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)

2018 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 2018 as follows:

	Six months ended 30 June		
	2018 *HK$ million*	**2017** *HK$ million*	**Change**
Key Financials on Income Statement			
Based on core business[1]			
Revenue based on core business	**3,145.7**	**2,937.7**	**7.1%**
Core profit after tax attributable to equity holders	**906.9**	**904.1**	**0.3%**
Core profit after tax attributable to equity holders (per share)	**HK$1.30**	**HK$1.32**	
Based on statutory accounting principles[2]			
Revenue based on statutory accounting principles	**4,967.7**	**4,216.6**	**17.8%**
Statutory Profit attributable to equity holders	**3,487.8**	**3,685.7**	**- 5.4%**
Interim Dividend (per share)	**HK$0.33**	**HK$0.30**	
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 2018	**December 2017**
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	1.3%	1.1%
Book value (per share)	HK$110.9	HK$107.4
Based on statutory accounting principles[2]		
Net gearing [3]	21.5%	22.5%
Book value (per share)	HK$96.7	HK$93.6

[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 65.76%, 62.48% and 49.97% equity stake of Champion REIT, LHI and the U.S. Fund respectively as at the end of June 2018.

[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		
	2018	**2017**	
	HK$ million	***HK$ million***	**Change**
Revenue from core business			
Hotels Division	2,060.5	1,820.5	13.2%
Gross Rental Income	114.3	113.8	0.4%
Management Fee Income from Champion REIT	190.1	176.8	7.5%
Distribution Income from Champion REIT^	480.8	447.4	7.5%
Distribution Income from LHI^	118.0	127.8	- 7.7%
Other operations	182.0	251.4	- 27.6%
Total Revenue	**3,145.7**	**2,937.7**	**7.1%**
Hotel EBITDA	357.9	297.9	20.1%
Net Rental Income	90.1	86.4	4.3%
Management Fee Income from Champion REIT	190.1	176.8	7.5%
Distribution Income from Champion REIT^	480.8	447.4	7.5%
Distribution Income from LHI^	118.0	127.8	- 7.7%
Operating income from other operations	53.8	137.3	- 60.8%
Operating Income from core business	**1,290.7**	**1,273.6**	**1.3%**
Depreciation	(115.4)	(84.3)	36.9%
Administrative and other expenses	(214.3)	(200.7)	6.8%
Other income	59.4	29.0	104.8%
Interest income	60.1	28.3	112.4%
Finance costs	(86.6)	(64.5)	34.3%
Share of results of joint ventures	(7.3)	(15.9)	- 54.1%
Share of results of associates	0.4	0.2	n.m.
Core profit before tax	**987.0**	**965.7**	**2.2%**
Income taxes	(81.3)	(58.8)	38.3%
Core profit after tax	**905.7**	**906.9**	**- 0.1%**
Non-controlling interest	1.2	(2.8)	n.a.
Core profit attributable to equity holders	**906.9**	**904.1**	**0.3%**

^ 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 2018

	Assets	**Liabilities**	**Net Assets**
	HK$ million	***HK$ million***	***HK$ million***
Great Eagle operations	**36,242**	**10,265**	**25,977**
Champion REIT	**54,540**	**11,674**	**42,866**
LHI	**12,642**	**4,582**	**8,060**
The U.S. Fund	**1,229**	**714**	**515**
	104,653	**27,235**	**77,418**

31 December 2017

	Assets	Liabilities	Net Assets
	HK$ million	*HK$ million*	*HK$ million*
Great Eagle operations	35,644	10,090	25,554
Champion REIT	51,536	11,411	40,125
LHI	12,220	4,489	7,731
The U.S. Fund	1,387	873	514
	100,787	26,863	73,924

Financial Figures based on statutory accounting principles

	Six months ended 30 June		
	2018 *HK$ million*	2017 *HK$ million*	Change
Revenue based on statutory accounting principles			
Hotels Division	2,821.5	2,565.4	10.0%
Gross Rental Income	114.3	113.8	0.4%
Other operations (including management fee income from Champion REIT)	372.1	428.2	- 13.1%
Gross Rental Income - Champion REIT	1,444.8	1,317.7	9.6%
Gross Rental Income - LHI	284.6	332.8	- 14.5%
Gross Rental Income - U.S. Fund	452.7	35.1	1,189.7%
Elimination on Intragroup transactions	(522.3)	(576.4)	- 9.4%
Consolidated Total Revenue	**4,967.7**	**4,216.6**	**17.8%**
Hotel EBITDA	357.9	297.9	20.1%
Net Rental Income	90.1	86.4	4.3%
Operating income from other operations	243.9	314.1	- 22.3%
Net Rental Income - Champion REIT	1,035.5	936.7	10.5%
Net Rental Income - LHI	271.0	278.6	- 2.7%
Net Rental Income - U.S. Fund	44.8	16.9	165.1%
Elimination on Intragroup transactions	(6.3)	(26.7)	- 76.4%
Consolidated Operating Income	**2,036.9**	**1,903.9**	**7.0%**
Depreciation	(359.9)	(298.9)	20.4%
Fair value changes on investment properties	4,244.0	4,432.7	- 4.3%
Fair value changes on derivative financial instruments	0.9	(114.1)	n.m.
Fair value changes on financial assets at fair value through profit or loss	(8.0)	22.4	n.m.
Administrative and other expenses	(237.6)	(215.1)	10.5%
Other income (including interest income)	121.8	115.3	5.6%
Finance costs	(384.8)	(313.2)	22.9%
Share of results of joint ventures	(7.3)	(15.9)	- 54.1%
Share of results of associates	0.4	0.2	n.m.
Statutory profit before tax	**5,406.4**	**5,517.3**	**- 2.0%**
Income taxes	(246.5)	(215.7)	14.3%
Statutory profit after tax	**5,159.9**	**5,301.6**	**- 2.7%**
Non-controlling interest	(55.2)	(34.0)	62.4%
Non-controlling unitholders of Champion REIT	(1,616.9)	(1,581.9)	2.2%
Statutory profit attributable to equity holders	**3,487.8**	**3,685.7**	**- 5.4%**

OVERVIEW

The Group's core revenue rose by 7.1% to HK$3,145.7 million in the first half of 2018 (1H 2017: HK$2,937.7 million), mainly as a results of a 13.2% increase in revenue from the Hotels Division, and a 7.5% increase in income from Champion REIT, which comprised distribution and management fee income during the period.

Core operating income increased by 1.3% to HK$1,290.7 million in the first half of the year, as higher EBITDA of the Hotels Division and income from Champion REIT were offset by a decrease in operating income from other operations. The decline in operating income from other operations was in part due to a high base for comparison, as 2017's interim results included a one-off distribution declared by the China Fund.

Administrative and other expenses increased by 6.8% to HK$214.3 million in the first half of the year (1H 2017: HK$200.7 million), mainly attributable to the increased headcount for the Project Management and Development team. The expansion was to support the increased number of development projects secured by the Group over the past years when asset values were at much lower levels. These include a prime residential project in Pak Shek Kok, Tai Po, Hong Kong and a luxury hotel development in Roppongi Hill, Tokyo, Japan. In addition, the Group is carrying out feasibility studies on the redevelopment potentials of selected existing properties.

Share of losses of joint ventures in the first half of 2018 dropped by 54.1% to HK$7.3 million, attributable to reduced loss for the Dalian development project. Profit attributable to equity holders rose by 0.3% to HK$906.9 million in the first half of 2018 (1H 2017: HK$904.1 million).

BUSINESS REVIEW

Breakdown of Operating Income	Six months ended 30 June		
	2018	2017	
	HK$ million	*HK$ million*	Change
1. Hotels EBITDA	357.9	297.9	20.1%
2. Income from Champion REIT	670.9	624.2	7.5%
3. Distribution Income from LHI	118.0	127.8	- 7.7%
4. Net Rental Income from investment properties	90.1	86.4	4.3%
5. Operating Income from other operations	53.8	137.3	- 60.8%
Operating Income from core business	**1,290.7**	**1,273.6**	**1.3%**

1. HOTELS DIVISION

Hotels Performance

	Average Daily Rooms Available		Occupancy		Average Room Rate (local currency)		RevPar (local currency)	
	1H 2018	1H 2017	1H 2018	1H 2017	1H 2018	1H 2017	1H 2018	1H 2017
Europe								
The Langham, London	380	376	74.1%	73.1%	336	307	249	224
North America								
The Langham, Boston	317	317	74.7%	75.2%	290	285	217	215
The Langham Huntington, Pasadena	379	377	72.2%	70.4%	278	284	201	200
The Langham, Chicago	316	316	70.1%	69.5%	377	370	265	257
The Langham, New York, Fifth Avenue*	234	199	79.0%	72.1%	509	499	402	360
Chelsea Hotel, Toronto	1,590	1,590	79.2%	70.5%	161	153	128	108
Australia/New Zealand								
The Langham, Melbourne	388	388	87.4%	85.7%	314	305	274	261
The Langham, Sydney	98	98	82.3%	79.4%	454	431	374	342
Cordis, Auckland#	406	409	77.5%	93.0%	244	245	189	227
China								
The Langham, Shanghai, Xintiandi	356	356	81.1%	71.0%	1,671	1,743	1,355	1,237
Cordis, Shanghai, Hongqiao^	394	144	49.8%	22.7%	890	875	443	199

* Rebranded from Langham Place in December 2017

\# Rebranded from The Langham in November 2017

^ Soft-opened in May 2017

	Six months ended 30 June		
	2018	**2017**	
	HK$ million	***HK$ million***	**Change**
Hotel Revenue			
Europe	**283.6**	223.2	27.1%
North America	**1,027.1**	939.5	9.3%
Australia/New Zealand	**402.5**	405.1	- 0.6%
China	**259.7**	172.5	50.6%
Others (including hotel management fee income)	**87.6**	80.2	9.2%
Total Hotel Revenue	**2,060.5**	1,820.5	13.2%
Hotel EBITDA			
Europe	**49.3**	39.2	25.8%
North America	**128.5**	102.6	25.2%
Australia/New Zealand	**62.8**	75.6	- 16.9%
China	**67.4**	35.1	92.0%
Others (including hotel management fee income)	**49.9**	45.4	9.9%
Total Hotel EBITDA	**357.9**	297.9	20.1%

Revenue of the Hotels Division, which comprised eleven hotels and other Hotels Division related business such as hotel management fee income, increased by 13.2% to HK$2,060.5 million during the first half of 2018. EBITDA of the Hotels Division recorded a much higher growth of 20.1% to HK$357.9 million. It should be noted that the hotel in downtown Washington, D.C., USA will be completing its renovation and it will open at the end of September 2018.

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 12% growth in room revenue and a 9.5% increase in average room rate during the first half of 2018, as the hotel was able to capture corporate and retail business together with long stay Middle East guests during the period. Revenue from food and beverage (“F&B”) rose by 18%, driven by increased business in most of the restaurants, including the catering segment. The Wigmore bar was fully operational after its renovation last year.

NORTH AMERICA

The Langham, Boston

Against a slow market demand, the hotel strategically targeted at corporate and retail leisure during the period, which helped the hotel to deliver a 1.7% increase in average room rate during the first half of 2018, despite a slight drop in occupancy during the period. Revenue from F&B dropped by 14% due to the planned renovation which will take place in the third quarter of 2018 and as such the catering team did not actively market banqueting business for the period.

The Langham Huntington, Pasadena
The hotel continued to face challenging market conditions given the weak demand from both the corporate and retail segments. Nonetheless, the hotel still managed to capture some corporate and retail business during the first half of 2018, which resulted in a slight improvement in occupancy but average room rate declined by 2% during the period. Revenue from F&B dropped by 2% in the first half of 2018, 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 offering, the hotel has firmly established itself as one of the most luxurious hotel in Chicago and demonstrated steady performance. Average room rate rose by 2% with a slight increase in occupancy during the first half of 2018. However, revenue from F&B dropped by 13% in the first half of the year due to a reduction in catering business from corporate meetings and events.

The Langham, New York, Fifth Avenue (rebranded from Langham Place in December 2017)
After the completion of the refurbishment last year, the hotel demonstrated good performance for the first half of 2018 with a 32% increase in room revenue mainly due to an increase in the number of available rooms. The hotel enjoyed a good market mix of retail, corporate and group business. Revenue from F&B rose by 29% in the first half of 2018 as compared with last year when its performance was affected by noise disruption from the renovation works. With improved revenue, the hotel turned into profit in the first half of 2018.

Chelsea Hotel, Toronto
Given the strong market demand with convention activities in the city coupled with a good mix of retail, corporate, group and crew business, the average room rate was lifted by 5% and the occupancy for the hotel increased by 8.7 percentage points in the first half of 2018. Revenue from F&B dropped by 1% in the first half of the year, with improved restaurant business offset by slower catering business.

AUSTRALIA/NEW ZEALAND
The Langham, Melbourne
The hotel strategically targeted at high yielding retail leisure during the period to offset the weak demand for group business. This helped the hotel to command better room rates. During the first half of 2018, its average room rate rose by 3.1% and its occupancy improved 1.7 percentage points. Revenue from F&B declined by 5% as improved business from the restaurants was not sufficient to offset the reduction in catering business.

The Langham, Sydney
The hotel’s operations continued to ramp up since its re-opening after a major renovation, with average room rate increased by 5.5% and occupancy improved by 2.9 percentage points in the first half of 2018. Revenue from F&B rose by 13% with improved catering business during the period.

Cordis, Auckland (rebranded from The Langham in November 2017)
The hotel has been operating under challenging conditions given the lower market demand for hotel rooms following the Lion Rugby Tournament held last year and the renovation works at the hotel which continued until the first quarter of 2018. Room revenue was affected mainly by reduced businesses in the leisure and group segments. Revenue from F&B declined by 7% from shortfall in restaurant business, although banquet business was satisfactory in the first half of 2018 as compared with the same period last year.

CHINA

The Langham, Shanghai, Xintiandi

Group and corporate demand remained weak during the first half of 2018 and the hotel continued to focus on retail leisure business. While the hotel managed to improve its occupancy by 10.1 percentage points in the first half of 2018, average room rate declined by 4.1% during the period. Revenue from F&B dropped by 9% during the period due to weaker business from the Chinese restaurant and banqueting business.

Cordis, Shanghai, Hongqiao

After the hotel's soft opening on 26 May 2017, the hotel continues to build momentum in increasing its revenue and gradually gaining market share as it has become fully operational during the year. As a result, there was a substantial improvement in occupancy and the hotel turned into profit after a loss was incurred in the first half of 2017, when there was a booking of pre-opening charge amounting to HK$19 million.

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 2018, resulted from stronger performance of the managed hotels, where operations have mostly ramped up.

HOTEL MANAGEMENT BUSINESS

As at the end of June 2018, there were seven hotels with approximately 2,200 rooms in our management portfolio.

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 2018 increased by 7.5% to HK$670.9 million. Distribution income rose 7.5% to HK$480.8 million, as the REIT declared a 6.8% increase in distribution per unit and our holdings in the REIT has been increased from 65.62% as at the end of June 2017 to 65.76% as at the end of June 2018. 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 2018, overall management fee income from Champion REIT still increased by 7.5% to HK$190.1 million in the first half of 2018.

	Six months ended 30 June		
	2018	2017	
	HK$ million	*HK$ million*	Change
Attributable Dividend income	480.8	447.4	7.5 %
Management fee income	190.1	176.8	7.5 %
Total income from Champion REIT	**670.9**	**624.2**	**7.5 %**

The following text was extracted from the 2018 interim results announcement of Champion REIT relating to the performance of the REIT's properties.

Three Garden Road

The total rental income increased by 12.8% to HK$672 million (1H 2017: HK$596 million). The occupancy rate of the property reached a record high of 98.8% as at 30 June 2018, compared with 94.2% as at 31 December 2017. The uptrend in market rentals has driven up the passing rents to HK$95.87 per sq. ft. (based on lettable area) as at 30 June 2018, compared with HK$92.52 per sq. ft. (based on lettable area) as at 31 December 2017. Net property income attained a solid growth of 13.1% to HK$607 million (1H 2017: HK$537 million).

Langham Place Office Tower

The total rental income was HK$167 million for the first half of 2018, compared with HK$175 million in 2017. The decline in rental income stemmed from a lower average occupancy level. Latest achieved rents are above HK$50 per sq. ft. (based on gross floor area), higher than the passing rents of HK$41.24 per sq. ft. (based on gross floor area) as at 30 June 2018. Total net property operating expenses went up 4.5% to HK$12 million. Net property income fell 5.2% to HK$155 million (1H 2017: HK$163 million).

Langham Place Mall

Rental income from the Mall grew 12.6% to HK$464 million, driven mainly by a significant increase in turnover rents on the back of solid sales performance of beauty and skincare tenants. Turnover rents have more than doubled to HK$94 million (1H 2017: HK$41 million) while base rents remained stable. The average passing base rents marginally improved to HK$177.56 per sq. ft. (based on lettable floor area) as at 30 June 2018. Overall positive rental reversion was achieved for new leases and lease renewals effective in 2018. Net property income grew 13.9% to HK$415 million, compared with HK$364 million last year.

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 2018, LHI declared a 12.6% decline in distribution per share stapled unit as higher interest payments reduced its income available for distribution. However, our share of distribution income received from LHI only declined by 7.7% to HK$118.0 million for the first half of 2018, as all of our units held are entitled to distribution in 2018. As compared with 2017, during which distribution entitlement in respect of our 50 million share stapled units held was waived, all of our holdings will be entitled to receive distribution payable from this year onwards.

	Six months ended 30 June		
	2018 *HK$ million*	**2017** *HK$ million*	**Change**
Attributable Distribution income	118.0	127.8	- 7.7%

Performances of the Hong Kong hotels below were extracted from the 2018 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 2018	1H 2017	1H 2018	1H 2017	1H 2018	1H 2017	1H 2018	1H 2017
The Langham, Hong Kong	498	498	90.6%	85.6%	2,270	2,086	2,057	1,787
Cordis, Hong Kong	666	661	95.2%	91.6%	1,749	1,590	1,666	1,456
Eaton HK	376	465	90.3%	96.9%	1,025	945	925	915

The Langham, Hong Kong

For The Langham, Hong Kong, the hotel witnessed a growth of 11.1% in arrivals from Mainland China in the first half of 2018 as well as growth in other Asia countries and Europe. F&B revenue for the hotel rose by 3.7% year-on-year in the first six months of 2018. 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 the Palm Court. However, banqueting business continued to be soft in the first half of 2018.

Cordis, Hong Kong

At Cordis, Hong Kong, in addition to growth of 4.6% in arrivals from Mainland China in the first half of 2018, the hotel witnessed growth from arrivals across all other geographic regions. Revenue from F&B also witnessed growth of 6.1% year-on-year for the first six months of 2018. The increase was due to improved banqueting business in the first half period.

Eaton HK

The Eaton HK's performance was negatively impacted by large scale renovation at the hotel throughout the first half of 2018. Arrivals from all major geographical countries, including Mainland China, witnessed decline during the period. Revenue from F&B at the Eaton HK, dropped by 53.1% year-on-year in first half of 2018, which was attributable to closure of the majority of its F&B outlets due to major renovation.

4. RENTAL INCOME FROM INVESTMENT PROPERTIES

	Six months ended 30 June		
	2018 *HK$ million*	**2017** *HK$ million*	**Change**
Gross rental income			
Great Eagle Centre	71.0	69.1	2.7%
Eaton Residence Apartments	27.7	26.2	5.7%
Others^	15.6	18.5	-15.7%
	114.3	**113.8**	**0.4%**

Net rental income			
Great Eagle Centre	69.6	67.6	3.0%
Eaton Residence Apartments	18.2	17.0	7.1%
Others^	2.3	1.8	27.8%
	90.1	**86.4**	**4.3%**

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

Great Eagle Centre

	As at the end of		
	June 2018	**June 2017**	**Change**
Office (on lettable area)			
Occupancy	**100.0%**	**97.2%**	*2.8ppt*
Average passing rent	**HK$68.1**	**HK$66.3**	*2.7%*
Retail (on lettable area)			
Occupancy	**99.4%**	**99.4%**	-
Average passing rent	**HK$99.7**	**HK$98.4**	*1.3%*

After the Group has taken up more space at Great Eagle Centre for its in-house expansion, the remaining offices with smaller floor plate sizes were leased to independent third parties. As a result, Great Eagle Centre experienced a full office occupancy as at the end of June 2018. As asking rents rose, there was a 2.7% growth in the average passing rent for the leased office space at Great Eagle Centre, which increased from HK$66.3 per sq. ft. as at June 2017 to HK$68.1 per sq. ft. as at June 2018. Gross rental income for Great Eagle Centre rose by 2.7% to HK$71.0 million in the first half of 2018, whereas net rental income rose by 3.0% to HK$69.6 million.

Eaton Residence Apartments

	Six months ended 30 June		
	2018	**2017**	**Change**
(on gross floor area)			
Occupancy	**86.1%**	83.1%	*3.0ppt*
Average net passing rent	**HK$32.3**	HK$30.9	*4.5%*

Increased demand from the corporate segment helped boost the occupancy of the portfolio from 83.1% in the first half of 2017 to 86.1% in the first half of 2018. The Wanchai Gap Road property witnessed improved demand from the leisure and local corporate segments, and the Village Road property also performed well in both the corporate and medical market segments. Meanwhile, the Blue Pool Road property saw softer demand from both the corporate and retail segments. Average net passing rent for the three serviced apartments rose by 4.5% to HK$32.3 per sq. ft. on gross floor area in the first half of 2018, as compared with HK$30.9 per sq. ft. in the first half of 2017. Gross rental income rose by 5.7% year-on-year to HK$27.7 million in the first half of the 2018, and net rental income increased by 7.1% year-on-year to HK$18.2 million for the first half of 2018.

5. OPERATING INCOME FROM OTHER OPERATIONS

The Group's operating income from other business operations included property management and maintenance income, trading income from our trading and procurement subsidiaries, asset management fee income and dividend or distribution income from securities portfolio or other investments.

In the first half of 2018, operating income from other business operations dropped by 60.8% to HK$53.8 million (1H 2017: HK$137.3 million), the decline was in part due to a high base for comparison, as 2017's interim results included a one-off HK$35.7 million in distribution income for our investment in the China 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 2018, the Group held 49.97% interest in the U.S. Fund and acts as the fund's 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 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. comprised 100 studio, one- and two-bedroom residences. Construction work started in the first quarter of 2016 and by December 2017, substantial completion of construction was achieved. As at the end of June 2018, 78 residential units have been sold. The profitability of this small project would be minimal.

Cavalleri, Malibu
The acquisition of the residential property with 68 rental apartment units in Malibu, California was completed in September 2015. 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. The Fund has successfully repositioned the units to high-end products with renovation works completed by the first quarter of 2018. While the project has been launched to the market, the responses for an en-bloc sale to institutional buyers have not been too keen thus far, given the overall low institutional familiarity with Malibu, as such, there will be more active marketing of the project towards individual buyers. A loss is expected to be incurred for this investment.

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. While 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, as rental rates are still trending up and the Fund anticipates there will be further rental increases going forward. Hence, instead of putting the building on offer, the Fund has decided to retain the property for the time being.

There was an absence of asset management fee income from the U.S. Fund for the first half of 2018 (1H 2017: HK$26.9 million), which reflect a revised incentive structure to improve alignment of interest between the Group, acting as the Fund's asset manager and our long term partner, China Orient Asset Management, as the Fund has entered into its divestment phase. The Group will book incentive management fee and/or disposal fee income, if any, when assets are being disposed of.

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 main superstructure works commenced in July 2017, while topping-out of the buildings is expected to take place in late 2018 and the main superstructure work is scheduled to complete by the end of 2019. Meanwhile, the fitting out contract was awarded in June 2018 and the project is expected to complete in early 2020 with presale of the residential apartments in the second half of 2019 at the earliest. 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 of 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.

Phase I development is expected to complete by the end of 2018. However, there is no immediate plan to start Phase II development until local housing demand is strong enough to minimise development risk. The Group's share of net asset value in the project, including HK$661.5 million invested in the preferred shares of the project with a fixed rate of return, was HK$1,163 million as at 30 June 2018.

During the first half of 2018, 64 apartments were sold at an average selling price of approximately RMB18,000 per sq. m., which was higher than that of the same period of 2017 at approximately RMB16,000 per sq. m. On an accumulated basis, a total of 459 apartments were sold as at the end of June 2018, representing 57% of the total Phase I unit count.

However, as the majority of sales are for apartments at presale stage, revenue was recognised for only 5 apartments completed and handed over to buyers in the first half of 2018. In addition, sales of 83 car parking spaces were recognised with higher margin. Revenue of first half of 2018 rose by 8.0% year-on-year, while after-tax loss for our interest in the project was reduced to HK$4.2 million, compared with a loss of HK$15 million in the first half of 2017. Our share of the loss was included under the share of results of joint ventures in the core profit of the Group for the period.

Japan

Tokyo Hotel Redevelopment Project

In June 2016, the Group acquired a hotel redevelopment site situated in close proximity to the landmark Roppongi Hills Midtown, Tokyo for JPY22.2 billion. Subsequently, the Group made follow up acquisition of four small adjoining parcels of land, which would support the application for an increase in plot ratio for the site. Based on a higher plot ratio, total gross floor area of the expanded site is approximately 379,100 sq. ft.

World renowned architect, Kengo Kuma & Associates has been commissioned to design this 280-key flagship The Langham Hotel. Planning application has been submitted to the local government, while construction is expected to commence in 2020. Total investment cost is currently under review and is expected to exceed the JPY49 billion previously budgeted based on the original development plan.

Artistic rendering only

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 of the guest rooms which has commenced since the first quarter of 2017 has been mostly completed by the end of 2017, whereas the public space and co-working space are being redesigned to accommodate more event space and to better reflect Eaton's standards. As a result of fine-tune on the design, soft opening of the hotel is expected to be in August 2018 with full opening of the hotel by end September 2018.

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.

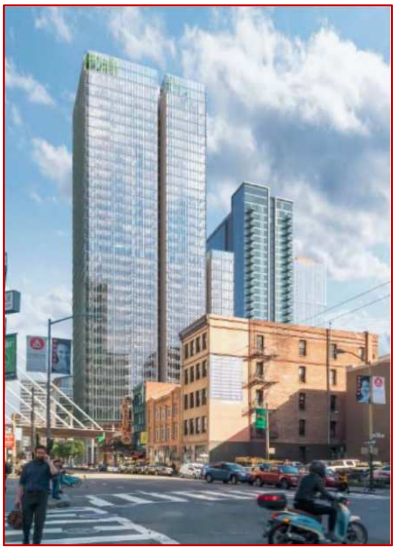
Artistic rendering only

The site has been earmarked for the development of an "Eaton" hotel. After optimizing the design, the property can achieve a gross floor area of approximately 139,000 sq. ft. with 180-key. Updated plans will be submitted to the city's planning department in August 2018 for approval. Construction of the project will start after the development rights for the hotel are approved by the city's planning department and construction documents are completed. The famous AvroKO group has been commissioned as the interior designer for this iconic Eaton Hotel project. Assuming development approval will be granted in 2018, construction would start in 2019 with opening of the hotel targeted in 2021/2022.

San Francisco Hotel Redevelopment Projects, 555 Howard Street

555 Howard Street is a redevelopment project located right across the new Transbay Transit Center, the recently launched US$4.5 billion transportation hub, in the heart of The East Cut San Francisco's new central business district in the South of Market (SOMA) area. 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 world renowned international architecture firm 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 plan was to develop a mixed-use project comprising the luxurious Langham Hotel with approximately 240 rooms and condominiums with 100,000 net sq. ft. for sale, studies are currently being carried out with an attempt to further optimize the efficiency of project.



Artistic rendering only

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 residential component to the project, so as to further enhance the financial attractiveness of the project. We have again brought in world renowned architect, Kengo Kuma & Associates, to design this landmark mixed use development project.

OUTLOOK

Despite the rising interest rates, the Group's businesses have been improving steadily in the first six months of the year. However, as the tension of international trade escalates, it could evolve into a currency war as already evidenced by the 6% depreciation of China's currency against the U.S. dollar in the second quarter of 2018 alone. If depreciation continues at its current rapid pace, compounded by ongoing Fed policies to drain liquidity, these will certainly drag on the global economy and will inevitably impact our businesses. Therefore, we must stay vigilant and be ready to respond to any slowdown in our business.

As for the Hotels Division, growth for EBITDA of the overseas hotels in the second half of the year is expected to continue, although its pace will become slower as there will be a one-off pre-opening charge for the Eaton, Washington D.C. Nonetheless, the increase in EBITDA of the newly opened hotel, the Cordis, Hongqiao, and expected pick up in EBITDA of the renovated hotels will more than offset additional expense incurred in the second half of the year.

For Champion REIT, The high base effect in the second half of 2017 would present a challenging outlook for the second half of this year. Though the base rents of the Mall are expected to remain stable, volatilities in the turnover rents portion could affect the overall rental income. For LHI, earnings of the Eaton HK will still be affected as new facilities are ramped up for operation, which will continue to impact on its distributable income in the second half 2018.

Despite heightened geopolitical risks and potential headwinds in the medium term, the Group has secured a number of development projects in prior years when asset values were at much more accommodating levels, as these projects complete, recurring income from these projects should enhance the Group's future earnings growth. At the same time, with our strong balance sheet, as well as a strong recurring cash flow, these will enable us to comfortably add investments in markets where asset values are suppressed. We will continue to prudently look for opportunities in the uncertain times ahead.

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 2018 was HK$22,105 million, an decrease of HK$201 million compared to that as of 31 December 2017. The decrease in net borrowings was mainly due to cash generated from operations, in particular the property sales in U.S. during the period, offset by additional loans drawn for development project in Hong Kong.

Equity Attributable to Shareholders, based on professional valuation of the Group's investment properties as of 30 June 2018 and the depreciated costs of the Group's hotel properties (including Hong Kong hotel properties held by LHI), amounted to HK$67,562 million, representing an increase of HK$3,093 million compared to the value of HK$64,469 million as of 31 December 2017. 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 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 65.76%, 62.48% 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 2018 was 21.5%. 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 2018	**On Consolidated Basis** *HK$ million*	**On Core Balance Sheet Basis** *HK$ million*
Great Eagle	**996**	**996**
Champion REIT	**13,466**	**-**
LHI	**6,811**	**-**
U.S. Fund	**832**	**-**
Net debts	**22,105**	**996**

Net debts attributable to Shareholders of the Group	**14,522**	**996**
Equity Attributable to Shareholders of the Group	**67,562**	**77,418**
Net Gearing ratio^	**21.5%**	**1.3%**

^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 notes) after consolidating Champion REIT, LHI and the U.S. Fund amounted to HK$31,044 million as of 30 June 2018.

Outstanding gross debts(1)(2)	**Floating rate debts** *HK$ million*	**Fixed rate debts** *HK$ million*	**Utilised Facilities** *HK$ million*
Secured bank loans	**16,720**	**9,199**(3)	**25,919**(4)
Medium Term Notes	**643**	**4,482**(5)	**5,125**
Total	**17,363**	**13,681**	**31,044**
%	**55.9%**	**44.1%**	**100%**

(1) All amounts are stated at face value.

(2) All debt facilities were denominated in Hong Kong Dollars except for (4) and (5) below.

(3) Included floating rate debts which have been swapped to fixed rate debts. As at 30 June 2018, the Group had outstanding interest rate swap contracts with notional amount HK$7,450 million to manage the interest rate exposure. The Group also entered into cross currency swaps with notional amount equivalent to HK$1,749 million in total, to mitigate the exposure to fluctuation in both exchange rate and interest rate of Japanese YEN.

(4) Equivalent to HK$6,432 million was originally denominated in other currencies.

(5) Included a US dollars note of principal amount of US$386.4 million, conversion of which was fixed at an average rate of HK$7.7595 to US$1.00.

LIQUIDITY AND DEBT MATURITY PROFILE

As of 30 June 2018, our cash, bank deposits and undrawn loan facilities amounted to a total of HK$14,324 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 2018:

Within 1 year	18.3%
More than 1 year but not exceeding 2 years	22.8%
More than 2 years but not exceeding 5 years	51.7%
More than 5 years	7.2%

FINANCE COST

The net consolidated finance cost during the period was HK$346 million in which HK$32 million was capitalised to property development projects. Overall interest cover at the reporting date was 5.4 times.

PLEDGE OF ASSETS

At 30 June 2018, properties of the Group with a total carrying value of approximately HK$65,963 million (31 December 2017: HK$64,253 million) were mortgaged or pledged to secure credit facilities granted to its subsidiaries.

COMMITMENTS AND CONTINGENT LIABILITIES

At 30 June 2018, the Group had authorised capital expenditure for investment properties and property, plant and equipment of HK$9,590 million (31 December 2017: HK$8,795 million) which had not yet been provided for in these consolidated financial statements. Out of the amount, HK$169 million (31 December 2017: HK$230 million) had been contracted for.

At 30 June 2018, 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 2017: RMB25.8 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 2018 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 HK33 cents (2017: HK30 cents) per share for the six months ended 30 June 2018 (the “2018 Interim Dividend”), payable on 19 October 2018 to the Shareholders whose names appear on the Registers of Members of the Company on Monday, 8 October 2018.

CLOSURE OF REGISTERS OF MEMBERS

The Registers of Members of the Company will be closed from Tuesday, 2 October 2018 to Monday, 8 October 2018, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the 2018 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, 28 September 2018.

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"). 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 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 2018 Director Development Program provided by the Company.

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.

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 2018.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

During the six months ended 30 June 2018, 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 2018, the total number of issued shares of the Company was 698,354,038. As compared with the position of 31 December 2017, a total of 9,764,000 new shares were issued during the period. These new shares comprise the following:

- During the period, 3,045,000 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$82,913,640.

- On 11 June 2018, a total of 6,719,000 new shares at a price of HK$36.96 per share were issued to the Shareholders who had elected to receive scrip shares under the Scrip Dividend Arrangement in respect of the 2017 final dividend.

PUBLIC FLOAT

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

EMPLOYEES

During the period, there is no material change in the number of employees and staff composition of the Group. Salary levels of employees are competitive and discretionary bonuses are granted based on performance of the Group as well as performance of individual employees. Other employee benefits include educational allowance, insurance, medical scheme and provident fund schemes. Senior employees (including executive directors) are entitled to participate in the Great Eagle Holdings Limited Share Option Scheme.

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, 23 August 2018

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2018

	NOTES	Six months ended 30 June **2018** **HK$'000** **(unaudited)**	 2017 HK$'000 (unaudited)
Revenue	3	**4,967,731**	4,216,642
Cost of goods and services		**(2,930,794)**	(2,312,772)
Operating profit before depreciation		**2,036,937**	1,903,870
Depreciation		**(359,905)**	(298,912)
Operating profit		**1,677,032**	1,604,958
Fair value changes on investment properties		**4,244,070**	4,432,739
Fair value changes on derivative financial instruments		**887**	(114,090)
Fair value changes on financial assets at fair value through profit or loss		**(8,003)**	22,460
Other income		**121,832**	115,293
Administrative and other expenses		**(237,626)**	(215,135)
Finance costs	5	**(384,814)**	(313,222)
Share of results of joint ventures		**(7,297)**	(15,866)
Share of results of associates		**362**	182
Profit before tax	6	**5,406,443**	5,517,319
Income taxes	7	**(246,548)**	(215,666)
Profit for the period, before deducting the amounts attributable to non-controlling unitholders of Champion REIT		**5,159,895**	5,301,653
Profit for the period attributable to:			
Owners of the Company		**3,487,790**	3,685,732
Non-controlling interests		**55,180**	34,025
		3,542,970	3,719,757
Non-controlling unitholders of Champion REIT		**1,616,925**	1,581,896
		5,159,895	5,301,653
Earnings per share:	9		
Basic		**HK$5.01**	HK$5.37
Diluted		**HK$4.99**	HK$5.35

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2018

	Six months ended 30 June	
	2018	2017
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Profit for the period, before deducting the amounts attributable to non-controlling unitholders of Champion REIT	**5,159,895**	5,301,653
Other comprehensive (expense) income:		
Item that will not be reclassified to profit or loss:		
Fair value loss on equity instruments at fair value through other comprehensive income	**(22,763)**	-
Items that may be reclassified subsequently to profit or loss:		
Fair value gain on available-for-sale investments	**-**	94,697
Reclassification adjustment upon disposal of available-for-sale investments	**-**	(1,518)
Exchange differences arising on translation of foreign operations	**(42,911)**	286,566
Share of other comprehensive (expense) income of a joint venture	**(10,981)**	22,179
Share of other comprehensive (expense) income of associates	**(11,874)**	20,780
Cash flow hedges:		
Fair value adjustment on cross currency swaps and interest rate swaps designated as cash flow hedges	**51,173**	(82,168)
Reclassification of fair value adjustments to profit or loss	**(4,325)**	(13,547)
Other comprehensive (expense) income for the period, before deducting amounts attributable to non-controlling unitholders of Champion REIT	**(41,681)**	326,989
Total comprehensive income for the period, before deducting amounts attributable to non-controlling unitholders of Champion REIT	**5,118,214**	5,628,642
Total comprehensive income for the period attributable to:		
Owners of the Company	**3,426,736**	4,040,839
Non-controlling interests	**58,508**	38,848
	3,485,244	4,079,687
Non-controlling unitholders of Champion REIT	**1,632,970**	1,548,955
	5,118,214	5,628,642

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2018

	NOTES	**At 30 June 2018 HK$'000 (unaudited)**	At 31 December 2017 HK$'000 (audited)
Non-current assets			
Investment properties		**88,126,594**	83,999,025
Property, plant and equipment		**19,830,356**	19,716,816
Interests in joint ventures		**1,403,884**	1,411,273
Interests in associates		**142,523**	159,491
Equity instruments at fair value through other comprehensive income		**874,077**	-
Available-for-sale investments		**-**	907,261
Notes and loan receivables		**309,413**	309,247
Derivative financial instruments		**147,737**	64,887
		110,834,584	106,568,000
Current assets			
Stock of properties		**4,519,786**	4,569,586
Inventories		**136,589**	109,627
Debtors, deposits and prepayments	10	**952,407**	1,019,764
Notes and loan receivables		**-**	23,382
Financial assets at fair value through profit or loss		**284,271**	139,261
Derivative financial instruments		**101**	-
Tax recoverable		**1,605**	109,851
Restricted cash		**130,862**	92,917
Time deposits with original maturity over three months		**1,169,816**	1,879,586
Bank balances and cash		**7,638,282**	6,491,562
		14,833,719	14,435,536
Current liabilities			
Creditors, deposits and accruals	11	**3,547,242**	3,730,729
Derivative financial instruments		**-**	236
Provision for taxation		**230,791**	188,219
Distribution payable		**250,302**	250,799
Borrowings due within one year		**5,672,601**	1,656,371
		9,700,936	5,826,354
Net current assets		**5,132,783**	8,609,182
Total assets less current liabilities		**115,967,367**	115,177,182

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2018

	At 30 June 2018 HK$'000 (unaudited)	At 31 December 2017 HK$'000 (audited)
Non-current liabilities		
Derivative financial instruments	**42,952**	20,723
Borrowings due after one year	**20,147,886**	24,353,881
Medium term notes	**5,101,461**	4,612,054
Deferred taxation	**1,397,566**	1,362,093
	26,689,865	30,348,751
NET ASSETS	**89,277,502**	84,828,431
Equity attributable to:		
Owners of the Company		
Share capital	**349,177**	344,295
Share premium and reserves	**67,213,231**	64,124,417
	67,562,408	64,468,712
Non-controlling interests	**(354,473)**	(346,792)
	67,207,935	64,121,920
Net assets attributable to non-controlling unitholders of Champion REIT	**22,069,567**	20,706,511
	89,277,502	84,828,431

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

2. SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for investment properties and certain financial instruments, which are measured at fair values.

Other than changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards ("HKFRSs"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2018 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2017.

Application of new and amendments to HKFRSs

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 January 2018 for the preparation of the Group's condensed consolidated financial statements:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC) - Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 "Financial Instruments" with HKFRS 4 "Insurance Contracts"
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014 - 2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

Impacts and changes in accounting policies on application of HKFRS 15 "Revenue from Contracts with Customers"

Summary of effects arising from initial application of HKFRS 15

Upon the application of HKFRS 15, the Group's contract assets named as retention money receivables have been included in debtors, deposits and prepayments, and the Group's contract liabilities named as customer deposits and other deferred revenue have been included in creditors, deposits and accruals.

2. SIGNIFICANT ACCOUNTING POLICIES - continued

Impacts and changes in accounting policies on application of HKFRS 15 "Revenue from Contracts with Customers" - continued

Summary of effects arising from initial application of HKFRS 15 - continued

The following adjustments were made to the amounts recognised in the condensed consolidated statement of financial position at 1 January 2018. Line items that were not affected by the changes have not been included.

	Carrying amounts previously reported at 31 December 2017	Reclassification	Carrying amounts under HKFRS 15 at 1 January 2018*
	HK$'000	HK$'000	HK$'000
Debtors, deposits and prepayments			
- Retention money receivables	-	17,520	17,520
- Other receivables	220,075	(17,520)	202,555
Creditors, deposits and accruals			
- Customer deposits and other deferred revenue	-	226,483	226,483
- Deposits received	914,974	(196,344)	718,630
- Accruals, interest payable and other payables	2,128,525	(30,139)	2,098,386

* The amounts in this column are before the adjustments from the application of HKFRS 9.

The following table summarises the impacts of applying HKFRS 15 on the Group's condensed consolidated statement of financial position as at 30 June 2018 for each of the line items affected. Line items that were not affected by the changes have not been included.

	As reported	Adjustment	Amounts without application of HKFRS 15
	HK$'000	HK$'000	HK$'000
Debtors, deposits and prepayments			
- Retention money receivables	14,615	(14,615)	-
- Other receivables	185,799	14,615	200,414
Creditors, deposits and accruals			
- Customer deposits and other deferred revenue	269,993	(269,993)	-
- Deposits received	772,949	234,574	1,007,523
- Accruals, interest payable and other payables	2,055,258	35,419	2,090,677

The application of HKFRS 15 has no significant impact on the timing and amounts of revenue recognised in the current interim period and retained profits at 1 January 2018.

2. SIGNIFICANT ACCOUNTING POLICIES – continued

Impacts and changes in accounting policies on application of HKFRS 9 "Financial Instruments"

Summary of effects arising from initial application of HKFRS 9

The table below illustrates the classification and measurement (including impairment) of financial assets under HKFRS 9 and HKAS 39 at the date of initial application, 1 January 2018.

	Available-for-sale investments HK$'000	Equity instruments at fair value through other comprehensive income HK$'000	Investment revaluation reserve HK$'000	Retained profits HK$'000
Closing balance at 31 December 2017 - HKAS 39	907,261	-	217,565	50,143,577
Effect arising from initial application of HKFRS 9:				
Reclassification from available-for-sale investments	(907,261)	907,261	(168,080)	168,080
Opening balance at 1 January 2018	-	907,261	49,485	50,311,657

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

3. REVENUE

Revenue represents the aggregate of income from hotel and restaurant operations, gross rental income, building management service income, income from sale of properties, proceeds from sale of building materials, dividend income from investments and income from other operations (including property management and maintenance income and property agency commission).

	Six months ended 30 June	
	2018	2017
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Hotel income	**2,788,560**	2,532,377
Rental income from investment properties	**1,432,811**	1,308,828
Building management service income	**155,114**	147,635
Sales of properties	**411,807**	-
Sales of goods	**91,647**	85,052
Dividend income	**11,056**	53,487
Others	**76,736**	89,263
	4,967,731	4,216,642

For the six months ended 30 June 2018, revenue from contracts with customers recognised over time amounted to HK$1,998,733,000 which mainly consists of hotel room revenue and building management service income. The revenue recognised at a point in time amounted to HK$1,525,131,000 which mainly consists of income from hotel food and beverage sales, income from sales of properties and sales of goods.

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:

Hotel operation	-	hotel accommodation, food and banquet operations as well as hotel management.
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.
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 income from sale of properties, 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 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 2018

	Hotel operation HK$'000 (unaudited)	Property investment HK$'000 (unaudited)	Property development 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	2,788,560	113,979	-	179,439	3,081,978	1,433,021	41	452,691	-	4,967,731
Inter-segment revenue	32,982	341	-	192,659	225,982	11,754	284,596	-	(522,332)	-
Total	2,821,542	114,320	-	372,098	3,307,960	1,444,775	284,637	452,691	(522,332)	4,967,731

Inter-segment revenue are charged at prevailing market rates or at mutually agreed prices where no market price was available. They are recognised when services are provided.

	Hotel operation HK$'000 (unaudited)	Property investment HK$'000 (unaudited)	Property development 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	357,854	90,142	-	243,901	691,897	1,035,550	271,063	44,766	(6,339)	2,036,937
Depreciation					(264,415)	-	(95,171)	-	(319)	(359,905)
Operating profit after depreciation					427,482	1,035,550	175,892	44,766	(6,658)	1,677,032
Fair value changes on investment properties					220,231	4,033,138	-	(8,299)	(1,000)	4,244,070
Fair value changes on derivative financial instruments					(35,643)	-	36,530	-	-	887
Fair value changes on financial assets at FVTPL					(8,003)	-	-	-	-	(8,003)
Other income					50,153	-	-	1,203	(480)	50,876
Administrative and other expenses					(214,315)	(16,306)	(6,301)	(5,092)	4,388	(237,626)
Net finance costs					(26,466)	(187,034)	(86,325)	(14,033)	-	(313,858)
Share of results of joint ventures					(7,297)	-	-	-	-	(7,297)
Share of results of associates					362	-	-	-	-	362
Profit before tax					406,504	4,865,348	119,796	18,545	(3,750)	5,406,443
Income taxes					(80,573)	(143,021)	(23,021)	-	67	(246,548)
Profit for the period					325,931	4,722,327	96,775	18,545	(3,683)	5,159,895
Less: Profit attributable to non-controlling interests/ non-controlling unitholders of Champion REIT					1,165	(1,616,925)	(36,362)	(19,983)	-	(1,672,105)
Profit attributable to owners of the Company					327,096	3,105,402	60,413	(1,438)	(3,683)	3,487,790

4. SEGMENT INFORMATION - continued

Segment revenue and results - continued

Six months ended 30 June 2017

	Hotel operation HK$'000 (unaudited)	Property investment HK$'000 (unaudited)	Property development 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	2,532,377	113,780	-	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	290,680	-	(535,148)	-
Total	2,565,398	113,780	-	428,210	3,107,388	1,317,684	291,551	35,167	(535,148)	4,216,642

Inter-segment revenue are charged at prevailing market rates or at mutually agreed prices where no market price was available. They are recognised when services are provided.

	Hotel operation	Property investment	Property development	Other operations	Sub-total	Champion REIT	Langham	US Real Estate Fund	Eliminations	Consolidated
RESULTS										
Segment results	297,878	86,435	-	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

5. FINANCE COSTS

	Six months ended 30 June **2018** HK$'000 (unaudited)	2017 HK$'000 (unaudited)
Interest on bank borrowings	**303,329**	241,160
Interest on medium term notes	**80,117**	65,981
Other borrowing costs	**33,569**	37,056
	417,015	344,197
Less: amount capitalised	**(32,201)**	(30,975)
	384,814	313,222

6. PROFIT BEFORE TAX

	Six months ended 30 June	
	2018	2017
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Profit before tax has been arrived at after charging (crediting):		
Staff costs (including Directors' emoluments)	**1,275,417**	1,152,745
Share based payments (including Directors' emoluments)	**14,077**	9,959
	1,289,494	1,162,704
Depreciation	**359,905**	298,912
Recovery of bad debts written off	**(246)**	(446)
Share of tax of a joint venture (included in the share of results of joint ventures)	**468**	413
Share of tax of associates (included in the share of results of associates)	**64**	68
Dividend income from equity investments	**(11,056)**	(53,487)
Bank interest income (included in other income)	**(53,155)**	(30,439)
Interest income received from other financial assets (included in other income)	**(17,801)**	(8,732)
Net gain on disposal of AFS investments (included in other income)	**-**	(1,518)
Loss on disposal of property, plant and equipment (included in administrative and other expenses)	**4,285**	-
Gain on disposal of property, plant and equipment (included in other income)	**-**	(104)
Net exchange gain (included in other income)	**(680)**	(49,348)

7. INCOME TAXES

	Six months ended 30 June	
	2018	2017
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Current tax:		
Current period:		
Hong Kong Profits Tax	**164,276**	159,368
Other jurisdictions	**39,800**	26,221
	204,076	185,589
(Over)underprovision in prior periods:		
Hong Kong Profits Tax	**(98)**	(167)
Other jurisdictions	**2,419**	13,165
	2,321	12,998
	206,397	198,587
Deferred tax:		
Current period	**40,151**	21,324
Underprovision in prior periods	**-**	312
Attributable to change in tax rate	**-**	(4,557)
	40,151	17,079
	246,548	215,666

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	
	2018	2017
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Dividends paid:		
Final dividend of HK48 cents in respect of the financial year ended 31 December 2017 (2017: HK48 cents in respect of the financial year ended 31 December 2016) per ordinary share	**331,748**	326,694
Special final dividend of HK50 cents in respect of the financial year ended 31 December 2017 (2017: HK50 cents in respect of the financial year ended 31 December 2016) per ordinary share	**345,573**	340,309
	677,321	667,003

8. DIVIDENDS – continued

	Six months ended 30 June	
	2018	2017
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Dividends declared after the end of reporting period:		
Interim dividend of HK33 cents in respect of the six months ended 30 June 2018 (2017: HK30 cents in respect of the six months ended 30 June 2017) per ordinary share	**230,457**	206,332
Special interim dividend of HK50 cents in respect of the six months ended 30 June 2017 per ordinary share	**-**	343,887
	230,457	550,219

On 11 June 2018, 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 2017.

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.

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

	Six months ended 30 June	
	2018	2017
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Dividends		
Cash	**83,414**	74,352
Share alternative	**248,334**	252,342
	331,748	326,694

On 23 August 2018, the Directors have determined that an interim dividend of HK33 cents (2017: interim dividend of HK30 cents and a special interim dividend of HK50 cents) per ordinary share will be paid to the shareholders of the Company whose names appear in the Register of Members on 8 October 2018.

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	
	2018	2017
	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)	**3,487,790**	3,685,732

	Six months ended 30 June	
	2018	2017
	(unaudited)	(unaudited)
Number of shares		
Weighted average number of shares for the purpose of basic earnings per share	**696,668,458**	685,947,320
Effect of dilutive potential shares:		
Share options	**1,879,543**	2,654,067
Weighted average number of shares for the purpose of diluted earnings per share	**698,548,001**	688,601,387

10. DEBTORS, DEPOSITS AND PREPAYMENTS

	30 June	31 December
	2018	2017
	HK$'000	HK$'000
	(unaudited)	(audited)
Trade debtors, net of allowance for doubtful debts	**247,866**	247,448
Deferred rent receivables	**181,211**	184,129
Retention money receivables	**14,615**	-
Other receivables	**185,799**	220,075
Deposits and prepayments	**322,916**	368,112
	952,407	1,019,764

For hotel income and 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.

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 2018 HK$'000 (unaudited)	31 December 2017 HK$'000 (audited)
Within 3 months	**230,781**	212,835
More than 3 months but within 6 months	**11,336**	8,425
Over 6 months	**5,749**	26,188
	247,866	247,448

11. CREDITORS, DEPOSITS AND ACCRUALS

	30 June 2018 HK$'000 (unaudited)	31 December 2017 HK$'000 (audited)
Trade creditors	**260,706**	337,435
Deposits received	**772,949**	914,974
Customer deposits and other deferred revenue	**269,993**	-
Construction fee payable and retention money payable	**188,336**	349,795
Accruals, interest payable and other payables	**2,055,258**	2,128,525
	3,547,242	3,730,729

Included in the accruals is accrual of stamp duty based on the current stamp duty rate of 4.25% (31 December 2017: 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 2018 HK$'000 (unaudited)	31 December 2017 HK$'000 (audited)
Within 3 months	**234,360**	314,700
More than 3 months but within 6 months	**13,300**	5,500
Over 6 months	**13,046**	17,235
	260,706	337,435