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

(Stock Code: 41)

2022 INTERIM RESULTS ANNOUNCEMENT

The Board of Directors of Great Eagle Holdings Limited (the "**Company**") announces the unaudited consolidated financial results of the Company and its subsidiaries (collectively the "**Group**") for the six months ended 30 June 2022 as follows:

	Six months ended 30 June		
	2022 *HK$ million*	**2021** *HK$ million*	**Change**
Key Financials on Income Statement			
Based on core business [1]			
Revenue based on core business	**2,967.0**	**2,563.8**	**15.7%**
Core profit after tax attributable to equity holders	**513.0**	**534.9**	**- 4.1%**
Core profit after tax attributable to equity holders (per share)	**HK$0.70**	**HK$0.74**	
Based on statutory accounting principles [2]			
Revenue based on statutory accounting principles	**4,091.0**	**3,569.3**	**14.6%**
Statutory profit / (loss) attributable to equity holders	**123.9**	**(784.0)**	**n.m.**
Interim dividend (per share)	**HK$0.33**	**HK$0.33**	

[1] On the basis of core business, figures excluded fair value changes relating to the Group's investment properties and financial assets, and were based on attributable distribution income from Champion REIT, Langham Hospitality Investments and Langham Hospitality Investments Limited ("**LHI**") and the U.S. Real Estate Fund ("**U.S. Fund**"), as well as realised gains and losses on financial assets. The management discussion and analysis focus on the core profit of the Group.

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

	As at the end of	
	June 2022	December 2021
Key Financials on Balance Sheet		
Based on share of Net Assets of Champion REIT, LHI and the U.S. Fund (core balance sheet) [1]		
Net gearing	10.9%	10.5%
Book value (per share)	HK$88.7	HK$94.1
Based on statutory accounting principles [2]		
Net gearing [3]	36.4%	34.0%
Book value (per share)	HK$78.3	HK$84.1

[1] The Group's core balance sheet is derived from our share of net assets of LHI based on its reported results. As the hotels owned by LHI are classified as investment properties, the values of these hotels were marked to market in LHI's reported results. More details about the balance sheet derived from our share of net assets in Champion REIT, LHI and the U.S. Fund are set out on page 4.

[2] As for the Group's balance sheet prepared under the statutory accounting principles, the entire debts of Champion REIT, LHI and the U.S. Fund were consolidated in aggregate. However, the Group only owns a 67.99%, 69.53% and 49.97% equity stake of Champion REIT, LHI and the U.S. Fund respectively as at the end of June 2022.

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

Core Profit - Financial Figures based on core business

	Six months ended 30 June		
	2022 *HK$ million*	2021 *HK$ million*	Change
Revenue from core business			
Revenue from property sales	539.6	957.6	- 43.7%
Hotels Division	1,591.3	725.9	119.2%
Management fee income from Champion REIT	168.8	185.6	- 9.1%
Distribution income from Champion REIT ^	430.8	478.5	- 10.0%
Distribution income from LHI ^	-	-	-
Gross rental income	74.2	76.4	- 2.9%
Other operations	162.3	139.8	16.1%
Total revenue	**2,967.0**	**2,563.8**	**15.7%**
Income from property sales	263.4	424.3	- 37.9%
Hotels EBITDA	131.9	(270.6)	n.m.
Management fee income from Champion REIT	168.8	185.6	- 9.1%
Distribution income from Champion REIT ^	430.8	478.5	- 10.0%
Distribution income from LHI ^	-	-	-
Net rental income	48.9	54.3	- 9.9%
Operating income from other operations	69.4	54.4	27.6%
Operating income from core business	**1,113.2**	**926.5**	**20.2%**
Depreciation	(175.3)	(158.9)	10.3%
Administrative and other expenses	(270.0)	(191.2)	41.2%
Other income	4.2	5.1	- 17.6%
Interest income	18.7	46.7	- 60.0%
Finance costs	(95.1)	(77.0)	23.5%
Share of results of joint ventures	1.8	(6.0)	n.m.
Share of results of associates	(7.7)	3.6	n.m.
Core profit before tax	**589.8**	**548.8**	**7.5%**
Income taxes	(77.1)	(13.8)	458.7%
Core profit after tax	**512.7**	**535.0**	**- 4.2%**
Non-controlling interest	0.3	(0.1)	n.m.
Core profit attributable to equity holders	**513.0**	**534.9**	**- 4.1%**

^ Under the Group's statutory profit, interim results of Champion REIT, LHI and the U.S. Fund are consolidated on the Group's income statement. However, the Group's core profit is based on attributable distribution income from Champion REIT, LHI and the U.S. Fund.

Segment assets and liabilities (based on net assets of Champion REIT, LHI and the U.S. Fund)

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

30 June 2022

	Assets	**Liabilities**	**Net Assets**
	HK$ million	***HK$ million***	***HK$ million***
Great Eagle operations	**44,000**	**17,173**	**26,827**
Champion REIT	**45,362**	**11,944**	**33,418**
LHI	**10,533**	**4,738**	**5,795**
U.S. Fund	**434**	**156**	**278**
	100,329	**34,011**	**66,318**

31 December 2021

	Assets	Liabilities	Net Assets
	HK$ million	*HK$ million*	*HK$ million*
Great Eagle operations	47,069	17,555	29,514
Champion REIT	45,991	12,379	33,612
LHI	10,139	4,727	5,412
U.S. Fund	426	154	272
	103,625	34,815	68,810

Financial Figures based on statutory accounting principles

	Six months ended 30 June 2022 *HK$ million*	2021 *HK$ million*	Change
Revenue based on statutory accounting principles			
Revenue from property sales	539.6	957.6	- 43.7%
Hotels Division	2,008.3	1,010.1	98.8%
Gross rental income	74.2	76.4	- 2.9%
Other operations (including management fee income from Champion REIT)	331.1	325.4	1.8%
Gross rental income - Champion REIT	1,330.8	1,397.3	- 4.8%
Gross rental income - LHI	203.6	112.5	81.0%
Gross revenue - U.S. Fund	21.0	34.0	- 38.2%
Elimination on intragroup transactions	(417.6)	(344.0)	21.4%
Consolidated total revenue	**4,091.0**	**3,569.3**	**14.6%**
Income from property sales	263.4	424.3	- 37.9%
Hotels EBITDA	131.9	(270.6)	n.m.
Net rental income	48.9	54.3	- 9.9%
Operating income from other operations (including management fee income from Champion REIT)	238.2	240.0	- 0.8%
Net rental income - Champion REIT	917.7	995.6	- 7.8%
Net rental income - LHI	171.9	92.5	85.8%
Net operating income - U.S. Fund	9.7	4.8	102.1%
Elimination on intragroup transactions	(26.3)	(33.2)	- 20.8%
Consolidated segment results	**1,755.4**	**1,507.7**	**16.4%**
Depreciation	(446.2)	(412.5)	8.2%
Fair value changes on investment properties	(548.9)	(1,864.6)	- 70.6%
Fair value changes on derivative financial instruments	286.3	167.0	71.4%
Fair value changes on financial assets at fair value through profit or loss	(83.5)	26.6	n.m.
Administrative and other expenses	(264.9)	(203.2)	30.4%
Allowance for credit losses on notes receivables	(36.4)	-	n.a.
Other income (including interest income)	33.8	99.0	- 65.9%
Finance costs	(349.3)	(367.1)	- 4.8%
Share of results of joint ventures	40.1	19.8	102.5%
Share of results of associates	(7.7)	3.6	n.m.
Statutory profit / (loss) before tax	**378.7**	**(1,023.7)**	**n.m.**
Income taxes	(211.6)	(138.8)	52.4%
Statutory profit / (loss) after tax	**167.1**	**(1,162.5)**	**n.m.**
Non-controlling interest	(25.3)	14.1	n.m.
Non-controlling unitholders of Champion REIT	(17.9)	364.4	n.m.
Statutory profit / (loss) attributable to equity holders	**123.9**	**(784.0)**	**n.m.**

OVERVIEW

The management's discussion and analysis below focuses on the core profit of the Group. The first half of 2022 has been filled with challenges including the drastic surge of Omicron variant infection cases in Hong Kong during February and March, the rapid interest rate hikes in the US brought by the record-high inflation, as well as geopolitical tension resulted from the Russia-Ukraine War. Their impacts continued to weigh on our businesses. The Group's core profit was HK$513.0 million in the first half of 2022 and 4.1% below that of last year (1H 2021: HK$534.9 million). The spike of COVID-19 cases and its related social distancing measures put in place during early 2022 deterred sales activities, while the subsequent interest rate hikes in the US impacted on market confidence. ONTOLO sales continuously progressed at a slower pace for the remaining larger units. Nonetheless, strong growth has been witnessed for the performance of our overseas hotels particularly in the UK and the US following the lifting of travel restriction and social distancing measures. The Group's statutory results for the period came to a profit attributable to equity holders of HK$123.9 million (1H 2021: loss of HK$784.0 million), mainly due to a significant reduction in revaluation deficit on investment properties.

Acquired in early 2021, the Ho Man Tin residential project with a gross floor area of approximately 742,000 sq. ft., or a saleable area of 660,000 sq. ft. that planned with 990 apartments progresses well. Works are on schedule and foundation works have been mostly completed. Presale is planned for the first half of 2023, whilst completion of construction for handover is scheduled for the last quarter of 2024.

During the period, our overseas hotels performance recorded a significant improvement as demand started to emerge again from both corporate and leisure ends after the wider lifting of travel restrictions. This can be seen from the improved room rates and occupancies for our hotels in the UK and the US respectively. For hotels in the Pacific, the recovery is slightly slower given the lockdown and travel restriction in place during early 2022. The performance of our hotels in Mainland China were adversely impacted during the extended lockdown of Shanghai between April and May 2022. With the pick-up of performance from the overseas hotels and the appropriate implementation of cost controls amidst inflationary pressure on general and labour costs, and scale-down of operations for hotels particularly in China, the Hotels Division recorded an earning before interest, taxes, depreciation and amortisation ("**EBITDA**") at HK$131.9 million in the first half of 2022 (1H 2021: loss of HK$270.6 million). Nevertheless, Hong Kong hotels are still highly affected by the fluctuations in the COVID-19 pandemic situation although there was a moderate recovery in the hotels' business for the first half of 2022. LHI did not declare any interim distribution for the first half of 2022 (1H 2021: nil). The withheld of such distribution is mainly attributable to the minimal distribution amount available and the associated administrative expenses.

Distribution income from Champion REIT dropped by 10.0% year-on-year to HK$430.8 million in the first half of 2022 (1H 2021: HK$478.5 million). Management fee income from Champion REIT fell by 9.1% year-on-year to HK$168.8 million in the first half of 2022 (1H 2021: HK$185.6 million).

With the continuous border closures and lower economic demand, the net rental income from our investment portfolio, mainly Great Eagle Centre and Eaton Residence Apartments, dropped by 9.9% in the first half of 2022 from HK$54.3 million to HK$48.9 million.

Profit from the Group's other business operations rose 27.6% to HK$69.4 million in the first half of 2022 (1H 2021: HK$54.4 million) mainly as a result of improved economic environment comparing to the corresponding period last year.

Driven mainly by the improved performance of Hotels Division but partially offset by reduced income from sale of ONTOLO units, the Group's operating income rose 20.2% to HK$1,113.2 million in the first half of 2022 (1H 2021: HK$926.5 million).

Administrative and other expenses rose 41.2% to HK$270.0 million in the first half of 2022 (1H 2021: HK$191.2 million) caused by higher staffing cost and increased professional fees for refinancing, acquisition and investment activities. In addition, impairment of HK$18.0 million against one of the Group's bond receivables due to a significant increase in credit risk of the counterparty, and write-off of HK$17.4 million in respect of a non-core venture capital fintech investment were also recorded in the reporting period.

The Group's net finance costs increased to HK$76.4 million during the reported period (1H 2021: HK$30.3 million) due to reduction in cash holdings and investments in high yield bonds, as well as increased bank loans utilised comparing to the same period last year. Share of result from associates came to a loss of HK$7.7 million in the first half of 2022 (1H 2021: share of profits of HK$3.6 million), largely arising from a newly acquired associate consumer food business which was highly seasonal and used to be more prominent in the second half of a year. Core profit attributable to equity holders dropped slightly by 4.1% to HK$513.0 million in the first half of 2022 (1H 2021: HK$534.9 million).

Despite the prevailing market and geo-political uncertainties, Great Eagle's financial position remains healthy and the Group is expected to navigate through possible challenges brought by the pandemic and rising interest rates. With available banking facilities and Medium Term Note Programme, the Group will be able to have diverse and flexible funding channels to grasp potential opportunities.

BUSINESS REVIEW

Breakdown of Operating Income	**Six months ended 30 June**		
	2022	**2021**	
	HK$ million	***HK$ million***	**Change**
1. Income from property sales	263.4	424.3	- 37.9%
2. Hotels EBITDA	131.9	(270.6)	n.m.
3. Income from Champion REIT	599.6	664.1	- 9.7%
4. Distribution Income from LHI	-	-	-
5. Net Rental Income from investment properties	48.9	54.3	- 9.9%
6. Operating Income from other operations	69.4	54.4	27.6%
Operating income from core business	**1,113.2**	**926.5**	**20.2%**

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 of 730,870 sq. ft. or a saleable area of 635,612 sq. ft., comprises 723 luxury residential units and 456 parking spaces, and was completed in the fourth quarter of 2020. An aggregate of 601 residential units (representing a saleable area of 445,676 sq. ft.) and 157 carparks had been sold as at the end of June 2022. During the reported period, average sales price for the residential units reached HK$24,100 per sq. ft. based on saleable area, and HK$2.51 million per unit for parking spaces.

During the first half of 2022, the Group had handed over 23 residential units and 19 carparks respectively to the buyers. ONTOLO contributed sales revenue of HK$539.6 million and operating profit of HK$263.4 million respectively for the period ended 30 June 2022.

2. HOTELS DIVISION

Hotels Performance

	Average Daily Rooms Available		Occupancy		Average Room Rate (local currency)		RevPAR (local currency)	
	1H 2022	1H 2021	1H 2022	1H 2021	1H 2022	1H 2021	1H 2022	1H 2021
Europe								
The Langham, London	380	380	54.6%	4.7%	487	416	266	20
North America								
The Langham, Boston[#]	299	304	36.5%	2.0%	480	482	175	10
The Langham Huntington, Pasadena	379	379	49.5%	22.3%	382	347	189	77
The Langham, Chicago	315	316	54.9%	26.2%	509	439	280	115
The Langham, New York, Fifth Avenue	234	234	58.3%	21.0%	674	552	393	116
Eaton, Washington D.C.	209	209	53.2%	20.7%	275	160	147	33
Chelsea Hotel, Toronto	1,590	1,590	58.7%	12.1%	142	106	83	13
Australia / New Zealand								
The Langham, Melbourne	388	388	47.4%	27.9%	368	320	174	89
The Langham, Sydney	96	96	54.4%	41.8%	564	519	307	217
Cordis, Auckland	639	387	21.1%	39.9%	239	217	50	87
Mainland China								
The Langham, Shanghai, Xintiandi	356	353	39.0%	68.2%	1,038	1,235	405	842
Cordis, Shanghai, Hongqiao	393	394	42.3%	62.8%	743	763	314	479

[#] Re-opened in the second quarter of 2021 after the hotel has been closed for renovation from April 2019

	Six months ended 30 June		
	2022 *HK$ million*	2021 *HK$ million*	Change
Hotels revenue			
Europe	259.1	28.1	822.1%
North America	927.7	231.4	300.9%
Australia / New Zealand	267.4	229.4	16.6%
Mainland China	91.4	187.3	- 51.2%
Others (including hotel management fee income)	45.7	49.7	- 8.0%
Total hotels revenue	**1,591.3**	**725.9**	**119.2%**
Hotels EBITDA			
Europe	61.6	(22.5)	n.m.
North America	131.1	(161.8)	n.m.
Australia / New Zealand	(4.5)	(18.7)	- 75.9%
Mainland China	(11.7)	33.6	n.m.
Others (including hotel management fee income)	(44.6)	(101.2)	- 55.9%
Total hotels EBITDA	**131.9**	**(270.6)**	**n.m.**

The performance of our overseas hotels for the first six months of 2022 varied. Business in London and North America witnessed a significant improvement following the easing of COVID-19 restrictions. Room performance showed a strong recovery supported by the pent-up leisure demand at high retail rates, together with gradual recovery in corporate and group business. Our hotels in the Pacific also began to recover slowly in the second quarter with gradual resumption of international travel. For Greater China region, the performance was largely impacted by the travel restriction and lockdowns (especially in Shanghai) during the second quarter. These restrictions have severely impacted our operations.

Total revenue for the Hotels Division recorded a 119.2% year-on-year growth to HK$1,591.3 million in the first half of 2022. After taking into account of rental payment to LHI, there was a net operating loss of HK$72.6 million (1H 2021: HK$129.8 million) incurred by the Group as the lessee of LHI's hotels, which were included under the item "Others" in the above Hotels EBITDA table. Overall, the Hotels Division reported an EBITDA of HK$131.9 million in the first half of 2022 (1H 2021: loss of HK$270.6 million), which had also included HK$23.4 million government subsidies received during the reported period (1H 2021: HK$43.6 million).

EUROPE

The Langham, London

The Langham, London performed well in the first half of 2022 reflecting the economic recovery of the city. Room revenue was driven up by high-rated Middle East and domestic travellers with corporate and group activities gradually returning to the market. Nevertheless, the surging inflation and rising prices in the UK will be a challenging factor in the second half of the year.

NORTH AMERICA

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

The room performance of all our US hotels saw accelerated growth as the first half unfolded with strength in leisure travel driving increased rates and occupancy. Additionally, there had been a rebound in corporate and group travel as exhibitions, entertainment and sporting events return to the market.

Chelsea Hotel, Toronto

The room performance was supported by steady demand from the university students residence program ended in April 2022, while May 2022 saw a return of leisure demand particularly on weekends, with room rates reaching double-digit growth compared to last year. However, restaurants and banquets business continued to be slow to recover.

During the first half of 2022, the Group continued to work on the right to redevelop the Chelsea Hotel site into a mixed-use project with a 400-key hotel, two residential condominium towers and a small amount of commercial space which together would more than double the existing aggregate gross floor area to approximately 1.7 million sq. ft. After securing the Entitlement Rights per our development application in 2019, the Group continued to work on the Site Permit application and resubmission was made in May 2022 addressing City’s prior comments. Our development team has been exploring for further project enhancements and assessing the optimal timing for redevelopment. Meanwhile the Chelsea Hotel operation continues.

AUSTRALIA / NEW ZEALAND

The Langham, Melbourne and The Langham, Sydney

Our Australian hotels were impacted by the increasing infection rates in Australia during the first quarter. Since the reopening of international borders, corporate and group business have been gradually returning to the market. Both hotels have seen rooms business sustained by local leisure demand particularly on weekends.

Cordis, Auckland

The ban on international travel was gradually lifted in phases from April and fully opened in July. Room performance has been slow to recover due to the reliance on domestic leisure business, whilst corporate and meetings business has not yet fully returned to the market.

The new Pinnacle Tower extension has received positive feedback since its opening late last year.

MAINLAND CHINA

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

Our Shanghai hotels saw stable performance in the first two months this year. However, business was heavily impacted by the rapid spread of COVID-19 cases from mid-March resulting in a two-month lockdown in Shanghai across April and May. Both hotels were benefited from providing accommodation to medical groups in the second quarter of the year.

Hotel Management Business

As at the end of June 2022, there were 13 hotels with approximately 3,600 rooms in our management portfolio. The most recent hotel added to the portfolio was The Langham Gold Coast, Australia which soft opened in June 2022 with 169 available guestrooms. The remainder portion including 170 apartments, will open from August 2022 onwards.

The Group has started to launch a new midscale hotel brand named Ying'nFlo to expand its hospitality business in mainland China.

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 the first half of 2022 dropped by 9.7% to HK$599.6 million. Of which, distribution income decreased by 10.0% year-on-year to HK$430.8 million, as Champion REIT declared a 11.1% decline in distribution per unit while our holdings in Champion REIT increased from 67.32% as at the end of June 2021 to 67.99% as at the end of June 2022. Given the decline in the net property income of Champion REIT, overall management fee income from Champion REIT dropped by 9.1% to HK$168.8 million in the first half of 2022.

	Six months ended 30 June		
	2022	**2021**	
	HK$ million	***HK$ million***	**Change**
Attributable distribution income	430.8	478.5	- 10.0%
Management fee income	168.8	185.6	- 9.1%
Total income from Champion REIT	**599.6**	**664.1**	**- 9.7%**

The following text was extracted from the 2022 interim results announcement of Champion REIT relating to the performance of the REIT's properties.

Three Garden Road

Occupancy of the property was affected by relocation and downsizing of tenants, falling to 83.8% as at 30 June 2022 (31 December 2021: 89.0%). Demand from the financial industry weakened considerably amid market turbulence during the period. Negative rental reversion trend continued given the abundant existing and upcoming supplies in the market. Passing rents of the property decreased to HK$103.4 per sq. ft. (based on lettable area) (31 December 2021: HK$108.3 per sq. ft.). The lower average occupancy and lower passing rents drove down total rental income of the property to HK$689 million (1H 2021: HK$735 million). Net property operating expenses decreased slightly by 1.2% to HK$69 million (1H 2021: HK$70 million). The increase in rental commission was compensated by lower government rent and rates as a result of lower assessable value as well as lower repair and maintenance expenses. Net property income decreased by 6.7% to HK$620 million (1H 2021: HK$665 million).

Langham Place Office Tower
The higher average occupancy in the first half of 2022 compared with last year offset the impact of negative rental reversion, resulting in a growth of 1.6% in rental income to HK$181 million (1H 2021: HK$178 million). Occupancy stood at 94.5% as at 30 June 2022 compared with 91.0% as at 30 June 2021 but was lower than 96.3% as at 31 December 2021. Market rentals trended down amid the market standstill. Passing rents of the property lowered to HK$46.3 per sq. ft. (based on gross floor area) as at 30 June 2022 compared with HK$47.1 per sq. ft. as at 31 December 2021. Net property income increased by 1.6% to HK$164 million (1H 2021: HK$162 million). Net property operating expenses went up slightly to HK$17 million (1H 2021: HK$16 million), mainly due to allowance for credit loss of HK$2 million.

Langham Place Mall
The mall remained fully occupied as at 30 June 2022 notwithstanding the difficult operating environment of the retail market. Average passing rents dropped to HK$154.5 per sq. ft. (based on lettable floor area) as at 30 June 2022 (31 December 2021: HK$165.9 per sq. ft.). Total rental income decreased by 6.0% to HK$326 million (1H 2021: HK$347 million). Negative rental reversion combined with the nominal base rent structure of Langham Beauty suppressed the base rent portion by 17.4% to HK$253 million (1H 2021: HK$306 million). This rental structure contributed to the growth in turnover rent portion to HK$51 million (1H 2021: HK$15 million). Net property operating expenses increased to HK$66 million (1H 2021: HK$36 million) mainly due to operating expenses incurred for Langham Beauty. Net promotion expenses earmarked to boost sales and footfall of the mall increased by HK$2 million. Net property income declined 16.3% to HK$260 million (1H 2021: HK$310 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 core profit will be derived from 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.

In the first half of 2022, LHI did not declare a distribution despite improvement in the performance taking into consideration of minimal distribution amount available and the associated administrative expenses.

Performances of the Hong Kong hotels below were extracted from the 2022 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 2022	1H 2021	1H 2022	1H 2021	1H 2022	1H 2021	1H 2022	1H 2021
The Langham, Hong Kong	498	498	70.6%	20.6%	1,644	1,137	1,160	235
Cordis, Hong Kong	668	667	71.1%	26.2%	1,501	1,008	1,067	264
Eaton HK	465	465	76.3%	35.9%	1,096	522	836	188

The Langham, Hong Kong

The Langham, Hong Kong, participated in the Community Isolation Facility ("**CIF**") Hotel Scheme by providing accommodation to COVID-19 patients with mild symptoms from March to the end of May 2022. Due to the decrease in confirmed cases, from 1 May the hotel swapped into operating as a Q-Hotel (hotel in the Designated Quarantine Hotel Scheme) for providing quarantine accommodation to overseas travellers or returning residents. In view of the immense demand for Q-Hotels, the hotel has agreed to continue to operate as a Q-Hotel until 31 October 2022.

Due to the changes of the operating mode to a CIF/Q-Hotel, the hotel witnessed a 70.6% occupancy in the first half of 2022, as compared with a 20.6% occupancy posted in the first half of 2021. The average room rate increased by 44.6% year-on-year in the first half of 2022.

While the room revenue soared 394.2% year-on-year in the first half of 2022, Food & Beverage ("**F&B**") revenue for the hotel declined 59.2% year-on-year in the first half of 2022, mainly due to the temporary closure of all F&B outlets under the CIF Hotel Scheme. Nevertheless, the total revenue of the hotel increased by 58.7% year-on-year in the first half of 2022. Excluding the increase of HK$2.8 million in the Employment Support Scheme and other government subsidies that are recorded in other revenue, total revenue for the hotel increased 55.7% year-on-year in the first half of 2022.

Cordis, Hong Kong

Cordis, Hong Kong, changed its operation mode to a CIF hotel from mid-March to mid-May 2022 by providing accommodation to COVID-19 patients with mild symptoms. Since this time the hotel was operated as a Q-Hotel offering quarantine accommodation to overseas travellers or returning residents until the end of July 2022. As a result, the hotel witnessed a 71.1% occupancy in the first half of 2022, as compared with a 26.2% occupancy posted in the first half of 2021. The average room rate grew 48.9% year-on-year in the first half of 2022.

F&B revenue decreased by 64.2% year-on-year in the first half of 2022, mainly due to the temporary closure of all F&B outlets when the hotel operated as CIF/Q-Hotel under the CIF Hotel Scheme and the continued closure of the banquet business when operated as a Q-Hotel. This decrease in F&B has been more than compensated by the increase in room revenue. The room revenue rose by 305.1% year-on-year in the first half of 2022. Overall, the total revenue of the hotel improved 41.1% year-on-year in the first half of 2022. Excluding the increase of HK$3.0 million in Employment Support Scheme and other government subsidies that are recorded in other revenue, total revenue for the hotel increased 38.8% year-on-year in the first half of 2022.

In view of the immense demand for Q-Hotels, the hotel has agreed to continue to operate as a Q-Hotel until 31 October 2022.

Eaton HK

Eaton HK, managed to deliver a 76.3% occupancy for first half of 2022, as it captured a good share of the staycation market by its value-for-money pricing as well as being contracted to provide accommodation to the staff from Hospital Authority for three months from mid-March to mid-June. As a result, the average room rate improved 110.0% year-on-year in the first half of 2022. Total room revenue increased by 345.3% year-on-year in the first half of 2022.

On the other hand, revenue from F&B at the Eaton HK decreased by 18.7% year-on-year in the first half of 2022, mainly due to the temporary closure of various F&B outlets at different times in the first half of 2022. The growth in room revenue in the first half of 2022 has offset the decline in F&B revenue. The total revenue of the hotel improved 54.6% year-on-year in the first half of 2022. Excluding the increase of HK$6.4 million in Employment Support Scheme and other government subsidies that are recorded in other revenue, total revenue for the hotel increased 48.2% year-on-year in the first half of 2022.

5. RENTAL INCOME FROM INVESTMENT PROPERTIES

	Six months ended 30 June		
	2022	2021	
	HK$ million	*HK$ million*	Change
Gross rental income			
Great Eagle Centre	41.5	49.3	- 15.8%
Eaton Residence Apartments	14.3	12.3	16.3%
Others	18.4	14.8	24.3%
	74.2	**76.4**	**- 2.9%**
Net rental income			
Great Eagle Centre	34.3	46.3	- 25.9%
Eaton Residence Apartments	7.7	5.2	48.1%
Others	6.9	2.8	146.4%
	48.9	**54.3**	**- 9.9%**

Great Eagle Centre

	As at the end of		
	June 2022	June 2021	Change
Office (on lettable area)			
Occupancy	**62.3%**	63.7%	- 1.4ppt
Average passing rent	**HK$58.2**	HK$69.3	- 16.0%
Retail (on lettable area)			
Occupancy	**92.2%**	94.4%	- 2.2ppt
Average passing rent	**HK$68.5**	HK$87.8	- 22.0%

The rental performance of Great Eagle Centre was impacted by the increasing supply of office space in Hong Kong as a whole and the subdued demand caused by the COVID-19 pandemic. The Group's overall rental income for the Great Eagle Centre fell 15.8% year-on-year to HK$41.5 million in the first half period (1H 2021: HK$49.3 million). Office occupancy dropped 1.4 percentage points to 62.3% as of end June 2022 due to certain lease expiries, whilst the average passing rents of office space recorded a drop by 16% to HK$58.2 per sq. ft.

Eaton Residence Apartments

	Six months ended 30 June		
	2022	2021	Change
(on gross floor area)			
Occupancy	**54.9%**	69.8%	- 14.9ppt
Average net passing rent	**HK$22.2**	HK$16.7	32.9%

The Group's overall rental income for Eaton Residence Apartments recorded a 16.3% growth at HK$14.3 million in the first half of 2022 (1H 2021: HK$12.3 million). Eaton Residence at Village Road and Wan Chai Gap Road continued to see steady occupancy levels supported by relocation, corporate and leisure segments. The Blue Pool Road property resumed business on 1 January 2022 following completion of refurbishment, and the increasing space availability had lowered the overall occupancy to 54.9% in the first half of 2022 from 69.8% in the first half of 2021. The refurbished Blue Pool Road property had been positively received by the market, and it had driven up the overall net passing rent to HK$22.2 per sq. ft. in the first half of 2022 from HK$16.7 per sq. ft. in the first half of 2021.

6. OPERATING INCOME FROM OTHER OPERATIONS

The Group's operating income from other business operations included property management and maintenance income, trading income from our trading and procurement subsidiaries, asset management fee income, income from our investment in the Eaton Club's flexible workspace business and dividend income or distribution from securities portfolio or other investments. Benefitted from the general recovery of domestic activities, operating income from other business operations rose by 27.6% to HK$69.4 million in the first half of 2022 (1H 2021: HK$54.4 million).

U.S. FUND

While the financials of the U.S. Fund are consolidated into the Group's financial statements under statutory accounting principles, the Group's core profit is based on distribution received from the U.S. Fund, as well as our share of asset management fee income from the U.S. Fund. The Group's core balance sheet is based on our share of net asset in the U.S. Fund. The progress of projects held by the U.S. Fund are as follows:

All residential units of The Austin, San Francisco were sold by the end of December 2020. The project generated only a small profit. As for the 68 rental apartment units in Cavalleri, Malibu, California, 62 apartments were leased as of end June 2022. The property had been put on the market for a bulk sale. Offers received subsequent to 30 June 2022 are being studied and the sale is expected to close in the second half of 2022.

CONSUMER SECTOR

In April, the Group completed its investment in 40% equity interest of Imperial Enterprises Holdings Limited ("**IEH**") via a majority owned subsidiary. IEH has become one of the fastest growing and most innovative pastry brands in Hong Kong, featuring a wide variety of confectionery gifts such as mooncakes, palmiers, eggrolls, crispy cookies and Tonggwoji. The Group is diversifying into consumer business starting with pastry. Meanwhile, the Group is also working on acquisition of partial interest in a fast food retail chain where transaction is expected to complete by the end of this year.

TECHNOLOGIES AND VENTURE CAPITAL INVESTMENT

The Group, in addition to its core businesses, is also keen to explore other investment opportunities with potential. The Group intends to deploy appropriate resources to invest as venture capital in high-tech and biotech companies. Investment focus is mainly on sectors that possess the greatest potential including semiconductor, AI and big data, 5G, healthcare services, medical devices, biotechnology and clean sustainable technology. The targets will be largely early stage investments, with a view of good returns as well as possible synergies with the Company's main business. As of June 2022, the Group has cumulatively closed 12 technologies and venture capital investments totaling US$26.8 million (equivalent to HK$209 million).

DEVELOPMENT PROJECTS

Hong Kong and Mainland China

Ho Man Tin Residential Development Project
This project comprised of a gross floor area of approximately 742,000 sq. ft., or a saleable area of 660,000 sq. ft., involves the development of 990 apartments above Ho Man Tin MTR station under a Development Agreement with MTR Corporation Limited. Works are on schedule and foundation works have been mostly completed. Completion of construction for handover is scheduled to be in the fourth quarter of 2024.

Dalian Mixed-use Development Project
The Dalian project was sold to a third party in July 2019. As at the end of June 2022, the final sales proceeds from the sale of the project, representing 24% of the total proceeds remained outstanding. Appropriate legal actions including arbitration proceedings had been taken to pursue the outstanding as well as to impose preservation measures on certain assets of the buyer and such recovery action has been continuing.

Japan

Tokyo Hotel Redevelopment Project
The Group acquired a hotel redevelopment site situated in close proximity to the landmark Roppongi Hills Midtown, Tokyo for JPY22.2 billion in 2016. Subsequently, the Group 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 gross floor area of the expanded site is approximately 380,000 sq. ft.

World renowned architect, Kengo Kuma & Associates has been commissioned to design this 270-key flagship, The Langham Hotel. Planning application had been submitted to the local government, and the contractor tender process had commenced in May 2019. However, as preliminary tender submissions received exceeded the budgeted amount, value engineering exercises are currently being undertaken to reduce construction costs with a view to meet the budgeted sum, and construction will only commence after reaching a satisfactory outcome.

United States

San Francisco Hotel Development Project, 1125 Market Street
The Group acquired a site in San Francisco for US$19.8 million in May 2015. The land located at 1125 Market Street was the last remaining vacant lot in San Francisco's Mid-Market district and is situated opposite to San Francisco's City Hall.

The property can achieve a gross floor area of approximately 139,000 sq. ft. with 206-key. A revised design was submitted in August 2018 to the City of San Francisco and was approved in September 2020. Hearing for entitlement approval will take place after a satisfactory agreement can been reached with the local union. Meanwhile, a further study on profitability is being carried out due to the uncertain market conditions and high construction costs in San Francisco. The project has been put on hold and plans for an alternative exit strategy are also being considered for this site.

San Francisco Hotel Redevelopment Project, 555 Howard Street
555 Howard Street is a redevelopment project located right across the new Transbay Transit Center, the transportation hub in the heart of The East Cut San Francisco's new central business district in the South of Market (SOMA) area. The Group completed the acquisition of this unentitled site with an estimated gross floor area of 430,000 sq. ft. for US$45.6 million in April 2015.

The world's renowned international architecture firm Renzo Piano Building Workshop has been commissioned to design this prestigious project in collaboration with the acclaimed California architect Mark Cavagnero Associates. The plan is to build a hotel with 400+ keys. Entitlement for the hotel scheme was submitted in December 2018 and the project was approved unanimously by the Planning Commission on 24 September 2020 at a Public Hearing. The project has three years to obtain an approved building permit. Meanwhile, we are reassessing the project's return 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 an alternative exit strategy are also being considered for this site.

Seattle Development Project, 1931 Second Avenue

The Group acquired a site in downtown Seattle for US$18 million in December 2016. The site is located at one of the highest points of downtown Seattle and near the famous Pike Place market. The site has an area of approximately 19,400 sq. ft. Although the Seattle site has already been approved for the development of a hotel, we are pursuing to expand the development's gross floor area to 553,000 s.f., and incorporate residential component to the project, so as to further enhance the financial attractiveness of this mixed-use luxury hotel and condominium project. We have again brought in world renowned architect, Kengo Kuma & Associates, to design this landmark mixed-use development project. Design Review Board Approval was received in November 2021 with minor conditions. Building Permit Application is scheduled to be submitted by June 2023 for code vestiture. Construction cost is subject to further examination and refinement. We are closely monitoring Seattle construction costs as well as the sales market for luxury condominiums.

Europe

Venice Hotel Development Project, Island of Murano

The Group acquired a site on the island of Murano in Venice for EUR32.5 million in December 2019. The project is a combination of restoration to historic structures and new build construction that will consist of 136 keys with a total gross floor area of approximately 170,000 sq. ft. The project utilises an existing building permit with the design to be modified and re-permitted as required to achieve the standards of the Langham brand.

World-renowned architect Matteo Thun is designing the hotel. Building Permit approval was granted in April 2022. The Group is currently working on the final design stage for the Shell and Core package, and reviewing the construction cost which has been largely impacted by the high inflation as a result of the prevailing Russia-Ukraine Crisis.

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

OUTLOOK

The prevailing pandemic, growing inflationary pressure causing tightening of monetary policy in the western countries and the rising geo-political tensions are expected to continue weighing on the Group's businesses. Nevertheless, the outlook for our hotel business is becoming more positive. On the hope that there is no further outbreak from evolution of new virus variants and with the lifting of travel restriction and quarantined rules, our overseas' hotel operations would continue the recovery with growing demand for cross-border travelling from both corporate and leisure ends. The performance of hotels in Hong Kong would ultimately be dependent on the reopening of the Mainland-Hong Kong border, which is uncertain. Operation of hotels in China will revive if the onshore COVID-19 cases are contained and extensive lockdown is avoided. Meanwhile, as inflationary pressure on labour cost increases, the Group continues to navigate through the difficult times with efficient cost controls, coupled with flexible and appropriate operational policies to cope with rapidly changing market conditions. The Group will also seize the market low and continue to look for suitable acquisition opportunities including but not limited to mid-scale hotels or chains.

The residential market of Hong Kong particularly the secondary sector has been showing signs of deterioration as a result of the combined impact of COVID-19 pandemic, anticipation of continuing interest rate rise, as well as concern of global geopolitical tension and possible economic recession. Investment demand has been remaining subdued attributable partly to the continuous border closure with Mainland China. Based on the data from Centa-City Leading Index, average residential transaction prices in Hong Kong slipped by 4% during the first half of 2022 and the trend is likely to continue for the remainder of 2022. Such price down trending may gradually diffuse into the currently still strong first-hand market causing reduction of release prices of projects for sale in the pipeline. In this regard, the Group remains cautious about the sale of the remainder units at ONTOLO in Pak Shek Kok, as well as the presale of the new Ho Man Tin project which is tentatively planned to launch in the first quarter of 2023. The Group will closely monitor the market development and take appropriate and flexible strategies to mitigate the potential impact. We are, however, optimistic of the longer term prospect of Hong Kong properties.

The business performance of Champion REIT will remain challenging. The downside risks in rental income and distribution for 2022 prevail despite improvement in the retail market as the overall new and renewal levels are lower than the passing rental. The REIT manager will continue to take a prudent approach towards acquisition opportunities arising in the slowing economy and the turbulent periods ahead. The REIT manager will also continue to collaborate closely with tenants and stakeholders in the unprecedented times.

The uncertainties of the timing for sustainable recovery of the local hospitality market continues to pose risk to the performance of LHI for the remainder of 2022. LHI will continue to monitor the development and work diligently to tackle the difficulties ahead.

With the rising uncertainties brought by the combination of ongoing pandemic, geo-political tensions, high inflation and widespread tightening of monetary policies, the Group would remain cautious and focus on managing the impacts of these disrupting factors on our businesses. We shall stay vigilant and be able to promptly respond to the potential deterioration in our businesses at home and abroad. Nonetheless, given our low gearing and good liquidity coupled with a strong balance sheet, we believe that we are in a relatively good position to ride out the said uncertainties and, at the same time, we will continue to identify attractive investment opportunities that may arise during this uniquely challenging period.

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 2022 was HK$27,850 million, an increase of HK$570 million compared to that of 31 December 2021. The increase in net borrowings was mainly due to the additional loan drawn for development projects.

Equity Attributable to Shareholders, based on a professional valuation of the Group's investment properties as of 30 June 2022 and the depreciated costs of the Group's hotel properties (including Hong Kong hotel properties held by LHI), amounted to HK$58,569 million, representing a decrease of HK$2,880 million compared to the value of HK$61,449 million as of 31 December 2021. The decrease was mainly attributable to a mark-to-market valuation drop on investment in LCID.US and investment properties, as well as distribution of dividends during the period.

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 67.99%, 69.53% 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 2022 was 36.4% (31 December 2021 : 34.0%). 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.

Net debts at 30 June 2022	**On consolidated basis** *HK$ million*	**On core balance sheet basis** *HK$ million*
Great Eagle	**7,259**	**7,259**
Champion REIT	**14,258**	**-**
LHI	**6,178**	**-**
U.S. Fund	**155**	**-**
Net debts	**27,850**	**7,259**

Net debts attributable to Shareholders of the Group	**21,325**	**7,259**
Equity attributable to Shareholders of the Group	**58,569**	**66,318**
Net gearing ratio ^	**36.4%**	**10.9%**

^ ***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. However, because of the persistent low interest rate environment in prior years and in order to enhance return to Shareholders, the Group has been prudently investing in quality short-term bonds that were intended to be held to maturity, principal protected notes with reputable banks and financial institutions as counter-parties and selected quality equities. As at 30 June 2022, the market value of these bonds and notes amounted to HK$238 million and invested securities amounted to HK$2,581 million which included LCID.US shares worth HK$1,816 million. Should these amounts be taken into account, the consolidated net borrowings and gearing ratio would be reduced to HK$18,506 million and 31.6% respectively. The net debt based on sharing of net assets of Champion REIT, LHI and the U.S. Fund would correspondingly decrease to HK$4,440 million and 6.7%.

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 2022 amounted to HK$32,895 million (31 December 2021: HK$33,502 million). Bank borrowings amounting to HK$14,050 million (31 December 2021: HK$14,265 million) were secured by way of legal charges over a number of the Group's assets and business undertakings.

Outstanding gross debts [1][2]	Floating rate debts *HK$ million*	Fixed rate debts *HK$ million*	Utilised facilities *HK$ million*
Bank borrowings	**17,942**	**7,646** [4]	**25,588** [3]
Medium term notes	**-**	**7,087**	**7,087** [3]
Other borrowings	**-**	**220**	**220** [3]
Total	**17,942**	**14,953**	**32,895**
%	**54.5%**	**45.5%**	**100%**

(1) All amounts are stated at face value.
(2) All debt facilities were denominated in Hong Kong Dollars except for (3) below.
(3) Equivalence of HK$5,237 million bank borrowings, HK$5,387 million medium term notes and HK$220 million other borrowings were originally denominated in other currencies.
(4) Included floating rate debts which had been swapped to fixed rate debts. As at 30 June 2022, the Group had outstanding interest rate swap contracts of a notional amount of HK$7,031 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.

LIQUIDITY AND DEBT MATURITY PROFILE

As of 30 June 2022, our cash, bank deposits and undrawn loan facilities amounted to a total of HK$14,398 million (31 December 2021: HK$15,178 million). The following is a profile of the maturity of our outstanding gross debts (including medium term notes and other borrowings) as of 30 June 2022:

Within 1 year	18.3%
More than 1 year but not exceeding 2 years	48.9%
More than 2 years but not exceeding 5 years	24.9%
More than 5 years	7.9%

FINANCE COST

The net consolidated finance cost during the period was HK$346 million of which HK$27 million was capitalised to property development projects. Overall net interest cover at the reporting date was 4.4 times.

PLEDGE OF ASSETS

At 30 June 2022, properties of the Group with a total book carrying value of approximately HK$19,969 million (31 December 2021: HK$20,495 million) were mortgaged or pledged to secure credit facilities granted to its subsidiaries.

COMMITMENTS AND CONTINGENT LIABILITIES

At 30 June 2022, 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$8,674 million (31 December 2021: HK$9,387 million) of which HK$824 million (31 December 2021: HK$888 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.

INTERIM DIVIDEND

The Board of Directors of the Company has resolved to declare an interim dividend of HK33 cents (2021: HK33 cents) per share for the six months ended 30 June 2022 (the "**2022 Interim Dividend**"), which will be payable on 13 October 2022 to the Shareholders whose names appear on the Registers of Members of the Company on Monday, 3 October 2022.

CLOSURE OF REGISTERS OF MEMBERS

The Registers of Members of the Company will be closed from Tuesday, 27 September 2022 to Monday, 3 October 2022, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the 2022 Interim Dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 26 September 2022.

GOVERNANCE AND COMPLIANCE

The Company is committed to maintaining and developing a high standard of corporate governance practices that are designed to enhance company image, boost Shareholders' confidence, and reduce the risk of fraudulent practices and ultimately serve the long-term interests of our Shareholders. 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 of Directors of the Company will, from time to time, monitor and review the Company's corporate governance practices in light of regulatory requirements and needs of the Company to underpin our engrained values of integrity and accountability. Throughout the period under review, the Company has complied with most of the code provisions and where appropriate, adopted the recommended best practices as set out in the Corporate Governance Code ("**CG Code**") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). Set out below are details of the deviations from the code provisions:

CG Code Provision B.2.2 requires that every Director should be subject to retirement by rotation at least once every three years

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

CG Code Provision C.1.4 requires that all Directors should participate in continuous professional development to develop and refresh their knowledge and skills

Madam Lo To Lee Kwan, a Non-executive Director of the Company, is the co-founder of the Group. She was involved in the early stages of development of the Group. Since she is relatively inactive in the Group's business in recent years, she has not participated in the 2022 Director Development Programme provided by the Company.

CG Code Provision C.2.1 requires that the roles of Chairman and chief executive should be separate and should not be performed by the same individual

Dr. Lo Ka Shui is the Chairman of the Board and is holding the office of Managing Director of the Company. While this is a deviation from CG Code Provision C.2.1, dual role leadership has been practiced by the Company for decades and has withstood the test of time. The Board considers this arrangement to be appropriate for the Company as it can preserve the consistent leadership culture of the Company and 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 of experienced and high caliber individuals, including four Independent Non-executive Directors and three Non-executive Directors who offer advices 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, and who is supported by the Executive Directors and Senior Management.

CG Code Provision E.1.5 requires that details of any remuneration payable to members of Senior Management should be disclosed by band in annual reports

Remuneration details of Senior Management are highly sensitive and confidential. Over-disclosure of such information may induce inflationary spiral and undesirable competition, which in turn would be detrimental to the interests of the Shareholders. The Board considers that our current approach in disclosing the emoluments of Directors on named basis and that of the five highest paid individuals of the Group in the forms of aggregate amount and by bands in our annual reports is appropriate to maintaining the equilibrium between transparency and privacy.

EMPLOYMENT AND LABOUR PRACTICES

Staff costs (including Directors' emoluments) for the six months ended 30 June 2022 amounted to HK$1,100.8 million (2021: HK$859.7 million). Salary levels of employees are competitive and discretionary bonuses are granted based on the performance of the Group as well as performance of individual employees. Other employee benefits include educational allowance, insurance, medical scheme and provident fund schemes. Senior employees (including Executive Directors) are entitled to participate in the Great Eagle Holdings Limited Share Option Scheme. Apart from offering a competitive compensation and benefits package, we provide corporate and vocational training to our colleagues according to the training and development policy of the Group.

There had been no material change to the number of employees and staff composition of the Group for the six months ended 30 June 2022.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted its own Code of Conduct regarding Securities Transactions by Directors and Relevant Employees of the Company (the "**Code of Conduct for Securities Transactions**") on terms no less exacting than the required standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules and the same is updated from time to time in accordance with the Listing Rules requirements.

Having made specific enquiries, all Directors and relevant employees of the Company have confirmed that they have fully complied with the Code of Conduct for Securities Transactions throughout the six months ended 30 June 2022.

REVIEW OF INTERIM RESULTS

The unaudited financial statements for the six months ended 30 June 2022 were prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"), and have been reviewed by the Audit Committee of the Company, and by Deloitte Touche Tohmatsu, the independent auditor of the Company, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

NEW SHARES ISSUED

As at 30 June 2022, the total number of issued shares of the Company was 747,723,345. On 21 June 2022, a total of 16,682,933 new shares were issued at the price of HK$15.98 per share pursuant to the Scrip Dividend Arrangement in respect of the 2021 final dividend. Details of the Scrip Dividend Arrangement were set out in the announcement published by the Company on 18 May 2022 and the circular to the Shareholders dated 23 May 2022 respectively.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

During the six months ended 30 June 2022, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities.

PUBLIC FLOAT

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

BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises Dr. LO Ka Shui (Chairman and Managing Director), Mr. LO Hong Sui, Antony, Madam LAW Wai Duen, Mr. LO Chun Him, Alexander, Mr. KAN Tak Kwong (General Manager), Mr. CHU Shik Pui and Professor POON Ka Yeung, Larry being the Executive Directors; Madam LO TO Lee Kwan, Mr. LO Hong Sui, Vincent and Dr. LO Ying Sui being the Non-executive Directors; and Mr. CHENG Hoi Chuen, Vincent, Professor WONG Yue Chim, Richard, Mrs. LEE Pui Ling, Angelina and Mr. ZHU Qi being the Independent Non-executive Directors.

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

Hong Kong, 26 August 2022

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2022

	NOTES	Six months ended 30 June 2022 HK$'000 (unaudited)	2021 HK$'000 (unaudited)
Revenue	3	**4,090,986**	3,569,320
Cost of goods and services		**(2,359,901)**	(2,109,061)
Operating profit before depreciation		**1,731,085**	1,460,259
Depreciation		**(446,200)**	(412,478)
Operating profit		**1,284,885**	1,047,781
Fair value changes on investment properties		**(548,930)**	(1,864,615)
Fair value changes on derivative financial instruments		**286,264**	167,037
Fair value changes on financial assets at fair value through profit or loss		**(83,502)**	26,585
Other income	5	**58,149**	146,322
Administrative and other expenses		**(264,925)**	(203,182)
Allowance for credit losses on notes receivables		**(36,441)**	-
Finance costs	6	**(349,259)**	(367,073)
Share of results of joint ventures		**40,155**	19,823
Share of results of associates		**(7,711)**	3,598
Profit (loss) before tax	7	**378,685**	(1,023,724)
Income taxes	8	**(211,594)**	(138,777)
Profit (loss) for the period, before deducting the amounts attributable to non-controlling unitholders of Champion REIT		**167,091**	(1,162,501)
Profit (loss) for the period attributable to:			
Owners of the Company		**123,864**	(783,974)
Non-controlling interests		**25,287**	(14,091)
		149,151	(798,065)
Non-controlling unitholders of Champion REIT		**17,940**	(364,436)
		167,091	(1,162,501)
Earnings (loss) per share:	10		
Basic		**HK$0.17**	HK$(1.09)
Diluted		**HK$0.17**	HK$(1.09)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2022

	Six months ended 30 June	
	2022	2021
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Profit (loss) for the period, before deducting the amounts attributable to non-controlling unitholders of Champion REIT	**167,091**	(1,162,501)
Other comprehensive (expense) income		
Items that will not be reclassified to profit or loss:		
Fair value (loss) gain on equity instruments at fair value through other comprehensive income	**(2,312,226)**	250,077
Share of other comprehensive income of an associate	**7,829**	2,746
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	**(386,462)**	(88,109)
Cash flow hedges:		
Fair value adjustment on cross currency swaps and interest rate swaps designated as cash flow hedges	**117,648**	6,122
Reclassification of fair value adjustments to profit or loss	**(8,236)**	36,509
Other comprehensive (expense) income for the period, before deducting amounts attributable to non-controlling unitholders of Champion REIT	**(2,581,447)**	207,345
Total comprehensive expense for the period, before deducting amounts attributable to non-controlling unitholders of Champion REIT	**(2,414,356)**	(955,156)
Total comprehensive expense for the period attributable to:		
Owners of the Company	**(2,481,195)**	(624,330)
Non-controlling interests	**27,014**	(13,746)
	(2,454,181)	(638,076)
Non-controlling unitholders of Champion REIT	**39,825**	(317,080)
	(2,414,356)	(955,156)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2022

	NOTES	**At 30 June 2022 HK$'000 (unaudited)**	At 31 December 2021 HK$'000 (audited)
Non-current assets			
Investment properties		**70,709,698**	71,063,934
Property, plant and equipment		**20,484,448**	21,356,674
Interests in joint ventures		**345,703**	337,743
Interests in associates		**139,313**	56,394
Equity instruments at fair value through other comprehensive income		**3,053,410**	5,195,583
Notes and loan receivables		**558,067**	600,152
Derivative financial instruments		**142,231**	15,732
Deposit for hotel renovation and acquisition of an investment property		**-**	31,087
		95,432,870	98,657,299
Current assets			
Stock of properties		**12,431,860**	12,589,462
Inventories		**128,884**	137,918
Debtors, deposits and prepayments	11	**963,432**	793,752
Notes and loan receivables		**62,641**	41,699
Financial assets at fair value through profit or loss		**984,312**	732,251
Derivative financial instruments		**28,635**	53,504
Tax recoverable		**754**	23,315
Restricted cash		**76,075**	102,889
Time deposits with original maturity over three months		**39,238**	-
Bank balances and cash		**4,930,936**	6,119,146
		19,646,767	20,593,936
Current liabilities			
Creditors, deposits and accruals	12	**7,064,413**	7,194,736
Derivative financial instruments		**7,315**	5,641
Provision for taxation		**276,557**	529,863
Distribution payable		**202,803**	207,033
Borrowings due within one year		**2,963,096**	6,542,795
Medium term notes		**3,029,794**	643,000
Lease liabilities		**9,385**	11,121
		13,553,363	15,134,189
Net current assets		**6,093,404**	5,459,747
Total assets less current liabilities		**101,526,274**	104,117,046

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2022

	At 30 June 2022 HK$'000 (unaudited)	At 31 December 2021 HK$'000 (audited)
Non-current liabilities		
Derivative financial instruments	**20,900**	90,065
Borrowings due after one year	**22,753,259**	19,174,451
Medium term notes	**4,015,269**	7,006,560
Deferred taxation	**1,240,709**	1,219,012
Lease liabilities	**6,863**	11,127
	28,037,000	27,501,215
NET ASSETS	**73,489,274**	76,615,831
Equity attributable to:		
Owners of the Company		
Share capital	**373,862**	365,520
Share premium and reserves	**58,194,766**	61,083,140
	58,568,628	61,448,660
Non-controlling interests	**(610,021)**	(618,377)
	57,958,607	60,830,283
Net assets attributable to non-controlling unitholders of Champion REIT	**15,530,667**	15,785,548
	73,489,274	76,615,831

1. BASIS OF PREPARATION

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2022 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2021.

In the current interim period, the Group has applied the following amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on 1 January 2022 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKAS 16	Property, Plant and Equipment - Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts - Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018 - 2020

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.

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	
	2022	2021
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Hotel income	**1,992,914**	1,003,551
Rental income from investment properties	**1,253,306**	1,303,514
Building management service income	**142,177**	145,923
Sales of properties	**539,650**	976,654
Sales of goods	**61,759**	46,902
Dividend income	**13,292**	9,069
Others	**87,888**	83,707
	4,090,986	3,569,320

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").

4. SEGMENT INFORMATION - continued

The Group's operating and reportable segments under HKFRS 8 "Operating Segments" are as follows:

Hotel operation	-	hotel accommodation, food and banquet operations as well as hotel management.
Property investment	-	gross rental income and building management service income from leasing of furnished apartments and properties held for investment potential.
Property development	-	income from selling of properties held for sale.
Other operations	-	sales of building materials, 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 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.

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

<u>Six months ended 30 June 2022</u>

	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)
REVENUE										
External revenue	1,991,819	73,795	539,650	161,530	2,766,794	1,300,655	1,095	21,033	1,409	4,090,986
Inter-segment revenue	16,462	375	-	169,589	186,426	30,111	202,508	-	(419,045)	-
Total	2,008,281	74,170	539,650	331,119	2,953,220	1,330,766	203,603	21,033	(417,636)	4,090,986

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

	Hotel operation	Property investment	Property development	Other operations	Sub-total	Champion REIT	Langham	US Real Estate Fund	Eliminations/ reclassifications	Consolidated
RESULTS										
Segment results	131,870	48,967	263,445	238,196	682,478	917,667	171,922	9,662	(26,274)	1,755,455
Depreciation					(340,866)	-	(111,136)	(173)	5,975	(446,200)
Operating profit (loss) after depreciation					341,612	917,667	60,786	9,489	(20,299)	1,309,255
Fair value changes on investment properties					(13,930)	(535,000)	-	-	-	(548,930)
Fair value changes on derivative financial instruments					207,630	-	78,634	-	-	286,264
Fair value changes on financial assets at FVTPL					(67,535)	(15,967)	-	-	-	(83,502)
Other income					4,253	1,409	282	76	(2,135)	3,885
Administrative and other expenses					(240,219)	(17,251)	(6,047)	(1,843)	435	(264,925)
Allowance for credit losses on notes receivables					(18,000)	(18,441)	-	-	-	(36,441)
Net finance costs					(76,388)	(188,995)	(57,170)	826	2,362	(319,365)
Share of results of joint ventures					1,829	38,326	-	-	-	40,155
Share of results of associates					(7,711)	-	-	-	-	(7,711)
Profit (loss) before tax					131,541	181,748	76,485	8,548	(19,637)	378,685
Income taxes					(79,843)	(125,701)	(6,622)	-	572	(211,594)
Profit (loss) for the period					51,698	56,047	69,863	8,548	(19,065)	167,091
Less: Loss (profit) attributable to non-controlling interests/ non-controlling unitholders of Champion REIT					278	(17,940)	(21,288)	(4,277)	-	(43,227)
Profit (loss) attributable to owners of the Company					51,976	38,107	48,575	4,271	(19,065)	123,864

4. SEGMENT INFORMATION - continued

Segment revenue and results - continued

Six months ended 30 June 2021

	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)
REVENUE										
External revenue	1,002,590	75,703	957,622	139,291	2,175,206	1,358,816	961	33,950	387	3,569,320
Inter-segment revenue	7,499	697	-	186,124	194,320	38,504	111,576	-	(344,400)	-
Total	1,010,089	76,400	957,622	325,415	2,369,526	1,397,320	112,537	33,950	(344,013)	3,569,320

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

	Hotel operation	Property investment	Property development	Other operations	Sub-total	Champion REIT	Langham	US Real Estate Fund	Eliminations/ reclassifications	Consolidated
RESULTS										
Segment results	(270,598)	54,254	424,277	239,996	447,929	995,557	92,478	4,849	(33,228)	1,507,585
Depreciation					(306,613)	-	(112,089)	(188)	6,412	(412,478)
Operating profit (loss) after depreciation					141,316	995,557	(19,611)	4,661	(26,816)	1,095,107
Fair value changes on investment properties					(60,248)	(1,809,000)	-	3,933	700	(1,864,615)
Fair value changes on derivative financial instruments					142,713	-	24,324	-	-	167,037
Fair value changes on financial assets at FVTPL					26,585	-	-	-	-	26,585
Other income					5,119	387	581	315	(1,445)	4,957
Administrative and other expenses					(184,284)	(11,659)	(6,105)	(2,275)	1,141	(203,182)
Net finance costs					(30,284)	(184,320)	(59,664)	(2,148)	3,382	(273,034)
Share of results of joint ventures					(5,966)	25,789	-	-	-	19,823
Share of results of associates					3,598	-	-	-	-	3,598
Profit (loss) before tax					38,549	(983,246)	(60,475)	4,486	(23,038)	(1,023,724)
Income taxes					(14,611)	(131,918)	6,888	-	864	(138,777)
Profit (loss) for the period					23,938	(1,115,164)	(53,587)	4,486	(22,174)	(1,162,501)
Less: (Profit) loss attributable to non-controlling interests/ non-controlling unitholders of Champion REIT					(102)	364,436	16,438	(2,245)	-	378,527
Profit (loss) attributable to owners of the Company					23,836	(750,728)	(37,149)	2,241	(22,174)	(783,974)

5. OTHER INCOME

	Six months ended 30 June	
	2022	2021
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Interest income on:		
Bank deposits	**11,465**	10,335
Financial assets at FVTPL	**4,786**	9,204
Notes and loan receivables	**11,675**	67,152
Others	**1,968**	7,348
	29,894	94,039
Government subsidy	**25,207**	47,321
Sundry income	**3,048**	4,962
	58,149	146,322

6. FINANCE COSTS

	Six months ended 30 June	
	2022	2021
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Interest on bank and other borrowings	**217,820**	306,905
Interest on medium term notes	**119,942**	122,868
Interest on lease liabilities	**252**	375
Other borrowing costs	**38,086**	32,153
	376,100	462,301
Less: amount capitalised	**(26,841)**	(95,228)
	349,259	367,073

7. PROFIT (LOSS) BEFORE TAX

	Six months ended 30 June	
	2022	2021
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Profit (loss) before tax has been arrived at after charging (crediting):		
Staff costs (including Directors' emoluments)	**1,100,804**	859,704
Share-based payments (including Directors' emoluments)	**10,539**	7,797
	1,111,343	867,501
Depreciation	**446,200**	412,478
Share of tax of associates (included in the share of results of associates)	**43**	45
Share of tax of a joint venture (included in the share of results of joint ventures)	**(831)**	-
Dividend income from		
- equity instruments at fair value through other comprehensive income	**(5,396)**	(3,053)
- financial assets at FVTPL	**(7,896)**	(6,016)
Loss on disposal of property, plant and equipment (included in administrative and other expenses)	**105**	32
Net exchange loss (included in administrative and other expenses)	**28,932**	2,866

8. INCOME TAXES

	Six months ended 30 June	
	2022	2021
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Current tax:		
Current period:		
Hong Kong Profits Tax	**155,848**	190,626
Other jurisdictions	**17,101**	773
	172,949	191,399
Under(overprovision) in prior periods:		
Hong Kong Profits Tax	**2,084**	(22)
Other jurisdictions	**1,444**	(16,484)
	3,528	(16,506)
	176,477	174,893
Deferred tax:		
Current period	**39,021**	(35,333)
Overprovision in prior periods	**(3,904)**	(783)
	35,117	(36,116)
	211,594	138,777

9. DIVIDENDS

	Six months ended 30 June	
	2022	2021
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Dividends paid:		
Final dividend of HK50 cents in respect of the financial year ended 31 December 2021 (2021: HK50 cents in respect of the financial year ended 31 December 2020) per ordinary share	**365,520**	360,396
Special final dividend of HK50 cents in respect of the financial year ended 31 December 2021 (2021: HK50 cents in respect of the financial year ended 31 December 2020) per ordinary share	**365,520**	360,396
	731,040	720,792
Dividends declared after the end of reporting period:		
Interim dividend of HK33 cents in respect of the six months ended 30 June 2022 (2021: HK33 cents in respect of the six months ended 30 June 2021) per ordinary share	**246,749**	241,243

On 21 June 2022, a final dividend of HK50 cents per ordinary share, which included scrip dividend alternatives offered to shareholders, and a special final dividend of HK50 cents per ordinary share were paid to shareholders as the final dividend in respect of the financial year ended 31 December 2021.

On 21 June 2021, a final dividend of HK50 cents per ordinary share, which included scrip dividend alternatives offered to shareholders, and a special final dividend of HK50 cents per ordinary share were paid to shareholders as the final dividend in respect of the financial year ended 31 December 2020.

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

	Six months ended 30 June	
	2022	2021
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Dividends		
Cash	**98,926**	100,934
Share alternative	**266,594**	259,462
	365,520	360,396

The Directors have determined that an interim dividend of HK33 cents (2021: HK33 cents) per ordinary share will be paid to the shareholders of the Company whose names appear in the Register of Members on 13 October 2022.

10. EARNINGS (LOSS) PER SHARE

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

	Six months ended 30 June	
	2022	2021
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Earnings (loss)		
Earnings (loss) for the purposes of basic and diluted earnings (loss) per share (Profit (loss) for the period attributable to owners of the Company)	**123,864**	(783,974)

	Six months ended 30 June	
	2022	2021
	(unaudited)	(unaudited)
Number of shares		
Weighted average number of shares for the purpose of basic and diluted earnings (loss) per share	**731,869,950**	720,967,027

For the period ended 30 June 2022, the computation of diluted earnings per share does not assume the exercise of the Company's share options because the exercise price of those options was higher than the average market price of the Company's shares.

For the period ended 30 June 2021, the diluted loss per share was the same as the basic loss per share as the computation of diluted loss per share did not assume the exercise of the Company's outstanding share options because it would otherwise result in a decrease in loss per share.

11. DEBTORS, DEPOSITS AND PREPAYMENTS

	30 June 2022	31 December 2021
	HK$'000	HK$'000
	(unaudited)	(audited)
Trade debtors, net of allowance for doubtful debts	**366,668**	176,643
Deferred lease receivables	**129,198**	147,349
Retention money receivables	**9,132**	8,042
Other receivables, net of credit losses on interest receivables	**152,097**	216,993
Deposits and prepayments	**306,337**	244,725
	963,432	793,752

11. DEBTORS, DEPOSITS AND PREPAYMENTS - continued

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

	30 June 2022 HK$'000 (unaudited)	31 December 2021 HK$'000 (audited)
Within 3 months	**293,304**	115,789
More than 3 months but within 6 months	**35,467**	19,142
Over 6 months	**37,897**	41,712
	366,668	176,643

12. CREDITORS, DEPOSITS AND ACCRUALS

	30 June 2022 HK$'000 (unaudited)	31 December 2021 HK$'000 (audited)
Trade creditors	**271,694**	398,685
Deposits received	**749,623**	776,500
Customer deposits and other deferred revenue	**517,824**	418,706
Construction fee payable and retention money payable	**697,163**	762,991
Accruals, interest payable and other payables	**4,828,109**	4,837,854
	7,064,413	7,194,736

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

	30 June 2022 HK$'000 (unaudited)	31 December 2021 HK$'000 (audited)
Within 3 months	**252,540**	382,361
More than 3 months but within 6 months	**7,952**	2,143
Over 6 months	**11,202**	14,181
	271,694	398,685