	Change
Revenue from core business			
Hotels Division	1,820.5	1,708.6	6.5%
Management Fee Income from Champion REIT	176.8	173.3	2.0%
Distribution Income from Champion REIT^	447.4	398.4	12.3%
Distribution Income from LHI^	127.8	136.8	- 6.6%
Gross Rental Income	113.8	119.0	- 4.4%
Other operations	251.4	249.9	0.6%
Total Revenue	**2,937.7**	**2,786.0**	**5.4%**
Hotel EBITDA	297.9	235.9	26.3%
Management Fee Income from Champion REIT	176.8	173.3	2.0%
Distribution Income from Champion REIT^	447.4	398.4	12.3%
Distribution Income from LHI^	127.8	136.8	- 6.6%
Net Rental Income	86.4	87.2	- 0.9%
Operating income from other operations	137.3	110.6	24.1%
Operating Income from core business	**1,273.6**	**1,142.2**	**11.5%**
Depreciation	(84.3)	(75.9)	11.1%
Administrative and other expenses	(200.7)	(193.9)	3.5%
Other income	29.0	29.3	- 1.0%
Interest income	28.3	31.2	- 9.3%
Finance costs	(64.5)	(67.4)	- 4.3%
Share of results of joint ventures	(15.9)	(22.1)	- 28.1%
Share of results of associates	0.2	0.0	n.m.
Core profit before tax	**965.7**	**843.4**	**14.5%**
Income taxes	(58.8)	(53.3)	10.3%
Core profit after tax	**906.9**	**790.1**	**14.8%**
Non-controlling interest	(2.8)	(2.7)	3.7%
Core profit attributable to equity holders	**904.1**	**787.4**	**14.8%**

^ 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 2017

	Assets	**Liabilities**	**Net Assets**
	HK$ million	***HK$ million***	***HK$ million***
Great Eagle operations	**34,229**	**9,581**	**24,648**
Champion REIT	**47,569**	**11,411**	**36,158**
LHI	**11,844**	**4,483**	**7,361**
The U.S. Fund	**1,255**	**800**	**455**
	94,897	**26,275**	**68,622**

31 December 2016

	Assets	Liabilities	Net Assets
	HK$ million	*HK$ million*	*HK$ million*
Great Eagle operations	31,592	8,185	23,407
Champion REIT	44,784	11,228	33,556
LHI	11,652	4,424	7,228
The U.S. Fund	1,068	645	423
	89,096	24,482	64,614

Financial Figures based on statutory accounting principles

	Six months ended 30 June		
	2017 *HK$ million*	2016 *HK$ million*	Change
Revenue based on statutory accounting principles			
Hotels Division	2,565.4	2,437.7	5.2%
Gross Rental Income	113.8	119.0	- 4.4%
Other operations (including management fee income from Champion REIT)	428.2	423.2	1.2%
Gross Rental income - Champion REIT	1,317.7	1,251.8	5.3%
Gross Rental income - LHI	332.8	322.3	3.3%
Gross Rental income - U.S. Fund	35.1	182.9	- 80.8%
Elimination on Intragroup transactions	(576.4)	(556.7)	3.5%
Consolidated Total Revenue	**4,216.6**	**4,180.2**	**0.9%**
Hotel EBITDA	297.9	235.9	26.3%
Net Rental Income	86.4	87.2	- 0.9%
Operating income from other operations	314.1	283.9	10.6%
Net Rental income - Champion REIT	936.7	875.1	7.0%
Net Rental income - LHI	278.6	270.4	3.0%
Net Rental income - U.S. Fund	16.9	99.8	- 83.1%
Elimination on Intragroup transactions	(26.7)	(27.1)	- 1.5%
Consolidated Operating Income	**1,903.9**	**1,825.2**	**4.3%**
Depreciation	(298.9)	(295.0)	1.3%
Fair value changes on investment properties	4,432.7	1,815.8	144.1%
Fair value changes on derivative financial instruments	(114.1)	(73.0)	56.3%
Fair value changes on financial assets at fair value through profit or loss	22.4	(14.9)	n.m.
Administrative and other expenses	(215.1)	(210.5)	2.2%
Other income (including interest income)	115.3	67.7	70.3%
Finance costs	(313.2)	(367.5)	- 14.8%
Share of results of joint ventures	(15.9)	(22.1)	- 28.1%
Share of results of associates	0.2	0.0	n.m.
Statutory profit before tax	**5,517.3**	**2,725.7**	**102.4%**
Income taxes	(215.7)	(283.7)	- 24.0%
Statutory profit after tax	**5,301.6**	**2,442.0**	**117.1%**
Non-controlling interest	(34.0)	(249.3)	- 86.4%
Non-controlling unitholders of Champion REIT	(1,581.9)	(700.7)	125.8%
Statutory profit attributable to equity holders	**3,685.7**	**1,492.0**	**147.0%**

OVERVIEW

During the first half of 2017, the opening of the Group's first Cordis hotel in China, Cordis Hongqiao, Shanghai in May 2017 marked another important milestone in our long term plan to expand our global footprint and international brand recognition.

In terms of development or redevelopment projects, we currently have a total of nine projects in various stages of planning or development, and we have made considerable progress with each of these projects. Other than our projects in Hong Kong, Tokyo, San Francisco, Washington D.C. and Seattle, we are managing two development projects on behalf of the U.S. Fund ("Fund") in San Francisco and Malibu, as well as a development project on behalf of a joint venture in Dalian. The completion of these projects will further strengthen the Group's earnings in the coming years.

As for asset sales, the Fund has also successfully completed its value-added strategy on its office building in Seattle and put it on offer. In Hong Kong, against the backdrop of a favourable commercial property market, Champion REIT also started exploring the possibility of selling its Langham Place Office. As of today, it is still early to conclude whether any of these disposals will eventually take place.

On the Group's operational results for the first six months in 2017, core operating income increased by 11.5% to HK1,273.6 million, driven primarily by the improvement in EBITDA from the Hotels Divisions and higher income from Champion REIT. There was also a one-off distribution declared by the China Fund, which we have an investment stake and our share of distribution was included under operating income from other operations.

Nonetheless, there was a 6.6% drop in distribution from LHI and a small 0.9% decline in net rental income from our investment properties after our office property in the U.S. was sold in early 2017.

Share of losses of joint ventures in the first half of 2017 dropped by 28.1% to HK$15.9 million, attributable to reduced loss for the Miami project as less marketing expense was incurred in the first half of 2017. Profit attributable to equity holders rose by 14.8% to HK$904.1 million in the first half of 2017 (1H 2016: HK$787.4 million).

BUSNESS REVIEW

Breakdown of Core Operating Income	**Six months ended 30 June**		
	2017	**2016**	
	HK$ million	***HK$ million***	**Change**
1. Hotels Division	297.9	235.9	26.3%
2. Income from Champion REIT	624.2	571.7	9.2%
3. Distribution Income from LHI	127.8	136.8	- 6.6%
4. Investment properties	86.4	87.2	- 0.9%
5. Operating income from other operations	137.3	110.6	24.1%
Operating Income from core business	**1,273.6**	**1,142.2**	**11.5%**

1. HOTELS DIVISION

Hotels Performance

	Average Daily Rooms Available		Occupancy		Average Room Rate (local currency)		RevPAR (local currency)	
	1H 2017	1H 2016	1H 2017	1H 2016	1H 2017	1H 2016	1H 2017	1H 2016
Europe								
The Langham, London	376	266	73.1%	81.8%	307	274	224	224
North America								
The Langham, Boston	317	318	75.2%	76.8%	285	278	215	214
The Langham Huntington, Pasadena	377	380	70.4%	74.5%	284	279	200	208
The Langham, Chicago	316	316	69.5%	63.8%	370	355	257	226
Langham Place, Fifth Avenue, New York	199	214	72.1%	63.7%	499	497	360	317
Chelsea Hotel, Toronto	1,590	1,590	70.5%	70.5%	153	141	108	99
Australia/New Zealand								
The Langham, Melbourne	388	388	85.7%	86.5%	305	299	261	259
The Langham, Sydney	98	81	79.4%	66.3%	431	436	342	289
The Langham, Auckland	409	409	93.0%	90.1%	245	205	227	185
China								
The Langham, Xintiandi, Shanghai	356	357	71.0%	69.9%	1,743	1,768	1,237	1,237
Cordis, Hongqiao, Shanghai^	144	-	22.7%	-	875	-	199	-

^ Soft-opened in May 2017

	Six months ended 30 June		
	2017 *HK$ million*	2016 *HK$ million*	Change
Hotel Revenue			
Europe	**223.2**	**202.7**	**10.1%**
North America	**939.5**	**910.2**	**3.2%**
Australia/New Zealand	**405.1**	**359.7**	**12.6%**
China	**172.5**	**163.7**	**5.4%**
Others (including hotel management fee income)	**80.2**	**72.3**	**10.9%**
Total Hotel Revenue	**1,820.5**	**1,708.6**	**6.5%**
Hotel EBITDA			
Europe	**39.2**	**25.6**	**53.1%**
North America	**102.6**	**78.7**	**30.4%**
Australia/New Zealand	**75.6**	**55.9**	**35.2%**
China	**35.1**	**45.7**	**- 23.2%**
Others (including hotel management fee income)	**45.4**	**30.0**	**51.3%**
Total Hotel EBITDA	**297.9**	**235.9**	**26.3%**

Revenue of the Hotels Division, which comprised eleven hotels and other Hotels Division related business such as hotel management fee income, increased by 6.5% to HK$1,820.5 million during the first half of 2017. Given the fixed cost nature of the hotel business, the EBITDA of the Hotels Division recorded a much higher growth of 26.3% and rose to HK$297.9 million in the first half of 2017. The growth in EBITDA was even higher at 28.7% before accounting for foreign currency translations, as the average exchange rates for the British Pound and Renminbi in the first half of 2017 were 12.2% and 4.9% respectively, lower than those a year ago and offsetting appreciation in the average exchange rate of the Australian and New Zealand dollar. Furthermore, EBITDA of the Hotels Divisions also included a pre-opening charge amounting to HK$19 million for Cordis, Hongqiao, which was included in the results of hotels in China.

In North America, the growth in EBITDA was led by improved revenue and margin expansion at The Langham, Chicago, as its operations continued to ramp up as a relatively new hotel, and at the Chelsea hotel in Toronto, where EBITDA margin improved further as business regain momentum after its renovation works. Renovations works continued to impact on the operations of Langham Place, Fifth Avenue hotel in New York and its EBITDA. The Langham Huntington, Pasadena faced challenging market conditions and there was a decline in its EBITDA in the first half of 2017. Overall, total revenue of the hotels in North America increased by 3.2% in the first half of 2017, the growth in EBITDA was much higher at 30.4% for the period.

The Langham, Auckland and The Langham, Sydney both witnessed strong revenue growth during the first half of 2017. While operations continue to ramp up at The Langham, Sydney after a major renovation, The Langham, Auckland benefitted from strong demand with increased convention activities in the city. Steady performance was also witnessed at The Langham, Melbourne. Overall, total revenue of the hotels in Australia/New Zealand increased by 12.6% in the first half of 2017, which has factored in a 3% to 5% appreciation in the average exchange rate of the Australian and New Zealand dollars. EBITDA of the hotels in Australia/New Zealand grew by 35.2% in terms of Hong Kong Dollars the first half of 2017.

The Langham, London benefitted from an increase in the number of available rooms after its renovation to 110 of its rooms was completed in the third quarter of 2016. In local currency terms, revenue of the hotel increased by 25.3% in the first half of 2017. However, given a 12.2% depreciation in the average exchange rate of the British pound in the first half of 2017, revenue in Hong Kong dollar terms rose by only 10.1%. EBITDA growth of 64.6% in local currency terms in the first half of 2017 was reduced to 53.1% in terms of the Hong Kong dollar.

Performance of the hotels in China comprised results of The Langham, Xintiandi and Cordis, Hongqiao in Shanghai. While there was an improvement in the performance in The Langham, Xintiandi, the increase was offset by the booking of a pre-opening charge amounting to HK$19 million for Cordis, Hongqiao in the first half of 2017. In local currency terms, total revenue of the hotels in China, which included approximately one month of revenue contribution from Cordis, Hongqiao, increased by 10.8% in the first half of 2017, but given a 4.9% depreciation in the average exchange rate of the Renminbi, revenue in Hong Kong dollar terms rose by only 5.4%. EBITDA in Hong Kong dollar terms declined by 23.2% attributable to the booking of a pre-opening charge.

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. The increase in "others" was primarily due to an increase in hotel management fee income for the first half of 2017 as operations of the newly added managed hotels ramped up. There was also a reduction in shortfall incurred as the lessee of LHI, as the performance of the Hong Kong hotels improved during the first half of 2017.

Please note that year-on-year growths for our hotels below refer to percentage growth in local currencies.

EUROPE

The Langham, London

The hotel witnessed a 40% growth in room revenue during the first half of 2017, as it benefitted from an increased number of available rooms after the renovation of 110 rooms completed in the third quarter 2016. The renovated rooms also helped the hotel to command a 12% increase in average room rate. However, despite more rooms were sold during the first half, occupancy dropped by 9 percentage points as the increased number of available rooms raised the denominator for calculating occupancy rate. Revenue from food and beverage ("F&B") rose by 9%, driven by increased banqueting business.

NORTH AMERICA

The Langham, Boston

Against a slow demand from the corporate segment, the hotel strategically targeted at high yielding retail leisure during the period, which helped the hotel to deliver a 3% increase in average room rate during the first half of 2017, although there was a 2 percentage points' drop in occupancy in the first half of 2017. Revenue from F&B rose by 7% due to a pickup in catering demand.

The Langham Huntington, Pasadena
The hotel faced challenging market conditions given the weak demand from both the corporate and retail segments. Nonetheless, the hotel still managed to maintain high yielding corporate group business during the first half of 2017, which help lifted the average room rate by 2% during the first half of 2017. Occupancy dropped by 4 percentage points during the period. Revenue from F&B dropped by 10% in the first half of 2017, attributable to lower catering business from corporate meetings and conferences.

The Langham, Chicago
After receiving multiple prestigious accolades in the lodging industry thanks to its luxurious product and services, the hotel has firmly established itself as one of the most luxurious hotel in Chicago. This also helped the hotel to gain further market share as convention activities picked up during the first half of 2017. Average room rate rose by 4% during the first half of 2017, while occupancy rose by 6 percentage points. Revenue from F&B rose by 13%, driven by increased catering business.

Langham Place, Fifth Avenue, New York
The hotel benefitted from improved demand from both the retail and corporate segments during the first half of the year, and occupancy rose by 8 percentage points in the first half of 2017. As competitions remained keen over the period, average room rate only rose by 0.4%. Revenue from F&B dropped by 32% in the first half of 2017, as banquet business was affected by the noise disruption from renovation works and the conversion of the bar area into retail rental space. Conversion work to subdivide the less occupied suites into 20 rooms have completed in June 2017, resulting in a net addition of 18 rooms to the inventory.

Chelsea Hotel, Toronto
Given the strong convention activities in the city during the first half period, the hotel strategically targeted at high yielding corporate and group travellers during the period, which help lifted the average room rate by 9% in the first half of 2017. Despite the focus on maximising room rate during the first half of 2017, occupancy for the hotel only managed to remain steady over the first half of the year. Revenue from F&B rose by 15%, driven by stronger banqueting business from corporate meetings and events.

AUSTRALIA/NEW ZEALAND
The Langham, Melbourne
Although there was heightened improved demand from the corporate segment, which helped the hotel to command better room rates, the improvement was offset by slower demand in the retail segment. Hence, there was a slight drop of 0.8 percentage points in occupancy in the first half of 2017 while average room rate rose by 2% over the period. Revenue from F&B rose 11% as both catering and restaurants business improved.

The Langham, Sydney
As operations of the hotel continued to ramp up since it re-opened after a major renovation, there was a marked improvement in the occupancy of the hotel, which rose by 13 percentage points in the first half of 2017. Major contribution came from the retail segment, albeit at slightly lower room rates, with average room rate dropped by 1% in the first half of the year. Revenue from F&B dropped by 18% as business from the restaurants declined during the period.

The Langham, Auckland
The hotel witnessed very strong demand from the corporate segment, as a number of large scale convention events were held in the city during the first half period. The hotel’s strategy of focusing on high yielding corporate and leisure travellers helped the hotel to deliver a 19% increase in its average room rate for the first half of 2017. Occupancy rose by 3 percentage points. Revenue from F&B rose by 3%, driven by increase in banqueting and catering business.

CHINA

The Langham, Xintiandi, Shanghai

Corporate demand remained slow during the first half of 2017 and the hotel continued to focus on retail leisure business during the period. While the hotel managed to improve on its occupancy, which rose by 1 percentage points in the first half of 2017, average room rate declined by 1% during the period, resulting in steady room performance in the first half of 2017. On the other hand, there was a significant growth in revenue from F&B, which rose by 31% during the first half period. The increase was driven by growth in business from the Chinese restaurant, which has received the prestigious Michelin three-star rating this year.

Cordis, Hongqiao, Shanghai

The hotel launched its soft opening in May 2017 with 144-guestrooms (out of a total of 396 rooms) and key catering outlets. Encouraging performance was witnessed in its first month of operation and we anticipate business will gain momentum once it is fully open for business.

HOTEL MANAGEMENT BUSINESS

As at the end of June 2017, there were seven hotels with approximately 2,200 rooms in our management portfolio. The most recent hotel added to the portfolio was The Langham hotel in Haikou with 249 rooms, which opened last year. There is currently a pipeline of managed hotels, which will start rolling in from 2018 onwards.

2. INCOME FROM CHAMPION REIT

The Group's core profit is based on the attributable distribution income and management fee income from Champion REIT in respect of the same financial period. On that basis, total income from Champion REIT in the first half of 2017 increased by 9.2% to HK$624.2 million. Distribution income rose 12.3% to HK$447.4 million, as the REIT declared a 7.2% increase in distribution per unit and our holdings in the REIT has been increased from 62.81% as at the end of June 2016 to 65.62% as at the end of June 2017. Given there was an increase in the net property income of Champion REIT, which offset lower agency leasing commission income in the first half of 2017, overall management fee income from Champion REIT still increased by 2.0% to HK$176.8 million in the first half of 2017.

	Six months ended 30 June		
	2017	**2016**	
	HK$ million	***HK$ million***	**Change**
Attributable Distribution income	447.4	398.4	12.3 %
Management fee income	176.8	173.3	2.0 %
Total income from Champion REIT	**624.2**	**571.7**	**9.2 %**

The following text was extracted from the 2017 interim results announcement of Champion REIT relating to the performance of the REIT's properties.

Three Garden Road

Positive rental reversion continued at Three Garden Road in the first half of 2017, driving up rental income of the property to HK$596 million, an increase of 5.1% compared with the first half of 2016. Passing rents as at 30 June 2017 increased to HK$84.65 per lettable sq. ft., compared with HK$78.20 per lettable sq. ft. as at 31 December 2016. Occupancy of Three Garden Road office dropped to 92.4% as at 30 June 2017 compared with 95.9% as at 31 December 2016. Net property income increased by 7.5% to HK$537 million.

Langham Place Office Tower
For the first half of 2017, total rental income went up 9.9% to HK$175 million, compared with HK$159 million in the first half of 2016. As very few leases rolled-over during the period under review, passing rents as at 30 June 2017 increased slightly to a record high of HK$39.98 per sq. ft., based on gross floor area. Occupancy remained at a high level of 97.5%. Net property income increased by 13.0% to HK$163 million, compared with HK$144 million in first-half 2016.

Langham Place Mall
Rental income of the Mall grew moderately by 3.8% to HK$412 million during the period under review, compared with HK$397 million in the first half last year. Both base rent and turnover rent recorded positive growth. Overall passing base rents reached HK$178.79 per sq. ft. (based on lettable floor area) as at 30 June 2017, compared with HK$178.74 per sq. ft. as at 31 December 2016. Turnover rent increased HK$7 million to HK$41 million (2016: HK$34 million) primarily due to the outperformance of beauty tenants. Net property income rose 3.9% to HK$364 million, compared with HK$351 million in the first half of 2016.

3. DISTRIBUTION INCOME FROM LHI

Under 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 2017, LHI declared a 12% decline in distribution per share stapled unit as higher cash tax and interest payments reduced its income available for distribution. However, our share of distribution income received from LHI only declined by 6.6%, as more of our units held are entitled to distribution in 2017. In 2017, distribution entitlement in respect of our 50 million share stapled units held will be waived, which has dropped by 50% as compared with that in 2016. It should be noted that all of our holdings will be entitled to receive distribution payable from 2018 onwards.

	Six months ended 30 June		
	2017 ***HK$ million***	**2016** ***HK$ million***	**Change**
Attributable Distribution income	127.8	136.8	- 6.6%

Performances of the Hong Kong hotels below were extracted from the 2017 interim results announcement of LHI relating to the performance of the trust group's properties.

	Average Daily Rooms Available		**Occupancy**		**Average Room Rate (local currency)**		**RevPAR (local currency)**	
	1H 2017	1H 2016	1H 2017	1H 2016	1H 2017	1H 2016	1H 2017	1H 2016
The Langham, Hong Kong	498	498	85.6%	84.2%	2,086	2,078	1,787	1,749
Cordis, Hong Kong	661	650	91.6%	85.4%	1,590	1,610	1,456	1,374
Eaton, Hong Kong	465	465	96.9%	92.2%	945	963	915	888

The Langham, Hong Kong
For The Langham, Hong Kong, even though the Hotel witnessed a growth of 18.7% in arrivals from Mainland China in the first half of 2017, the increase was offset by declines in arrivals from other key markets such as other Asia countries, U.S., and Europe. Food and beverage ("F&B") revenue for the Hotel rose by 2.0% year-on-year in the first six months of 2017. The increase was driven by growth in business from T'ang Court, which has received the prestigious Michelin three-star rating for the second consecutive year, as well as improved business at Bostonian. However, banqueting business remained soft in the first half of 2017.

Cordis, Hong Kong
At Cordis, Hong Kong, other than the growth in arrivals from China, the hotel witnessed growth from arrivals across most of other key markets including Europe and U.S.. The all around growth in arrivals was in part due to a low base effect last year, when occupancy was negatively impacted by nearby protests during the Chinese New Year. Revenue from F&B also witnessed a growth of 4.2% year-on-year for the first six months of 2017. The increase was due to improved banqueting business, as well as improved business at the all day dining restaurant The Place after its renovation last year.

Eaton, Hong Kong
Eaton, Hong Kong also witnessed more arrivals from Mainland China, which increased by 17.3% year-on-year in the first six months of 2017. There was also growth in arrivals from a majority of other key markets such as Europe, the U.S. and other Asia countries. Revenue from F&B dropped by 13.0% year-on-year in the first six months of 2017, despite improved business in the Chinese restaurant which received a Michelin one-star rating. This was a consequence of the hotel's strategy to accept fewer banqueting reservations for the first half of 2017, as the hotel is in preparation for major renovation in the banqueting space originally planned to commence in the first quarter of 2017.

4. INVESTMENT PROPERTIES

	Six months ended 30 June		
	2017 ***HK$ million***	**2016** ***HK$ million***	**Change**
Gross rental income			
Great Eagle Centre	69.1	69.8	-1.0%
Eaton Residence Apartments	26.2	24.4	7.4%
Others^	18.5	24.8	- 25.4%
	113.8	**119.0**	**- 4.4%**
Net rental income			
Great Eagle Centre	67.6	68.1	- 0.7%
Eaton Residence Apartments	17.0	14.8	14.9%
Others^	1.8	4.3	- 58.1%
	86.4	**87.2**	**- 0.9%**

^ Rental income of the 2700 Ygnacio property in the U.S. was included under "others" and was sold in early 2017.

In the first half of 2017, overall net rental income from our investment properties dropped by 0.9% to HK$86.4 million, which was primarily due to reduced rental income contribution from our office property in the U.S., which was included in “others” and was sold in early 2017.

Great Eagle Centre

	As at the end of		
	June 2017	**June 2016**	**Change**
Office (on lettable area)			
Occupancy	**97.2%**	98.2%	*-1.0ppt*
Average passing rent	**HK$66.3**	HK$65.4	*1.4%*
Retail (on lettable area)			
Occupancy	**99.4%**	99.4%	-
Average passing rent	**HK$98.4**	HK$98.2	*0.2%*

There was a slight decline in the office occupancy for Great Eagle Centre, as more area are reserved for the Group’s in-house expansion, which will be occupied by the Group in the second half of 2017. Otherwise, occupancy of the Great Eagle Centre would be stable as at the end of June 2017 as compared with that a year ago. Although office spot rents rose in the first half of 2017, a lack of office renewals limited the growth in average passing rent. Therefore, there was only a 1.4% growth in average passing rent for the leased office space at the Great Eagle Centre, which increased from HK$65.4 per sq. ft. as of June 2016 to HK$66.3 per sq. ft. as of June 2017.

Primarily as a result of additional area reserved for the Group’s expansion, there was a small decline in the gross rental income for the Great Eagle Centre, which declined by 1% to HK$69.1 million in the first half of 2017, whereas net rental income dropped by 0.7% to HK$67.6 million.

Eaton Residence Apartments

.	Six months ended 30 June		
	2017	**2016**	**Change**
(on gross floor area)			
Occupancy	**83.1%**	75.3%	*7.8ppt*
Average net passing rent	**HK$30.9**	HK$31.2	*-1.0%*

Increased demand from the corporate segment helped boost the occupancy of the portfolio from 75.3% in the first half of 2016 to 83.1% in the first half of 2017. The Blue Pool Road property witnessed a strong comeback from the corporate segment, and the Village Road property also performed well in both the corporate and medical market segments. Meanwhile, the Wanchai Gap Road property saw stronger corporate business that offset softer demand from the leisure segment. However, as competitions remained keen, average rental rates remained under pressure. Average net passing rent for the three serviced apartments dropped by 1% to HK$30.9 per sq. ft. on gross floor area in the first half of 2017, as compared with HK$31.2 per sq. ft. in the first half of 2016. Gross rental income rose by 7.3% year-on-year to HK$26.2 million in the first half of the 2017, and net rental income increased by 14.6% year-on-year to HK$17.0 million for the first half of 2017.

5. OPERATING INCOME FROM OTHER OPERATIONS

The Group's operating income from other business operations included asset management fee income from the U.S. Fund and a joint venture project in Dalian, property management and maintenance income, trading income from our trading and procurement subsidiaries and dividend income from securities portfolio or other investments.

In the first half of 2017, operating income from other business operations rose by 24.1% to HK$137.3 million, which was due to the booking of a one-off HK$35.7 million in distribution income for our share of investment in the China Fund. The China Fund is managed by China Orient which offers financing to companies in China. As for asset management fee income from the U.S. Fund, which we act as asset manager, please refer to the management discussion on the "U.S. Fund".

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 2017, 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, the Fund has already disposed of three office buildings with attractive returns. The progress of other projects still held by the Fund are as follows:

The Austin, San Francisco
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, and within easy reach from the burgeoning technology cluster in Mid-Market. The development with gross floor area of approximately 135,000 sq. ft. will comprise 100 studio, 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$90 million. Construction work on the site had started in the first quarter of 2016 and the topping off of the building was celebrated in November 2016. The project is expected to complete in the second half of 2017. Since the first quarter of 2017, the residence units have been formally launched to the brokerage and buyer community. Thus far, they have received keen response from buyers with about one-third of the 100 units presold at the end of July 2017 with prices exceeding those projects in the immediate vicinity.

Cavalleri, Malibu
We completed the acquisition of the residential property in Malibu, California in September 2015 for US$62 million. The strategy is to reposition its 68 rental apartment units to 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 have been commenced since the second quarter of 2016 after the vacant possession of all units. Refurbishment on the Cavalleri is expected to complete in late 2017. The project has been launched to the market and thus far poor responses were noted from individual buyers in the vicinity. Therefore, the Fund will also target other type of buyers, including institutional and overseas buyers given the high quality of the project and its covetous location.

Dexter Horton, Seattle
The office building in Seattle that the U.S. Fund 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 rentable floor area of 336,355 sq. ft. 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. After the Fund had successfully completed its value-added strategy on this building by reshuffling the tenant mix towards more of tenants from technology sector who pay higher rents, the Fund has put it on offer since late July this year.

The Group booked HK$26.9 million (1H 2016: HK$24.1 million) in asset management fee income from the U.S. Fund for the first half of 2017, which was included in "operating income from other operations".

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.

In terms of development progress, the General Building Plan of the Project has been approved by the Building Authority in January 2016. Works on the basement and foundation have been finished in July 2017 and superstructure works have been commenced right after. The project is expected to complete in early 2020. The total development 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 sq. m. and comprises 1,200 high-end apartments and a luxury hotel with approximately 360 rooms. The Group has an equity interest in the project, investment in the preferred shares of the project and acts as the project manager. The project is developed in two phases, Phase I comprises approximately 800 apartments and Phase II comprises the remaining apartments and the hotel. The Group's share of net asset value in the project, including HK$604 million invested in the preferred shares of the project with a fixed rate of return, was HK$1,092 million as at the end of June 2017.

While the entire Phase I development is expected to complete in 2018, the 800 apartments under Phase I will be completed in batches. The pre-sold apartments will be handed to buyers once they are completed. Since Phase I of the project is close to completion, the strategy is to sell the completed luxury apartments with fittings, as potential homebuyers are more than likely to pay a premium for a fitted apartment.

During the first half of 2017, 15 apartments in the first batch of pre-sold apartments were completed and handed to buyers, bringing the accumulated number of apartments sold to 242 as at the end of June 2017. As gross profits were recognised for only 15 apartments in the first half of 2017, such profit turned into a loss after providing for administration and marketing expenses, as well as a disproportionate share of the estimated land appreciation tax. Therefore, there was a after-tax loss of HK$15 million for our interest in the project in the first half of 2017. Our share of the loss was included under share of losses of the joint ventures in the core profit of the Group for the first half of the year.

Japan

Tokyo Hotel Redevelopment Project

In June 2016, the Group completed the acquisition of a hotel redevelopment site situated in Roppongi, Tokyo for JPY22.2 billion. 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. Earlier this year, we learnt that a small site with a site area of 111 sq. m. immediately adjacent to our acquired site became available through a private sale process. As our study revealed that it was feasible to merge the site with our already acquired site, allowing a larger scale development with improved efficiency, we agreed to purchase it for JPY0.47 billion. As for the progress of the development, demolition works have completed on the larger site that we acquired last year. However, demolition work on the smaller site will start after we take possession when the acquisition completes in late 2017. In the meantime, development plan for the hotel is being redesigned to account for the additional footage from the acquisition of the adjacent site.

World renowned architect, Kengo Kuma & Associates has been commissioned to design this 250-key flagship The Langham Hotel in Central Tokyo. The total investment cost, including the sum of JPY 22.7 billion for the two sites, is expected to be approximately JPY 49 billion and will be mostly funded by bank loans with a low interest rate.

United States

Hotel Redevelopment Project in Washington D.C.

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. The design for the hotel will cater for the targeted travellers' strong preferences for a more interactive-based stay. In addition to introducing more open and communal space, there will also be co-working space to reflect the changing needs of the modern travellers. The renovation work has commenced in the first quarter of 2017 with a majority of the works to be completed by late 2017. Soft opening of the hotel is expected to be in early 2018, a slight delay from a previously projected soft opening in late 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 Mid-Market district and is situated opposite to San Francisco's City Hall and at close proximity to numerous cultural venues. The Central Market area has transformed rapidly in recent years amid increasing presence interest of 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 with collaborative work space. Construction of the project will start after the development rights for the hotel are approved by the city's planning department. The famous AvroKO group has been commissioned as the interior designer for this iconic Eaton Hotel project. Currently, we hope that the development approval will be granted within this year, and the construction should start in 2018 with opening of the hotel targeted in 2021.

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 new central business district in the South of Market (SOMA) 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 luxury The Langham Hotel with approximately 240 rooms and approximately 65 condominiums with 100,000 net sq. ft. for-sale. The world renowned international architect Renzo Piano Building Workshop has been commissioned to design this prestigious project in collaboration with the acclaimed California architect Mark Cavagnero Associates.

While the initial design of the project has been approved by the city's planning department, the design is currently being refined to further maximise the efficiency of floor area. The construction of the project is planned for 2018 with its completion expected to be in 2021.

Seattle Development project, 1931 Second Avenue
The Group acquired a site in downtown Seattle for US$18 million in December 2016. The site is located at one of the highest points of downtown Seattle and near the famous Pike Place market. The site has an area of approximately 19,400 sq. ft. Although the Seattle site has already been granted for the development of a hotel, we are evaluating an opportunity to expand the development's floor area, and incorporate some residential or commercial components to the project, so as to further enhance the financial attractiveness of the project.

OUTLOOK

As a number of key political issues that could have significant bearings on the future of the global economy have remained unresolved, it is only prudent for us to keep a cautious stance on the outlook for the global economy in the near term. Our business operations have performed steadily in the first six months of the year. However, certain unresolved political issues can evolve and escalate quickly into something which could have a negative impact on the current business environment. In addition, potential monetary contraction due to the Fed's plan to unwind its balance sheet will result in higher interest rates which would dampen both consumer and investor confidence. Therefore, we must stay vigilant and be ready to respond to any slowdown in our business.

Gross rental income from our investment properties will decline in the second half of 2017 as compared with that achieved in the first half period, given the absence of rental income contribution from Great Eagle Centre office space that has been taken for our in-house expansion.

After a one-off distribution income was booked from our investment in the China Fund in the first half of 2017, income from other operations will be lower in the second half of 2017. Excluding the impact of the one-off income, income from other operations is expected to be steady in the second half of 2017 as compared with that witnessed in the first half period.

As for the Hotels Division, EBITDA of the overseas hotels in the second half of 2017 will continue to be a mixed one. As operations at Cordis, Hongqiao continue to ramp up, revenue from the hotel will increase further in the second half of 2017, but as the hotel is still in the process of building its occupancy rate, it will incur a loss in 2017. Meanwhile, growth momentum remains intact with our renovated hotels and our hotels in cities where there are strong convention activities, but some of our hotels are still facing challenging market conditions.

For Champion REIT, positive rental reversion for the office portfolio is expected to sustain in the second half of 2017. However, downside pressure persists on the base rent of Langham Place Mall.

For LHI, a large scale refurbishment of the lobby, ballroom and dining area at Eaton, Hong Kong which began in July 2017, will eliminate almost all of its food and beverage business in the second half of 2017, whereas higher interest expense and cash tax payment will continue to impact on its distributable income in the second half 2017.

Despite heightened geopolitical risks and potential headwinds in the medium term, the prudent and targeted expansion strategy that we have put in place over the past several years will serve to underpin the Group's future earnings growth. In addition, our strong balance sheet, as well as a strong recurring cash flow will enable us to comfortably add investments in markets where asset values are suppressed.

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 2017 was HK$21,893 million, an increase of HK$304 million compared to that as of 31 December 2016. Such increase was mainly due to additional loans drawn for development of projects in Japan, Hong Kong and China.

Equity Attributable to Shareholders, based on professional valuation of the Group's investment properties as of 30 June 2017 and the depreciated costs of the Group's hotel properties (including Hong Kong hotel properties held by LHI), amounted to HK$59,576 million, representing an increase of HK$3,729 million compared to the value of HK$55,847 million as of 31 December 2016. The increase was mainly attributable to profit for 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 65.62%, 62.11% 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 2017 was 23.8%. 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 2017	**On Consolidated Basis**	**On Core Balance Sheet Basis**
	HK$ million	**HK$ million**
Great Eagle	**613**	**613**
Champion REIT	**13,693**	**-**
LHI	**6,575**	**-**
U.S. Fund	**1,012**	**-**
Net debts	**21,893**	**613**

Net debts attributable to Shareholders of the Group	**14,188**	**613**
Equity Attributable to Shareholders of the Group	**59,576**	**68,622**
Net Gearing ratio^	**23.8%**	**0.9%**

^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$30,264 million as of 30 June 2017. Foreign currency gross debts as of 30 June 2017 amounted to the equivalent of HK$10,024 million, of which the equivalent of HK$3,563 million or 36% was on fixed-rate basis.

FINANCE COST

The net consolidated finance cost including borrowing cost capitalised to property development projects during the period was HK$305 million. Overall interest cover at the reporting date was 5.6 times.

LIQUIDITY AND DEBT MATURITY PROFILE

As of 30 June 2017, our cash, bank deposits and undrawn loan facilities amounted to a total of HK$9,743 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 2017:

Within 1 year	2.6%
1-2 years	19.8%
3-5 years	61.3%
Over 5 years	16.3%

PLEDGE OF ASSETS

At 30 June 2017, properties of the Group with a total carrying value of approximately HK$58,666 million (31 December 2016: HK$54,923 million), HK dollars deposit with equivalent amount of HK$7.8 million (31 December 2016: US dollars and HK dollars deposit HK$631 million) were mortgaged or pledged to secure credit facilities granted to its subsidiaries.

COMMITMENTS AND CONTINGENT LIABILITIES

At 30 June 2017, the Group had authorised capital expenditure for investment properties and property, plant and equipment of HK$7,853 million (31 December 2016: HK$3,135 million) which had not yet been provided for in these consolidated financial statements. Out of the amount, HK$781 million (31 December 2016: HK$442 million) had been contracted for.

At 30 June 2017, the Group had outstanding financial commitment in respect of capital injection to a joint venture of RMB25.8 million (equivalent to HK$33 million) (31 December 2016: RMB25.8 million) and cash commitment to the China Fund of US$46 million (equivalent to HK$357 million) (31 December 2016: US$46 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 2017 were prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), and have been reviewed by the Audit Committee of the Company, and by Deloitte Touche Tohmatsu, the independent auditor of the Company, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

INTERIM DIVIDEND AND SPECIAL INTERIM DIVIDEND

The Board of Directors of the Company has resolved to declare an interim dividend of HK30 cents (2016: HK27 cents) per share and a special interim dividend of HK50 cents per share (2016: Nil) for the six months ended 30 June 2017 (the "2017 Interim Dividend"), payable on 18 October 2017 to the Shareholders whose names appear on the Registers of Members of the Company on Monday, 9 October 2017.

CLOSURE OF REGISTERS OF MEMBERS

The Registers of Members of the Company will be closed from Tuesday, 3 October 2017 to Monday, 9 October 2017, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the 2017 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 Friday, 29 September 2017.

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"). Mr. Lo Chun Him, Alexander and Mr. Chu Shik Pui have been appointed as additional members of the Finance Committee of the Board of Directors of the Company with effect from 24 August 2017 upon the publication of the List of Directors and Their Roles and Functions. Their biographies were provided in the 2016 Annual Report of the Company. Set out below are the details of the deviations from the code provisions:

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 2017 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 2017.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

During the six months ended 30 June 2017, 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 2017, the total number of issued shares of the Company was 687,774,038. As compared with the position of 31 December 2016, a total of 10,304,203 new shares were issued during the period. These new shares comprise the following:

- During the period, 3,283,000 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$89,432,440.

- On 22 June 2017, a total of 7,021,203 new shares at a price of HK$35.94 per share were issued to the Shareholders who had elected to receive scrip shares under the Scrip Dividend Arrangement in respect of the 2016 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 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, 24 August 2017

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2017

	NOTES	Six months ended 30 June 2017 HK$'000 (unaudited)	2016 HK$'000 (unaudited)
Revenue	3	**4,216,642**	4,180,155
Cost of goods and services		**(2,312,772)**	(2,355,004)
Operating profit before depreciation		**1,903,870**	1,825,151
Depreciation		**(298,912)**	(294,989)
Operating profit		**1,604,958**	1,530,162
Fair value changes on investment properties		**4,432,739**	1,815,790
Fair value changes on derivative financial instruments		**(114,090)**	(72,971)
Fair value changes on financial assets at fair value through profit or loss		**22,460**	(14,958)
Other income		**115,293**	67,703
Administrative and other expenses		**(215,135)**	(210,576)
Finance costs	5	**(313,222)**	(367,462)
Share of results of joint ventures		**(15,866)**	(22,078)
Share of results of associates		**182**	48
Profit before tax	6	**5,517,319**	2,725,658
Income taxes	7	**(215,666)**	(283,697)
Profit for the period, before deducting the amounts attributable to non-controlling unitholders of Champion REIT		**5,301,653**	2,441,961
Profit for the period attributable to:			
Owners of the Company		**3,685,732**	1,492,012
Non-controlling interests		**34,025**	249,267
		3,719,757	1,741,279
Non-controlling unitholders of Champion REIT		**1,581,896**	700,682
		5,301,653	2,441,961
Earnings per share:	9		
Basic		**HK$5.37**	HK$2.21
Diluted		**HK$5.35**	HK$2.21

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2017

	Six months ended 30 June	
	2017	2016
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Profit for the period, before deducting the amounts attributable to non-controlling unitholders of Champion REIT	**5,301,653**	2,441,961
Other comprehensive income (expense):		
Items that may be reclassified subsequently to profit or loss:		
Fair value gain (loss) on available-for-sale investments	**94,697**	(61,218)
Reclassification adjustment upon disposal of available-for-sale investments	**(1,518)**	(1,166)
Exchange differences arising on translation of foreign operations	**286,566**	(37,820)
Share of other comprehensive income (expense) of a joint venture	**22,179**	(12,956)
Share of other comprehensive income of associates	**20,780**	8,312
Cash flow hedges:		
Fair value adjustment on cross currency swaps designated as cash flow hedge	**(82,168)**	82,930
Reclassification of fair value adjustments to profit or loss	**(13,547)**	(6,206)
Other comprehensive income (expense) for the period, before deducting amounts attributable to non-controlling unitholders of Champion REIT	**326,989**	(28,124)
Total comprehensive income for the period, before deducting amounts attributable to non-controlling unitholders of Champion REIT	**5,628,642**	2,413,837
Total comprehensive income for the period attributable to:		
Owners of the Company	**4,040,839**	1,435,351
Non-controlling interests	**38,848**	249,205
	4,079,687	1,684,556
Non-controlling unitholders of Champion REIT	**1,548,955**	729,281
	5,628,642	2,413,837

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2017

	NOTES	**At 30 June 2017 HK$'000 (unaudited)**	At 31 December 2016 HK$'000 (audited)
Non-current assets			
Investment properties		**77,503,065**	73,046,520
Property, plant and equipment		**19,288,676**	18,611,570
Interests in joint ventures		**1,190,043**	1,067,143
Interests in associates		**98,286**	80,886
Available-for-sale investments		**1,039,541**	1,276,988
Notes and loan receivables		**288,184**	265,460
Derivative financial instruments		**18,721**	64,203
		99,426,516	94,412,770
Current assets			
Stock of properties		**4,058,229**	3,638,112
Inventories		**93,715**	105,768
Debtors, deposits and prepayments	10	**1,101,365**	963,492
Notes and loan receivables		**23,226**	-
Financial assets at fair value through profit or loss		**269,174**	299,361
Derivative financial instruments		**-**	9,951
Tax recoverable		**446**	3,777
Pledged bank deposits		**7,849**	631,489
Restricted cash		**9,607**	289,953
Bank balances and cash		**8,353,527**	5,857,951
		13,917,138	11,799,854
Assets classified as held for sale		-	116,310
		13,917,138	11,916,164
Current liabilities			
Creditors, deposits and accruals	11	**3,369,297**	3,476,088
Derivative financial instruments		**1,371**	-
Provision for taxation		**329,062**	191,070
Distribution payable		**234,386**	240,286
Borrowings due within one year		**771,717**	2,495,416
		4,705,833	6,402,860
Net current assets		**9,211,305**	5,513,304
Total assets less current liabilities		**108,637,821**	99,926,074

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2017

	At 30 June 2017 HK$'000 (unaudited)	At 31 December 2016 HK$'000 (audited)
Non-current liabilities		
Derivative financial instruments	**89,626**	247
Borrowings due after one year	**24,718,363**	21,879,695
Medium term notes	**4,607,269**	3,814,384
Deferred taxation	**1,334,676**	1,303,566
	30,749,934	26,997,892
NET ASSETS	**77,887,887**	72,928,182
Equity attributable to:		
Owners of the Company		
Share capital	**343,887**	338,735
Share premium and reserves	**59,232,245**	55,508,577
	59,576,132	55,847,312
Non-controlling interests	**(397,989)**	(353,623)
	59,178,143	55,493,689
Net assets attributable to non-controlling unitholders of Champion REIT	**18,709,744**	17,434,493
	77,887,887	72,928,182

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 2017 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2016.

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, but the application may have impact on disclosures in the consolidated financial statements for the year ending 31 December 2017.

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	
	2017	2016
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Property rental income from investment properties	**1,308,828**	1,409,636
Building management service income	**147,635**	141,468
Hotel income	**2,532,377**	2,406,004
Sales of goods	**85,052**	113,079
Dividend income	**53,487**	16,428
Others	**89,263**	93,540
	4,216,642	4,180,155

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"). In addition to the above segments, the CODM has separately reviewed property development segment in current period.

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.
Property development	-	income from selling of properties held for sale.
Hotel operation	-	hotel accommodation, food and banquet operations as well as hotel management.
Other operations	-	sales of building materials, co-working space 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 centrally managed, central administration costs, Directors' salaries, share of results of joint ventures, share of results of associates, 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 2017

	Property investment HK$'000 (unaudited)	Property development HK$'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	113,780	-	2,532,377	227,802	2,873,959	1,306,645	871	35,167	-	4,216,642
Inter-segment revenue	-	-	33,021	200,408	233,429	11,039	331,943	-	(576,411)	-
Total	113,780	-	2,565,398	428,210	3,107,388	1,317,684	332,814	35,167	(576,411)	4,216,642

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

	Property investment HK$'000 (unaudited)	Property development HK$'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	86,435	-	297,878	314,111	698,424	936,634	278,596	16,906	(26,690)	1,903,870
Depreciation					(204,510)	-	(94,233)	-	(169)	(298,912)
Operating profit after depreciation					493,914	936,634	184,363	16,906	(26,859)	1,604,958
Fair value changes on investment properties					413,745	3,962,708	-	58,386	(2,100)	4,432,739
Fair value changes on derivative financial instruments					(63,367)	-	(50,723)	-	-	(114,090)
Fair value changes on financial assets at FVTPL					22,460	-	-	-	-	22,460
Other income					75,307	1,476	285	-	(946)	76,122
Administrative and other expenses					(198,126)	(10,902)	(5,417)	(27,574)	26,884	(215,135)
Net finance costs					(36,202)	(157,611)	(71,729)	(8,509)	-	(274,051)
Share of results of joint ventures					(15,866)	-	-	-	-	(15,866)
Share of results of associates					182	-	-	-	-	182
Profit before tax					692,047	4,732,305	56,779	39,209	(3,021)	5,517,319
Income taxes					(58,834)	(131,095)	(25,804)	-	67	(215,666)
Profit for the period					633,213	4,601,210	30,975	39,209	(2,954)	5,301,653
Less: Profit attributable to non-controlling interests/non-controlling unitholders of Champion REIT					(2,772)	(1,581,896)	(11,736)	(19,517)	-	(1,615,921)
Profit attributable to owners of the Company					630,441	3,019,314	19,239	19,692	(2,954)	3,685,732

4. SEGMENT INFORMATION - continued

Segment revenue and results - continued

Six months ended 30 June 2016

	Property investment HK$'000 (unaudited)	Property development HK$'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 mutually agreed prices and are recognised when services and rental are provided.

	Property investment HK$'000 (unaudited)	Property development HK$'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	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 joint ventures					(22,078)	-	-	-	-	(22,078)
Share of results of associates					48	-	-	-	-	48
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

5. FINANCE COSTS

	Six months ended 30 June **2017** HK$'000 (unaudited)	2016 HK$'000 (unaudited)
Interest on bank borrowings	**241,160**	219,212
Interest on other loans	**-**	7,137
Interest on medium term notes	**65,981**	62,746
Other borrowing costs	**37,056**	78,367
	344,197	367,462
Less: amount capitalised	**(30,975)**	-
	313,222	367,462

6. PROFIT BEFORE TAX

	Six months ended 30 June	
	2017	2016
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Profit before tax has been arrived at after charging (crediting):		
Staff costs (including directors' emoluments)	**1,146,573**	1,116,363
Share based payments (including directors' emoluments)	**9,959**	6,536
	1,156,532	1,122,899
Depreciation	**298,912**	294,989
Recovery of bad debts written off	**(446)**	(834)
Share of tax of a joint venture (included in the share of results of joint ventures)	**413**	-
Share of tax of associates (included in the share of results of associates)	**68**	57
Dividend income from equity investments	**(53,487)**	(16,428)
Bank interest income (included in other income)	**(30,439)**	(23,088)
Interest income received from other financial assets (included in other income)	**(8,732)**	(15,263)
Net gain on disposal of available-for-sale investments (included in other income)	**(1,518)**	(1,166)
Loss on disposal of property, plant and equipment (included in administrative and other expenses)	**-**	99
Gain on disposal of property, plant and equipment (included in other income)	**(104)**	-
Net exchange loss (included in administrative and other expenses)	**-**	9,264
Net exchange gain (included in other income)	**(49,348)**	-

7. INCOME TAXES

	Six months ended 30 June	
	2017	2016
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Current tax:		
Current period:		
Hong Kong Profits Tax	**159,368**	125,027
Other jurisdictions	**26,221**	15,362
	185,589	140,389
(Over)underprovision in prior periods:		
Hong Kong Profits Tax	**(167)**	142
Other jurisdictions	**13,165**	469
	12,998	611
	198,587	141,000
Deferred tax:		
Current period	**21,324**	145,742
Under(over)provision in prior periods	**312**	(3,045)
Attributable to change in tax rate	**(4,557)**	-
	17,079	142,697
	215,666	283,697

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	
	2017	2016
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Dividends paid:		
Final dividend of HK48 cents in respect of the financial year ended 31 December 2016 (2016: HK47 cents in respect of the financial year ended 31 December 2015) per ordinary share	**326,694**	313,854
Special final dividend of HK50 cents in respect of the financial year ended 31 December 2016 (2016: HK$2 in respect of the financial year ended 31 December 2015) per ordinary share	**340,309**	1,335,556
	667,003	1,649,410

8. DIVIDENDS - continued

	Six months ended 30 June	
	2017	2016
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Dividends declared:		
Interim dividend of HK30 cents in respect of the six months ended 30 June 2017 (2016: HK27 cents in respect of the six months ended 30 June 2016) per ordinary share	**206,332**	182,640
Special interim dividend of HK50 cents in respect of the six months ended 30 June 2017 (2016: nil) per ordinary share	**343,887**	-
	550,219	182,640

On 22 June 2017, a final dividend of HK48 cents per ordinary share which included scrip dividend alternatives offered to shareholders, and a special final dividend of HK50 cents per ordinary share were paid to shareholders as the final dividend in respect of the financial year ended 31 December 2016.

On 22 June 2016, a final dividend of HK47 cents per ordinary share which included scrip dividend alternatives offered to shareholders, and a special final dividend of HK$2 per ordinary share were paid to shareholders as the final dividend in respect of the financial year ended 31 December 2015.

The scrip dividend alternatives were accepted by the shareholders as follows:

	Six months ended 30 June	
	2017	2016
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Dividends		
Cash	**74,352**	80,321
Share alternative	**252,342**	233,533
	326,694	313,854

On 24 August 2017, the Directors have determined that an interim dividend of HK30 cents (2016: interim dividend of HK27 cents) and a special interim dividend of HK50 cents (2016: nil) per ordinary share will be paid to the shareholders of the Company whose names appear in the Register of Members on 9 October 2017.

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	
	2017	2016
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Earnings		
Earnings for the purposes of basic and diluted earnings per share (Profit for the period attributable to owners of the Company)	**3,685,732**	1,492,012

	Six months ended 30 June	
	2017	2016
	(unaudited)	(unaudited)
Number of shares		
Weighted average number of shares for the purpose of basic earnings per share	**685,947,320**	674,549,654
Effect of dilutive potential shares:		
Share options	**2,654,067**	179,573
Weighted average number of shares for the purpose of diluted earnings per share	**688,601,387**	674,729,227

10. DEBTORS, DEPOSITS AND PREPAYMENTS

	30 June	31 December
	2017	2016
	HK$'000	HK$'000
	(unaudited)	(audited)
Trade debtors, net of allowance for doubtful debts	**364,591**	351,051
Deferred rent receivables	**194,975**	212,136
Other receivables	**194,869**	147,057
Deposits and prepayments	**346,930**	253,248
	1,101,365	963,492

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.

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

10. DEBTORS, DEPOSITS AND PREPAYMENTS - continued

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

	30 June 2017 HK$'000 (unaudited)	31 December 2016 HK$'000 (audited)
Within 3 months	**197,866**	196,219
More than 3 months but within 6 months	**14,672**	20,277
Over 6 months	**152,053**	134,555
	364,591	351,051

11. CREDITORS, DEPOSITS AND ACCRUALS

	30 June 2017 HK$'000 (unaudited)	31 December 2016 HK$'000 (audited)
Trade creditors	**231,286**	302,488
Deposits received	**900,086**	837,679
Construction fee payable and retention money payable	**187,858**	62,187
Accruals, interest payable and other payables	**2,050,067**	2,273,734
	3,369,297	3,476,088

Included in accruals and other payables is accrual of stamp duty of HK$963,475,000 (31 December 2016: HK$963,475,000) which is based on the current applicable stamp duty rate of 4.25% (31 December 2016: 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 upon listing.

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

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

	30 June 2017 HK$'000 (unaudited)	31 December 2016 HK$'000 (audited)
Within 3 months	**221,446**	282,071
More than 3 months but within 6 months	**3,408**	2,630
Over 6 months	**6,432**	17,787
	231,286	302,488