



# 鷹君集團有限公司 Great Eagle Holdings Limited

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



## Interim Report 2024 中期報告



# CORPORATE PROFILE

The Great Eagle Group is one of Hong Kong's leading property companies. The Group also owns and manages an extensive international hotel portfolio branded under The Langham and its affiliate brands. Headquartered in Hong Kong, the Group develops, invests in and manages high quality residential, office, retail and hotel properties in Asia, North America, Australasia and Europe.

The Group's principal holdings include a 69.73% interest (as at 30 June 2024) in Champion Real Estate Investment Trust ("Champion REIT"), and a 70.71% interest (as at 30 June 2024) in Langham Hospitality Investments and Langham Hospitality Investments Limited ("LHI"). Champion REIT owns a Grade-A commercial office space in Three Garden Road as well as the office tower and shopping mall of Langham Place. Besides, Champion REIT also holds 27% interest in an office property located in 66 Shoe Lane of Central London. As for LHI, it holds three high quality hotels in the heart of Kowloon, including The Langham, Hong Kong, Cordis, Hong Kong and Eaton HK.

The Group's development projects include two luxury residential development projects, as well as shareholding interests in two joint venture development projects in Hong Kong, two development projects in San Francisco, U.S., a development project in Seattle, U.S., and two hotel development projects in Tokyo, Japan and Venice, Italy respectively. The Group is also active in property management and maintenance services as well as building materials trading.

The Group's extensive international hotel portfolio currently comprises of thirty properties with more than 10,000 rooms, including twenty-five luxury hotels branded under The Langham, Langham Place and Cordis brands in Hong Kong, London, New York, Chicago, Boston, Los Angeles, Sydney, Melbourne, Gold Coast, Auckland, Jakarta, Shanghai, Beijing, Shenzhen, Guangzhou, Foshan, Haikou, Ningbo, Xiamen, Hefei, Changsha and Xuzhou; two Eaton hotels in Washington D.C. and Hong Kong; Ying'nFlo in Hong Kong and the Chelsea hotel in Toronto.

The Group was founded by the late Mr. Lo Ying Shek in 1963 with The Great Eagle Company, Limited as its holding company, shares of which were listed on the Hong Kong Stock Exchange in 1972. The Group underwent a re-organisation in 1990 and Great Eagle Holdings Limited, a Bermuda registered company, became the listed holding company of the Group in place of The Great Eagle Company, Limited.

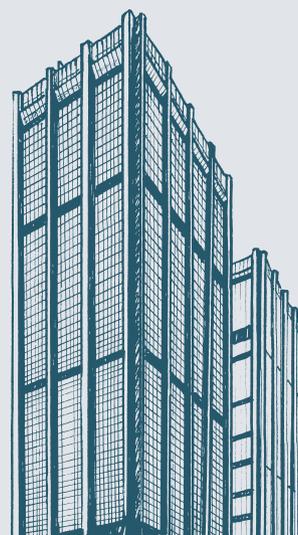
The Group had a core profit after tax of approximately HK\$1,858 million in the financial year 2023 and a net asset value (based on share of net assets of Champion REIT and LHI) of approximately HK\$63.86 billion as of 30 June 2024.

**Corporate Video**



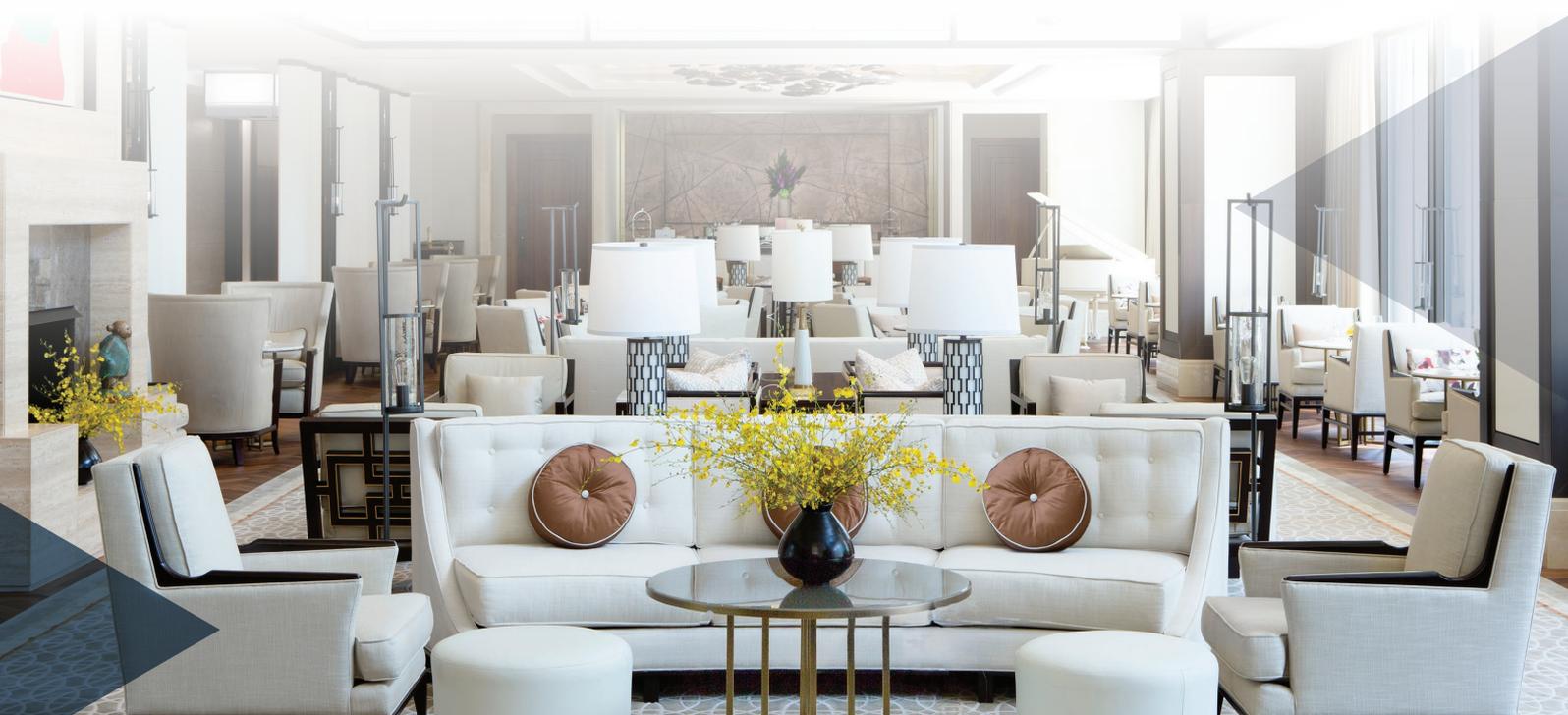
鷹翔萬里 穩建未來  
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[www.GreatEagle.com.hk](http://www.GreatEagle.com.hk)



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# CORPORATE INFORMATION

## DIRECTORS

LO Ka Shui (*Chairman and Managing Director*)

LO TO Lee Kwan<sup>#</sup>

WONG Yue Chim, Richard\*

LEE Pui Ling, Angelina\*

ZHU Qi\*

HO Shut Kan\*

Diana Ferreira CESAR\*

LO Hong Sui, Antony

LAW Wai Duen

LO Hong Sui, Vincent<sup>#</sup>

LO Ying Sui<sup>#</sup>

LO Chun Him, Alexander

KAN Tak Kwong (*General Manager*)

CHU Shik Pui

POON Ka Yeung, Larry

<sup>#</sup> Non-executive Directors

\* Independent Non-executive Directors

## AUDIT COMMITTEE

ZHU Qi (*Chairman*)

WONG Yue Chim, Richard

LEE Pui Ling, Angelina

HO Shut Kan

## REMUNERATION COMMITTEE

LEE Pui Ling, Angelina (*Chairwoman*)

WONG Yue Chim, Richard

ZHU Qi

HO Shut Kan

## NOMINATION COMMITTEE

WONG Yue Chim, Richard (*Chairman*)

LEE Pui Ling, Angelina

ZHU Qi

HO Shut Kan

## FINANCE COMMITTEE

LO Ka Shui (*Chairman*)

KAN Tak Kwong

LO Chun Him, Alexander

CHU Shik Pui

## COMPANY SECRETARY

WONG Mei Ling, Marina

## AUDITOR

Deloitte Touche Tohmatsu

Certified Public Accountants

Registered Public Interest Entity Auditor

## LEGAL ADVISORS

Appleby

Clayton Utz

Clifford Chance

Dentons LLP

Goodmans LLP

Jones Day

Mayer Brown

Morrison & Foerster

Pillsbury Winthrop Shaw Pittman LLP

Reed Smith Richards Butler LLP

Shartsis Friese LLP

## PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited

Citibank, N.A.

DBS Bank (Hong Kong) Limited

Hang Seng Bank Limited

Mizuho Bank, Limited

Oversea-Chinese Banking Corporation, Limited

The Hongkong and Shanghai Banking Corporation Limited

## REGISTERED OFFICE

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

33rd Floor, Great Eagle Centre

23 Harbour Road

Wanchai, Hong Kong

Tel: (852) 2827 3668

Fax: (852) 2827 5799

# INFORMATION FOR INVESTORS

## INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK37 cents per share (2023: HK37 cents per share) for the six months ended 30 June 2024 (the “2024 Interim Dividend”), which will be payable on 15 October 2024 to the Shareholders whose names appear on the Registers of Members of the Company on Thursday, 3 October 2024.

## CLOSURE OF REGISTERS OF MEMBERS

The Registers of Members of the Company will be closed from Thursday, 26 September 2024 to Thursday, 3 October 2024, both days inclusive, during which period no transfer of shares will be registered.

In order to qualify for the 2024 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 for registration not later than 4:30 p.m. on Wednesday, 25 September 2024.

## FINANCIAL CALENDAR

2024 Interim Results Announcement	:	21 August 2024
Ex-dividend Date	:	24 September 2024
Closure of Registers of Members	:	26 September 2024 – 3 October 2024 ( <i>both days inclusive</i> )
Record Date for 2024 Interim Dividend	:	3 October 2024
Payment of 2024 Interim Dividend	:	15 October 2024

## PRINCIPAL SHARE REGISTRAR

MUFG Fund Services (Bermuda) Limited  
4th Floor North, Cedar House  
41 Cedar Avenue  
Hamilton HM 12  
Bermuda

## BRANCH SHARE REGISTRAR IN HONG KONG

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716, 17th Floor, Hopewell Centre  
183 Queen’s Road East  
Wanchai, Hong Kong

## WEBSITE

[www.GreatEagle.com.hk](http://www.GreatEagle.com.hk)

## STOCK CODE

41

*Our Website*



# FINANCIAL HIGHLIGHTS

	Six months ended 30 June		
	2024 HK\$ million	2023 HK\$ million	Change
<b>Key Financials on Income Statement</b>			
<b>Based on core business <sup>1</sup></b>			
Revenue based on core business	<b>3,791.0</b>	3,630.0	4.4%
Core profit after tax attributable to equity holders	<b>735.8</b>	1,109.5	-33.7%
Core profit after tax attributable to equity holders (per share)	<b>HK\$0.98</b>	HK\$1.48	
<b>Based on statutory accounting principles <sup>2</sup></b>			
Revenue based on statutory accounting principles	<b>5,293.5</b>	5,082.4	4.2%
Statutory (loss)/profit attributable to equity holders	<b>(985.9)</b>	478.7	n.m.
Interim dividend (per share)	<b>HK\$0.37</b>	HK\$0.37	

<sup>1</sup> 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, LHI and the U.S. Fund, as well as realised gains and losses on financial assets. The management discussion and analysis focus on the core profit of the Group.

<sup>2</sup> Financial figures prepared under the statutory accounting principles were based on applicable accounting standards, which included fair value changes and consolidated financial figures of Champion REIT, LHI and the U.S. Fund.

	As at the end of	
	June 2024	December 2023
<b>Key Financials on Balance Sheet</b>		
<b>Based on share of Net Assets of Champion REIT, LHI and the U.S. Fund (core balance sheet) <sup>1</sup></b>		
Net gearing	<b>13.5%</b>	13.4%
Book value (per share)	<b>HK\$85.4</b>	HK\$87.4
<b>Based on statutory accounting principles <sup>2</sup></b>		
Net gearing <sup>3, 4, 5</sup>	<b>40.4%</b>	39.5%
Book value (per share) <sup>3, 4</sup>	<b>HK\$73.8</b>	HK\$75.9

<sup>1</sup> The Group's core balance sheet is derived from our share of LHI's net assets. 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 7.

<sup>2</sup> 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 69.73%, 70.71% and 49.97% equity stake in Champion REIT, LHI and the U.S. Fund respectively as at the end of June 2024.

<sup>3</sup> Net gearing based on statutory accounting principles is arrived at by dividing net debts attributable to Shareholders of the Group by equity attributable to Shareholders of the Group based on appraised value of investment properties and depreciated cost of hotel properties.

<sup>4</sup> Since most of the Group's owned hotels were acquired years ago, their market value well exceed their depreciated costs. Should estimated market value instead of depreciated cost be recognized in the consolidated financial statements for these hotels, the net gearing ratio would be reduced from 40.4% to 29.7%, and the relevant book value per share will rise from HK\$73.8 to HK\$100.2.

<sup>5</sup> ONMANTIN has committed sales proceeds of approximately HK\$7.6 billion since presale launch in late April 2024. The Group's net gearing ratio would be further reduced from 29.7% to 23.5% when sales proceeds are available for repayment of project loan.

**2024 Interim Results Presentation**



# MANAGEMENT DISCUSSION AND ANALYSIS

## CORE PROFIT – FINANCIAL FIGURES BASED ON CORE BUSINESS

	Six months ended 30 June		
	2024 HK\$ million	2023 HK\$ million	Change
<b>Revenue from core business</b>			
Revenue from property sales	769.3	586.8	31.1%
Hotels Division	2,322.1	2,250.2	3.2%
Management fee income from Champion REIT	156.8	170.7	-8.1%
Distribution income from Champion REIT ^	341.4	382.0	-10.6%
Distribution income from LHI ^	–	–	–
Gross rental income	84.2	82.4	2.2%
Other operations	117.2	157.9	-25.8%
<b>Total revenue</b>	<b>3,791.0</b>	<b>3,630.0</b>	<b>4.4%</b>
Income from property sales	361.2	545.4	-33.8%
Hotels EBITDA	392.8	422.4	-7.0%
Management fee income from Champion REIT	156.8	170.7	-8.1%
Distribution income from Champion REIT ^	341.4	382.0	-10.6%
Distribution income from LHI ^	–	–	–
Net rental income	54.4	54.8	-0.7%
Operating income from other operations	57.9	65.1	-11.1%
<b>Operating income from core business</b>	<b>1,364.5</b>	<b>1,640.4</b>	<b>-16.8%</b>
Depreciation	(168.7)	(167.6)	0.7%
Administrative, selling and other expenses	(249.6)	(227.5)	9.7%
Other income	70.4	21.2	232.1%
Interest income	86.9	82.4	5.5%
Finance costs	(260.7)	(187.5)	39.0%
Share of results of joint ventures	0.1	94.0	n.m.
Share of results of associates	(10.2)	(4.7)	117.0%
<b>Core profit before tax</b>	<b>832.7</b>	<b>1,250.7</b>	<b>-33.4%</b>
Income taxes	(98.1)	(141.8)	-30.8%
<b>Core profit after tax</b>	<b>734.6</b>	<b>1,108.9</b>	<b>-33.8%</b>
Non-controlling interest	1.2	0.6	100.0%
<b>Core profit attributable to equity holders</b>	<b>735.8</b>	<b>1,109.5</b>	<b>-33.7%</b>

^ 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. By contrast, 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 2024**

	Assets HK\$ million	Liabilities HK\$ million	Net Assets HK\$ million
Great Eagle operations	42,707	17,321	25,386
Champion REIT	43,804	12,180	31,624
LHI	11,255	4,690	6,565
U.S. Fund	462	173	289
	<b>98,228</b>	<b>34,364</b>	<b>63,864</b>

**31 December 2023**

	Assets HK\$ million	Liabilities HK\$ million	Net Assets HK\$ million
Great Eagle operations	42,590	16,458	26,132
Champion REIT	44,630	12,182	32,448
LHI	11,121	4,667	6,454
U.S. Fund	460	172	288
	<b>98,801</b>	<b>33,479</b>	<b>65,322</b>

## FINANCIAL FIGURES BASED ON STATUTORY ACCOUNTING PRINCIPLES

	Six months ended 30 June		
	2024 HK\$ million	2023 HK\$ million	Change
<b>Revenue based on statutory accounting principles</b>			
Revenue from property sales	769.3	586.8	31.1%
Hotels Division	3,094.0	2,970.4	4.2%
Gross rental income	84.2	82.4	2.2%
Other operations (including management fee income from Champion REIT)	274.0	328.5	-16.6%
Gross rental income – Champion REIT	1,252.3	1,299.5	-3.6%
Gross rental income – LHI	229.0	271.5	-15.7%
Gross revenue – U.S. Fund	14.5	19.4	-25.3%
Elimination on intragroup transactions	(423.8)	(476.1)	-11.0%
<b>Consolidated total revenue</b>	<b>5,293.5</b>	<b>5,082.4</b>	<b>4.2%</b>
Income from property sales	361.2	545.4	-33.8%
Hotels EBITDA	392.8	422.4	-7.0%
Net rental income	54.4	54.8	-0.7%
Operating income from other operations (including management fee income from Champion REIT)	214.8	235.8	-8.9%
Net rental income – Champion REIT	838.3	876.3	-4.3%
Net rental income – LHI	181.0	226.4	-20.1%
Net operating income – U.S. Fund	1.6	6.2	-74.2%
Elimination on intragroup transactions	(8.6)	(8.1)	6.2%
<b>Consolidated segment results</b>	<b>2,035.5</b>	<b>2,359.2</b>	<b>-13.7%</b>
Depreciation	(435.6)	(445.7)	-2.3%
Fair value changes on investment properties	(1,739.6)	(421.1)	313.1%
Fair value changes on derivative financial instruments	(180.5)	(138.6)	30.2%
Fair value changes on financial assets at fair value through profit or loss	38.3	10.7	257.9%
Administrative, selling and other expenses	(272.2)	(238.0)	14.4%
Other income (including interest income)	131.2	117.6	11.6%
Finance costs	(751.0)	(579.8)	29.5%
Share of results of joint ventures	15.4	88.1	-82.5%
Share of results of associates	(10.2)	(4.7)	117.0%
<b>Statutory (loss) / profit before tax</b>	<b>(1,168.7)</b>	<b>747.7</b>	<b>n.m.</b>
Income taxes	(174.9)	(251.8)	-30.5%
<b>Statutory (loss) / profit after tax</b>	<b>(1,343.6)</b>	<b>495.9</b>	<b>n.m.</b>
Non-controlling interest	24.5	3.6	n.m.
Non-controlling unitholders of Champion REIT	333.2	(20.8)	n.m.
<b>Statutory (loss) / profit attributable to equity holders</b>	<b>(985.9)</b>	<b>478.7</b>	<b>n.m.</b>

## OVERVIEW

During first half of 2024, the world is still buffeted by wider challenges. The delayed commencement of rate cut cycle in the US heightened the risk of longer period of profit erosion, it deterred market sentiment where businesses remained cautious about their future prospect amid the uncertainties. Despite the resilient performance, the inflationary pressure on labour and other operating costs still clouded the operation of our global hotel portfolio and weighted on its overall profitability.

Amid the mild pick up, the recovery of Hong Kong was still hindered by the prevailing high interest rates, the strong local currency and the softened economy of China as the Sino-US geopolitical tensions persisted. The expansion appetite of corporations including those from Mainland China remained tight and therefore limited the new demand for office. On the other hand, the evident shift in traveller demographics of Hong Kong (where visitors from Mainland China constituting the majority) and their new travelling behaviours have exerted pressures on hotel demand and related spendings. In addition, the headwinds for retails remained as consumer behaviours among locals changed where they have shown a growing preference for food and beverage (“F&B”) and other lifestyle experiences out of town in Shenzhen or other parts of Greater Bay Area. Fortunately, the arrival of quality migrants and their families through various immigration schemes became the new stimulator to our economy, and their accommodation needs formed crucial support to the local residential market. The removal of austerity measures on punitive stamp duties in late February and speculation of rate cuts ignited the positive sentiment of the market where surges in transaction volume (for both first and second-handed residential properties) have been recorded for the month of March through May. Nevertheless, such buying momentum began to lose steam since June as more prospective purchasers inclined to stay on the sideline until the market signal became clearer.

During the reporting period, the Group has successfully launched the presale of the ONMANTIN project. In addition, the two joint venture projects at Kai Tak and Ma Tau Chung areas were in good progress. On the hospitality side, construction of the new Langham Hotel in Venice and the phased refurbishment of Chelsea Hotel, Toronto continued, whilst the re-entitlement of the Chelsea Hotel site into a mixed-use condo-hotel development was in progress. We also continued to explore the joint venture options with a potential investor who has solid local development experience for our Tokyo hotel redevelopment project. The Group was devoted to expanding the midscale brand, Ying’nFlo and the first few outlets in Mainland China is expected to launch in 2025.

The Group’s core profit attributable to equity holders for 1H 2024 was HK\$735.8 million, representing a 33.7% reduction compared to that of last year (1H 2023: HK\$1,109.5 million). Meanwhile, the Group’s statutory results, which included revaluation deficit and fair value change on financial assets, reported a loss attributable to equity holders of HK\$985.9 million (1H 2023: reported profit of HK\$478.7 million). The Management’s discussion and analysis below focuses on the core profit of the Group.

Our operating income from core business dropped 16.8% to HK\$1,364.5 million (1H 2023: 1,640.4 million). This is largely due to the decline in profit recorded with the sales of ONTOLO given the absence of the one-off cost saving HK\$276.9 million in the corresponding period of last year, despite its improved sales revenue. Also, even though the Hotels Division demonstrated a resilient performance, nevertheless, the inflation pressure on payroll and operating expenses still prevailed and impeded the earnings before interest, taxes, depreciation and amortisation (“EBITDA”) where it has recorded a decline of 7.0% to HK\$392.8 million (1H 2023: HK\$422.4 million).

## MANAGEMENT DISCUSSION AND ANALYSIS

The performance of our hotels in Hong Kong was on recovery where improvement in revenue from both rooms and F&B has been witnessed. Nevertheless, the overall profitability of LHI was impacted by the rising operating expenses and borrowing costs. LHI did not declare any interim distribution for 1H 2024 (1H 2023: nil).

The office rental market of Hong Kong remained lacklustre amid the increasing vacancy and inventory level. This continued to exert pressures on rentals of Three Garden Road and Langham Place Office Tower and impacted the overall profitability of Champion REIT, despite the stable performance of Langham Place Mall. Distribution income from Champion REIT dropped by 10.6% to HK\$341.4 million (1H 2023: HK\$382.0 million), whilst an 8.1% decline to HK\$156.8 million was recorded for the management fee income during 1H 2024 (1H 2023: HK\$170.7 million).

The net rental income from our investment portfolio, mainly Great Eagle Centre and serviced apartments decreased slightly by 0.7% to HK\$54.4 million (1H 2023: HK\$54.8 million). This was mainly attributed to the lowered occupancy and passing rental recorded for the office portion of Great Eagle Centre.

The Group's other business operations recorded a net income of HK\$57.9 million (1H 2023: HK\$65.1 million) which comprised dividends income from investment in listed shares, property management income and results of other business operations.

The administrative, selling and other expenses have increased by 9.7% to HK\$249.6 million (1H 2023: HK\$227.5 million) for 1H 2024 and this was largely attributed to the rise in staff cost resulted from vacancy fill-up and general salary increment, as well as the increased selling expenses for the presale of ONMANTIN project during the reporting period.

The finance costs of the Group rose 39.0% to HK\$260.7 million (1H 2023: HK\$187.5 million) which was mainly due to the higher average interest rates and more bank loans utilised comparing to the same period last year. On the other hand, the interest income recorded a growth at 5.5% to HK\$86.9 million (1H 2023: HK\$82.4 million) which partially mitigated the impact of the escalated borrowing costs. Share of results from associates recorded a loss of HK\$10.2 million (1H 2023: loss of HK\$4.7 million) mainly attributed to the Group's share of operating loss during the reporting period incurred by Imperial Enterprises Holdings Limited ("IEH") which revenue would generally come in during the third quarter from production and sale of mooncakes.

## BUSINESS REVIEW

Breakdown of Operating Income	Six months ended 30 June		
	2024 HK\$ million	2023 HK\$ million	Change
1. Income from property sales	361.2	545.4	-33.8%
2. Hotels EBITDA	392.8	422.4	-7.0%
3. Income from Champion REIT	498.2	552.7	-9.9%
4. Distribution income from LHI	–	–	–
5. Net rental income from investment properties	54.4	54.8	-0.7%
6. Operating income from other operations	57.9	65.1	-11.1%
<b>Operating income from core business</b>	<b>1,364.5</b>	<b>1,640.4</b>	<b>-16.8%</b>

### 1. PROPERTY SALES



#### ONTOLO, Pak Shek Kok

The site, which is located in Pak Shek Kok, Tai Po and commands spectacularly unobstructed sea views over Tolo Harbour was acquired in May 2014. The development, with a total permissible gross floor area ("GFA") of 730,870 sq. ft. or saleable area of 635,612 sq. ft., comprising 723 luxury residential units and 456 car parking spaces, was completed in Q4, 2020.

The average sales price of residential units for 1H 2024 was HK\$20,292 per sq. ft. based on saleable area, while the average sales price for the sold car parking spaces was HK\$2.33 million per unit.

During the reporting period, 25 residential units, 17 car parking spaces and one motorcycle space were delivered, resulting in the booking of relevant revenue of HK\$769.3 million and gross profit of HK\$361.2 million. By the end of Q2, 2024, accumulated sales reached 697 residential units, which represented 96.4% of the total 723 residential units (or 91.6% of total saleable area). Among such, 650 units had been delivered to buyers.

## 2. HOTELS DIVISION



### Hotels Performance

	Average Daily Rooms Available		Occupancy		Average Room Rate (local currency)		RevPAR (local currency)	
	1H 2024	1H 2023	1H 2024	1H 2023	1H 2024	1H 2023	1H 2024	1H 2023
<b>Europe</b>								
The Langham, London	380	380	75.7%	69.8%	490	495	371	345
<b>North America</b>								
The Langham, Boston	312	312	68.1%	57.8%	461	447	314	259
The Langham Huntington, Pasadena	379	379	58.2%	68.0%	330	337	192	230
The Langham, Chicago	316	316	67.1%	60.4%	466	485	313	293
The Langham, New York, Fifth Avenue	234	234	74.8%	75.2%	719	678	537	510
Eaton, Washington D.C.	209	209	71.5%	71.6%	280	288	200	206
Chelsea Hotel, Toronto	1,590	1,590	60.7%	64.5%	206	203	125	131
<b>Australia / New Zealand</b>								
The Langham, Melbourne	388	388	73.4%	69.6%	339	360	249	250
The Langham, Sydney	96	96	73.6%	71.8%	531	565	391	406
Cordis, Auckland	640	640	71.1%	66.4%	237	262	169	174
<b>Mainland China</b>								
The Langham, Shanghai, Xintiandi	356	356	83.1%	83.0%	1,429	1,311	1,188	1,088
Cordis, Shanghai, Hongqiao	390	392	76.9%	74.4%	850	844	653	627

	Six months ended 30 June		
	2024 HK\$ million	2023 HK\$ million	Change
<b>Hotels revenue</b>			
Europe	359.0	321.2	11.8%
North America	1,266.1	1,230.7	2.9%
Australia / New Zealand	365.6	402.8	-9.2%
Mainland China	204.4	204.6	-0.1%
Others <sup>^ #</sup>	127.0	90.9	39.7%
<b>Total hotels revenue</b>	<b>2,322.1</b>	2,250.2	3.2%
<b>Hotels EBITDA</b>			
Europe	90.8	86.9	4.5%
North America	151.1	203.7	-25.8%
Australia / New Zealand	24.4	48.4	-49.6%
Mainland China	54.0	64.1	-15.8%
Others <sup>^ #</sup>	72.5	19.3	275.6%
<b>Total hotels EBITDA</b>	<b>392.8</b>	422.4	-7.0%

<sup>^</sup> Including hotel management fee income, master lessee surplus or shortfall and income from Ying'nFlo, Wesley Admiralty.

<sup>#</sup> Ying'nFlo, Wesley Admiralty commenced operation in Q3 2023.

During the reporting period, most of our hotels in Europe and US demonstrated a resilient performance despite seasonal fluctuation. Nevertheless, hotels in the Pacific region were still on the path of recovery as air capacity has yet been fully resumed. On the other hand, domestic demand supported the businesses for hotels in the Greater China region, however, its overall performance was still under pressure amid the softened economy.

The total revenue for the Hotels Division recorded a year-on-year growth of 3.2% to HK\$2,322.1 million (1H 2023: HK\$2,250.2 million).

Results of the Hotels Division also included hotel management fee income from managed hotels, as well as any surplus or shortfall incurred by the Group as the master lessee of LHI's hotels, which are included under the row "Others" in the above Hotels EBITDA table.

Overall, the Hotels Division reported a 7.0% decline in EBITDA to HK\$392.8 million for 1H 2024 (1H 2023: HK\$422.4 million).

## EUROPE

### **The Langham, London**

Steady performance was supported by good market demand with international travellers visiting the city. The trend of Middle Eastern guests staying in key signature suites in summer was observed and it shall have a significant contribution to the revenue stream.

The F&B business was supported by restaurants and catering segments seeing improved patron traffic.

## NORTH AMERICA

### **The Langham, Boston, The Langham, Chicago, The Langham, New York, Fifth Avenue, The Langham Huntington, Pasadena and Eaton, Washington D.C.**

The US region had seen improvement in rooms performance compared to corresponding period last year from diverse mix of leisure, business travel and group segments. Business in New York and Chicago had been driven by business demand and an increase in citywide and convention events. The performance of Pasadena was less favourable due to the slowdown in group business and softer market.

### **Chelsea Hotel, Toronto**

The hotel had experienced softer rooms performance impacted by the slower pickup in leisure business. The lack of large citywide conference events affected business and group demand segments.

Meanwhile, renovation of the remaining guestrooms (located in the North Tower) in phases, communal areas (ballrooms and meeting rooms) and the fixing of certain essential building services installations continued.

## AUSTRALIA / NEW ZEALAND

### **The Langham, Melbourne and The Langham, Sydney**

Both hotels were impacted by the challenging market conditions exerting pressure on rates, with rooms revenue primarily driven by occupancies. The reduction in groups base had also affected F&B performance for both hotels.

### **Cordis, Auckland**

Amidst weak economic conditions, the rooms revenue was impacted by the slowdown in corporate and conference segments.

F&B business was supported by the all-day dining restaurant and catering segment from meetings and conference events.

## MAINLAND CHINA

### **The Langham, Shanghai, Xintiandi and Cordis, Shanghai, Hongqiao**

Our Shanghai hotels businesses continued to recover gradually. Despite the number of exhibitions maintained at similar levels to last year, attendance was lower than expected. As such, our hotels have adopted a flexible strategy on rates to capture more occupancy. F&B business also demonstrated a slowing sign, although The Langham, Xintiandi had seen an uptick in the number of meetings and events being held.

## HOTEL MANAGEMENT BUSINESS

As of end June 2024, there were 13 third-party hotels under management with approximately 3,900 rooms.

### 3. INCOME FROM CHAMPION REIT



The Group's core profit was 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 1H 2024 dropped by 9.9% to HK\$498.2 million. Of which, distribution income decreased by 10.6% year-on-year to HK\$341.4 million, as Champion REIT declared a 12.7% decline in

distribution per unit while our holdings in Champion REIT increased from 68.78% as at the end of June 2023 to 69.73% as at the end of June 2024. The overall management fee income from Champion REIT decreased by 8.1% to HK\$156.8 million in 1H 2024.

	Six months ended 30 June		
	2024 HK\$ million	2023 HK\$ million	Change
Attributable distribution income	341.4	382.0	-10.6%
Management fee income	156.8	170.7	-8.1%
<b>Total income from Champion REIT</b>	<b>498.2</b>	552.7	-9.9%

The following text was extracted from the 2024 interim results announcement of Champion REIT relating to the performance of the REIT's properties.

#### Three Garden Road

The overall leasing momentum in the Central Grade A office market remained subdued in the first half of 2024. Occupiers continued to take a cost-conscious approach amid uncertain economic outlook.

Occupancy of Three Garden Road remained resilient despite the abundant supply in the market. We observed more enquiries from asset management firms and family offices and managed to secure some new small-sized tenants during the reporting period. Occupancy stood at 82.3% as at 30 June 2024 (31 December 2023: 82.8%).

The competitive landscape of the existing demand and supply environment continued to impact the market rental of Central office and the property in the reporting period. Negative rental reversion of the property continued in the first half of the year, with passing rent lowered to HK\$89.5 per sq. ft. (based on lettable area) as at 30 June 2024 (31 December 2023: HK\$91.7 per sq. ft.). As a result, rental income of the property decreased by 9.0% to HK\$571 million (2023: HK\$627 million).

Net property operating expenses decreased by 10.7% to HK\$64 million (2023: HK\$72 million) mainly due to lower rental commission and lower legal cost and stamp duty. Net property income decreased by 8.8% to HK\$507 million (2023: HK\$555 million).

### Langham Place Office Tower

As the recovery of mainland medical beauty tourism after the pandemic was slower than expected, some beauty and medical tenants scaled down their operations in Langham Place Office Tower. Occupancy dropped to 87.1% as at 30 June 2024 (31 December 2023: 93.3%). Nonetheless, the property continues to be a lifestyle and wellness hub with lifestyle tenants occupying 69% of the area as at 30 June 2024.

We continued to observe demand from the healthcare and beauty segments albeit at a sluggish pace. Market rental of the property softened and passing rent decreased to HK\$44.2 per sq. ft. (based on gross floor area) as at 30 June 2024 (31 December 2023: HK\$45.9 per sq. ft.). Rental income decreased by 4.5% to HK\$166 million (2023: HK\$174 million).

Net operating expenses remained steady at HK\$21 million (2023: HK\$21 million). The lower average occupancy caused an increase in net building management expenses but was offset by lower rental commission due to decreased leasing activities. Net property income fell by 4.9% to HK\$145 million (2023: HK\$153 million).

### Langham Place Mall

Langham Place Mall continued to outperform the overall Hong Kong retail market in the reporting period. While Hong Kong retail sales declined by 6.6% in the first half of the year, tenants' sales of the mall increased by 2.3%. The beauty segment continued to be the growth driver. Given the net outflow of local travellers, the retail sales growth trend of the mall started to dwindle in the second quarter.

Occupancy of the mall returned to full occupancy as at 30 June 2024 (31 December 2023: 98.6%). Rental income improved to HK\$378 million (2023: HK\$366 million). The base rent portion increased to HK\$242 million (2023: HK\$224 million) while the turnover rent portion amounted to HK\$107 million (2023: HK\$114 million). The proportion of base rent increased as more tenants solely paying turnover rent resumed to paying a base rent portion compared to the same period last year. Passing rent of the mall rose to HK\$187.2 per sq. ft. (based on lettable area) (31 December 2023: HK\$185.3 per sq. ft.).

Net property expenses dropped by 5.4% to HK\$75 million (2023: HK\$79 million) which was mainly driven by lower net building management expenses, lower promotion expenses and lower rental commission. Net property income increased by 5.4% to HK\$302 million (2023: HK\$287 million).

#### 4. DISTRIBUTION INCOME FROM LHI



Under statutory accounting principles, 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 reported core profit is based on the attributable distribution income. We believe this will better reflect the financial return and economic interest attributable to our investment in LHI. This treatment is also consistent with our practice in accounting for returns

from our investment in Champion REIT, which also focuses on distributions. LHI did not declare any interim distribution for the first half of 2024.

Performances of the Hong Kong hotels below were extracted from the 2024 interim results announcement of LHI relating to the performance of the trust group's properties.

	Average Daily Rooms Available		Occupancy		Average Room Rate (in HK\$)		RevPAR (in HK\$)	
	1H 2024	1H 2023	1H 2024	1H 2023	1H 2024	1H 2023	1H 2024	1H 2023
The Langham, Hong Kong	498	498	87.7%	84.5%	1,947	2,044	1,707	1,727
Cordis, Hong Kong	667	667	92.3%	88.4%	1,596	1,468	1,473	1,297
Eaton HK	465	465	88.5%	86.0%	1,093	963	967	828

### **The Langham, Hong Kong**

The hotel experienced an uptick in room business in January and February, with total revenue increasing 30% year-over-year, attributed to the strong influx of Mainland China tourists wanting luxury hotel accommodation in the Tsim Sha Tsui district, coupled with certain travel restrictions still in effect for the same period last year. However, demand softened from March. When more luxury hotels in the vicinity opted to reduce rates to maintain their occupancy, The Langham, Hong Kong reduced average room rates for the purpose of staying competitive.

The hotel increased its occupancy by 3.2 percentage points to 87.7% in the first half of 2024, while the average room rate decreased by 4.7% to HK\$1,947 per night year-over-year in the first half of 2024. Despite this reduction, the hotel managed to maintain a relatively stable RevPAR, with only a slight decline of 1.2% to HK\$1,707 per night.

The F&B revenue has shown a modest growth of 0.8% in the first half of 2024, despite facing challenges from the emerging trend of locals dining in the Greater Bay Area cities outside Hong Kong. This resilience is attributed to the quality offering at The Langham, Hong Kong and effective promotional strategies.

In the first half of 2024, total revenue flattened with 2023 with a minimal decrease of 0.1%.

### **Cordis, Hong Kong**

The hotel witnessed good performance in both accommodation and F&B businesses in the first quarter this year, with growth over 50% in RevPAR and nearly 30% increase in F&B revenue. However, the hotel faced challenges in the second quarter due to the shift in traveller demographics and

new consumer behaviours, alongside a growing preference among locals to explore the Greater Bay Area cities outside Hong Kong for food and beverage alternatives.

In summary occupancy rose by 3.9 percentage points to 92.3%, while RevPAR showed an increase of 13.6% year-on-year in the first half of 2024 to HK\$1,473 per night.

The 14.0% increase in F&B revenue in the first half of 2024 year-on-year, driven largely by the banquet business, reflects steady demand for meetings and wedding events.

Overall, total revenue increased 13.9% year-on-year in the first half of 2024.

### **Eaton HK**

The hotel saw a surge in accommodation business, with RevPAR recording a significant 52.5% year-on-year growth in the first quarter of 2024. However, this momentum slowed in the second quarter. Despite this deceleration, the hotel remained agile in rate management and targeted promotional campaigns. This approach has culminated in 2.5 percentage points increase in occupancy, reaching 88.5%, and a 16.8% rise in RevPAR, achieving HK\$967 per night.

With the efforts to promote the various outlets of the hotel, F&B revenue maintained a similar level as the same period last year. Banquet business and Yat Tung Heen, a Michelin-starred Chinese restaurant, saw an uptick in business. However, this trend was balanced by a slowing in business at The Astor and Terrible Baby, leading to an overall flattening of F&B revenue with an increase of 0.4%.

The hotel's overall revenue increased by 7.2% in the first half of 2024 compared to the prior year.

## 5. RENTAL INCOME FROM INVESTMENT PROPERTIES



	Six months ended 30 June		
	2024 HK\$ million	2023 HK\$ million	Change
<b>Gross rental income</b>			
Great Eagle Centre	36.9	37.5	-1.6%
Serviced Apartments	27.9	25.4	9.8%
Others	19.4	19.5	-0.5%
	<b>84.2</b>	82.4	2.2%
<b>Net rental income</b>			
Great Eagle Centre	30.9	31.4	-1.6%
Serviced Apartments	15.8	15.1	4.6%
Others	7.7	8.3	-7.2%
	<b>54.4</b>	54.8	-0.7%

### Great Eagle Centre

	As at the end of		
	June 2024	June 2023	Change
<b>Office (on lettable area)*</b>			
Occupancy	63.4%	65.0%	-1.6ppt
Average passing rent	HK\$50.6	HK\$54.2	-6.6%
<b>Retail (on lettable area)*</b>			
Occupancy	92.6%	62.9%	29.7ppt
Average passing rent	HK\$95.5	HK\$83.8	14.0%

\* Lettable area excludes in-house occupied space. Should these areas be counted, the office and retail occupation would report at 75.8% and 97.3% respectively.

## MANAGEMENT DISCUSSION AND ANALYSIS

The rental of Great Eagle Centre remained soft amid the weakened occupier demand in general and increasing new office supply in the market. Occupancy of office portion decreased 1.6% to 63.4%, whilst its average passing rents recorded a drop by 6.6% to HK\$50.6 per sq. ft. as of end June 2024. The Group's overall gross rental income for

Great Eagle Centre fell slightly by 1.6% year-on-year to HK\$36.9 million in the first half period (1H 2023: HK\$37.5 million), whilst net rental income dropped 1.6% to HK\$30.9 million (1H 2023: HK\$31.4 million).

### Serviced Apartments

	Six months ended 30 June		
	2024	2023	Change
<b>(on gross floor area)</b>			
Occupancy	<b>80.7%</b>	73.0%	7.7ppt
Average net passing rent	<b>HK\$27.4</b>	HK\$29.7	-7.7%

The Group's overall rental income from serviced apartments located at Blue Pool Road, Village Road and Wan Chai Gap Road recorded a 9.8% growth to HK\$27.9 million (1H 2023: HK\$25.4 million). Blue Pool Road saw a gradual recovery in leisure and relocation segments, with Village Road benefiting from maternity and leisure business as the borders reopened. Wan Chai Gap Road recorded good performance due to China leisure business returning to the local market.

The occupancy of the portfolio rose 7.7% to 80.7% for 1H 2024 (1H 2023: 73.0%). The average net passing rent for the serviced apartments reduced by 7.7% to HK\$27.4 per sq. ft. on GFA during the reporting period, as compared to HK\$29.7 per sq. ft. in 1H 2023 and this was largely attributed to the escalated operating expenses.

## 6. OPERATING INCOME FROM OTHER OPERATIONS

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

For 1H 2024, operating income from other business segments dropped 11.1% to HK\$57.9 million (1H 2023: HK\$65.1 million).

### DEVELOPMENT PROJECTS



#### Hong Kong and Mainland China

##### ONMANTIN, Ho Man Tin Residential Development Project

This project comprises a GFA of approximately 742,000 sq. ft., or a saleable area of 664,000 sq. ft., for the development of 990 apartments above Ho Man Tin MTR station under a Development Agreement with MTR Corporation Limited. Occupation Permit was scheduled to be obtained in Q4 2024. Façade and fitting out works were in progress as of end June 2024. The project is expected to be completed and be ready for handover in Q2 2025.

Presale has been launched since late April and market responded positively where the accumulated sales had reached over half of our total units, with

sales proceeds amounted to approximately HK\$7.6 billion as of end June 2024.

As the sales of units will be recognised only upon handover to buyers, the sales and profits on the presale of these units had not been booked in our income statements for the reporting period.

##### NKIL 6590 at Kai Tak, Kowloon Joint Venture Development Project

This is a joint venture project of which we have partnered with Sino Land Company Limited ("Sino Land"), China Overseas Land and Investment Limited and Chinese Estates Holdings Limited. Our Group holds a 20% share and Sino Land is the project manager. The total land premium was HK\$5,350 million (about \$5,392 per sq. ft. based on permissible total GFA).

The site has an area of 145,302 sq. ft. and consists of two parcels, notably the eastern and western portion. It is situated within the Kai Tak area with direct access to Sung Wong Toi MTR station via the future underground shopping street. It is planned for a development comprising the majority of residential units, retail podium, underground shopping street, basement carpark and government accommodation with a total GFA of approximately 992,270 sq. ft. (excluding government accommodation).

During 1H 2024, site investigation works were completed within the site, whilst hoarding works were in progress. Town planning application for the development of the eastern parcel, and general building plans (“GBPs”) for the western parcel had been submitted respectively. Foundation works of both parcels were in progress as well.

Occupation Permits for both parcels are expected to obtain in 1H 2029.

### **KIL 11290, Shing Tak Street / Ma Tau Chung Road, Kowloon City Joint Venture Development Project**

This is a joint venture project of which we have partnered with Sino Land and China Merchants Land Limited under a development contract with Urban Renewal Authority. Our Group holds a 15% share and Sino Land is the project manager. The total land premium was HK\$1,934 million (about \$4,661 per sq. ft. based on permissible total GFA).

The site is situated at Shing Tak Street / Ma Tau Chung Road in Kowloon City with an area of 46,102 sq. ft. and is planned to develop approximately 640 residential units with a total maximum GFA of around 414,920 sq. ft.

Site possession was obtained in April 2024 and ground investigation works were completed. The first GBPs had been submitted.

The issuance of Occupation Permit is expected in Q4 2028.

### **Dalian Mixed-use Development Project**

The Dalian project was sold to a third party in July 2019. Nevertheless, after paying a majority portion at the outset, buyer failed to meet the latter stage payment obligations due to its own financial issue. Full credit loss provision for the outstanding balances had been made in prior years. Appropriate legal actions including arbitration proceedings and preservation measures had been taken for recovery. In 2023, the Dalian court enforced the arbitration awards and released the preserved cash of RMB188.7 million to our joint venture company.

Recovery and enforcement effort has been continuing to recoup the remaining balance.

## **Japan**

### **Tokyo Hotel Redevelopment Project**

The Group acquired a hotel redevelopment site situated in close proximity to the landmark Roppongi Hills Midtown, Tokyo and subsequently made follow up acquisition of surrounding small adjoining parcels of land to support the application for an increase in plot ratio of the site. Based on a higher plot ratio, total GFA of the expanded site is approximately 380,000 sq. ft.

World renowned architect, Kengo Kuma & Associates had been commissioned to design this 270-key flagship hotel. Planning application was submitted to the local government, and a general contractor was previously appointed to conduct project feasibility and further value engineering works. Nevertheless, construction cost remained high despite the continued efforts on value re-engineering.

In view of such, the Group has been exploring further development options including but not limited to schemes with mix of hotel and luxury condominiums. Alternative investment strategy is also being considered including but not limited to partnering with a potential investor with local development experience.

## United States

### San Francisco Hotel Redevelopment Project, 555 Howard Street

The entitlement of the project has been approved for a three-year extension in June 2024.

The project is still under review for the profitability due to uncertain market conditions and the severe escalation of construction costs in San Francisco. The project has been put on hold and plans for alternative exit strategies are also being considered.

### San Francisco Hotel Development Project, 1125 Market Street

The project is on hold due to the uncertain market conditions and the severe escalation of construction costs in San Francisco. Plans for alternative exit strategies are being explored and considered.

### Seattle Development Project, 1931 Second Avenue

The Group previously acquired a site in downtown Seattle for US\$18 million which is located at one of the highest points of downtown Seattle and near the famous Pike Place market. Entitlement process for this 553,000 sq. ft. mixed-use hotel condominium project continued and the approval by the Landmarks Preservation Board, being the last item under the process, was obtained in June 2024. The Master Use Permit is anticipated to be formally issued in 2H 2024, thereby completing the entitlement process.

Building Permit Application was submitted in June 2023 for code vestiture and is in progress.

Because of the escalating development costs and uncertain market, alternative development schemes are being explored and considered.

## Canada

### Chelsea Hotel Redevelopment

In view of the strong condominium demand in Toronto and the desirable market sales price, the Group has recognized the possible market potential and continued to fine-tune the plan to redevelop the Chelsea Hotel site into a mixed-use project comprising condominium and hotel components, with a total planned GFA of approximately 1.7 million sq. ft.

Meanwhile, notwithstanding the abovementioned redevelopment plan for the longer term, the hotel has been undergoing appropriate renovation works and continuing its lucrative operation.

## Europe

### Venice Hotel Development Project, Island of Murano

The Group acquired a site on the island of Murano in Venice. The project is a combination of restoration of historic structures and new build construction that will consist of 133 keys with a total construction floor area of approximately 170,000 sq. ft. World-renowned Matteo Thun is the architect of the hotel.

Building Permit approval was granted in late April 2022. Shell & Core works had been commenced in Q2 2024. To mitigate the effect of escalating construction costs, joint value re-engineering with the designer and internal teams has been carried out.

It is believed that upon completion this hotel will help to promote the Group's prestigious Langham brand in continental Europe.

## FINANCIAL REVIEW

### DEBT

Based on statutory reporting principles and after consolidating the results of Champion REIT, LHI and the U.S. Fund, the consolidated net debts of the Group as of 30 June 2024 was HK\$28,128 million, a decrease of HK\$283 million compared to that of HK\$28,411 million as of 31 December 2023. The decrease in net borrowings was mainly due to continuous positive cashflow from operations during the period.

Equity Attributable to Shareholders, based on a professional valuation of the Group's investment properties as of 30 June 2024 and the depreciated costs of the Group's hotel properties (including Hong Kong hotel properties held by LHI), amounted to HK\$55,168 million, representing a decrease of HK\$1,611 million compared to the value of HK\$56,779 million as of 31 December 2023. The decrease was mainly attributable to the valuation loss of investment properties and financial instruments.

Under statutory accounting principles, the entire debts of Champion REIT, LHI and the U.S. Fund were consolidated in aggregate. Based on the consolidated net debts attributable to the Group (i.e. only 69.73%, 70.71% and 49.97% of the net debts of Champion REIT, LHI and the U.S. Fund respectively) and equity attributable to shareholders, the gearing ratio of the Group as at 30 June 2024 was 40.4% (31 December 2023: 39.5%). Since the debts of these three subsidiary groups had no recourse to the Group, we considered it was 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.

<b>Net debts at 30 June 2024</b>	<b>On consolidated basis HK\$ million</b>	<b>On core balance sheet basis HK\$ million</b>
Great Eagle	8,643	8,643
Champion REIT	13,493	–
LHI	5,891	–
U.S. Fund	101	–
Net debts	28,128	8,643
<b>Net debts attributable to Shareholders of the Group</b>	<b>22,268</b>	<b>8,643</b>
<b>Equity attributable to Shareholders of the Group</b>	<b>55,168</b>	<b>63,864</b>
<b>Net gearing ratio<sup>^</sup></b>	<b>40.4%</b>	<b>13.5%</b>

<sup>^</sup> Net debts attributable to Shareholders of the Group / Equity attributable to Shareholders of the Group

Net gearing ratio only took into account cash or cash equivalents. In order to enhance return to shareholders, the Group has been prudently investing in quality short-term bonds that are intended to be held to maturity, principal protected notes with reputable banks and financial institutions as counterparties and selected quality equities. As at 30 June 2024, the market value of these bonds and notes amounted to HK\$84 million and invested securities amounted to HK\$921 million which included LCID.US shares worth HK\$275 million. Should these amounts be taken into account, the consolidated net borrowings and gearing ratio would be reduced to HK\$21,263 million and 38.5% respectively. The net debt based on sharing of net assets of Champion REIT, LHI and U.S. Fund would correspondingly decrease to HK\$7,638 million and 12.0%.

As mentioned in the above second paragraph of this "Debt" section, applicable statutory accounting standards require the Group's consolidated accounts to book its operating hotels at depreciated cost basis instead of by reference to their market values. Since most of Group's owned hotels were acquired

years ago, it is believed their market values generally well exceed their depreciated costs. Consequently should market value instead of depreciated costs be recognized in the financial statements for these relevant hotels, the net gearing ratio on consolidation basis would be reduced from 40.4% to 29.7%.

The Group's net gearing ratio would be further improved when sales proceed from ONMANTIN are available for repayment of project loan.

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

### INDEBTEDNESS

Our gross debts (including medium term notes and other borrowings) after consolidating Champion REIT, LHI and the U.S. Fund as of 30 June 2024 amounted to HK\$34,687 million (31 December 2023: HK\$34,378 million). Bank borrowings amounting to HK\$14,681 million (31 December 2023: HK\$14,448 million) were secured by way of legal charges over a number of the Group's assets and business undertakings.

Outstanding gross debts <sup>(1)(2)(5)</sup>	Floating rate debts HK\$ million	Fixed rate debts HK\$ million	Utilised facilities HK\$ million
Bank borrowings	24,410	6,015 <sup>(4)</sup>	30,425 <sup>(3)</sup>
Medium term notes	–	4,043 <sup>(4)</sup>	4,043 <sup>(3)</sup>
Other borrowings	–	219	219 <sup>(3)</sup>
<b>Total</b>	<b>24,410</b>	<b>10,277</b>	<b>34,687</b>
<b>%</b>	<b>70.4%</b>	<b>29.6%</b>	<b>100%</b>

<sup>(1)</sup> All amounts are stated at face value.

<sup>(2)</sup> All debt facilities were denominated in Hong Kong Dollars except for (3) below.

<sup>(3)</sup> Equivalence of HK\$4,966 million bank borrowings, HK\$2,343 million medium term notes and HK\$219 million other borrowings were originally denominated in other currencies.

<sup>(4)</sup> Included floating rate debts which had been swapped to fixed rate debts. As at 30 June 2024, the Group had outstanding interest rate swap contracts of a notional amount of HK\$5,400 million to manage interest rate exposure. The Group also entered into cross currency swaps of a notional amount equivalent to HK\$600 million to mitigate exposure to fluctuations in exchange rate and interest rates in Japanese YEN.

<sup>(5)</sup> Outstanding gross debts on core balance sheet basis as of 30 June 2024 amounted to HK\$14,027 million, of which 13% will be due within one year.

### DEBT MATURITY PROFILE

The following is a profile of the maturity of our outstanding gross debts (including medium term notes and other borrowings) as of 30 June 2024:

Within 1 year	26.8%
More than 1 year but not exceeding 2 years	24.0%
More than 2 years but not exceeding 5 years	42.4%
More than 5 years	6.8%

### LIQUIDITY POSITION

As of 30 June 2024, our cash, bank deposits and undrawn loan facilities amounted to a total of HK\$15,749 million (31 December 2023: HK\$16,026 million).

### FINANCE COST

The net consolidated finance cost during the period was HK\$762 million of which HK\$129 million was capitalised to property development projects. Overall net interest cover at the reporting date was 2.4 times.

### PLEDGE OF ASSETS

At 30 June 2024, properties of the Group with a total book carrying value of approximately HK\$20,823 million (31 December 2023: HK\$20,411 million) were mortgaged or pledged to secure credit facilities granted to its subsidiaries.

### COMMITMENTS AND CONTINGENT LIABILITIES

At 30 June 2024, the Group had authorised capital expenditure for investment properties and property, plant and equipment which was not provided for in these consolidated financial statements amounting to HK\$7,717 million (31 December 2023: HK\$7,813 million) of which HK\$932 million (31 December 2023: HK\$622 million) has been contracted for.

Other than the aforesaid, the Group did not have any significant commitments and contingent liabilities at the end of the reporting period.

### OUTLOOK

The uncertainty of the global economy is likely to continue. Even though there are evidences to support that the inflation in the US is under control and the first rate cut is expected within the year, nevertheless, the impacts associated with the result of the upcoming US presidential election remains unknown and this would cause further unpredictability to the future economic growth and trend of capital flow globally. Should the trade tension between China and the US intensify, it will hinder the recovery of the Chinese economy and Hong Kong will also be affected. Meanwhile, the local residential sales market is still clouded by the high inventory level and hopefully the situation will improve if rate cut would start to take place in 2H 2024. Notwithstanding the aforesaid uncertainties, the continuance of government policies to foster Hong Kong as a regional hub of family offices, as well as to attract quality migrants through various programs would still stimulate and support the local economy. The rental demand for residential homes is expected to remain strong. The Group will remain cautious whilst taking proactive steps in response to the dynamic market when formulating the sales strategy for the remainder stock of ONTOLO and ONMANTIN. In addition, we are dedicated to continue working closely with our joint venture partners for the two sites at Kai Tak and Ma Tau Chung area. Despite the prevailing volatilities, the Group stays cautiously optimistic of the medium-term prospect of the Hong Kong property market.

The performance of our Hotels Division is expected to remain stable. Further improvement in global air capacity shall support international travel for both business and leisure, where our hotels portfolio would be benefitted. Nevertheless, pressure on escalated operating costs persists and we will continue to implement stringent strategies for effective cost control.

The Hong Kong office market would continue to be impacted by the prevailing vacancy amid softened occupier demand and growing inventory. It is expected that the rentals of Three Garden Road and Langham Place Office Tower will still be under pressure, whilst the performance of Langham Place Mall shall remain resilient. On the positive side, the expected rate cut in 2H 2024 would help to lower the borrowing costs and hence improve the profitability of Champion REIT. In view of enhancing the wellbeing of occupiers, Champion REIT will continue to roll out amenity upgrade in stages with introduction of more smart and green features and make the properties more enticing to its tenants and users.

In conclusion, with its healthy liquidity and projected low gearing, the Group will continue to practise our usual prudence in daily operation and be well prepared to weather the prevailing economic headwinds and market uncertainties. Whilst keeping close tabs to our businesses at home and abroad, we will also explore new investment opportunities which would benefit the Group as a whole in both medium to longer term.

**LO Ka Shui**

*Chairman and Managing Director*

Hong Kong, 21 August 2024

## DIRECTORS' BIOGRAPHICAL INFORMATION

In accordance with Rule 13.51B(1) of the Listing Rules, the information of Directors of the Company subsequent to the publication of the Annual Report 2023 of the Company and up to the date of this Interim Report, are updated as follows:

### **Dr. LO Ka Shui**

#### *Chairman and Managing Director*

Dr. LO Ka Shui, aged 77, has been a member of the Board since 1980. He is a substantial Shareholder, Chairman and Managing Director of the Company, Chairman of the Company's Finance Committee, and holds directorship in various subsidiaries of the Company. He is Chairman and Non-executive Director of the Manager of the publicly-listed trusts, Champion Real Estate Investment Trust and Langham Hospitality Investments. He is also Vice President of The Real Estate Developers Association of Hong Kong and a member of The Hong Kong Centre for Economic Research's Board of Trustees. Dr. Lo was formerly Director of Hong Kong Exchanges and Clearing Limited; Chairman of the Listing Committee for the Main Board and Growth Enterprise Market; a Member of the Exchange Fund Advisory Committee of the Hong Kong Monetary Authority; Chairman of The Chamber of Hong Kong Listed Companies; Chairman of the Hospital Authority of Hong Kong; a Board Member of the Airport Authority Hong Kong; and a Member of the University Grants Committee of the Hong Kong Special Administrative Region.

Dr. Lo graduated from McGill University with a Bachelor of Science Degree and obtained a Doctor of Medicine (M.D.) Degree from Cornell University, and was certified in Internal Medicine and Cardiovascular Disease at University of Michigan Hospitals. He has over four decades of experience in property and hotel development and investment both in Hong Kong and overseas. Dr. Lo is a son of Madam Lo To Lee Kwan, an elder brother of Mr. Lo Hong Sui, Vincent and Dr. Lo Ying Sui, a younger brother of Mr. Lo Hong Sui, Antony and Madam Law Wai Duen, and the father of Mr. Lo Chun Him, Alexander, all being Directors of the Company.

### **Madam LO TO Lee Kwan**

#### *Non-executive Director*

Madam LO TO Lee Kwan, aged 104, has been a Director of the Group since 1963. She was an Executive Director of the Company prior to her re-designation as a Non-executive Director of the Company in 2008. She is the wife of Mr. Lo Ying Shek, the late former chairman of the Company, and is the co-founder of the Group. She was involved in the early stage of development of the Group. She is the mother of Dr. Lo Ka Shui, Mr. Lo Hong Sui, Antony, Madam Law Wai Duen, Mr. Lo Hong Sui, Vincent and Dr. Lo Ying Sui, and the grandma of Mr. Lo Chun Him, Alexander, all being Directors of the Company.

### **Professor WONG Yue Chim, Richard**

#### *Independent Non-executive Director*

Professor WONG Yue Chim, Richard, aged 72, is an Independent Non-executive Director of the Company. He has been a Director of the Company since 1995 and is the Chairman of the Nomination Committee and a member of both the Audit Committee and the Remuneration Committee of the Company. Professor Wong is Provost and Deputy Vice-Chancellor and Chair of Economics at The University of Hong Kong. He is a leading figure in advancing economic research on policy issues in Hong Kong through his work as Founding Director of The Hong Kong Centre for Economic Research and the Hong Kong Institute of Economics and Business Strategy. He was awarded the Silver Bauhinia Star in 1999 in recognition of his contributions in education, housing, industry and technology development and was appointed a Justice of the Peace in 2000 by the Government of the Hong Kong Special Administrative Region. He is a member of Research Council of Our Hong Kong Foundation. Professor Wong is an Independent Non-executive Director of Pacific Century Premium Developments Limited and Sun Hung Kai Properties Limited, both of which are companies whose shares are listed on the Stock Exchange.

**Mrs. LEE Pui Ling, Angelina**  
*Independent Non-executive Director*

Mrs. LEE Pui Ling, Angelina, aged 75, was appointed an Independent Non-executive Director of the Company in 2002 and is the Chairman of the Remuneration Committee and a member of both the Audit Committee and the Nomination Committee of the Company. Mrs. Lee is a solicitor and a Fellow of the Institute of Chartered Accountants in England and Wales. She holds a Bachelor of Laws degree from and was awarded an Honorary Fellowship by University College London, University of London. Amongst her public appointments, Mrs. Lee was a member of the Exchange Fund Advisory Committee of the Hong Kong Monetary Authority and a Non-executive Director of the Securities and Futures Commission. Mrs. Lee is a Non-executive Director of CK Infrastructure Holdings Limited, Henderson Land Development Company Limited and TOM Group Limited, all of which are listed companies.

**Mr. ZHU Qi**  
*Independent Non-executive Director*

Mr. ZHU Qi, aged 64, was appointed as an Independent Non-executive Director of the Company in 2022 and is the Chairman of the Audit Committee and a member of both the Remuneration Committee and Nomination Committee of the Company. He had been the Chairman and Executive Director of CMB Wing Lung Bank Limited from 2019 to 2022 and the Chief Executive Officer and Executive Director from 2008 to 2019. Mr. Zhu had also been the Executive Vice President of China Merchants Bank Co., Ltd. from 2008 to 2019 and a former Director of CMB International Capital Corporation Limited. He joined the Industrial and Commercial Bank of China in 1986 and had been the Deputy General Manager and General Manager of Industrial and Commercial Bank of China, Hong Kong Branch and the Director, Managing Director and Chief Executive Officer of Industrial and Commercial Bank of China (Asia) Limited respectively from 1995 to 2008. Mr. Zhu is

an Independent Non-executive Director of China Merchants China Direct Investments Limited (listed in Hong Kong) and ZA Bank Limited. He graduated with a Bachelor's Degree in Economics from Dongbei University of Finance and Economics, and obtained a Master's Degree in Economics from Zhongnan University of Finance and Economics.

**Mr. HO Shut Kan**  
*Independent Non-executive Director*

Mr. HO Shut Kan, aged 76, was appointed as an Independent Non-executive Director of the Company in 2022 and is a member of each of the Audit Committee, Remuneration Committee and Nomination Committee of the Company. He has over 40 years of experience in the property operations and real estate sector including leasing and managing residential, commercial and investment properties. Mr. Ho was Executive Director and Chief Executive Officer of Kerry Properties Limited (listed in Hong Kong) before his retirement in 2018. Mr. Ho currently is the Senior Advisor of Kerry Properties Limited. During the past three years, Mr. Ho was an Independent Non-executive Director of Eagle Asset Management (CP) Limited, being the Manager of Champion Real Estate Investment Trust (listed in Hong Kong). Mr. Ho holds a Master of Business Administration Degree from the University of East Asia.

## DIRECTORS' BIOGRAPHICAL INFORMATION

### **Ms. Diana Ferreira CESAR**

#### *Independent Non-executive Director*

Ms. Diana Ferreira CESAR, aged 55, was appointed as an Independent Non-executive Director of the Company in 2023. Ms. Cesar is an Executive Director and Chief Executive of Hang Seng Bank Limited and the General Manager of HSBC Holdings plc (both listed in Hong Kong). Ms. Cesar was the Chief Executive Officer, Hong Kong of The Hongkong and Shanghai Banking Corporation Limited from 2015 to 2021. She is a member of the board of directors and convenor of human capital committee of the Financial Services Development Council, the chairman of the board of directors of Hang Seng School of Commerce, a member of the board of trustees of Ho Leung Ho Lee Foundation, a member of The Financial Infrastructure and Market Development Subcommittee of Hong Kong Monetary Authority, a board member, a member of executive committee, the chairman of the corporate and employee contribution programme organising committee and the second vice president and campaign committee chairman of The Community Chest of Hong Kong, the chairman of the board of governors of The Hang Seng University of Hong Kong, a vice president of The Hong Kong Institute of Bankers, a council member of Treasury Markets Association, and a member of the University Grants Committee. Ms. Cesar is a Honorary Certified Banker of The Hong Kong Institute of Bankers and was appointed a Justice of Peace in 2022 by the Government of the Hong Kong Special Administrative Region. She holds a Bachelor of Arts in Commerce and Social Sciences from the University of Toronto.

### **Mr. LO Hong Sui, Antony**

#### *Executive Director*

Mr. LO Hong Sui, Antony, aged 82, is an Executive Director and a director of various subsidiaries of the Company. He has been a Director of the Group since 1967. Mr. Lo has been actively involved in property development, construction and investment for decades. He graduated from the University of New South Wales with a Bachelor's Degree in Commerce. Mr. Lo is a son of Madam Lo To Lee Kwan, an elder brother of Dr. Lo Ka Shui, Mr. Lo Hong Sui, Vincent and Dr. Lo Ying Sui, a younger brother of Madam Law Wai Duen, and an uncle of Mr. Lo Chun Him, Alexander, all being Directors of the Company.

### **Madam LAW Wai Duen**

#### *Executive Director*

Madam LAW Wai Duen, aged 87, is an Executive Director and a director of various subsidiaries of the Company. She has been a Director of the Group since 1963. Madam Law graduated from The University of Hong Kong with a Bachelor's Degree in Arts and has been actively involved in the Group's property development and investment in Hong Kong for decades. Madam Law is a daughter of Madam Lo To Lee Kwan, an elder sister of Dr. Lo Ka Shui, Mr. Lo Hong Sui, Antony, Mr. Lo Hong Sui, Vincent and Dr. Lo Ying Sui, and an aunt of Mr. Lo Chun Him, Alexander, all being Directors of the Company.

**Mr. LO Hong Sui, Vincent**  
*Non-executive Director*

Mr. LO Hong Sui, Vincent, aged 76, has been a Director of the Group since 1970. He was an Executive Director of the Company prior to his re-designation as a Non-executive Director of the Company in 2008. He is also the Chairman of the Shui On Group which he founded in 1971. The Shui On Group is principally engaged in property development, premium commercial properties' investment and management, construction business with interests in Hong Kong and Mainland China. He is the Chairman of SOCAM Development Limited and Shui On Land Limited, both are listed on the Stock Exchange. He is also a former Non-executive Director of Hang Seng Bank Limited. Mr. Lo is the Honorary President of the Council for the Promotion & Development of Yangtze, an Economic Adviser of the Chongqing Municipal Government and an Honorary Court Chairman of The Hong Kong University of Science and Technology. He was awarded the Grand Bauhinia Medal (GBM) in 2017, the Gold Bauhinia Star in 1998 and was appointed a Justice of the Peace in 1999 by the Government of the Hong Kong Special Administrative Region. Mr. Lo is a son of Madam Lo To Lee Kwan, an elder brother of Dr. Lo Ying Sui, a younger brother of Dr. Lo Ka Shui, Mr. Lo Hong Sui, Antony and Madam Law Wai Duen, and an uncle of Mr. Lo Chun Him, Alexander, all being Directors of the Company.

**Dr. LO Ying Sui**  
*Non-executive Director*

Dr. LO Ying Sui, aged 72, has been a Director of the Group since 1993. He was an Executive Director of the Company prior to his re-designation as a Non-executive Director of the Company in 2008. With a Doctor of Medicine Degree from The University of Chicago, he is a specialist in Cardiology and a Clinical Associate Professor (honorary) at The Chinese University of Hong Kong Faculty of Medicine. He is a son of Madam Lo To Lee Kwan, a younger brother of Dr. Lo Ka Shui, Mr. Lo Hong Sui, Antony, Madam Law Wai Duen and Mr. Lo Hong Sui, Vincent, and an uncle of Mr. Lo Chun Him, Alexander, all being Directors of the Company.

## DIRECTORS' BIOGRAPHICAL INFORMATION

### **Mr. LO Chun Him, Alexander**

#### *Executive Director*

Mr. LO Chun Him, Alexander, aged 39, joined the Group in 2010 and was appointed as an Executive Director of the Company in 2015. He is also a member of the Finance Committee of the Company. Mr. Lo holds directorships in various subsidiaries of the Company, including The Great Eagle Company, Limited, The Great Eagle Development and Project Management Limited, Langham Hospitality Group Limited, Langham Hotels International Limited, Eagle Property Management (CP) Limited, Rio dei Vetrai S.r.l., Pacific Eagle Holdings Corporation and Great Eagle (China) Investment Limited. He is also a Non-executive Director of Langham Hospitality Investments Limited and LHIL Manager Limited (Manager of the publicly-listed Langham Hospitality Investments). Prior to joining the Group, he had worked at Citibank's investment banking division with a focus on Hong Kong's market. Mr. Lo is also a member of the Executive Committee of The Real Estate Developers Association of Hong Kong and a member of the Management Committee of The Federation of Hong Kong Hotel Owners Limited. He graduated from Washington University in St. Louis with a Bachelor of Arts in Psychology. Mr. Lo is a son of Dr. Lo Ka Shui, being a substantial Shareholder, the Chairman and Managing Director of the Company. Also, he is a grandson of Madam Lo To Lee Kwan, a nephew of Mr. Lo Hong Sui, Antony, Madam Law Wai Duen, Mr. Lo Hong Sui, Vincent and Dr. Lo Ying Sui, all being Directors of the Company.

### **Mr. KAN Tak Kwong**

#### *Executive Director and General Manager*

Mr. KAN Tak Kwong, aged 72, has been a Director of the Group since 1988. He is an Executive Director, the General Manager and a member of the Finance Committee of the Company. Mr. Kan also holds directorships in various subsidiaries of the Company, including The Great Eagle Company, Limited, Langham Hospitality Group Limited, Langham Hotels International Limited, Eagle Property Management (CP) Limited, Keysen Property Management Services Limited, Great Eagle Tokyo TMK, Rio dei Vetrai S.r.l., Pacific Eagle Holdings Corporation and Great Eagle (China) Investment Limited. He graduated from The Chinese University of Hong Kong with a Master's Degree in Business Administration and is a member of various professional bodies including the HKICPA. Mr. Kan has decades of experience in finance, accounting, strategic development and corporate administration in the real estate, finance and construction industries.

### **Mr. CHU Shik Pui**

#### *Executive Director*

Mr. CHU Shik Pui, aged 62, joined the Group in 1989 and was appointed as an Executive Director of the Company in 2015. He is a member of the Finance Committee of the Company and also the Head of Tax and Investment primarily responsible for the Group's taxation, finance and investment matters. Mr. Chu is a fellow of The Association of Chartered Certified Accountants and an associate of the HKICPA. He is also a full member of the Society of Registered Financial Planners. Mr. Chu has over 30 years' aggregated experience in taxation, finance, accounting, legal, and acquisition and investment.

**Professor POON Ka Yeung, Larry**  
*Executive Director*

Professor POON Ka Yeung, Larry, aged 56, has been a Director of the Company since 2016. He was an Independent Non-executive Director of the Company prior to his re-designation as an Executive Director of the Company in 2021. He is responsible for overseeing the professional investment team of the Group for shortlisting and appraising investment projects. Professor Poon has been teaching marketing-related subjects for different Master Degree programs. He is an Adjunct Associate Professor in the Department of Marketing of The Chinese University of Hong Kong and also a member of the External Advisory Group (EAG) of the MBA Strategic Plan, and an Honorary Institute Fellow of The Asia-Pacific Institute of Business of the University. Professor Poon is an Independent Non-executive Director of Shenzhen Neptunus Interlong Bio-Technique Company Limited whose H shares are listed on the Stock Exchange. He also plays a role in public services including Consultant and Independent Committee Member of the Registration Committee for the Practitioners Registration Scheme of the Chinese Gold and Silver Exchange Society, and Council Member of Hong Kong Red Cross. He obtained his Bachelor's Degree in Mathematics with Minor in Economics and Marketing from The Chinese University of Hong Kong and was further admitted to the MBA Degree by the University of Hull, United Kingdom.

*Directors' interests in the Group and/or in the associated corporations (within the meaning of Part XV of the SFO) of the Company are set out in the section "Disclosure of Interests" in this Interim Report.*

# GOVERNANCE AND COMPLIANCE

The Company believes that strong governance principles form the foundation of our corporate image, reduce the risk of fraudulent practices and boost Shareholders' confidence and accordingly, serving the long-term interests of every stakeholder. Furthermore, we integrate social and environmental concerns into our business operations. Our commitment to this concept is steadfast as we believe that sustainability could create long-term value for our stakeholders and improve the quality of life in our workplace, the local community as well as the world at large.

## CORPORATE GOVERNANCE POLICIES AND PRACTICES

The Board assumes responsibility for leadership and control of the Group and is collectively responsible for promoting the success of the Company. It plays a central supportive and supervisory role in the Company's corporate governance duties. The governance framework adopted by the Company emphasizes effective risk management and internal control systems, accountability to Shareholders, transparency in reporting, compliance with relevant rules and regulations. It serves as an ongoing guidance for the Directors to perform and fulfill their respective roles and obligations to the Company. The Board is also responsible for overseeing the management and operation of the Group, and is ultimately accountable for the Group's activities, strategies and financial performance. The Company has put in place a comprehensive set of governance policies and procedures which form the core of the Group's governance framework. They include:

- Anti-Fraud, Bribery and Corruption Policy
- Board Diversity Policy
- Code of Conduct regarding Securities Transactions by Directors and Relevant Employees
- Director Independence Policy
- Employee Code of Conduct
- Policy on the Preservation and Prevention of Misuse of Inside Information
- Reporting and Monitoring Policy on Connected Transactions
- Schedule of Matters Reserved for the Board
- Shareholder Communication Policy
- Social Media Policy
- Whistleblowing Policy

The Board regularly reviews these policies and procedures, and makes enhancements in light of the latest statutory and regulatory regimes, as well as international best practices. Copies of the principal governance policies are available on the Group's website ([www.GreatEagle.com.hk](http://www.GreatEagle.com.hk)).

## HIGHLIGHTS FOR THE FIRST HALF OF 2024

Major activities during the six months ended 30 June 2024 and up to the date of this report include:

MAJOR ACTIVITIES	
<p><b>Corporate Governance Policies</b></p>	<p><b>Update on Anti-Fraud, Bribery and Corruption Policy and Employee Code of Conduct</b></p> <p>The Board regularly updates and assesses the corporate governance system of the Group with the ultimate aim of achieving an exemplary level of corporate governance. During the period under review, the Group has undertaken comprehensive updates to its Anti-Fraud, Bribery and Corruption Policy, and the Employee Code of Conduct.</p> <p><b>Establishment of Director Independence Policy</b></p> <p>Upholding our high standard of corporate governance, and in accordance with the CG Code, Great Eagle established a Director Independence Policy which sets out mechanisms to ensure independent views are available to the Board. The Board reviews these mechanisms on an annual basis.</p>
<p><b>Share Schemes</b></p>	<p><b>Adoption of Share Award Scheme and Share Option Scheme</b></p> <p>The 2024 Share Award Scheme and 2024 Share Option Scheme were adopted by ordinary resolutions passed by the Shareholders at the Special General Meeting of the Company on 29 May 2024. The purpose of the share schemes is to retain and reward participants for their contributions, and to attract suitable personnel for the benefit of the Group's medium to long term development. The minimum vesting period for share awards and share options to be granted to eligible participants of the Group is 36 months and 24 months respectively.</p>
<p><b>Supply and Access of Information</b></p>	<p><b>Senior Management Discussion Sessions with the Board</b></p> <p>Discussion sessions between the Board and key members of management are held twice a year and business performance of the Group, risk management and internal control, information security matters and legal and compliance issues will be reported to the Board. During the period under review, a discussion session has been held between the Board and senior management of the Group.</p>

## COMPLIANCE WITH CORPORATE GOVERNANCE CODE

Throughout the period under review, the Company complied with most of the code provisions and, where appropriate, adopted some of the recommended best practices set out in the CG Code. Details of deviations from the code provisions are as follows:

CG CODE PROVISION	COMPLY OR EXPLAIN
B.2.2	<p><b>Every Director should be subject to retirement by rotation at least once every three years</b></p> <p>Under the existing Bye-laws, 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 of 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 of Bermuda 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. His interests in shares and underlying shares in the Company and associated corporations are set out in the section "Disclosure of Interests" in this Interim Report. There is no service contract between the Company and Dr. Lo, 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, we have 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.</p>
C.1.4	<p><b>All Directors should participate in continuous professional development to develop and refresh their knowledge and skills</b></p> <p>Madam Lo To Lee Kwan, a Non-executive Director of the Company, is the co-founder of the Group. She was involved in the early stages of development of the Group. Since she has become a centenarian, she is relatively inactive in the Group's business in recent years and has not participated in the 2024 Director Development Programme provided by the Company. However, as a co-founder of the Group, Madam Lo has an irreplaceable status in the Company, and in view of her valuable experience and contribution can offer a valuable long-term view of the business and industry. The Board considers that it is fit and proper for Madam Lo to remain on the Board.</p>

CG CODE PROVISION	COMPLY OR EXPLAIN
C.2.1	<p><b>The roles of Chairman and chief executive should be separate and should not be performed by the same individual</b></p> <p>Dr. Lo Ka Shui is the Chairman of the Board and holds the office of Managing Director of the Company. While this is a deviation from CG Code Provision C.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 preserves the consistent leadership culture of the Company and allows 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 who offer advice and views from different perspectives. 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.</p>

## COMPLIANCE WITH MODEL CODE

The Company has adopted its own Code of Conduct regarding Securities Transactions on terms no less exacting than the required standard set out in the Model Code and it is updated from time to time in accordance with the Listing Rules requirements.

Having made specific enquiries, all Directors and relevant employees of the Group confirmed that they have fully complied with the Code of Conduct for Securities Transactions throughout the six months ended 30 June 2024.

## EMPLOYMENT AND LABOUR PRACTICES

Our human capital is the backbone of our sustainable success. The Group is committed to providing lawful and proper employment that prioritises employee development. We recognise the importance of workforce sustainability, which is about retaining and attracting the right people to meet current and future business requirements. The Group offers competitive salaries to our employees. Discretionary bonuses are granted to employees and senior management, including Executive Directors, based on the performance and profitability of the Group, individual employee performance, the cost of living and broader market conditions in recognition of their contributions. Other employee benefits include educational allowance, insurance, medical scheme and provident fund schemes. Senior employees of the Group, including Executive Directors, are also entitled to participate in the Company's Share Award Scheme and Share Option Scheme. The Director's fee of Non-executive Directors and Independent Non-executive Directors are determined by the Board based on the general duties and responsibilities as a Director. They do not participate in performance-based compensation.

There had been no material change to the number of employees and staff composition of the Group for the six months ended 30 June 2024.

### REVIEW OF INTERIM RESULTS

The unaudited condensed consolidated financial statements for the six months ended 30 June 2024 were prepared in accordance with HKAS 34 “Interim Financial Reporting” issued by the HKICPA, and have been reviewed 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.

This interim report, comprising the unaudited condensed consolidated financial statements, has been reviewed by the Audit Committee of the Company.

### ISSUE OF NEW SHARES

As at 30 June 2024, the total number of issued shares of the Company was 747,723,345. No new share was issued by the Company during the six months ended 30 June 2024.

### PURCHASE, SALE OR REDEMPTION OF COMPANY’S SECURITIES

During the six months ended 30 June 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s securities.

### PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float with more than 25% of the issued shares of the Company being held by the public as at 30 June 2024.

### SUSTAINABILITY

Our sustainability vision centers around achieving sustainable growth, which follows the sustainable development principles set out in the United Nations’ 1987 Brundtland Report, “Our Common Future” – “development that meets the needs of the present without compromising the ability of future generations to meet their own needs.” Our sustainability commitment also aligns with the principles and objectives of the United Nations Sustainable Development Goals (UNSDGs). By embracing our chosen UNSDGs into our practices, we strive to drive business awareness and action in support of these global goals.

In our decision-making processes, the Group prioritises integrating sustainability into the core of our business. We aim to create beneficial impacts over the short and long term, ensuring that our business practices promote the well-being of individuals, the resilience of our environment, and the economic prosperity of the Group and our communities.

Our future-focused Climate Leadership Strategy commits us to combatting the global climate crisis through becoming a well-recognised and respected climate leader in Hong Kong and Asia, while transforming the Group into an adaptive and collaborative team that thrives amid the acceleration of climate change impacts and that influences positive change at both the industry and society levels as we move towards achieving net-zero impact by 2045.

# DISCLOSURE OF INTERESTS

## DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2024, the interests and short positions of the Directors or chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or the Model Code, or which were recorded in the register required to be kept by the Company under Section 352 of the SFO are as follows:

### Long positions in shares and underlying shares of the Company

Name of Directors	Capacity	Nature of Interests	Number of Ordinary Shares/ Underlying Shares Held	Percentage of Issued Share Capital <sup>(12)</sup>	Total
Lo Ka Shui	Beneficial Owner	Personal Interests	64,904,835 <sup>(1)</sup>	8.68 )	64.38
	Interests of Controlled Corporations	Corporate Interests	95,958,364 <sup>(2)</sup>	12.83 )	
				)	
	Discretionary Beneficiary of a Discretionary Trust	Discretionary Trust Interests	254,664,393 <sup>(3)</sup>	34.06 )	
Founder of a Discretionary Trust	Trust Interests	65,866,676	8.81 )		
Lo To Lee Kwan	Beneficial Owner	Personal Interests	1,341,561	0.18 )	34.97
	Interests of Controlled Corporations	Corporate Interests	5,442,810 <sup>(4)</sup>	0.73 )	
				)	
Discretionary Beneficiary of a Discretionary Trust	Discretionary Trust Interests	254,664,393 <sup>(3)</sup>	34.06 )		
Wong Yue Chim, Richard	Beneficial Owner	Personal Interests	10,198	0.00	0.00
Lo Hong Sui, Antony	Beneficial Owner	Personal Interests	1,253,973 <sup>(5)</sup>	0.17 )	34.23
	Discretionary Beneficiary of a Discretionary Trust	Discretionary Trust Interests	254,664,393 <sup>(3)</sup>	34.06 )	
Law Wai Duen	Beneficial Owner	Personal Interests	2,350,858 <sup>(6)</sup>	0.31 )	34.37
	Discretionary Beneficiary of a Discretionary Trust	Discretionary Trust Interests	254,664,393 <sup>(3)</sup>	34.06 )	

## DISCLOSURE OF INTERESTS

Name of Directors	Capacity	Nature of Interests	Number of Ordinary Shares/ Underlying Shares Held	Percentage of Issued Share Capital <sup>(12)</sup>	Total
Lo Hong Sui, Vincent	Beneficial Owner	Personal Interests	293	0.00 )	34.06
	Discretionary Beneficiary of a Discretionary Trust	Discretionary Trust Interests	254,664,393 <sup>(3)</sup>	34.06 )	
Lo Ying Sui	Beneficial Owner	Personal Interests	1,540,000	0.21 )	39.50
	Interests of Controlled Corporations	Corporate Interests	39,180,903 <sup>(7)</sup>	5.24 )	
	Discretionary Beneficiary of a Discretionary Trust	Discretionary Trust Interests	254,664,393 <sup>(3)</sup>	34.06 )	
Lo Chun Him, Alexander	Beneficial Owner	Personal Interests	1,145,488 <sup>(8)</sup>	0.15	0.15
Kan Tak Kwong	Beneficial Owner	Personal Interests	4,770,193 <sup>(9)</sup>	0.64	0.64
Chu Shik Pui	Beneficial Owner	Personal Interests	2,119,554 <sup>(10)</sup>	0.28	0.28
Poon Ka Yeung, Larry	Beneficial Owner	Personal Interests	200,000 <sup>(11)</sup>	0.03	0.03

### Notes:

- (1) Among these interests, 3,392,000 were share options.
- (2) These interests were held by certain companies wholly-owned by Dr. Lo Ka Shui. Dr. Lo Ka Shui and Mr. Lo Chun Him, Alexander are directors of these companies.
- (3) These 254,664,393 shares were owned by a discretionary trust of which Dr. Lo Ka Shui, Madam Lo To Lee Kwan, Mr. Lo Hong Sui, Antony, Madam Law Wai Duen, Mr. Lo Hong Sui, Vincent and Dr. Lo Ying Sui are among the discretionary beneficiaries.
- (4) These 5,442,810 shares were held by two companies wholly-owned by Madam Lo To Lee Kwan who is also a director of these companies. Dr. Lo Ka Shui is a director of one of these companies.
- (5) Among these interests, 340,000 were share options.
- (6) Among these interests, 340,000 were share options.
- (7) These 39,180,903 shares were held by a company wholly-owned by Dr. Lo Ying Sui who is also a director of this company.
- (8) Among these interests, 1,017,000 were share options.
- (9) Among these interests, 2,080,000 were share options.
- (10) Among these interests, 1,827,000 were share options.
- (11) These 200,000 interests were share options.
- (12) This percentage has been compiled based on 747,723,345 shares of the Company in issue as at 30 June 2024.

## Long positions in shares and underlying shares of associated corporations of the Company

### Champion Real Estate Investment Trust (“Champion REIT”)

Champion REIT (Stock Code: 2778), a Hong Kong collective investment scheme authorised under Section 104 of the SFO, is accounted for as a subsidiary of the Company. As at 30 June 2024, the Group owned 69.73% interests in Champion REIT. While the definition of “associated corporation” under the SFO caters only to corporations, for the purpose of enhancing the transparency, the interests of the Directors or chief executives of the Company in Champion REIT as at 30 June 2024 are disclosed as follows:

Name of Directors	Total Number of Units/ Underlying Units Held	Percentage of Issued Units <sup>(4)</sup>
Lo Ka Shui	15,861,617 <sup>(1)</sup>	0.26
Lo Ying Sui	239,000 <sup>(2)</sup>	0.00
Chu Shik Pui	8,000 <sup>(3)</sup>	0.00

Notes:

- (1) Among these 15,861,617 units:
  - (i) 3,592,007 units were held by Dr. Lo Ka Shui personally;
  - (ii) 3,258,610 units were held by certain companies wholly-owned by Dr. Lo Ka Shui. Dr. Lo Ka Shui and Mr. Lo Chun Him, Alexander are directors of these companies; and
  - (iii) 9,011,000 units were held by a charitable trust of which Dr. Lo Ka Shui is the settlor and a member of the Advisory Committee and Management Committee.
- (2) Dr. Lo Ying Sui had personal interests in 239,000 units of Champion REIT.
- (3) Mr. Chu Shik Pui had personal interests in 8,000 units of Champion REIT.
- (4) This percentage has been compiled based on 6,049,474,368 units of Champion REIT in issue as at 30 June 2024.

## DISCLOSURE OF INTERESTS

### Langham Hospitality Investments and Langham Hospitality Investments Limited (“LHI”)

LHI (Stock Code: 1270), the share stapled units (the “SSUs”) of which are listed on the Stock Exchange. As at 30 June 2024, the Group owned 70.71% interests in LHI and is therefore a subsidiary of the Company. The holdings of the Directors or chief executives of the Company in LHI as at 30 June 2024 are disclosed as follows:

Name of Directors	Total Number of SSUs/ Underlying SSUs Held	Percentage of Issued SSUs <sup>(6)</sup>
Lo Ka Shui	124,684,250 <sup>(1)</sup>	3.70
Lo To Lee Kwan	306,177 <sup>(2)</sup>	0.01
Wong Yue Chim, Richard	257,610 <sup>(3)</sup>	0.01
Law Wai Duen	3,888,421 <sup>(4)</sup>	0.12
Lo Ying Sui	932,194 <sup>(5)</sup>	0.03

Notes:

- (1) Among these 124,684,250 SSUs:
  - (i) 31,584,000 SSUs were held by Dr. Lo Ka Shui personally;
  - (ii) 3,090,000 SSUs were held by certain companies wholly-owned by Dr. Lo Ka Shui. Dr. Lo Ka Shui and Mr. Lo Chun Him, Alexander are directors of these companies; and
  - (iii) 90,010,250 SSUs were held by a charitable trust of which Dr. Lo Ka Shui is the settlor and a member of the Advisory Committee and Management Committee.
- (2) These SSUs were held by two companies wholly-owned by Madam Lo To Lee Kwan who is also a director of these companies. Dr. Lo Ka Shui is a director of one of these companies.
- (3) Professor Wong Yue Chim, Richard had personal interests in 257,610 SSUs of LHI.
- (4) Madam Law Wai Duen had personal interests in 3,888,421 SSUs of LHI.
- (5) Dr. Lo Ying Sui had personal interests in 932,194 SSUs of LHI.
- (6) This percentage has been compiled based on 3,374,301,602 SSUs of LHI in issue as at 30 June 2024.

Save as disclosed above, as at 30 June 2024, none of the Directors or chief executives of the Company were taken to be interested or deemed to have any other interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO and the Model Code, or which were recorded in the register required to be kept by the Company under Section 352 of the SFO.

## SHARE SCHEMES

The purpose of the share schemes of the Company is to enable the Company to grant share awards and/or share options to eligible participants of the Group as retention incentives or rewards for their contributions to the Group, to attract suitable personnel to enhance the development of the Group and to align the interests of the grantees generally with those of the Shareholders for the benefit of the medium to long term development of the Group.

Subject to the approval of the Remuneration Committee of the Company, the Share Scheme Committee of the Company may grant share award and/or share option to eligible participants from time to time and to determine the performance, operating and financial targets and other criteria to be satisfied before the share award and/or share option can vest. The targets shall be determined based on the (i) individual performance; (ii) performance of the Group; and/or (iii) performance of business groups, business units, functional departments, projects and/or geographical area managed by the eligible participants. As determined by the Share Scheme Committee, the minimum vesting period for share awards and share options to be granted to eligible participants of the Group is 36 months and 24 months respectively.

### Share Award Scheme

At the Special General Meeting of the Company held on 29 May 2024, an ordinary resolution was approved by the Shareholders for the adoption of the 2024 Share Award Scheme and is effective for a period of 10 years commencing on the adoption date. A summary of the principal terms of the 2024 Share Award Scheme was set out in a circular to Shareholders dated 19 April 2024. No share award was granted under the 2024 Share Award Scheme during the six months ended 30 June 2024 since its adoption.

### Share Option Schemes

The 2019 Share Option Scheme was adopted pursuant to an ordinary resolution passed on 22 May 2019 where the Board may grant share options to eligible employees, including Executive Directors of the Company and its subsidiaries, to subscribe for shares in the Company. Upon the adoption of the 2019 Share Option Scheme, the 2009 Share Option Scheme was terminated. No further share options may be granted under the 2009 Share Option Scheme. Share options granted during the life of the 2009 Share Option Scheme and remain unexpired prior to the termination of the 2009 Share Option Scheme continue to be exercisable in accordance with their terms of issue after the termination of the 2009 Share Option Scheme. As at 30 June 2024, no share option remained outstanding under the 2009 Share Option Scheme.

At the Special General Meeting of the Company held on 29 May 2024, an ordinary resolution was approved by the Shareholders for the adoption of the 2024 Share Option Scheme and is effective for a period of 10 years commencing on the adoption date. The terms of the 2024 Share Option Scheme were aligned with the requirements of the amended Chapter 17 of the Listing Rules, which had taken effect on 1 January 2023. A summary of the principal terms of the 2024 Share Option Scheme was set out in a circular to Shareholders dated 19 April 2024. No share option was granted under the 2024 Share Option Scheme during the six months ended 30 June 2024 since its adoption.

## DISCLOSURE OF INTERESTS

Upon adoption of the 2024 Share Option Scheme on 29 May 2024, the 2019 Share Option Scheme was terminated. No further share options may be granted under the 2019 Share Option Scheme. Share options granted during the life of the 2019 Share Option Scheme and remain unexpired prior to the termination of the 2019 Share Option Scheme continue to be exercisable in accordance with their terms of issue after the termination of the 2019 Share Option Scheme.

### Movements of the Share Options Granted to Employees (including Directors and their Associates)

Details of the movements in the share options granted to the Group's employees (including Directors and their Associates) under the 2009 Share Option Scheme and the 2019 Share Option Scheme during the six months ended 30 June 2024 are as follows:

Date of Grant	Number of Share Options					Exercisable Period	Exercise Price per Share (HK\$)
	Outstanding as at 01/01/2024	Granted during the Period	Exercised during the Period	Lapsed during the Period	Outstanding as at 30/06/2024		
14/03/2019 <sup>(1)</sup>	3,717,000	–	–	(3,717,000)	–	15/03/2021–14/03/2024	39.05
18/03/2020 <sup>(2)</sup>	3,954,000	–	–	(64,000)	3,890,000	19/03/2022–18/03/2025	21.65
18/03/2021 <sup>(2)</sup>	3,689,000	–	–	(58,000)	3,631,000	19/03/2023–18/03/2026	28.45
18/03/2022 <sup>(2)</sup>	4,378,000	–	–	(109,000)	4,269,000	19/03/2024–18/03/2027	19.06
20/03/2023 <sup>(2)</sup>	5,233,000	–	–	(194,000)	5,039,000	21/03/2025–20/03/2028	16.52
20/03/2024 <sup>(2)</sup>	–	6,155,000 <sup>(3)</sup>	–	(409,000)	5,746,000	21/03/2026–20/03/2029	11.18
<b>Total</b>	<b>20,971,000</b>	<b>6,155,000</b>	<b>–</b>	<b>(4,551,000)</b>	<b>22,575,000</b>		

Notes:

- (1) Share options were granted under the 2009 Share Option Scheme.
- (2) Share options were granted under the 2019 Share Option Scheme.
- (3) During the six months ended 30 June 2024, 2,067,000 share options were granted to the Directors of the Company and their Associates, while 4,088,000 share options were granted to eligible employees of the Group. Please refer to the announcement of the Company dated 20 March 2024 for details.
- (4) Additional information disclosed pursuant to Rule 17.07 of the Listing Rules:
  - (a) During the six months ended 30 June 2024, no share option was cancelled.
  - (b) Consideration paid for acceptance of each grant of share options was HK\$1.00.
  - (c) The vesting period for the share options granted is 24 months after the date of grant.

- (d) The closing price of the shares of the Company immediately before the date of grant of 20 March 2024, i.e. 19 March 2024 was HK\$11.00.
- (e) The number of share options available for grant under the 2019 Share Option Scheme as at 1 January 2023 and 31 December 2023 were 57,724,303 and 52,793,303 respectively.
- (f) As at 1 January 2024, the number of share options available for grant under the 2019 Share Option Scheme was 52,793,303. At the Special General Meeting held on 29 May 2024, the 2024 Share Award Scheme and 2024 Share Option Scheme were adopted and the scheme mandate was refreshed by the Shareholders. Upon adoption of the 2024 Share Option Scheme on 29 May 2024, the 2019 Share Option Scheme was terminated. No further share options may be granted under the 2019 Share Option Scheme. As at 30 June 2024, the number of share awards and share options available for grant under the 2024 Share Award Scheme and 2024 Share Option Scheme was 74,772,334.
- (g) The number of shares that may be issued in respect of share options granted under all the share schemes of the Company during the year ended 31 December 2023 (i.e. 5,620,000) divided by the weighted average number of shares of the Company in issue for the year ended 31 December 2023 (i.e. 747,723,345) was 0.75%.
- (h) The number of shares that may be issued in respect of share awards and share options granted under all the share schemes of the Company during the six months ended 30 June 2024 (i.e. 6,155,000) divided by the weighted average number of shares of the Company in issue for the six months ended 30 June 2024 (i.e. 747,723,345) was 0.82%.

On 20 March 2024, a total of 2,067,000 share options of the Company were granted to the following Executive Directors and their Associates. According to the Company's share accounting policy, the following option value in respect of the share options granted to the Executive Directors are accounted for over the vesting period from 21 March 2026 to 20 March 2029 as non-cash emoluments of the respective Executive Directors:

Category	Number of Options	Option Value* (HK\$)
<b>(i) Executive Directors</b>		
Lo Ka Shui ( <i>Chairman and Managing Director</i> )	700,000	644,000
Lo Hong Sui, Antony	50,000	46,000
Law Wai Duen	50,000	46,000
Lo Chun Him, Alexander	220,000	202,400
Kan Tak Kwong ( <i>General Manager</i> )	480,000	441,600
Chu Shik Pui	420,000	386,400
Poon Ka Yeung, Larry	100,000	92,000
<b>(ii) Associates</b>	47,000	43,240

\* Further details of the share options are set out in note 26 to the Condensed Consolidated Financial Statements on pages 89 and 90 of this Interim Report.

## DISCLOSURE OF INTERESTS

### Details of Share Options Granted

During the six months ended 30 June 2024, the details of the movements in the share options granted to the Group's employees (including Directors (some are also substantial Shareholders) and their Associates) under the 2009 Share Option Scheme and the 2019 Share Option Scheme as required to be disclosed according to Rule 17.07 of the Listing Rules are as follows:

Directors	Date of Grant	Number of Share Options				Outstanding as at 30/06/2024	Exercise Price per Share (HK\$)	Weighted Average Closing Price Immediately Before the Date of Exercise (HK\$)
		Outstanding as at 01/01/2024	Granted during the Period	Exercised during the Period	Lapsed during the Period			
Lo Ka Shui	14/03/2019 <sup>(1)</sup>	698,000	–	–	(698,000)	–	39.05	–
	18/03/2020 <sup>(2)</sup>	680,000	–	–	–	680,000	21.65	–
	18/03/2021 <sup>(2)</sup>	612,000	–	–	–	612,000	28.45	–
	18/03/2022 <sup>(2)</sup>	700,000	–	–	–	700,000	19.06	–
	20/03/2023 <sup>(2)</sup>	700,000	–	–	–	700,000	16.52	–
	20/03/2024 <sup>(2)</sup>	–	700,000	–	–	700,000	11.18	–
		3,390,000	700,000	–	(698,000)	3,392,000		
Lo Hong Sui, Antony	14/03/2019 <sup>(1)</sup>	100,000	–	–	(100,000)	–	39.05	–
	18/03/2020 <sup>(2)</sup>	100,000	–	–	–	100,000	21.65	–
	18/03/2021 <sup>(2)</sup>	90,000	–	–	–	90,000	28.45	–
	18/03/2022 <sup>(2)</sup>	50,000	–	–	–	50,000	19.06	–
	20/03/2023 <sup>(2)</sup>	50,000	–	–	–	50,000	16.52	–
	20/03/2024 <sup>(2)</sup>	–	50,000	–	–	50,000	11.18	–
		390,000	50,000	–	(100,000)	340,000		
Law Wai Duen	14/03/2019 <sup>(1)</sup>	100,000	–	–	(100,000)	–	39.05	–
	18/03/2020 <sup>(2)</sup>	100,000	–	–	–	100,000	21.65	–
	18/03/2021 <sup>(2)</sup>	90,000	–	–	–	90,000	28.45	–
	18/03/2022 <sup>(2)</sup>	50,000	–	–	–	50,000	19.06	–
	20/03/2023 <sup>(2)</sup>	50,000	–	–	–	50,000	16.52	–
	20/03/2024 <sup>(2)</sup>	–	50,000	–	–	50,000	11.18	–
		390,000	50,000	–	(100,000)	340,000		

## DISCLOSURE OF INTERESTS

Directors	Date of Grant	Number of Share Options					Exercise Price per Share (HK\$)	Weighted Average Closing Price Immediately Before the Date of Exercise (HK\$)
		Outstanding as at 01/01/2024	Granted during the Period	Exercised during the Period	Lapsed during the Period	Outstanding as at 30/06/2024		
Lo Chun Him, Alexander	14/03/2019 <sup>(1)</sup>	238,000	–	–	(238,000)	–	39.05	–
	18/03/2020 <sup>(2)</sup>	230,000	–	–	–	230,000	21.65	–
	18/03/2021 <sup>(2)</sup>	207,000	–	–	–	207,000	28.45	–
	18/03/2022 <sup>(2)</sup>	180,000	–	–	–	180,000	19.06	–
	20/03/2023 <sup>(2)</sup>	180,000	–	–	–	180,000	16.52	–
	20/03/2024 <sup>(2)</sup>	–	220,000	–	–	220,000	11.18	–
		1,035,000	220,000	–	(238,000)	1,017,000		
Kan Tak Kwong	14/03/2019 <sup>(1)</sup>	450,000	–	–	(450,000)	–	39.05	–
	18/03/2020 <sup>(2)</sup>	400,000	–	–	–	400,000	21.65	–
	18/03/2021 <sup>(2)</sup>	360,000	–	–	–	360,000	28.45	–
	18/03/2022 <sup>(2)</sup>	420,000	–	–	–	420,000	19.06	–
	20/03/2023 <sup>(2)</sup>	420,000	–	–	–	420,000	16.52	–
	20/03/2024 <sup>(2)</sup>	–	480,000	–	–	480,000	11.18	–
		2,050,000	480,000	–	(450,000)	2,080,000		
Chu Shik Pui	14/03/2019 <sup>(1)</sup>	380,000	–	–	(380,000)	–	39.05	–
	18/03/2020 <sup>(2)</sup>	330,000	–	–	–	330,000	21.65	–
	18/03/2021 <sup>(2)</sup>	297,000	–	–	–	297,000	28.45	–
	18/03/2022 <sup>(2)</sup>	380,000	–	–	–	380,000	19.06	–
	20/03/2023 <sup>(2)</sup>	400,000	–	–	–	400,000	16.52	–
	20/03/2024 <sup>(2)</sup>	–	420,000	–	–	420,000	11.18	–
		1,787,000	420,000	–	(380,000)	1,827,000		
Poon Ka Yeung, Larry	20/03/2023 <sup>(2)</sup>	100,000	–	–	–	100,000	16.52	–
	20/03/2024 <sup>(2)</sup>	–	100,000	–	–	100,000	11.18	–
		100,000	100,000	–	–	200,000		
Associates of Directors <sup>(7)</sup>	14/03/2019 <sup>(1)</sup>	60,000	–	–	(60,000)	–	39.05	–
	18/03/2020 <sup>(2)</sup>	40,000	–	–	–	40,000	21.65	–
	18/03/2021 <sup>(2)</sup>	36,000	–	–	–	36,000	28.45	–
	18/03/2022 <sup>(2)</sup>	36,000	–	–	–	36,000	19.06	–
	20/03/2023 <sup>(2)</sup>	34,000	–	–	–	34,000	16.52	–
	20/03/2024 <sup>(2)</sup>	–	47,000	–	–	47,000	11.18	–
		206,000	47,000	–	(60,000)	193,000		

## DISCLOSURE OF INTERESTS

Directors	Date of Grant	Number of Share Options				Outstanding as at 30/06/2024	Exercise Price per Share (HK\$)	Weighted Average Closing Price Immediately Before the Date of Exercise (HK\$)
		Outstanding as at 01/01/2024	Granted during the Period	Exercised during the Period	Lapsed during the Period			
Eligible Employees	14/03/2019 <sup>(1)</sup>	1,691,000	–	–	(1,691,000)	–	39.05	–
(other than Directors	18/03/2020 <sup>(2)</sup>	2,074,000	–	–	(64,000)	2,010,000	21.65	–
and their Associates <sup>(7)</sup>	18/03/2021 <sup>(2)</sup>	1,997,000	–	–	(58,000)	1,939,000	28.45	–
	18/03/2022 <sup>(2)</sup>	2,562,000	–	–	(109,000)	2,453,000	19.06	–
	20/03/2023 <sup>(2)</sup>	3,299,000	–	–	(194,000)	3,105,000	16.52	–
	20/03/2024 <sup>(2)</sup>	–	4,088,000	–	(409,000)	3,679,000	11.18	–
		11,623,000	4,088,000	–	(2,525,000)	13,186,000		

### Notes:

- (1) Share options were granted under the 2009 Share Option Scheme.  
Share options granted on 14/03/2019 are exercisable during the period from 15/03/2021 to 14/03/2024.
- (2) Share options were granted under the 2019 Share Option Scheme.  
Share options granted on 18/03/2020 are exercisable during the period from 19/03/2022 to 18/03/2025.  
Share options granted on 18/03/2021 are exercisable during the period from 19/03/2023 to 18/03/2026.  
Share options granted on 18/03/2022 are exercisable during the period from 19/03/2024 to 18/03/2027.  
Share options granted on 20/03/2023 are exercisable during the period from 21/03/2025 to 20/03/2028.  
Share options granted on 20/03/2024 are exercisable during the period from 21/03/2026 to 20/03/2029.
- (3) During the six months ended 30 June 2024, no share option was cancelled.
- (4) Consideration paid for acceptance of each grant of share options was HK\$1.00.
- (5) The vesting period for the share options granted is 24 months after the date of grant.
- (6) The closing price of the shares of the Company immediately before the date of grant of 20 March 2024, i.e. 19 March 2024 was HK\$11.00.
- (7) Being share options held by Mr. Lo Chun Cheong and Mr. Lo Chun Lai, Andrew.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 30 June 2024, the interests and short positions of persons (other than Directors or chief executives of the Company) in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO as having an interest in 5% or more of the issued share capital of the Company are as follows:

### Long positions in shares of the Company

Name of Shareholders	Total Number of Ordinary Shares/ Underlying Shares Held	Percentage of Issued Share Capital <sup>(7)</sup>
HSBC International Trustee Limited	315,009,622 <sup>(1)</sup>	42.13
Powermax Agents Limited	246,937,926 <sup>(2)</sup>	33.03
Mind Reader Limited	49,481,019 <sup>(3)</sup>	6.62
Surewit Finance Limited	45,342,008 <sup>(4)</sup>	6.06
Eagle Guardian Limited	41,763,361 <sup>(5)</sup>	5.59
Adscan Holdings Limited	39,180,903 <sup>(6)</sup>	5.24

Notes:

- (1) The number of shares disclosed was based on the latest Disclosure of Interest Form (with the date of relevant event as at 21 June 2021) received from HSBC International Trustee Limited ("HITL"). According to the latest disclosures made by the Directors of the Company, as at 30 June 2024:
- (i) 254,664,393 shares representing 34.06% of the issued share capital of the Company were held in the name of HITL as a trustee of a discretionary trust, of which Dr. Lo Ka Shui, Madam Lo To Lee Kwan, Mr. Lo Hong Sui, Antony, Madam Law Wai Duen, Mr. Lo Hong Sui, Vincent and Dr. Lo Ying Sui, all being Directors of the Company, are among the discretionary beneficiaries; and
  - (ii) 65,866,676 shares representing 8.81% of the issued share capital of the Company were held in the name of HITL as a trustee of another discretionary trust, of which Dr. Lo Ka Shui is the founder.

## DISCLOSURE OF INTERESTS

- (2) Powermax Agents Limited is wholly-owned by HITL in the capacity of a trustee of a discretionary trust and the said 246,937,926 shares held by it related to the same parcel of shares referred to in Note (1)(i) above.
- (3) Mind Reader Limited is a company wholly-owned by Dr. Lo Ka Shui. Dr. Lo Ka Shui and Mr. Lo Chun Him, Alexander are directors of this company.
- (4) Surewit Finance Limited is wholly-owned by HITL in the capacity of a trustee of a discretionary trust and the said 45,342,008 shares held by it were among the shares referred to in Note (1)(ii) above. Dr. Lo Ka Shui is a director of this company.
- (5) Eagle Guardian Limited is a company wholly-owned by Dr. Lo Ka Shui. Dr. Lo Ka Shui and Mr. Lo Chun Him, Alexander are directors of this company.
- (6) Adscan Holdings Limited is a company wholly-owned by Dr. Lo Ying Sui who is also a director of this company.
- (7) This percentage has been compiled based on 747,723,345 shares of the Company in issue as at 30 June 2024.

Save as disclosed above, as at 30 June 2024, no person (other than Directors or chief executives of the Company whose interests in the shares, underlying shares and debentures of the Company are set out on pages 39 and 40 of this Interim Report) was interested (or deemed to be interested) or held any short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

# REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**Deloitte.**

德勤

## TO THE BOARD OF DIRECTORS OF GREAT EAGLE HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

### INTRODUCTION

We have reviewed the condensed consolidated financial statements of Great Eagle Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 52 to 96, which comprise the condensed consolidated statement of financial position as of 30 June 2024 and the related condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting (“HKAS 34”)” issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### SCOPE OF REVIEW

We conducted our review 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 Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

#### **Deloitte Touche Tohmatsu**

*Certified Public Accountants*

Hong Kong

21 August 2024

# CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2024

	NOTES	Six months ended 30 June	
		2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Revenue	3	5,293,488	5,082,425
Cost of goods and services		(3,258,088)	(2,723,201)
Operating profit before depreciation		2,035,400	2,359,224
Depreciation		(435,606)	(445,733)
Operating profit		1,599,794	1,913,491
Fair value changes on investment properties		(1,739,556)	(421,049)
Fair value changes on derivative financial instruments		(180,469)	(138,622)
Fair value changes on financial assets at fair value through profit or loss		38,271	10,724
Other income	5	131,154	117,569
Administrative and other expenses		(272,190)	(238,028)
Finance costs	6	(751,020)	(579,745)
Share of results of joint ventures		15,428	88,073
Share of results of associates		(10,151)	(4,743)
(Loss) profit before tax	7	(1,168,739)	747,670
Income taxes	8	(174,867)	(251,794)
(Loss) profit for the period, before deducting the amounts attributable to non-controlling unitholders of Champion REIT		(1,343,606)	495,876
(Loss) profit for the period attributable to:			
Owners of the Company		(985,907)	478,666
Non-controlling interests		(24,506)	(3,602)
Non-controlling unitholders of Champion REIT		(1,010,413)	475,064
		(333,193)	20,812
		(1,343,606)	495,876
(Loss) earnings per share:	10		
Basic and diluted		(HK\$1.32)	HK\$0.64

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
(Loss) profit for the period, before deducting the amounts attributable to non-controlling unitholders of Champion REIT	(1,343,606)	495,876
<b>Other comprehensive (expense) income:</b>		
<i>Items that will not be reclassified to profit or loss:</i>		
Fair value (loss) gain on equity instruments at fair value through other comprehensive income	(139,748)	15,609
Share of other comprehensive income of an associate	19,132	9,856
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	(282,818)	(128,453)
Cash flow hedges:		
Fair value adjustment on cross currency swaps and interest rate swaps designated as cash flow hedges	28,170	(4,017)
Reclassification of fair value adjustments to profit or loss	(48,613)	(15,508)
Deferred tax related to fair value adjustments recognised in other comprehensive income	5,105	514
Other comprehensive expense for the period, before deducting amounts attributable to non-controlling unitholders of Champion REIT	(418,772)	(121,999)
Total comprehensive (expense) income for the period, before deducting amounts attributable to non-controlling unitholders of Champion REIT	(1,762,378)	373,877
Total comprehensive (expense) income for the period attributable to:		
Owners of the Company	(1,399,630)	363,723
Non-controlling interests	(24,682)	(2,169)
Non-controlling unitholders of Champion REIT	(1,424,312)	361,554
	(338,066)	12,323
	(1,762,378)	373,877

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

	NOTES	At 30 June 2024 HK\$'000 (unaudited)	At 31 December 2023 HK\$'000 (audited)
<b>Non-current assets</b>			
Investment properties	11	66,887,873	68,603,905
Property, plant and equipment	11	19,559,653	20,117,520
Interests in joint ventures	12	1,240,375	1,292,625
Interests in associates	13	220,137	217,967
Equity instruments at fair value through other comprehensive income	14	1,301,594	1,449,017
Notes and loan receivables	15	124,867	354,676
Derivative financial instruments	20, 21	109,599	37,418
		<b>89,444,098</b>	92,073,128
<b>Current assets</b>			
Stock of properties	16	11,877,143	11,463,973
Inventories		83,333	84,047
Debtors, deposits and prepayments	17	839,763	732,088
Notes and loan receivables	15	235,918	67,149
Financial assets at fair value through profit or loss	18	512,860	671,292
Derivative financial instruments	20, 21	–	96,207
Tax recoverable		3,111	8,531
Restricted cash		120,276	117,234
Time deposits with original maturity over three months		77,741	82,196
Bank balances and cash		6,359,726	5,767,324
		<b>20,109,871</b>	19,090,041
<b>Current liabilities</b>			
Creditors, deposits and accruals	19	4,440,136	4,145,142
Derivative financial instruments	20	78,893	–
Provision for taxation		442,241	367,641
Distribution payable		148,188	139,821
Borrowings due within one year	22	8,310,734	17,862,291
Medium term notes	23	974,482	199,985
Lease liabilities	24	7,224	7,347
		<b>14,401,898</b>	22,722,227
<b>Net current assets (liabilities)</b>		<b>5,707,973</b>	(3,632,186)
<b>Total assets less current liabilities</b>		<b>95,152,071</b>	88,440,942

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

	NOTES	At 30 June 2024 HK\$'000 (unaudited)	At 31 December 2023 HK\$'000 (audited)
<b>Non-current liabilities</b>			
Derivative financial instruments	20, 21	83,911	120,209
Borrowings due after one year	22	22,232,749	12,381,465
Medium term notes	23	3,041,217	3,813,632
Deferred taxation		1,330,832	1,350,944
Lease liabilities	24	332,314	335,973
		<b>27,021,023</b>	18,002,223
<b>NET ASSETS</b>		<b>68,131,048</b>	70,438,719
Equity attributable to:			
Owners of the Company			
Share capital	25	373,862	373,862
Share premium and reserves		54,794,163	56,404,995
		<b>55,168,025</b>	56,778,857
Non-controlling interests		<b>(617,022)</b>	(622,094)
		<b>54,551,003</b>	56,156,763
Net assets attributable to non-controlling unitholders of Champion REIT		<b>13,580,045</b>	14,281,956
		<b>68,131,048</b>	70,438,719

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Attributable to owners of the Company													Amount attributable to non-controlling unitholders of		
	Share capital HK\$'000	Share premium HK\$'000	Investment revaluation reserve HK\$'000	Property revaluation reserve HK\$'000	Capital redemption reserve HK\$'000	Contributed surplus HK\$'000 (note a)	Exchange translation reserve HK\$'000	Share option reserve HK\$'000	Hedging reserve HK\$'000	Other reserves HK\$'000	Retained profits HK\$'000	Sub-total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000	Champion REIT HK\$'000	Total HK\$'000
At 1 January 2023 (audited)	373,862	7,059,099	282,983	23,109	3,054	400,965	(1,058,788)	89,013	36,364	8,463,767	41,146,628	56,820,056	(619,872)	56,200,184	14,980,648	71,180,832
Profit (loss) for the period	-	-	-	-	-	-	-	-	-	-	478,666	478,666	(3,602)	475,064	20,812	495,876
Fair value gain (loss) on equity instruments at fair value through other comprehensive income	-	-	21,397	-	-	-	-	-	-	-	21,397	21,397	-	21,397	(5,788)	15,609
Change in cash flow hedges	-	-	-	-	-	-	-	(12,809)	-	-	(12,809)	(12,809)	-	(12,809)	(6,202)	(19,011)
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	(133,155)	-	-	(232)	(133,387)	(133,387)	1,433	(131,954)	3,501	(128,453)
Share of other comprehensive income of an associate	-	-	9,856	-	-	-	-	-	-	-	9,856	9,856	-	9,856	-	9,856
Total comprehensive income (expense) for the period	-	-	31,253	-	-	-	(133,155)	-	(12,809)	(232)	478,666	363,723	(2,169)	361,554	12,323	373,877
Transaction with non-controlling unitholders of Champion REIT: Distribution to non-controlling unitholders of Champion REIT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(173,403)	(173,403)
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(173,403)	(173,403)
Transactions with owners:																
Dividend paid (note 9)	-	-	-	-	-	-	-	-	-	-	(373,862)	(373,862)	-	(373,862)	-	(373,862)
Transfer of gain on disposal of equity instrument at fair value through other comprehensive income	-	-	(23,288)	-	-	-	-	-	-	-	23,288	23,288	-	23,288	-	23,288
Lapse of share options	-	-	-	-	-	-	(23,691)	-	-	-	23,691	23,691	-	23,691	-	23,691
Distribution to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(28,658)	(28,658)	-	(28,658)
Recognition of equity-settled share based payments	-	-	-	-	-	-	-	8,995	-	-	8,995	8,995	-	8,995	-	8,995
Increase of interests in subsidiaries (note b)	-	-	-	-	-	-	-	-	-	125,983	125,983	125,983	12,864	138,847	(216,979)	(78,132)
At 30 June 2023 (unaudited)	373,862	7,059,099	290,948	23,109	3,054	400,965	(1,191,943)	74,317	23,555	8,589,518	41,298,411	56,944,895	(637,835)	56,307,060	14,602,589	70,909,649

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
For the six months ended 30 June 2024

	Attributable to owners of the Company													Amount attributable to non-controlling unitholders of		
	Share capital HK\$'000	Share premium HK\$'000	Investment revaluation reserve HK\$'000	Property revaluation reserve HK\$'000	Capital redemption reserve HK\$'000	Contributed surplus HK\$'000 (note a)	Exchange translation reserve HK\$'000	Share option reserve HK\$'000	Hedging reserve HK\$'000	Other reserves HK\$'000	Retained profits HK\$'000	Sub-total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000	Champion REIT HK\$'000	Total HK\$'000
At 1 January 2024 (audited)	373,862	7,059,099	(36,202)	23,109	3,054	400,965	(1,118,433)	81,135	(44,946)	8,715,184	41,322,030	56,778,857	(622,094)	56,156,763	14,281,956	70,438,719
Loss for the period	-	-	-	-	-	-	-	-	-	-	(985,907)	(985,907)	(24,506)	(1,010,413)	(333,193)	(1,343,606)
Fair value loss on equity instruments at fair value through other comprehensive income	-	-	(139,748)	-	-	-	-	-	-	-	(139,748)	(139,748)	-	(139,748)	-	(139,748)
Change in cash flow hedges	-	-	-	-	-	-	-	(11,020)	-	-	(11,020)	(11,020)	-	(11,020)	(4,318)	(15,338)
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	(282,114)	-	-	27	(282,087)	(282,087)	(176)	(282,263)	(555)	(282,818)
Share of other comprehensive income of an associate	-	-	19,132	-	-	-	-	-	-	-	19,132	19,132	-	19,132	-	19,132
Total comprehensive (expense) income for the period	-	-	(120,616)	-	-	-	(282,114)	-	(11,020)	27	(985,907)	(1,399,630)	(24,682)	(1,424,312)	(338,066)	(1,762,378)
Transaction with non-controlling unitholders of Champion REIT: Distribution to non-controlling unitholders of Champion REIT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(148,188)	(148,188)
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(148,188)	(148,188)
Transactions with owners:																
Dividend paid (note 9)	-	-	-	-	-	-	-	-	-	-	(373,862)	(373,862)	-	(373,862)	-	(373,862)
Transfer of gain on disposal of equity instrument at fair value through other comprehensive income	-	-	(2,584)	-	-	-	-	-	-	-	2,584	-	-	-	-	-
Lapse of share options	-	-	-	-	-	-	-	(24,181)	-	-	24,181	-	-	-	-	-
Recognition of equity-settled share based payments	-	-	-	-	-	-	-	5,301	-	-	-	5,301	-	5,301	-	5,301
Increase of interests in subsidiaries (note b)	-	-	-	-	-	-	-	-	-	157,359	-	157,359	29,754	187,113	(215,657)	(28,544)
At 30 June 2024 (unaudited)	373,862	7,059,099	(159,402)	23,109	3,054	400,965	(1,400,547)	62,255	(55,966)	8,872,570	39,989,026	55,168,025	(617,022)	54,551,003	13,580,045	68,131,048

Notes:

- (a) Contributed surplus represents the surplus arising under the Scheme of Arrangement undertaken by the Group in 1989/90. Under the Bermuda Companies Act, the contributed surplus of the Group is available for distribution to shareholders.
- (b) It mainly represents the effect from the Group's increase in interests in Champion REIT and Langham (both defined in note 4) upon the settlement of management fees in units and purchase of units of Champion REIT and Langham from the market by the Group.

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
<b>Cash generated from operations</b>	<b>1,569,030</b>	2,155,410
Hong Kong Profits Tax paid	(53,842)	(26,527)
Other jurisdictions tax paid	(69,995)	(88,465)
Hong Kong Profits Tax refunded	17,032	–
Other jurisdictions tax refunded	678	677
<b>Net cash from operating activities</b>	<b>1,462,903</b>	2,041,095
<b>Investing activities</b>		
Additions of equity instruments at fair value through other comprehensive income	(17,773)	(48,610)
Additions of financial assets at fair value through profit or loss	(151,055)	(55,515)
Additions of investment properties	(29,567)	(8,959)
Additions of property, plant and equipment	(221,191)	(209,351)
Additions of notes receivables	(33,528)	(140,690)
Placement of restricted cash	(4,840)	(4,841)
Dividends received from associates	6,811	6,534
Interest received	120,602	90,307
Advance to a joint venture	(65,390)	(7,432)
Dividend received from joint ventures	–	89,152
Repayments of amounts due from joint ventures	131,919	–
Proceeds on disposal of financial assets at fair value through profit or loss	347,961	51,876
Proceeds on disposal of equity instruments at fair value through other comprehensive income	26,062	130,798
Proceeds on redemption of loan receivable	376	10,465
Proceeds on redemption of notes receivable	94,034	229,502
Proceeds on disposal of property, plant and equipment	170	14,712
Placement of time deposits with original maturity over three months	(77,741)	(100,266)
Release of time deposits with original maturity over three months	82,196	66,380
<b>Net cash from investing activities</b>	<b>209,046</b>	114,062

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
For the six months ended 30 June 2024

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
<b>Financing activities</b>		
Change of interests in subsidiaries	(28,544)	(78,132)
Bank loans origination fees	(35,871)	(4,000)
Distribution paid to non-controlling unitholders of Champion REIT	(140,051)	(169,750)
Distribution paid to non-controlling interests	–	(28,658)
Dividends paid to shareholders	(373,862)	(373,862)
Interest paid	(857,386)	(697,739)
New bank loans raised	9,227,397	4,016,238
Redemption of medium term notes	–	(2,998,274)
Repayments of bank loans	(8,789,979)	(731,001)
Repayments of lease liabilities	(3,773)	(4,289)
Interest paid for leases	(10,050)	(88)
<b>Net cash used in financing activities</b>	<b>(1,012,119)</b>	<b>(1,069,555)</b>
<b>Net increase in cash and cash equivalents</b>	<b>659,830</b>	<b>1,085,602</b>
<b>Effect of foreign exchange rates changes</b>	<b>(67,428)</b>	<b>(86,029)</b>
<b>Cash and cash equivalents at 1 January</b>	<b>5,767,324</b>	<b>5,941,727</b>
<b>Cash and cash equivalents at 30 June</b>	<b>6,359,726</b>	<b>6,941,300</b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 1. BASIS OF PREPARATION

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

## 2. MATERIAL ACCOUNTING POLICY INFORMATION

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 2024 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 December 2023.

### Application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”)

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2024 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
For the six months ended 30 June 2024

### 3. REVENUE

Revenue represents the aggregate of income from hotel operation, 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	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Hotel income	3,065,345	2,943,290
Rental income from investment properties	1,193,764	1,250,275
Building management service income	148,823	142,615
Sale of properties	769,286	586,817
Sale of goods	25,253	58,028
Dividend income	19,367	18,917
Others	71,650	82,483
	<b>5,293,488</b>	5,082,425

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 3. REVENUE (CONTINUED)

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

#### Six months ended 30 June 2024

	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)
Hotel income	3,093,982	-	-	-	3,093,982	-	229,037	-	(257,674)	3,065,345
Building management service income	-	11,181	-	-	11,181	137,642	-	-	-	148,823
Sale of properties	-	-	769,286	-	769,286	-	-	-	-	769,286
Sale of goods	-	-	-	25,253	25,253	-	-	-	-	25,253
Others	-	-	-	229,444	229,444	-	-	-	(157,794)	71,650
Revenue from contracts with customers	3,093,982	11,181	769,286	254,697	4,129,146	137,642	229,037	-	(415,468)	4,080,357
Rental income from investment properties	-	73,015	-	-	73,015	1,114,649	-	14,474	(8,374)	1,193,764
Dividend income	-	-	-	19,367	19,367	-	-	-	-	19,367
	3,093,982	84,196	769,286	274,064	4,221,528	1,252,291	229,037	14,474	(423,842)	5,293,488

#### Six months ended 30 June 2023

	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/ reclassifications HK\$'000 (unaudited)	Consolidated HK\$'000 (unaudited)
Hotel income	2,970,414	-	-	-	2,970,414	-	271,476	-	(298,600)	2,943,290
Building management service income	-	10,768	-	-	10,768	131,847	-	-	-	142,615
Sale of properties	-	-	586,817	-	586,817	-	-	-	-	586,817
Sale of goods	-	-	-	58,028	58,028	-	-	-	-	58,028
Others	-	-	-	253,557	253,557	-	-	-	(171,074)	82,483
Revenue from contracts with customers	2,970,414	10,768	586,817	311,585	3,879,584	131,847	271,476	-	(469,674)	3,813,233
Rental income from investment properties	-	71,614	-	-	71,614	1,167,657	-	19,378	(8,374)	1,250,275
Dividend income	-	-	-	16,932	16,932	-	-	-	1,985	18,917
	2,970,414	82,382	586,817	328,517	3,968,130	1,299,504	271,476	19,378	(476,063)	5,082,425

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
For the six months ended 30 June 2024

### 3. REVENUE (CONTINUED)

Disaggregation of revenue from contracts with customers:

– by source of revenue:

#### Six months ended 30 June 2024

	Revenue recognised at a point in time HK\$'000 (unaudited)	Revenue recognised over time HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
Hotel income			
– room revenue	–	1,879,934	1,879,934
– food & beverage revenue	961,070	–	961,070
– others	179,491	44,850	224,341
Building management service income	–	148,823	148,823
Sale of properties	769,286	–	769,286
Sale of goods	21,019	4,234	25,253
Others	–	71,650	71,650
<b>Revenue from contracts with customers</b>	<b>1,930,866</b>	<b>2,149,491</b>	<b>4,080,357</b>
Rental income from investment properties			1,193,764
Dividend income			19,367
			<b>5,293,488</b>

#### Six months ended 30 June 2023

	Revenue recognised at a point in time HK\$'000 (unaudited)	Revenue recognised over time HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
Hotel income			
– room revenue	–	1,784,269	1,784,269
– food & beverage revenue	953,607	–	953,607
– others	163,219	42,195	205,414
Building management service income	–	142,615	142,615
Sale of properties	586,817	–	586,817
Sale of goods	55,565	2,463	58,028
Others	–	82,483	82,483
<b>Revenue from contracts with customers</b>	<b>1,759,208</b>	<b>2,054,025</b>	<b>3,813,233</b>
Rental income from investment properties			1,250,275
Dividend income			18,917
			<b>5,082,425</b>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 3. REVENUE (CONTINUED)

Disaggregation of revenue from contracts with customers: (continued)

– by geographical locations:

#### Six months ended 30 June 2024

	Revenue recognised at a point in time HK\$'000 (unaudited)	Revenue recognised over time HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
Hong Kong	1,180,575	685,628	1,866,203
The USA	388,707	624,496	1,013,203
The Mainland China	64,616	153,511	218,127
Canada	44,932	207,901	252,833
The United Kingdom	105,259	253,701	358,960
Australia	74,557	127,888	202,445
New Zealand	71,944	93,524	165,468
Others	276	2,842	3,118
Revenue from contracts with customers	<b>1,930,866</b>	<b>2,149,491</b>	<b>4,080,357</b>
Rental income from investment properties			1,193,764
Dividend income			19,367
			<b>5,293,488</b>

#### Six months ended 30 June 2023

	Revenue recognised at a point in time HK\$'000 (unaudited)	Revenue recognised over time HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
Hong Kong	1,014,909	623,069	1,637,978
The USA	368,941	602,638	971,579
The Mainland China	69,702	149,104	218,806
Canada	40,328	218,762	259,090
The United Kingdom	91,605	229,601	321,206
Australia	97,504	131,496	229,000
New Zealand	76,219	98,504	174,723
Others	–	851	851
Revenue from contracts with customers	<b>1,759,208</b>	<b>2,054,025</b>	<b>3,813,233</b>
Rental income from investment properties			1,250,275
Dividend income			18,917
			<b>5,082,425</b>

#### 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	—	sale of building materials, flexible workspace 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 financial information of Langham.
US Real Estate Fund	—	based on rental income and related expenses of the property 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 (hereinafter referred to as the “Great Eagle Operations”) represent the results of each segment without including any effect of allocation of interest income from time deposits with original maturity over three months, 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. The hotel operation segment result has been arrived at after reversing intra-group HKFRS 16 “Leases” impact for its role as a lessee to the three hotel properties owned by Langham. This is the measurement basis reported to the CODM for the purposes of resource allocation and performance assessment.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 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 2024

	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) (note)	US Real Estate Fund HK\$'000 (unaudited)	Eliminations HK\$'000 (unaudited)	Consolidated HK\$'000 (unaudited)
<b>REVENUE</b>										
External revenue	3,064,419	83,928	769,286	116,270	4,033,903	1,244,185	926	14,474	-	5,293,488
Inter-segment revenue	29,563	268	-	157,794	187,625	8,106	228,111	-	(423,842)	-
Total	3,093,982	84,196	769,286	274,064	4,221,528	1,252,291	229,037	14,474	(423,842)	5,293,488
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.										
<b>RESULTS</b>										
Segment results	392,808	54,357	361,190	214,772	1,023,127	838,342	180,956	1,575	(8,600)	2,035,400
Depreciation					(327,477)	-	(111,696)	(179)	3,746	(435,606)
Operating profit after depreciation					695,650	838,342	69,260	1,396	(4,854)	1,599,794
Fair value changes on investment properties					(182,830)	(1,556,770)	-	44	-	(1,739,556)
Fair value changes on derivative financial instruments					(196,381)	-	15,912	-	-	(180,469)
Fair value changes on financial assets at FVTPL					38,271	-	-	-	-	38,271
Other income					11,139	135	315	2,571	(1,277)	12,883
Administrative and other expenses					(257,183)	(8,647)	(7,513)	(1,760)	2,913	(272,190)
Change related to settlement arrangement of hotel management fees and licence fee					-	-	(14,634)	-	14,634	-
Net finance costs					(173,834)	(298,700)	(161,342)	970	157	(632,749)
Share of results of joint ventures					141	15,287	-	-	-	15,428
Share of results of associates					(10,151)	-	-	-	-	(10,151)
(Loss) profit before tax					(75,178)	(1,010,353)	(98,002)	3,221	11,573	(1,168,739)
Income taxes					(97,925)	(90,384)	12,868	-	574	(174,867)
(Loss) profit for the period					(173,103)	(1,100,737)	(85,134)	3,221	12,147	(1,343,606)
Less: Loss (profit) attributable to non-controlling interests/ non-controlling unitholders of Champion REIT					1,181	333,193	24,936	(1,611)	-	357,699
(Loss) profit attributable to owners of the Company					(171,922)	(767,544)	(60,198)	1,610	12,147	(985,907)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
For the six months ended 30 June 2024

#### 4. SEGMENT INFORMATION (CONTINUED)

##### Segment revenue and results (continued)

Six months ended 30 June 2023

	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) (note)	US Real Estate Fund HK\$'000 (unaudited)	Eliminations/ reclassifications HK\$'000 (unaudited)	Consolidated HK\$'000 (unaudited)
<b>REVENUE</b>										
External revenue	2,942,323	82,114	586,817	157,443	3,768,697	1,291,398	967	19,378	1,985	5,082,425
Inter-segment revenue	28,091	268	-	171,074	199,433	8,106	270,509	-	(478,048)	-
<b>Total</b>	<b>2,970,414</b>	<b>82,382</b>	<b>586,817</b>	<b>328,517</b>	<b>3,968,130</b>	<b>1,299,504</b>	<b>271,476</b>	<b>19,378</b>	<b>(476,063)</b>	<b>5,082,425</b>
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.										
<b>RESULTS</b>										
Segment results	422,441	54,819	545,394	235,762	1,258,416	876,248	226,434	6,199	(8,073)	2,359,224
Depreciation					(336,854)	-	(113,091)	(179)	4,391	(445,733)
Operating profit after depreciation					921,562	876,248	113,343	6,020	(3,682)	1,913,491
Fair value changes on investment properties					8,180	(428,700)	-	(529)	-	(421,049)
Fair value changes on derivative financial instruments					(123,062)	-	(15,560)	-	-	(138,622)
Fair value changes on financial assets at FVTPL					10,724	-	-	-	-	10,724
Other income					5,630	-	300	3,725	(1,261)	8,394
Administrative and other expenses					(218,538)	(11,771)	(6,855)	(1,969)	1,105	(238,028)
Net finance costs					(105,029)	(261,243)	(105,582)	828	456	(470,570)
Share of results of joint ventures					94,029	(5,956)	-	-	-	88,073
Share of results of associates					(4,743)	-	-	-	-	(4,743)
Profit (loss) before tax					588,753	168,578	(14,354)	8,075	(3,382)	747,670
Income taxes					(141,238)	(101,912)	(9,214)	-	570	(251,794)
Profit (loss) for the period					447,515	66,666	(23,568)	8,075	(2,812)	495,876
Less: Loss (profit) attributable to non-controlling interests/ non-controlling unitholders of Champion REIT					563	(20,812)	7,080	(4,041)	-	(17,210)
Profit (loss) attributable to owners of the Company					448,078	45,854	(16,488)	4,034	(2,812)	478,666

Note: The inter-segment revenue of Langham mainly includes the rental income of three hotel properties receivable from Great Eagle.

#### 4. SEGMENT INFORMATION (CONTINUED)

##### Segment assets and liabilities

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

##### 30 June 2024

	Assets HK\$'000 (unaudited)	Liabilities HK\$'000 (unaudited)	Net Assets HK\$'000 (unaudited)
Hotel operation (note a)	18,520,143	6,142,321	12,377,822
Property investment (note a)	4,880,424	50,269	4,830,155
Property development (note a)	12,898,104	5,549,882	7,348,222
Other operations (note a)	533,794	219,404	314,390
Unallocated (note a)	5,874,864	5,359,904	514,960
Great Eagle Operations (note b)	42,707,329	17,321,780	25,385,549
Champion REIT (note c)	43,803,762	12,179,391	31,624,371
Langham (note d)	11,255,084	4,690,275	6,564,809
US Real Estate Fund (note e)	462,411	172,998	289,413

##### 31 December 2023

	Assets HK\$'000 (audited)	Liabilities HK\$'000 (audited)	Net Assets HK\$'000 (audited)
Hotel operation (note a)	18,926,308	6,284,465	12,641,843
Property investment (note a)	4,970,252	45,989	4,924,263
Property development (note a)	12,646,498	4,889,767	7,756,731
Other operations (note a)	545,837	185,304	360,533
Unallocated (note a)	5,500,730	5,052,566	448,164
Great Eagle Operations (note b)	42,589,625	16,458,091	26,131,534
Champion REIT (note c)	44,629,918	12,182,089	32,447,829
Langham (note d)	11,120,944	4,666,344	6,454,600
US Real Estate Fund (note e)	460,266	172,438	287,828

#### 4. SEGMENT INFORMATION (CONTINUED)

##### Segment assets and liabilities (continued)

Notes:

- (a) The segment assets include primarily investment properties, property, plant and equipment, right-of-use assets, equity instruments at fair value through other comprehensive income ("FVTOCI"), stock of properties, inventories, notes and loan receivables, financial assets at FVTPL, time deposits with original maturity over three months, bank balances and cash and debtors, deposits and prepayments attributable to respective operating segments. The segment liabilities include primarily creditors, deposits and accruals, borrowings, lease liabilities, provision for taxation and deferred taxation attributable to respective operating segments.
- (b) Included in the assets and liabilities are bank deposits and restricted cash of HK\$5,383,936,000 (31 December 2023: HK\$4,745,942,000) and borrowings of HK\$14,027,294,000 (31 December 2023: HK\$13,513,817,000), representing net debt of HK\$8,643,358,000 as at 30 June 2024 (31 December 2023: HK\$8,767,875,000).
- (c) Assets and liabilities of Champion REIT are based on published financial information of Champion REIT, at the effective interest held by Great Eagle Holdings Limited, being 69.73% (31 December 2023: 69.23%), excluding the effective interest of the distribution payable attributable from Champion REIT of HK\$341,367,000 (31 December 2023: HK\$314,587,000).
- (d) Assets and liabilities of Langham are based on published financial information of Langham, at the effective interest held by Great Eagle Holdings Limited, being 70.71% (31 December 2023: 70.23%). It includes three hotel properties with appraised value of HK\$15,725,000,000 as at 30 June 2024 (31 December 2023: HK\$15,662,000,000). The three hotel properties are self-operated by Great Eagle and accordingly recognised as property, plant and equipment with corresponding carrying amount (at cost less accumulated depreciation) of HK\$3,151,780,000 (31 December 2023: HK\$3,241,809,000) in the Group's condensed consolidated statement of financial position.
- (e) Assets and liabilities of the US Real Estate Fund are based on results of the fund at the 49.97% (31 December 2023: 49.97%) interest held by Great Eagle Holdings Limited.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
For the six months ended 30 June 2024

## 5. OTHER INCOME

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Interest income on:		
Bank deposits	106,273	87,093
Financial assets at FVTPL	550	1,129
Notes and loan receivables	4,294	13,249
Others	7,154	7,704
	118,271	109,175
Bad debt recovery	–	79
Sundry income	12,883	8,315
	131,154	117,569

## 6. FINANCE COSTS

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Interest on bank and other borrowings	765,543	558,995
Interest on medium term notes	62,055	66,601
Interest on lease liabilities	10,050	87
Other borrowing costs	42,418	38,090
	880,066	663,773
Less: amount capitalised (note)	(129,046)	(84,028)
	751,020	579,745

Note:

Interest were capitalised at an average annual rate of 4.80% (30 June 2023: 3.59%) to property development projects.

## 7. (LOSS) PROFIT BEFORE TAX

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
(Loss) profit before tax has been arrived at after charging:		
Staff costs (including Directors' emoluments)	1,513,953	1,388,750
Share-based payments (including Directors' emoluments)	5,301	8,995
	1,519,254	1,397,745
Depreciation	435,606	445,733
Share of tax of an associate (included in the share of results of associates)	109	98
Share of tax of a joint venture (included in the share of results of joint ventures)	5,001	938
Loss on disposal of property, plant and equipment (included in administrative and other expenses)	27	221
Net exchange loss (included in administrative and other expenses)	9,441	2,427
and crediting:		
Dividend income from		
– financial assets at FVTPL	5,741	9,156
– equity instruments at FVTOCI	13,626	9,761

## 8. INCOME TAXES

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
<b>Current tax:</b>		
Current period:		
Hong Kong Profits Tax	145,125	172,631
Other jurisdictions	40,550	37,108
	185,675	209,739
Underprovision (overprovision) in prior periods:		
Hong Kong Profits Tax	12	356
Other jurisdictions	697	(3,533)
	709	(3,177)
	186,384	206,562
<b>Deferred tax:</b>		
Current period	(4,596)	46,104
Overprovision in prior periods	(6,921)	(872)
	(11,517)	45,232
	174,867	251,794

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 8. INCOME TAXES (CONTINUED)

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.

### 9. DIVIDENDS

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Dividends paid: Final dividend of HK50 cents in respect of the financial year ended 31 December 2023 (2023: HK50 cents in respect of the financial year ended 31 December 2022) per ordinary share	<b>373,862</b>	373,862
Dividends declared after the end of reporting period: Interim dividend of HK37 cents in respect of the six months ended 30 June 2024 (2023: HK37 cents in respect of the six months ended 30 June 2023) per ordinary share	<b>276,658</b>	276,658

The Directors have determined that an interim dividend of HK37 cents (2023: HK37 cents) per ordinary share will be paid to the shareholders of the Company, whose names appear in the Register of Members, on 3 October 2024.

### 10. (LOSS) EARNINGS PER SHARE

The calculation of basic and diluted (loss) earnings per share attributable to owners of the Company is based on the following data:

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
<b>(Loss) earnings</b> (Loss) earnings for the purposes of basic and diluted (loss) earnings per share ((Loss) profit for the period attributable to owners of the Company)	<b>(985,907)</b>	478,666

## 10. (LOSS) EARNINGS PER SHARE (CONTINUED)

	Six months ended 30 June	
	2024 (unaudited)	2023 (unaudited)
<b>Number of shares</b>		
Number of shares for the purposes of basic and diluted (loss) earnings per share	<b>747,723,345</b>	747,723,345

For the period ended 30 June 2024, the diluted loss per share is the same as the basic loss per share as the computation of diluted loss per share does not assume the exercise of the Company's outstanding share options because it will otherwise result in a decrease in loss per share.

For the period ended 30 June 2023, the computation of diluted earnings per share did not assume the exercise of the Company's outstanding share options because the exercise price of those options was higher than the average market price of the Company's shares.

## 11. MOVEMENTS IN INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

### Investment properties

During the current interim period, the Group had additions to improvement work on investment properties at a cost of HK\$29,567,000 (six months ended 30 June 2023: HK\$4,535,000).

The fair value of the Group's investment properties of HK\$66,887,873,000 as at 30 June 2024 (31 December 2023: HK\$68,603,905,000) has been arrived at on a basis of valuation carried out by independent professional property valuers not connected with the Group:

Investment properties in Hong Kong – Knight Frank Petty Limited and Savills Valuation and Professional Services Limited

Investment properties in the Mainland China – Knight Frank Petty Limited

Investment properties in the USA – Cushman & Wakefield Western, Inc.

## 11. MOVEMENTS IN INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Investment properties (continued)

The valuations for certain investment properties were arrived at by using income capitalisation method which is determined based on the future cash flow of market rentals at market yield expected by property investors and applicable discount rates. The market rentals are also assessed by reference to the rentals achieved in other similar properties in the neighbourhood. The valuations of the remaining investment properties were arrived at by using direct comparison method, which is based on market observable transactions of similar properties and adjusts to reflect the conditions and locations of the subject property. Additionally, in estimating the fair value of the investment properties, the highest and best use of the properties is their current use.

### Property, plant and equipment

During the current interim period, the Group had additions in relation to structural improvement work on hotel properties of HK\$839,000 (six months ended 30 June 2023: HK\$7,904,000) and hotel buildings under development of HK\$44,160,000 (six months ended 30 June 2023: HK\$78,764,000). The Group also had additions in other property, plant and equipment of HK\$176,265,000 (six months ended 30 June 2023: HK\$112,921,000). During the current interim period, the Group had disposals of other property, plant and equipment with carrying amount of HK\$197,000 (six months ended 30 June 2023: HK\$14,933,000).

At 30 June 2024 and 2023, the Directors conducted an impairment assessment on hotel properties, neither reversal nor additional impairment loss was recognised for the six months ended 30 June 2024 and 2023.

## 12. INTERESTS IN JOINT VENTURES

	<b>30 June 2024 HK\$'000 (unaudited)</b>	31 December 2023 HK\$'000 (audited)
Cost of investments in joint ventures (note 1)	<b>523,100</b>	459,545
Share of post-acquisition results and other comprehensive income, net of dividend received	<b>(228,599)</b>	(244,713)
Amounts due from joint ventures (note 2)	<b>294,501 945,874</b>	214,832 1,077,793
	<b>1,240,375</b>	1,292,625

## 12. INTERESTS IN JOINT VENTURES (CONTINUED)

Notes:

- (1) Included an amount due from a joint venture of HK\$346,392,000 (31 December 2023: HK\$282,818,000) which is in substance form part of the Group's net investment in the joint venture. The amount is unsecured and non-interest bearing.
- (2) Included an amount of HK\$945,581,000 (31 December 2023: HK\$1,070,000,000), which is unsecured, repayable on demand and carries interest at a rate to be agreed between the lender and the borrower. The amounts are classified as non-current as the management expects to demand repayment of the amounts over twelve months after the end of the reporting period.

In determining whether there is any objective evidence of impairment of the Group's interests in joint ventures, the Directors consider any loss events at the end of the reporting period which may have an impact on the estimated future cash flows of its joint ventures. The Directors assessed that no objective evidence was identified. Accordingly, no impairment loss is recognised.

## 13. INTERESTS IN ASSOCIATES

	<b>30 June 2024 HK\$'000 (unaudited)</b>	31 December 2023 HK\$'000 (audited)
Cost of investments in associates	<b>134,336</b>	134,336
Share of post-acquisition profit and other comprehensive income, net of dividend received	<b>85,801</b>	83,631
	<b>220,137</b>	217,967

In determining whether there is any objective evidence of impairment of the Group's interests in associates, the Directors consider any loss events at the end of the reporting period which may have an impact on the estimated future cash flows of its associates. The Directors assessed that no objective evidence was identified. Accordingly, no impairment loss is recognised.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

**14. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

	<b>30 June 2024 HK\$'000 (unaudited)</b>	31 December 2023 HK\$'000 (audited)
Listed equity securities in Hong Kong	<b>201,250</b>	175,183
Listed equity securities outside Hong Kong	<b>276,012</b>	444,759
Unlisted equity securities in Hong Kong	<b>107,162</b>	93,609
Unlisted equity securities outside Hong Kong	<b>717,170</b>	735,466
	<b>1,301,594</b>	1,449,017

At the end of the reporting period, all the listed equity securities were stated at fair values which have been determined by reference to closing prices quoted in the active markets.

**15. NOTES AND LOAN RECEIVABLES**

	<b>30 June 2024 HK\$'000 (unaudited)</b>	31 December 2023 HK\$'000 (audited)
Notes receivables (note a)	<b>61,333</b>	121,905
Loan receivables (note b)	<b>219,305</b>	219,511
Mortgage loan receivables (note c)	<b>80,147</b>	80,409
	<b>360,785</b>	421,825
Less: Amounts due within one year shown under current assets	<b>(235,918)</b>	(67,149)
Amounts due after one year	<b>124,867</b>	354,676

## 15. NOTES AND LOAN RECEIVABLES (CONTINUED)

Notes:

(a) Notes receivables

At 30 June 2024, the Group held unsecured bonds with principal amounts of HK\$61,333,000 (31 December 2023: HK\$121,905,000). Details of the notes receivables are set out below:

**30 June 2024**

Nominal values	Interest rate (per annum)	Maturity
United States Dollar ("US\$") 500,000 to US\$3,000,000	1.5% to 8.0%	April 2025 to May 2026
Australian dollar ("AU\$") 2,139,000	4.27%	September 2024

31 December 2023

Nominal values	Interest rate (per annum)	Maturity
US\$500,000 to US\$6,860,000	1.5% to 8.0%	May 2024 to May 2026
US\$1,000,000	4.1%	Perpetual
AU\$2,098,000	4.54%	March 2024

Included in the carrying amount of notes receivables as at 30 June 2024 is accumulated allowance for credit losses of HK\$174,816,000 (31 December 2023: HK\$174,890,000). During the period, the Group did not recognise any allowance for credit losses on notes receivables (30 June 2023: Nil) in the condensed consolidated income statement.

(b) Loan receivables

At 30 June 2024, the Group held loan receivables with aggregate carrying amount of US\$28,100,000 (equivalent to approximately HK\$219,305,000 (31 December 2023: US\$28,100,000 (equivalent to approximately HK\$219,511,000))), which bears interest at 1.69% to 6% per annum and have a maturity dates ranging from 2025 to 2027.

(c) Mortgage loan receivables

Mortgage loan receivables are secured by second mortgages on properties and repayable by monthly instalments with tenors not more than 25 years at the period end date and carry interest at rates with reference to banks' lending rates.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 16. STOCK OF PROPERTIES

	<b>30 June 2024 HK\$'000 (unaudited)</b>	31 December 2023 HK\$'000 (audited)
Properties under development for sale (note a)	<b>10,628,201</b>	9,890,623
Properties held for sale (note b)	<b>1,248,942</b>	1,573,350
	<b>11,877,143</b>	11,463,973

Notes:

- (a) In February 2021, the Group entered into various agreements with MTR Corporation Limited (the original owner of a piece of land in Ho Man Tin, Kowloon, which is subject to development) and other interest parties including the preceding developer for the development of the relevant land (the "HMT Project"). Pursuant to the terms of these agreements, the Group became the succeeding developer of the HMT Project.
- (b) Properties held for sale includes a residential site in Pak Shek Kok, Tai Po at the land premium of HK\$2,412,000,000 acquired in 2014. Occupation permit of the development was obtained in June 2020.

As at the end of the reporting period, the Directors assessed whether there is any objective evidence of impairment of the stock of properties held. No recognition of write-down of stock of properties is required as at 30 June 2024 and 31 December 2023.

### 17. DEBTORS, DEPOSITS AND PREPAYMENTS

	<b>30 June 2024 HK\$'000 (unaudited)</b>	31 December 2023 HK\$'000 (audited)
Trade debtors, net of allowance for doubtful debts	<b>301,113</b>	274,850
Deferred lease receivables	<b>83,428</b>	86,570
Retention money receivables	<b>11,686</b>	10,686
Other receivables, net of credit losses on interest receivables	<b>186,234</b>	131,637
Deposits and prepayments	<b>257,302</b>	228,345
	<b>839,763</b>	732,088

Included in the balance of debtors, deposits and prepayments are trade debtors (net of allowance for doubtful debts) of HK\$301,113,000 (31 December 2023: HK\$274,850,000). For hotel income and sale of goods, the Group allows an average credit period of 30-60 days to certain trade customers. Rentals receivable from tenants and service income receivable from customers are payable on presentation of invoices.

## 17. DEBTORS, DEPOSITS AND PREPAYMENTS (CONTINUED)

The trade receivables from contracts with customers and retention money receivables are as follows:

	<b>30 June 2024 HK\$'000 (unaudited)</b>	31 December 2023 HK\$'000 (audited)
Trade receivables from contracts with customers	<b>265,992</b>	243,663
Retention money receivables	<b>11,686</b>	10,686
Amount due within one year	<b>(5,376)</b>	(5,660)
Amount due after one year	<b>6,310</b>	5,026

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

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

	<b>30 June 2024 HK\$'000 (unaudited)</b>	31 December 2023 HK\$'000 (audited)
Within 3 months	<b>270,187</b>	245,706
More than 3 months but within 6 months	<b>10,361</b>	16,600
Over 6 months	<b>20,565</b>	12,544
	<b>301,113</b>	274,850

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For the six months ended 30 June 2024

**18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<b>30 June 2024 HK\$'000 (unaudited)</b>	31 December 2023 HK\$'000 (audited)
Equity linked notes	<b>37,481</b>	31,828
Liquidity funds	<b>31,727</b>	119,184
Listed equity securities held for trading	<b>443,652</b>	520,280
	<b>512,860</b>	671,292

At the end of the reporting period, all the listed equity securities were stated at fair values which have been determined by reference to closing prices quoted in the active markets. The Group had entered into equity linked notes and liquidity funds with banks, the redemption amount and interest rates vary depending on various conditioning terms and different strike prices, further details are as follows:

**30 June 2024**

Nominal values/principals	Maturity period
<b>Equity linked notes</b> US\$700,000 to US\$2,000,000	<b>4 months</b>
<b>Liquidity funds</b> US\$4,063,000	<b>N/A</b>

**31 December 2023**

Nominal values/principals	Maturity period
Equity linked notes HK\$10,000,000	6 months
US\$800,000 to US\$1,000,000	6 months
Liquidity funds US\$4,435,000 to US\$10,822,000	N/A

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
For the six months ended 30 June 2024

## 19. CREDITORS, DEPOSITS AND ACCRUALS

	<b>30 June 2024 HK\$'000 (unaudited)</b>	31 December 2023 HK\$'000 (audited)
Trade creditors	<b>346,210</b>	297,651
Deposits received	<b>716,470</b>	704,932
Customer deposits and other deferred revenue	<b>968,545</b>	498,044
Construction fee payable and retention money payable	<b>31,609</b>	49,401
Accruals, interest payable and other payables (note)	<b>2,377,302</b>	2,595,114
	<b>4,440,136</b>	4,145,142

Note:

With reference to the HMT Project as disclosed in note 16, the estimated sharing of surplus proceeds amounted to HK\$56,900,000 (31 December 2023: HK\$220,000,000), which is measured at fair value, is included in the accruals, interest payable and other payables as at 30 June 2024.

In determining the sharing of surplus proceeds of the HMT Project, the Directors have taken into account the expectation of forecast sales and budgeted costs of the development, which involves the application of significant judgement and estimates. Inputs and assumption reflecting the best estimation of the Directors are used based on the then available information. Notwithstanding periodic reviews and revisions of these estimates at each subsequent reporting dates, the assumptions and expectations may change when more information become known and/or available so that the actual sharing of surplus proceeds may be higher or lower than the estimated amount. Any changes would be reflected in the financial statements in the period when such changes occur.

Included in the accruals is accrual of stamp duty based on the current stamp duty rate of 4.25% (31 December 2023: 4.25%) on 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.

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

	<b>30 June 2024 HK\$'000 (unaudited)</b>	31 December 2023 HK\$'000 (audited)
Within 3 months	<b>338,913</b>	288,783
More than 3 months but within 6 months	<b>2,712</b>	4,324
Over 6 months	<b>4,585</b>	4,544
	<b>346,210</b>	297,651

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

**20. DERIVATIVE FINANCIAL INSTRUMENTS**

	30 June 2024		31 December 2023	
	Assets HK\$'000 (unaudited)	Liabilities HK\$'000 (unaudited)	Assets HK\$'000 (audited)	Liabilities HK\$'000 (audited)
Interest rate swaps	3,634	–	–	12,278
Cross currency swaps	105,965	–	34,076	–
Foreign currency derivative contracts	–	78,893	53,654	–
	<b>109,599</b>	<b>78,893</b>	87,730	12,278
Less: Would be matured within one year shown under current assets/liabilities	–	(78,893)	(50,312)	–
Would be matured after one year	<b>109,599</b>	–	37,418	12,278

The Group entered into interest rate swaps with aggregate notional amount of HK\$1,500,000,000 (31 December 2023: HK\$1,500,000,000) to manage the exposure to the interest rate risk on the Group's floating-rate borrowings by swapping a proportion of those borrowings from floating rate of Hong Kong Interbank Offered Rate ("HIBOR") to fixed-rate ranging from 3.975% to 3.995% (31 December 2023: 3.975% to 3.995%). The Group also entered into interest rate swaps and cross currency swaps to manage the exposure to the Group's interest rate risk and currency risk on the floating-rate loans denominated in other currencies. In addition, the Group used foreign currency derivative contracts to manage its exposure to foreign exchange rate movements.

The fair values of foreign currency derivative contracts, interest rate swaps and cross currency swaps at the end of the reporting periods are provided by counterparty banks and their maturity dates are detailed as follows:

**30 June 2024**

	Maturity
Interest rate swaps	October 2025 to December 2025
Cross currency swaps	June 2027
Foreign currency derivative contracts	July 2024 to February 2025

31 December 2023

	Maturity
Interest rate swaps	October 2025 to December 2025
Cross currency swaps	June 2027
Foreign currency derivative contracts	January 2024 to February 2025

## 21. DERIVATIVE FINANCIAL INSTRUMENTS UNDER HEDGE ACCOUNTING

	<b>30 June 2024 HK\$'000 (unaudited)</b>	31 December 2023 HK\$'000 (audited)
<b>Derivative as assets</b>		
Designated as cash flow hedge – interest rate swaps (note i)	–	45,895
Analysed for reporting purpose: Shown under current assets	–	45,895
<b>Derivative as liabilities</b>		
Designated as cash flow hedge – interest rate swaps (note i) – cross currency swaps (note ii)	<b>8,227</b> <b>75,684</b>	23,183 84,748
	<b>83,911</b>	107,931
Analysed for reporting purpose: Shown under non-current liabilities	<b>83,911</b>	107,931

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 21. DERIVATIVE FINANCIAL INSTRUMENTS UNDER HEDGE ACCOUNTING (CONTINUED)

Notes:

(i) Interest rate swaps

As at 30 June 2024 and 31 December 2023, the Group entered into interest rate swap contracts to minimise its exposure to fluctuations in interest rates of its bank borrowings which bear interest at a floating rate of HIBOR plus 0.88% (31 December 2023: HIBOR plus 0.88% to 0.95%) per annum. The critical terms of the interest rate swaps and the corresponding bank borrowings are identical and the Directors considered that the interest rate swap contracts were highly effective hedging instruments and qualified as cash flow hedges.

	<b>At 30 June 2024 (unaudited)</b>	At 31 December 2023 (audited)
Carrying amount-(liabilities)/assets (HK\$'000)	<b>(8,227)</b>	22,712
Notional amount (HK\$'000)	<b>1,000,000</b>	3,900,000
Maturity date	<b>29 June 2026</b>	28 June 2024 to 29 June 2026
Change in fair value of hedging instruments during the period/year (HK\$'000)	<b>19,671</b>	21,503
Change in value of hedged item used to determine hedge effectiveness during the period/year (HK\$'000)	<b>(19,671)</b>	(21,503)
Weighted average swap rate per annum (before interest margin)	<b>4.39%</b>	2.07%

(ii) Cross currency swaps

As at 30 June 2024 and 31 December 2023, the Group entered into cross currency swap contracts to minimise its exposure to fluctuations in foreign currency exchange rates and interest rate of certain of its medium term notes denominated in US\$. The critical terms of the cross currency swaps and the corresponding medium term notes are identical and the Directors considered that the cross currency swaps were highly effective hedging instruments and qualified as cash flow hedges.

	<b>At 30 June 2024 (unaudited)</b>	At 31 December 2023 (audited)
Carrying amount-(liabilities) (HK\$'000)	<b>(75,684)</b>	(84,748)
Notional amount (US\$'000)	<b>300,000</b>	300,000
Maturity date	<b>15 June 2030</b>	15 June 2030
Change in fair value of hedging instruments during the period/year (HK\$'000)	<b>8,499</b>	(85,534)
Change in value of hedged item used to determine hedge effectiveness during the period/year (HK\$'000)	<b>(8,499)</b>	85,534
Weighted average exchange rate (US\$: HK\$)	<b>7.8176</b>	7.8176

## 21. DERIVATIVE FINANCIAL INSTRUMENTS UNDER HEDGE ACCOUNTING (CONTINUED)

Notes: (continued)

(iii) Hedging reserve

	Cross currency swaps HK\$'000	Interest rate swaps HK\$'000	Total hedging reserves HK\$'000
As at 1 January 2023 (audited)	(12,408)	48,772	36,364
Fair value adjustments on cross currency swaps and interest rate swaps designated as cash flow hedge	(85,534)	21,503	(64,031)
Reclassification of fair value adjustments to profit or loss	20,844	(85,453)	(64,609)
Deferred tax related to fair value adjustments recognised in other comprehensive income	–	10,460	10,460
Reclassification of amount attributable to non-controlling unitholders of Champion REIT	19,733	17,137	36,870
As at 31 December 2023 (audited)	<b>(57,365)</b>	<b>12,419</b>	<b>(44,946)</b>
Fair value adjustments on cross currency swaps and interest rate swaps designated as cash flow hedge	<b>8,499</b>	<b>19,671</b>	<b>28,170</b>
Reclassification of fair value adjustments to profit or loss	<b>990</b>	<b>(49,603)</b>	<b>(48,613)</b>
Deferred tax related to fair value adjustments recognised in other comprehensive income	–	<b>5,105</b>	<b>5,105</b>
Reclassification of amount attributable to non-controlling unitholders of Champion REIT	<b>(3,287)</b>	<b>7,605</b>	<b>4,318</b>
As at 30 June 2024 (unaudited)	<b>(51,163)</b>	<b>(4,803)</b>	<b>(55,966)</b>

The fair values of the above derivatives are based on the valuations provided by the counterparty financial institutions and measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

## 22. BORROWINGS

	30 June 2024 HK\$'000 (unaudited)	31 December 2023 HK\$'000 (audited)
Bank loans and revolving loans	30,425,440	30,115,599
Other loans	218,638	218,730
Loan front-end fee	30,644,078 (100,595)	30,334,329 (90,573)
	<b>30,543,483</b>	30,243,756

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### 22. BORROWINGS (CONTINUED)

The maturity of the above loans based on scheduled repayment terms is as follows:

	<b>30 June 2024 HK\$'000 (unaudited)</b>	31 December 2023 HK\$'000 (audited)
Within one year	<b>8,310,734</b>	17,862,291
More than one year but not exceeding two years	<b>7,866,722</b>	860,771
More than two years but not exceeding five years	<b>14,366,027</b>	11,520,694
Less: Amounts due within one year shown under current liabilities	<b>30,543,483 (8,310,734)</b>	30,243,756 (17,862,291)
Amounts due after one year shown under non-current liabilities	<b>22,232,749</b>	12,381,465

Borrowings amounting to HK\$15,043,813,000 (31 December 2023: HK\$14,788,270,000) were secured by way of legal charges over certain of the Group's assets and business undertakings.

The exposure of the Group's fixed-rate borrowings and the contractual maturity dates are as follows:

	<b>30 June 2024 HK\$'000 (unaudited)</b>	31 December 2023 HK\$'000 (audited)
More than one year but not exceeding two years	<b>15,617</b>	–
More than two years but not exceeding three years	<b>218,638</b>	234,354
	<b>234,255</b>	234,354

The exposure of the Group's floating-rate borrowings and the contractual maturity dates are as follows:

	<b>30 June 2024 HK\$'000 (unaudited)</b>	31 December 2023 HK\$'000 (audited)
Within one year	<b>8,310,734</b>	17,862,291
More than one year but not exceeding two years	<b>7,851,105</b>	860,771
More than two years but not exceeding three years	<b>9,359,635</b>	4,382,369
More than three years but not exceeding four years	<b>3,201,062</b>	5,672,147
More than four years but not exceeding five years	<b>1,586,692</b>	1,231,824
	<b>30,309,228</b>	30,009,402

## 22. BORROWINGS (CONTINUED)

The ranges of effective interest rates per annum (which approximate to contracted interest rates) on the Group's borrowings are as follows:

	<b>30 June 2024 HK\$'000 (unaudited)</b>	31 December 2023 HK\$'000 (audited)
Fixed-rate borrowings	1%	1%
Floating-rate borrowings	<b>0.50% to 7.20%</b>	0.55% to 7.16%

The Group entered into interest rate swaps and cross currency swaps to manage the exposure to interest rate risk and currency risk of the floating-rate borrowings as disclosed in notes 20 and 21.

## 23. MEDIUM TERM NOTES

	<b>30 June 2024 HK\$'000 (unaudited)</b>	31 December 2023 HK\$'000 (audited)
Medium term notes	<b>4,042,550</b>	4,043,540
Origination fees	<b>(26,851)</b>	(29,923)
Less: Amount due within one year shown under current liabilities	<b>4,015,699 (974,482)</b>	4,013,617 (199,985)
Amount due after one year shown under non-current liabilities	<b>3,041,217</b>	3,813,632

The maturity of the medium term notes is as follows:

	<b>30 June 2024 HK\$'000 (unaudited)</b>	31 December 2023 HK\$'000 (audited)
Within one year	<b>974,482</b>	199,985
More than one year but not exceeding two years	<b>447,836</b>	1,221,110
More than two years but not exceeding five years	<b>274,855</b>	274,838
More than five years	<b>2,318,526</b>	2,317,684
Less: Amount due within one year shown under current liabilities	<b>4,015,699 (974,482)</b>	4,013,617 (199,985)
Amount due after one year shown under non-current liabilities	<b>3,041,217</b>	3,813,632

## 23. MEDIUM TERM NOTES (CONTINUED)

The major terms of the issued medium term notes are set out below:

**As at 30 June 2024 and 31 December 2023**

Principal amount	Coupon rate (per annum)
US\$300,000,000	2.95%
HK\$1,700,000,000	Fixed rates ranging from 2.75% to 4.00%

The Group also entered into cross currency swaps, details of which are set out in note 21.

## 24. LEASE LIABILITIES

	30 June 2024 HK\$'000 (unaudited)	31 December 2023 HK\$'000 (audited)
Within one year	7,224	7,347
More than one year but not exceeding two years	7,500	7,380
More than two years but not exceeding five years	27,505	26,040
More than five years	297,309	302,553
	<b>339,538</b>	343,320
Less: Amount due within one year shown under current liabilities	(7,224)	(7,347)
Amount due after one year shown under non-current liabilities	<b>332,314</b>	335,973

## 25. SHARE CAPITAL

	30 June 2024 (unaudited)		31 December 2023 (audited)	
	Number of shares '000	Nominal value HK\$'000	Number of shares '000	Nominal value HK\$'000
Authorised:				
<b>Shares of HK\$0.50 each</b> Balance brought forward and carried forward	<b>1,200,000</b>	<b>600,000</b>	1,200,000	600,000
Issued and fully paid:				
<b>Shares of HK\$0.50 each</b> Balance brought forward and carried forward	<b>747,723</b>	<b>373,862</b>	747,723	373,862

## 26. SHARE OPTIONS

The Company has a share option scheme for eligible employees of the Group. Details of the share options outstanding during the period are as follows:

	Number of share options
Outstanding at 1 January 2024 (audited)	20,971,000
Granted during the period	6,155,000
Lapsed during the period	(4,551,000)
Outstanding at 30 June 2024 (unaudited)	22,575,000

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### 26. SHARE OPTIONS (CONTINUED)

During the six months ended 30 June 2024, 6,155,000 share options were granted on 20 March 2024. The closing price of the Company's shares immediately before 20 March 2024, the date of grant, were HK\$11.18. The fair value of the options determined at the date of grant using the Black-Scholes option pricing model were derived with the following significant assumptions:

Date of grant:	20 March 2024
Closing price per share as at the date of grant:	HK\$10.98
Exercise price:	HK\$11.18
Expected volatility (note a):	20.55%
Expected dividend yield (note b):	13.01%
Expected life from grant date:	5 years
Risk free interest rate (note c):	3.96%
Fair value per option:	HK\$0.92

Notes:

- (a) The expected volatility was based on 5-year historical volatility of the Company's shares.
- (b) The expected dividend yield was based on 5-year historical dividends of the Company.
- (c) Risk free interest rate was approximated the yield of 5-year Exchange Fund Note on the date of grant.
- (d) The vesting period for the option grant is 24 months from the date of grant.

The variables and assumptions used in computing the fair value of the share options are based on the Directors' best estimate. Change in variables and assumptions may result in changes in fair value of the options.

## 27. COMMITMENTS AND CONTINGENT LIABILITIES

At 30 June 2024, the Group has authorised capital expenditure for investment properties and property, plant and equipment which is not provided for in these condensed consolidated financial statements amounting to HK\$7,716,761,000 (31 December 2023: HK\$7,813,472,000) of which HK\$931,634,000 (31 December 2023: HK\$622,453,000) was contracted for.

Other than that, the Group did not have any significant commitments and contingent liabilities at the end of the reporting period.

## 28. CONNECTED AND RELATED PARTY DISCLOSURES

The Group had the following significant related party balances and transactions during the period. The transactions were carried out in the normal course of the Group's business on terms mutually agreed between the parties. Dr. Lo Ka Shui is the chairman and managing director of the Company. Transactions with the Group were disclosed as related party transactions.

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
<b>Transactions with a related party for the period</b>		
Dr. Lo Ka Shui		
Management fee income	624	624
<b>Transactions with related companies for the period</b>		
Shui On Land Limited and its subsidiaries <sup>1</sup>		
Management fee expenses	1,549	1,618
Hotel income	1,138	314
Shui Sing (BVI) Limited and its subsidiaries <sup>2</sup>		
Management fee income	132	132
Repair and maintenance income	183	110
Agency fee income	25	48
Healthy Seed <sup>3</sup>		
Rental income	79	100
Building management fee income	90	87
Management fee income	98	140
Repair and maintenance income	26	13

Transactions with related companies are also connected transactions as defined in the Chapter 14A of the Listing Rules.

**28. CONNECTED AND RELATED PARTY DISCLOSURES (CONTINUED)**

	<b>30 June 2024 HK\$'000 (unaudited)</b>	31 December 2023 HK\$'000 (audited)
<b>Balances with related companies</b>		
Amounts due from related companies (included in debtors, deposits and prepayments)		
Shui On Land Limited and its subsidiaries <sup>1</sup>	391	–
Shui Sing (BVI) Limited and its subsidiaries <sup>2</sup>	94	124
	<b>485</b>	124
Amounts due from related parties (included in debtors, deposits and prepayments)		
Dr. Lo Ka Shui	–	156
Mr. Lo Kai Shui	664	664
	<b>664</b>	820
Amounts due to a related company (included in creditors, deposits and accruals)		
Healthy Seed <sup>3</sup>	73	96

Balances with related companies are unsecured, interest-free and repayable on demand.

## 28. CONNECTED AND RELATED PARTY DISCLOSURES (CONTINUED)

Notes:

- 1 Mr. Lo Hong Sui, Vincent, being a director and controlling shareholder of these companies, is an associate of Dr. Lo Ka Shui (a substantial shareholder of the Company), Madam Lo To Lee Kwan, Mr. Lo Hong Sui, Antony, Madam Law Wai Duen, Dr. Lo Ying Sui and Mr. Lo Chun Him, Alexander, all being Directors of the Company, and Mr. Lo Kai Shui.
- 2 Dr. Lo Ka Shui, Madam Lo To Lee Kwan, Mr. Lo Hong Sui, Antony, Madam Law Wai Duen, Mr. Lo Hong Sui, Vincent and Dr. Lo Ying Sui, all being Directors of the Company, and Mr. Lo Kai Shui, are among the discretionary beneficiaries under a discretionary trust, being a substantial shareholder of this company, holding 34.06% (31 December 2023: 34.06%) interest of the Company.
- 3 Dr. Lo Ka Shui and Mr. Lo Chun Him, Alexander, are directors of this company.

## 29. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

### Fair values of the Group's financial assets and financial liabilities that are measured at fair values on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

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### 29. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

**Fair values of the Group's financial assets and financial liabilities that are measured at fair values on a recurring basis** (continued)

Financial assets/(liabilities)	Fair value as at		Fair value hierarchy	Valuation technique and key inputs
	30 June 2024 HK\$'000	31 December 2023 HK\$'000		
Listed equity securities classified as equity instruments at FVTOCI in the condensed consolidated statement of financial position.	477,262	619,942	Level 1	Quoted market bid prices in an active market.
Listed equity securities held for trading in the condensed consolidated statement of financial position.	443,652	520,280	Level 1	Quoted market bid prices in an active market.
Unlisted equity securities classified as equity instruments at FVTOCI in the condensed consolidated statement of financial position.	502,843	524,677	Level 1	Broker's quote which reflects the Group's share of fair value of the underlying investments which are publicly traded equity investments.
Liquidity funds classified as financial assets at FVTPL in the condensed consolidated statement of financial position.	31,727	119,184	Level 1	Broker's quote which reflects the Group's share of fair value of the underlying investments which are publicly traded equity investments.
Foreign currency derivative contracts classified as derivative financial instruments in the condensed consolidated statement of financial position.	(78,893)	53,654	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contracted forward rates, discounted at a rate that reflects the credit risk of various counterparties.
Interest rate swaps classified as derivative financial instruments in the condensed consolidated statement of financial position.	3,634 (8,227)	45,895 (35,461)	Level 2	Discounted cash flow. Future cash flows are estimated based on forward interest rates (from observable forward interest rates at the end of the reporting period) and contracted interest rates, discounted at a rate that reflects the credit risk of various counterparties.
Cross currency swaps classified as derivative financial instruments in the condensed consolidated statement of financial position.	105,965 (75,684)	34,076 (84,748)	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates and interest rates (from observable forward exchange rates and interest rates at the end of the reporting period) and contracted forward rates and interest rate, discounted at a rate that reflects the credit risk of various counterparties.

## 29. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair values of the Group's financial assets and financial liabilities that are measured at fair values on a recurring basis (continued)

Financial assets/(liabilities)	Fair value as at		Fair value hierarchy	Valuation technique and key inputs	Significant unobservable inputs
	30 June 2024 HK\$'000	31 December 2023 HK\$'000			
Unlisted equity securities classified as equity instruments at FVTOCI in the condensed consolidated statement of financial position.	321,489	304,398	Level 3	Market approach. It is based on the best information available in the circumstances and includes appropriate risk adjustments for lack of marketability.	Multiples of several comparable companies and risk adjustments for lack of marketability. (note a)
Equity linked notes classified as financial assets at FVTPL in the condensed consolidated statement of financial position.	37,481	31,828	Level 3	Discounted cash flow. Future cash flows are estimated based on share price (from observable share price at the end of the reporting period) and contracted share price, discounted at a rate that reflects the credit risk of various counterparties.	Volatility of underlying share prices. (note b)
Other payable classified as financial liability designated as at fair value in the condensed consolidated statement of financial position.	56,900	220,000	Level 3	Discounted cash flow. Future cash flows are estimated based on the forecast sales and budgeted costs to completion, discounted at a rate that reflects the risk of counterparty.	Forecast sales, budgeted costs to completion and discount rate. (note c)

## 29. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

### Fair values of the Group's financial assets and financial liabilities that are measured at fair values on a recurring basis (continued)

Notes:

- (a) The higher the multiples, the higher the fair value of unlisted equity securities. The higher the risk adjustments, the lower the fair value of unlisted equity securities. A reasonably possible change in the unobservable input would result in a significant higher or lower fair value measurement.
- (b) The higher the volatility, the higher the fair value of equity linked notes. A reasonably possible change in the unobservable input would result in a significant higher or lower fair value measurement.
- (c) The higher the forecast sales, the higher the fair value of other payable. The higher the budgeted costs to completion, the lower the fair value of other payable. The higher the discount rate, the lower the fair value of other payable. A reasonably possible change in the unobservable input would result in a significant higher or lower fair value measurement.

### Reconciliation of Level 3 fair value measurements

	Other payable HK\$'000	Equity linked notes HK\$'000	Unlisted equity securities HK\$'000
As at 1 January 2023 (audited)	2,367,000	28,063	269,788
Increase	–	81,177	79,713
Decrease	(1,066,000)	(77,569)	(8,920)
Change in fair value	(1,081,000)	157	(36,183)
As at 31 December 2023 (audited)	<b>220,000</b>	<b>31,828</b>	<b>304,398</b>
Increase	–	<b>37,481</b>	<b>17,773</b>
Decrease	–	<b>(31,884)</b>	–
Change in fair value	<b>(163,100)</b>	<b>56</b>	<b>(682)</b>
As at 30 June 2024 (unaudited)	<b>56,900</b>	<b>37,481</b>	<b>321,489</b>

The above changes in fair value of equity linked notes and unlisted equity securities are included in "fair value changes on financial assets at FVTPL" in the condensed consolidated income statement and "fair value (loss) gain on equity instruments at FVTOCI" in the condensed consolidated statement of comprehensive income, respectively.

The Directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised costs in the condensed consolidated financial statements approximate to their fair values. They are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

# GLOSSARY OF TERMS

In this interim report, unless the context otherwise requires, the following expression shall have the followings meanings:

Term	Definition
"2009 Share Option Scheme"	the share option scheme of the Company adopted by an ordinary resolution passed on 27 May 2009
"2019 Share Option Scheme"	the share option scheme of the Company adopted by an ordinary resolution passed on 22 May 2019
"2024 Share Award Scheme"	the share award scheme of the Company adopted by an ordinary resolution passed on 29 May 2024
"2024 Share Option Scheme"	the share option scheme of the Company adopted by an ordinary resolution passed on 29 May 2024
"Board"	Board of Directors of the Company
"Bye-laws"	the bye-laws of the Company as may be amended from time to time
"CG Code"	Corporate Governance Code set out in Appendix C1 to the Listing Rules
"Champion REIT"	Champion Real Estate Investment Trust (Stock Code: 2778), a Hong Kong collective investment scheme authorised under section 104 of SFO, in which the Group has an interest of approximately 69.73% as at 30 June 2024
"Code of Conduct for Securities Transactions"	Code of Conduct regarding Securities Transactions by Directors and Relevant Employees
"Company"	Great Eagle Holdings Limited
"Director(s)"	the director(s) of the Company
"EBITDA"	Earning before interest, taxes, depreciation and amortisation
"Group"	the Company and its subsidiaries
"HITL"	HSBC International Trustee Limited
"HKAS"	Hong Kong Accounting Standard

## GLOSSARY OF TERMS

Term	Definition
"HKFRS"	Hong Kong Financial Reporting Standard
"HKICPA"	Hong Kong Institute of Certified Public Accountants
"Langham" or "LHI"	Langham Hospitality Investments and Langham Hospitality Investments Limited (Stock Code: 1270), the share stapled units of which are listed on the Stock Exchange, in which the Group had an interest of approximately 70.71% as at 30 June 2024
"Listing Rules"	Rules Governing the Listing of Securities on the Stock Exchange
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
"RevPAR"	Revenue per available room
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shareholder(s)"	holder(s) of ordinary share(s) in the share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"U.S. Fund" or "U.S. Real Estate Fund"	Pacific Eagle (US) Real Estate Fund, L.P., in which the Group had an interest of approximately 49.97% as at 30 June 2024
"We" or "us"	the Group, unless the content otherwise requires, i.e. the Company only (Exclude in the Report on Review of Condensed Consolidated Financial Statements and Condensed Consolidated Financial Statements)



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