



鷹君集團有限公司
Great Eagle
Holdings Limited

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

Interim Report 2023 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 68.78% interest (as at 30 June 2023) in Champion Real Estate Investment Trust ("Champion REIT"), and a 69.96% interest (as at 30 June 2023) 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 a Grade-A commercial complex 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 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 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, Jakarta, London, New York, Chicago, Boston, Los Angeles, Sydney, Melbourne, Gold Coast, Auckland, Shanghai, Beijing, Shenzhen, Guangzhou, Haikou, Ningbo, Xiamen, Hefei, Hangzhou, Changsha and Xuzhou; two Eaton hotels in Washington D.C. and Hong Kong; two Ying'nFlo in Hong Kong and the Chelsea hotel in Toronto.

The Group was founded 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\$1,403 million in the financial year 2022 and a net asset value (based on share of net assets of Champion REIT and LHI) of approximately HK\$65.12 billion as of 30 June 2023.

Corporate Video

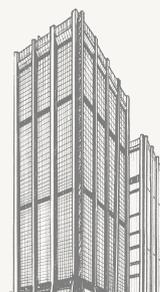


鷹君集團
The Great Eagle
Group of Companies



鷹翔萬里 穩建未來
WHERE EAGLES FLY

www.greateagle.com.hk



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CORPORATE INFORMATION

DIRECTORS

LO Ka Shui (*Chairman and Managing Director*)
LO TO Lee Kwan[#]
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[#]
LO Ying Sui[#]
LO Chun Him, Alexander
KAN Tak Kwong (*General Manager*)
CHU Shik Pui
POON Ka Yeung, Larry

[#] 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
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
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 (2022: HK33 cents) per share for the six months ended 30 June 2023 (the “2023 Interim Dividend”), payable on 13 October 2023 to the Shareholders whose names appear on the Registers of Members of the Company on Tuesday, 3 October 2023.

CLOSURE OF REGISTERS OF MEMBERS

The Registers of Members of the Company will be closed from Tuesday, 26 September 2023 to Tuesday, 3 October 2023, both days inclusive, during which period no transfer of shares will be registered.

In order to qualify for the 2023 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 Monday, 25 September 2023.

FINANCIAL CALENDAR

2023 Interim Results Announcement	:	25 August 2023
Ex-dividend Date	:	22 September 2023
Closure of Registers of Members	:	26 September 2023 – 3 October 2023 (<i>both days inclusive</i>)
Record Date for 2023 Interim Dividend	:	3 October 2023
Payment of 2023 Interim Dividend	:	13 October 2023

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

STOCK CODE

41

Our Website



FINANCIAL HIGHLIGHTS

	Six months ended 30 June		
	2023 HK\$ million	2022 HK\$ million	Change
Key Financials on Income Statement			
Based on core business ¹			
Revenue based on core business	3,630.0	2,967.0	22.3%
Core profit after tax attributable to equity holders	1,109.5	513.0	116.3%
Core profit after tax attributable to equity holders (per share)	HK\$1.48	HK\$0.70	
Based on statutory accounting principles ²			
Revenue based on statutory accounting principles	5,082.4	4,091.0	24.2%
Statutory profit attributable to equity holders	478.7	123.9	286.4%
Interim dividend (per share)	HK\$0.37	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, 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.

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 2023	December 2022
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	10.1%	11.1%
Book value (per share)	HK\$87.1	HK\$86.3
Based on statutory accounting principles²		
Net gearing ³	35.6%	36.9%
Book value (per share)	HK\$76.2	HK\$76.0

¹ 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.

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 68.78%, 69.96% and 49.97% equity stake in Champion REIT, LHI and the U.S. Fund respectively as at the end of June 2023.

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.

2023 Interim Results Presentation



MANAGEMENT DISCUSSION AND ANALYSIS

CORE PROFIT – FINANCIAL FIGURES BASED ON CORE BUSINESS

	Six months ended 30 June		
	2023 HK\$ million	2022 HK\$ million	Change
Revenue from core business			
Revenue from property sales	586.8	539.6	8.7%
Hotels Division	2,250.2	1,591.3	41.4%
Management fee income from Champion REIT	170.7	168.8	1.1%
Distribution income from Champion REIT ^	382.0	430.8	-11.3%
Distribution income from LHI ^	–	–	–
Gross rental income	82.4	74.2	11.1%
Other operations	157.9	162.3	-2.7%
Total revenue	3,630.0	2,967.0	22.3%
Income from property sales	545.4	263.4	107.1%
Hotels EBITDA	422.4	131.9	220.2%
Management fee income from Champion REIT	170.7	168.8	1.1%
Distribution income from Champion REIT ^	382.0	430.8	-11.3%
Distribution income from LHI ^	–	–	–
Net rental income	54.8	48.9	12.1%
Operating income from other operations	65.1	69.4	-6.2%
Operating income from core business	1,640.4	1,113.2	47.4%
Depreciation	(167.6)	(175.3)	-4.4%
Administrative, selling and other expenses	(227.5)	(270.0)	-15.7%
Other income	21.2	4.2	404.8%
Interest income	82.4	18.7	340.6%
Finance costs	(187.5)	(95.1)	97.2%
Share of results of joint ventures	94.0	1.8	n.m.
Share of results of associates	(4.7)	(7.7)	-39.0%
Core profit before tax	1,250.7	589.8	112.1%
Income taxes	(141.8)	(77.1)	83.9%
Core profit after tax	1,108.9	512.7	116.3%
Non-controlling interest	0.6	0.3	100.0%
Core profit attributable to equity holders	1,109.5	513.0	116.3%

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

SEGMENT ASSETS AND LIABILITIES (BASED ON NET ASSETS OF CHAMPION REIT, LHI AND THE U.S. FUND)

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

30 June 2023

	Assets HK\$ million	Liabilities HK\$ million	Net Assets HK\$ million
Great Eagle operations	42,894	16,706	26,188
Champion REIT	44,580	12,027	32,553
LHI	10,909	4,813	6,096
U.S. Fund	455	173	282
	98,838	33,719	65,119

31 December 2022

	Assets HK\$ million	Liabilities HK\$ million	Net Assets HK\$ million
Great Eagle operations	43,282	17,356	25,926
Champion REIT	44,539	11,926	32,613
LHI	10,471	4,783	5,688
U.S. Fund	435	158	277
	98,727	34,223	64,504

FINANCIAL FIGURES BASED ON STATUTORY ACCOUNTING PRINCIPLES

	Six months ended 30 June		
	2023 HK\$ million	2022 HK\$ million	Change
Revenue based on statutory accounting principles			
Revenue from property sales	586.8	539.6	8.7%
Hotels Division	2,970.4	2,008.3	47.9%
Gross rental income	82.4	74.2	11.1%
Other operations (including management fee income from Champion REIT)	328.5	331.1	-0.8%
Gross rental income – Champion REIT	1,299.5	1,330.8	-2.4%
Gross rental income – LHI	271.5	203.6	33.3%
Gross revenue – U.S. Fund	19.4	21.0	-7.6%
Elimination on intragroup transactions	(476.1)	(417.6)	14.0%
Consolidated total revenue	5,082.4	4,091.0	24.2%
Income from property sales	545.4	263.4	107.1%
Hotels EBITDA	422.4	131.9	220.2%
Net rental income	54.8	48.9	12.1%
Operating income from other operations (including management fee income from Champion REIT)	235.8	238.2	-1.0%
Net rental income – Champion REIT	876.3	917.7	-4.5%
Net rental income – LHI	226.4	171.9	31.7%
Net operating income – U.S. Fund	6.2	9.7	-36.1%
Elimination on intragroup transactions	(8.1)	(26.3)	-69.2%
Consolidated segment results	2,359.2	1,755.4	34.4%
Depreciation	(445.7)	(446.2)	-0.1%
Fair value changes on investment properties	(421.1)	(548.9)	-23.3%
Fair value changes on derivative financial instruments	(138.6)	286.3	-148.4%
Fair value changes on financial assets at fair value through profit or loss	10.7	(83.5)	n.m.
Administrative, selling and other expenses	(238.0)	(264.9)	-10.2%
Allowance for credit losses on notes receivables	–	(36.4)	n/a
Other income (including interest income)	117.6	33.8	247.9%
Finance costs	(579.8)	(349.3)	66.0%
Share of results of joint ventures	88.1	40.1	119.7%
Share of results of associates	(4.7)	(7.7)	-39.0%
Statutory profit before tax	747.7	378.7	97.4%
Income taxes	(251.8)	(211.6)	19.0%
Statutory profit after tax	495.9	167.1	196.8%
Non-controlling interest	3.6	(25.3)	n.m.
Non-controlling unitholders of Champion REIT	(20.8)	(17.9)	16.2%
Statutory profit attributable to equity holders	478.7	123.9	286.4%

OVERVIEW

The Group had been benefitted from the resumption of post-COVID normalcy during the first half of 2023 where a significant part of the growth was derived from the improved performance of our hotel portfolio worldwide. The operation of our overseas hotels in the UK, North American and Oceanic regions had recorded a sustained growth with reviving demand from the leisure, business and group travellers. In addition, a strong recovery was also witnessed for our hotels in Mainland China, whilst our hotels in Hong Kong had also recovered strongly following the full reopening of borders and the lifting of COVID-related restrictions.

Nevertheless, the global economic landscape was still impeded by market pessimism caused by the escalating interest rates and the deteriorating geo-political tensions between US and China. These factors weighted on the post-COVID recovery pace of the overall economy. For Hong Kong, the weakened demand for new office space and contraction in home sales (for both new and second-handed properties) have been worsening in the first half of 2023.

During the reporting period, the Group has been continuously conducting active management measures aiming to enhance the operation efficiency, as well as to improve the wellbeing and experience of our tenants and patrons. Following the revival of the hospitality sector, the Group commenced the construction works for the new Langham Hotel in Venice, and the continuation of major phased refurbishment of Chelsea Hotel, Toronto, as well as strategically planning the huge redevelopment of the Chelsea site into a mixed-use condo-hotel development. In addition, we implemented the development of the new midscale hotel brand Ying'nFlo into Hong Kong and Mainland China, where the second outlet namely Ying'nFlo Wesley located in Admiralty, Hong Kong is scheduled to open in Q4, 2023.

The Group's core profit attributable to equity holders for the 1H 2023 period was HK\$1,109.5 million, representing a 116.3% growth compared to that of last year (1H 2022: 513.0 million). Meanwhile, the Group's statutory result, which included revaluation deficit and fair value change on financial instruments, reported a profit attributable to equity holders of HK\$478.7 million (1H 2022: HK\$123.9 million). The Management's discussion and analysis below mainly focuses on the core profit of the Group.

Our operating income from core business rose 47.4% to HK\$1,640.4 million (1H 2022: HK\$1,113.2 million). This is mainly attributed to the strong performance of our hotels worldwide where an EBITDA of HK\$422.4 million was reported for the Hotels Division, and this represented a 220.2% growth from that of last year (1H 2022: HK\$131.9 million). The substantial growth is mainly due to the sustained recovery of demands for our hotel portfolio globally following the full lifting of COVID-related measures (which excluded the three Hong Kong hotels under LHI).

Despite the improvement of performance observed for the hotels under LHI, nevertheless, the rising finance costs had significantly impacted its profitability. LHI did not declare any interim distribution for the first half of 2023 (1H 2022: nil).

The operating environment of Champion REIT remained challenging amid the weakened business sentiment and abundant office supply. Distribution income from Champion REIT dropped by 11.3% to HK\$382.0 million (1H 2022: HK\$430.8 million), whilst management fee income remained stable at HK\$170.7 million during the first half of 2023 (1H 2022: HK\$168.8 million).

In addition, the gross profit of ONTOLO project recorded an increase of 107.1% to HK\$545.4 million mainly attributable to a non-recurring one-off construction cost saving following the conclusion of the final account with the main contractor (1H 2022: HK\$263.4 million).

The net rental income from our investment portfolio, mainly Great Eagle Centre, Ying'nFlo and Eaton Residences, recorded a 12.1% increase to HK\$54.8 million (1H 2022: HK\$48.9 million). This is mainly contributed by the increasing demand for Ying'nFlo and Eaton Residences after the reopening of borders between China and Hong Kong.

The Group's other business operations recorded a net income of HK\$65.1 million (1H 2022: HK\$69.4 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 reduced by 15.7% to HK\$227.5 million (1H 2022: HK\$270.0 million) for the first half of 2023 and this is largely due to the absence of credit loss provision of Chinese bond receivables and the reduced write-off of non-core venture capital investment compared to the corresponding period of last year. In addition, there was a substantial increase in the selling expenses for property sales with the inclusion of showroom and marketing expenses of HK\$11.6 million for the Ho Man Tin residential project, and this was offset by the decreased professional fees as a result of the reduced new investment activities amid the uncertain market.

The finance costs of the Group increased 97.2% to HK\$187.5 million (1H 2022: HK\$95.1 million) and this is mainly due to the higher interest rates. On the other hand, the interest income recorded a 340.6% growth to HK\$82.4 million (1H 2022: HK\$18.7 million) and this partially mitigated the impact of the escalating borrowing costs.

The share of results of joint ventures rose to HK\$94.0 million (1H 2022: HK\$1.8 million). This is attributed to the cash recovered by our joint venture company from the purchaser of our previous Dalian project following the successful legal actions taken to pursue the overdue consideration.

BUSINESS REVIEW

Breakdown of Operating Income	Six months ended 30 June		
	2023 HK\$ million	2022 HK\$ million	Change
1. Income from property sales	545.4	263.4	107.1%
2. Hotels EBITDA	422.4	131.9	220.2%
3. Income from Champion REIT	552.7	599.6	-7.8%
4. Distribution income from LHI	–	–	–
5. Net rental income from investment properties	54.8	48.9	12.1%
6. Operating income from other operations	65.1	69.4	-6.2%
Operating income from core business	1,640.4	1,113.2	47.4%

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 saleable area of 635,612 sq. ft., comprising 723 luxury residential units and 456 car parking spaces, was completed in Q4, 2020.

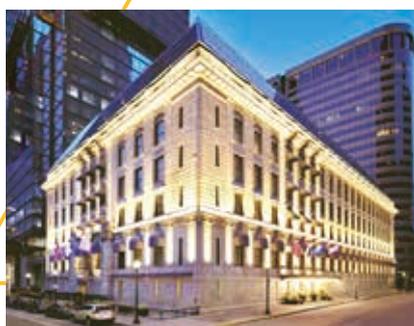
The average sales price of residential units for the first half of 2023 was HK\$21,400 per sq. ft. based on saleable area, while the average sales price for the sold car parking spaces was HK\$2.86 million per unit.

During the reporting period, 22 residential units and 10 car parking spaces were delivered, resulting in the booking of relevant revenue of HK\$586.8 million. By end of Q2, 2023, accumulated sales reached 647 residential units, which represented 89.5% of the total 723 residential units. Among such, 608 units had been delivered to buyers.

Subsequent to the reporting period, the final account with the main contractor had been concluded. There was a non-recurring one-off cost saving amounted to HK\$388 million, out of which HK\$260 million has to be adjusted to

cost of units handed over to the buyers prior to end of 2022. Together with the aforesaid cost revision, ONTOLO reported a gross profit of HK\$545.4 million for the period ended 30 June 2023.

2. HOTELS DIVISION



Hotels Performance

	Average Daily Rooms Available		Occupancy		Average Room Rate (local currency)		RevPAR (local currency)	
	1H 2023	1H 2022	1H 2023	1H 2022	1H 2023	1H 2022	1H 2023	1H 2022
Europe								
The Langham, London	380	380	69.8%	54.6%	495	487	345	266
North America								
The Langham, Boston	312	299	57.8%	36.5%	447	480	259	175
The Langham Huntington, Pasadena	379	379	68.0%	49.5%	337	382	230	189
The Langham, Chicago	316	315	60.4%	54.9%	485	509	293	280
The Langham, New York, Fifth Avenue	234	234	75.2%	58.3%	678	674	510	393
Eaton, Washington D.C.	209	209	71.6%	53.2%	288	275	206	147
Chelsea Hotel, Toronto	1,590	1,590	64.5%	58.7%	203	142	131	83
Australia / New Zealand								
The Langham, Melbourne	388	388	69.6%	47.4%	360	368	250	174
The Langham, Sydney	96	96	71.8%	54.4%	565	564	406	307
Cordis, Auckland	640	639	66.4%	21.1%	262	239	174	50
Mainland China								
The Langham, Shanghai, Xintiandi	356	356	83.0%	39.0%	1,311	1,038	1,088	405
Cordis, Shanghai, Hongqiao	392	393	74.4%	42.3%	844	743	627	314

	Six months ended 30 June		
	2023 HK\$ million	2022 HK\$ million	Change
Hotels revenue			
Europe	321.2	259.1	24.0%
North America	1,230.7	927.7	32.7%
Australia / New Zealand	402.8	267.4	50.6%
Mainland China	204.6	91.4	123.9%
Others (including hotel management fee income)	90.9	45.7	98.9%
Total hotels revenue	2,250.2	1,591.3	41.4%
Hotels EBITDA			
Europe	86.9	61.6	41.1%
North America	203.7	131.1	55.4%
Australia / New Zealand	48.4	(4.5)	n.m.
Mainland China	64.1	(11.7)	n.m.
Others (including hotel management fee income)	19.3	(44.6)	n.m.
Total hotels EBITDA	422.4	131.9	220.2%

During the reporting period, the operating performance of our hotel portfolio recorded a solid improvement. For our overseas hotels, there was a steady lifting in both room rates and occupancies despite seasonal fluctuation and the revenue per available room continued to trend up. On the other hand, while growth in international travel to Mainland China was limited by international airline capacity, nevertheless, performance of our hotels were supported by increased domestic demand.

The total revenue for the Hotels Division recorded an 41.4% year-on-year growth to HK\$2,250.2 million (1H 2022: HK\$1,591.3 million).

Overall, the Hotels Division reported an EBITDA of HK\$422.4 million during first half of 2023 (1H 2022: HK\$131.9 million). The Hotels EBITDA also included hotel management fee income from purely 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.

EUROPE

The Langham, London

Buoyant performance has been recorded where the average room rate was over 39% up compared to the same pre-pandemic period in 2019. This is largely driven by the resilient domestic leisure demand and the ongoing recovery of international business travel.

NORTH AMERICA

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

Our US region has seen demand growth as corporate and group activities returned to the market. The change in business mix is reflected in a stronger average rate for some hotels.

Chelsea Hotel, Toronto

The hotel saw business recovery in Q2, 2023 which was largely attributed to the leisure business heading into the summer season. The long stay student groups from the universities also contributed steady occupancy during the winter season.

AUSTRALIA / NEW ZEALAND

The Langham, Melbourne and The Langham, Sydney

During Q1, 2023, our Australian hotels saw improved performance which was mainly driven by business contributed by large citywide events. Nevertheless, a slower market demand and a reduction in leisure business have been witnessed for Q2 this year.

Cordis, Auckland

Rooms performance was supported by leisure and corporate business as the pace of international arrivals increased during the summer season. The hotel's occupancy was also supported by steady base business from aircrew segment. Food & Beverage ("F&B") revenue was boosted by catering segment along with improved meeting and conference business.

MAINLAND CHINA

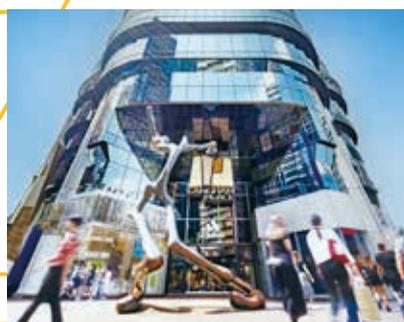
The Langham, Shanghai, Xintiandi and Cordis, Shanghai, Hongqiao

The two Shanghai properties had seen improved rooms performance due to pent-up demand in the leisure segment and domestic business travel, although the average room rates still lagged pre-pandemic due to a reduction of international travellers since reopening of borders. Restaurants and catering businesses had not been as strong as expected, and strategic initiatives had been put in place to boost revenue.

Hotel Management Business

As of end of Q2, 2023, there were 12 third-party hotels under management with approximately 3,400 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 the first half of 2023 dropped by 7.8% to HK\$552.7 million. Of which, distribution income decreased by 11.3% year-on-year

to HK\$382.0 million, as Champion REIT declared a 12.6% decline in distribution per unit while our holdings in Champion REIT increased from 67.99% as at the end of June 2022 to 68.78% as at the end of June 2023. The overall management fee income from Champion REIT increased slightly by 1.1% to HK\$170.7 million in the first half of 2023.

	Six months ended 30 June		
	2023 HK\$ million	2022 HK\$ million	Change
Attributable distribution income	382.0	430.8	-11.3%
Management fee income	170.7	168.8	1.1%
Total income from Champion REIT	552.7	599.6	-7.8%

The following text was extracted from the 2023 interim results announcement of Champion REIT relating to the performance of the REIT's properties.

Three Garden Road

Occupancy of the property was 82.2% as at 30 June 2023 (31 December 2022: 82.7%). While occupancy was relatively stable in the first half of 2023, the competitive landscape

in the Grade A Central office market remained because of the available inventory. Market rental of the property continued to soften and negative rental reversion continued to affect the income. Passing rent dropped to HK\$95.3 per sq. ft. (based on lettable area) (31 December 2022: HK\$99.7 per sq. ft.). Total rental income of the property lowered to HK\$627 million (1H: 2022: HK\$689 million).

Ongoing asset enhancement is essential to maintain the competitive edge of the property, given the abundant supply and rising expectations for better amenities and sustainable features of office occupiers. To this end, we completed the lift modernisation project at Three Garden Road to improve efficiency during the reporting period.

Net property operating expenses increased by 4.2% to HK\$72 million (1H 2022: HK\$69 million). The lower average occupancy resulted in higher net building management expenses as landlord has to bear the cost for vacant units. Net property income decreased by 10.5% to HK\$555 million (1H 2022: HK\$620 million).

Langham Place Office Tower

Occupancy of the property remained stable at 93.2% as at 30 June 2023 (31 December 2022: 93.3%). While we saw quite a sizeable proportion of lease expiring this year, many of them had been handled in the first half. Rental income decreased by 3.7% to HK\$174 million (1H 2022: HK\$181 million), mainly due to negative rental reversion. Passing rent as at 30 June 2023 was HK\$45.4 per sq. ft. (based on gross floor area) (31 December 2022: HK\$46.0 per sq. ft.).

Net property operating expenses went up to HK\$21 million (1H 2022: HK\$17 million) mainly due to higher rental commission resulting from a higher number of expiring leases, as well as increase in other operating expenses. Net property income decreased 7.0% to HK\$153 million (1H 2022: HK\$164 million).

Langham Place Mall

Occupancy of the property receded to 95.0% as at 30 June 2023 mainly due to the time gap in tenant turnover. All the unoccupied areas had been committed, and renovations of new entrants were under way.

The robust rebound in tenants' sales lifted the turnover rent by over two-fold to HK\$114 million (1H 2022: HK\$51 million). The increase was more than sufficient to cover the 11.4% decline in base rent portion to HK\$224 million (1H 2022: HK\$253 million). Total rental income of the mall grew 12.3% to HK\$366 million (1H 2022: HK\$326 million). Average passing rent increased to HK\$192.3 per sq. ft. (based on lettable area) as at 30 June 2023 (31 December 2022: HK\$157.1 per sq. ft.). The short-term leases signed during COVID-19 allowed us to capture the improving retail momentum during negotiations for renewal. Also, as market sentiment recuperated, more tenants were willing to resume the payment of base rent. The proportion of tenants paying turnover rent only lowered further to 4% as at 30 June 2023.

To capture the return of tourists and ride on the release of the consumption voucher scheme in April, a series of promotional activities were activated to boost sales and footfall. For instance, a joint promotion with a bank was developed to stimulate sales and also exclusive shopping vouchers were offered to tourists. Langham Beauty also opened a Xiaohungshu account, targeting mainland tourists. New tenants ranging from the food and beverage, lifestyle to fashion categories were introduced to the mall to provide variety for patrons.

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. LHI did not declare any interim distribution for the first half of 2023.

Performances of the Hong Kong hotels below were extracted from the 2023 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 2023	1H 2022	1H 2023	1H 2022	1H 2023	1H 2022	1H 2023	1H 2022
The Langham, Hong Kong	498	498	84.5%	70.6%	2,044	1,644	1,727	1,160
Cordis, Hong Kong	667	668	88.4%	71.1%	1,468	1,501	1,297	1,067
Eaton HK	465	465	86.0%	76.3%	963	1,096	828	836

The Langham, Hong Kong

The Langham, Hong Kong, has seen robust performance since the borders reopened in early 2023, with a strong influx of Mainland China tourists wanting luxury Hotel accommodation in the Tsim Sha Tsui district.

The hotel experienced an immediate uptick in room business following the full reopening of the borders with Mainland China and the lifting of all quarantine controls and social distance measures. The occupancy increased from 70.6% in the first half of 2022 to 84.5% in the first half of 2023, while the average room rate increased by 24.3% to HK\$2,044 per night year-over-year in the first half of 2023. In the first half of 2023, the RevPAR increased by 48.9% to HK\$1,727 per night. Last year, the hotel switched to operating as a CIF/quarantine hotel from early March to the end of September in an effort to stabilise occupancy and daily room rates.

In the first half of 2023, F&B revenue soared 3.2 times year over year, in part due to the stronger business growth at the T'ang Court, which has maintained its prestigious 3-star Michelin, and good banquet business. Furthermore, in 2022, there was a temporary closure of all F&B outlets under the CIF Hotel Scheme.

In the first half of 2023, total revenue rose 95.6% from the previous year.

Cordis, Hong Kong

Cordis, Hong Kong, witnessed growth in its accommodation business, driven mainly by increased demand from Mainland China. Although the hotel still maintained some business from the local staycation market as well as the long-stay segment.

Hotel occupancy increased from 71.1% in the first half of 2022 to 88.4% in the first half of 2023, while the average room rate slightly decreased by 2.2% to HK\$1,468 per night year-over-year in the first half of 2023. As a result, the RevPAR increased by 21.6% to HK\$1,297 per night. In order to stabilise occupancy and room rates, the hotel switched to operating as a CIF/quarantine hotel from mid-March to the end of September 2022, and this operation mode supported revenue levels in 2022.

The hotel's F&B revenue increased by 3.5 times year-on-year in the first half of 2023. This was across all outlets, but specifically Ming Court Chinese Restaurant and the catering segment that is supported by weddings, meetings and events. Also note that in the first half of 2022, there were temporary closures of all F&B outlets due to operating under the CIF Hotel and quarantine hotel operations.

In the first half of 2023, total revenue increased 76.6% year-on-year.

Eaton HK

Eaton HK, was contracted to provide accommodation to the staff from the Hospital Authority for 3 months, from mid-March to mid-June 2022, at a favourable guaranteed room rate. The Hospital Authority's bookings last year boosted numbers significantly, and therefore the hotel has managed to deliver a moderate growth in occupancy from 76.3% in the first half of 2022 to 86.0% in the first half of 2023, whereas the average room rate decreased by 12.1% to HK\$963 per night. The RevPAR slightly declined by 1.0% year-on-year for the first half of 2023.

Yat Tung Heen, The Astor, and banquet business all saw steady improvement during the first half of 2023, contributing to F&B revenue's increasing 83.6% year-over-year.

5. RENTAL INCOME FROM INVESTMENT PROPERTIES



	Six months ended 30 June		
	2023 HK\$ million	2022 HK\$ million	Change
Gross rental income			
Great Eagle Centre	37.5	41.5	-9.6%
Serviced Apartments	25.4	14.3	77.6%
Others	19.5	18.4	6.0%
	82.4	74.2	11.1%
Net rental income			
Great Eagle Centre	31.4	34.3	-8.5%
Serviced Apartments	15.1	7.7	96.1%
Others	8.3	6.9	20.3%
	54.8	48.9	12.1%

Great Eagle Centre

	As at the end of		
	June 2023	June 2022	Change
Office (on lettable area)			
Occupancy	65.0%	62.3%	2.7ppt
Average passing rent	HK\$54.2	HK\$58.2	-6.9%
Retail (on lettable area)			
Occupancy	62.9%	92.2%	-29.3ppt
Average passing rent	HK\$83.8	HK\$68.5	22.3%

The rental performance of Great Eagle Centre was softened as office demand from Mainland China corporations had not been recovered as expected with the reopening of borders. The increasing supply of new office stocks in the Hong Kong Island also exerted extra pressures to the already weakened office market. The Group's overall rental income for Great Eagle

Centre fell 9.6% year-on-year to HK\$37.5 million in the first half period (1H 2022: HK\$41.5 million). Office occupancy slightly improved by 2.7 percentage points to 65.0% as of end June 2023, whilst the average passing rents of office space recorded a drop by 6.9% to HK\$54.2 per sq. ft.

Serviced Apartments

	Six months ended 30 June		
	2023	2022	Change
(on gross floor area)			
Occupancy	73.0%	54.9%	18.1ppt
Average net passing rent	HK\$29.7	HK\$22.2	33.8%

Eaton Residences Wan Chai Gap Road was relaunched as Ying'nFlo Wan Chai at the end of October 2022. The Group's overall rental income for Ying'nFlo and Eaton Residences recorded an improvement with a 77.6% growth to HK\$25.4 million for the first half of 2023 (1H 2022: HK\$14.3 million). This was mainly driven by the improved demand as leisure business from Mainland China began returning to the local market.

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 the first half of 2023, operating income from other business segments dropped 6.2% to HK\$65.1 million (1H 2022: HK\$69.4 million).



DEVELOPMENT PROJECTS



HONG KONG AND MAINLAND CHINA

Ho Man Tin Residential Development Project

This project is comprised of a gross floor area of approximately 742,000 sq. ft., or a saleable area of 660,000 sq. ft., involving the development of 990 apartments above Ho Man Tin MTR station under a Development Agreement with MTR Corporation Limited. Works are on schedule and presale is targeted to launch in the first half of 2024.

Dalian Mixed-use Development Project

The Dalian project was sold to a third party in July 2019 but buyer failed to meet the payment obligations due to its own financial issue. Appropriate legal actions including arbitration proceedings and preservation measures had been taken to pursue the outstanding balance. In Q1, 2023, the Dalian court enforced the arbitration awards and released the cash of RMB188.7 million to our joint venture company. Since our joint venture company had made full credit loss provision of the outstanding proceeds in prior year, the reversal of corresponding provision would be reflected in its profit for the period, of which our Group shared 50%. The enforcement effort would be continued targeting 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 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 hotel. Planning application was submitted to the local government, and a general contractor has been 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 is in the process of exploring further development options including but not limited to schemes with mix of hotel and luxury condominiums, and will not start construction until an economically viable option is found.

UNITED STATES

San Francisco Hotel Development Project, 1125 Market Street

San Francisco Hotel Redevelopment Project, 555 Howard Street

The above two projects are currently under review for their profitability due to uncertain market conditions and the severe escalation of construction costs in San Francisco. These projects have been put on hold and various plans for alternative divestment strategies are being evaluated.

Seattle Development Project, 1931 Second Avenue

The Group acquired a site in downtown Seattle with an area of approximately 19,400 sq. ft. for US\$18 million in December 2016. The site is situated at one of the most prime location of downtown Seattle and near the famous Pike Place market. Although the site has already been approved for the development of a hotel, the Group is pursuing to obtain entitlement in expanding the development's gross floor area to 553,000 sq. ft., and incorporate residential component to the project, thus further enhancing the financial attractiveness of this mixed-use luxury hotel and condominium project. We brought in world renowned architect, Kengo Kuma & Associates, to design this landmark mixed-use development project. Building Permit Application was submitted in June 2023 for code vestiture, whilst submission of the remaining items for the entitlement is scheduled to lodge in Q3, 2023 to tie in with the Building Permit application. Construction cost is subject to further examination and refinement. We are closely monitoring the Seattle construction costs as well as the sales market for luxury condominiums.

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 work on the plan to redevelop the Chelsea Hotel site into a mixed-use project comprising condominium and hotel components, with a total planned gross floor area of approximately 1.7 million sq.ft.

Meanwhile, notwithstanding the abovementioned redevelopment plan, the Chelsea Hotel operation continues.

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. The project was granted a revised Building Permit in April 2022, which was based on a design modified to achieve the standards of the Langham brand.

World-renowned architect Matteo Thun is designing the hotel. Early Works (foundations and excavation) were commenced on site in January 2023. Tender for the Shell & Core works was issued in May 2023. Cost consultant has been updating the cost estimate, whilst design development and construction documentation works were in progress.

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 2023 was HK\$26,452 million, a decrease of HK\$818 million compared to that HK\$27,270 million as of 31 December 2022. The decrease in net borrowings was mainly due to a combined effect of continuous improvement in hotel operations, additional loan drawn for development projects and dividend payment during the period.

Equity Attributable to Shareholders, based on a professional valuation of the Group's investment properties as of 30 June 2023 and the depreciated costs of the Group's hotel properties (including Hong Kong hotel properties held by LHI), amounted to HK\$56,945 million, representing an increase of HK\$125 million compared to the value of HK\$56,820 million as of 31 December 2022. The increase was mainly attributable to the operating profit for the period offset by 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 68.78%, 69.96% 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 2023 was 35.6% (31 December 2022: 36.9%). 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 2023	On consolidated basis HK\$ million	On core balance sheet basis HK\$ million
Great Eagle	6,566	6,566
Champion REIT	13,700	–
LHI	6,070	–
U.S. Fund	116	–
Net debts	26,452	6,566
Net debts attributable to Shareholders of the Group	20,294	6,566
Equity attributable to Shareholders of the Group	56,945	65,119
Net gearing ratio [^]	35.6%	10.1%

[^] 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 counter-parties and selected quality equities. As at 30 June 2023, the market value of these bonds and notes amounted to HK\$302 million and invested securities amounted to HK\$1,404 million which included LCID.US shares worth HK\$728 million. Should these amounts be taken into account, the consolidated net borrowings and gearing ratio would be reduced to HK\$18,588 million and 32.6% respectively. The net debt based on sharing of net assets of Champion REIT, LHI and the U.S. Fund would correspondingly decrease to HK\$4,860 million and 7.5%.

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 2023 amounted to HK\$33,551 million (31 December 2022: HK\$33,331 million). Bank borrowings amounting to HK\$14,266 million (31 December 2022: HK\$14,068 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	21,633	7,647 ⁽⁴⁾	29,280 ⁽³⁾
Medium term notes	–	4,052	4,052 ⁽³⁾
Other borrowings	–	219	219 ⁽³⁾
Total	21,633	11,918	33,551
%	64.5%	35.5%	100%

⁽¹⁾ All amounts are stated at face value.

⁽²⁾ All debt facilities were denominated in Hong Kong Dollars except for item (3) below.

⁽³⁾ Equivalence of HK\$5,068 million bank borrowings, HK\$2,352 million medium term notes and HK\$219 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 2023, 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 2023, our cash, bank deposits and undrawn loan facilities amounted to a total of HK\$15,480 million (31 December 2022: HK\$16,341 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 2023:

Within 1 year	59.8%
More than 1 year but not exceeding 2 years	9.5%
More than 2 years but not exceeding 5 years	23.7%
More than 5 years	7.0%

FINANCE COSTS

The net consolidated finance costs during the period was HK\$555 million of which HK\$84 million was capitalised to property development projects. Overall net interest cover at the reporting date was 3.8 times.

PLEDGE OF ASSETS

At 30 June 2023, properties of the Group with a total book carrying value of approximately HK\$24,320 million (31 December 2022: HK\$24,296 million) were mortgaged or pledged to secure credit facilities granted to its subsidiaries.

COMMITMENTS AND CONTINGENT LIABILITIES

At 30 June 2023, 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\$7,848 million (31 December 2022: HK\$7,980 million) of which HK\$630 million (31 December 2022: HK\$906 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 landscape of global economy remains challenging for the remainder of 2023. In particular, the intertwining impacts of high interest rates, lasting of warfare between Russia and Ukraine, geo-political tensions and the ongoing of Sino-US conflicts continue to hinder the post-pandemic recovery of Hong Kong. The high interest rates and uncertain economic outlook would exert additional pressures on residential pricing and home sales. In view of such, the Group will stay cautious regarding 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 half of 2024. We will stay abreast of the latest market movement and adopt flexible strategies to address any changes. Despite the short-term volatilities, the Group remains cautiously optimistic of the longer-term prospect of the Hong Kong residential market.

It is anticipated that the upside of greater net income growth for our hotel portfolio worldwide would be tampered to some extent as operating expenses have been rising with the escalating labour and staff cost. The Group is rolling out its plan to expand the midscale brand Ying'nFlo into the Greater China region to meet the growing demand.

The performance of Champion REIT would still be impeded by the subdued office market as a result of weakened tenant demand from global and local businesses, in particular Mainland China corporations, and the increasing availability of new office stock in Hong Kong. It is expected that the new and renewal rentals of office space under Champion REIT would be lower than the current passing rental. The lower rentals and increased finance costs would together pose a downside risk to the distribution for 2023 as a whole. Nevertheless, such risk shall be partially mitigated by the improved performance of Langham Place Mall given the rebound of retail spending with the return of travellers after borders reopened, especially from Mainland China.

On the positive side, the recently announced economic stimulus plan of China is expected to help boosting the domestic demand and Hong Kong shall benefit from such. Therefore, there is room for LHI to improve further for the second half of 2023 with the anticipation of receiving more travellers from Mainland China and internationally following the improvement of airline capacity. However, the high labour and energy cost, and the higher finance costs would still weigh on its performance.

With the mixed signals and uncertainties in sight, the Group will continue its prudent practice in its operation and will be more alert to risks, whilst prudently looking for quality opportunities for business growth at the same time. We will closely monitor the market movements for our businesses at home and abroad. Given our strong balance sheet with sound liquidity, we are confident in weathering the prevailing market uncertainties and stay opened for new investment should right opportunities arise.

LO Ka Shui

Chairman and Managing Director

Hong Kong, 25 August 2023

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 2022 Annual Report 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 76, 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 REIT 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.

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 103, 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 December 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 71, 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 74, 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 63, was appointed as an Independent Non-executive Director of the Company in January 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 75, was appointed as an Independent Non-executive Director of the Company in December 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 REIT (listed in Hong Kong). Mr. Ho holds a Master of Business Administration Degree from the University of East Asia.

Ms. Diana Ferreira CESAR**Independent Non-executive Director**

Ms. Diana Ferreira CESAR, aged 54, was appointed as an Independent Non-executive Director of the Company in April 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, the co-chairman of the campaign committee, a member of executive committee and the chairman of the corporate and employee contribution programme organising committee 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 81, 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 86, 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 75, 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 December 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 a member of the Board of Directors of Boao Forum for Asia, the Honorary President of the Council for the Promotion & Development of Yangtze, an Economic Adviser of the Chongqing Municipal Government, the Honorary Life President of the Business and Professionals Federation of Hong Kong, 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 71, 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 December 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.

Mr. LO Chun Him, Alexander**Executive Director**

Mr. LO Chun Him, Alexander, aged 38, 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, Great Eagle (China) Investment Limited, The Great Eagle Development and Project Management Limited, Eagle Property Management (CP) Limited, Langham Hospitality Group Limited, Langham Hotels International Limited, Pacific Eagle Holdings Corporation and Rio dei Vetrai S.r.l.. 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 71, 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, Great Eagle (China) Investment Limited, Keysen Property Management Services Limited, Great Eagle Tokyo TMK, Eagle Property Management (CP) Limited, Langham Hospitality Group Limited, Langham Hotels International Limited, Pacific Eagle Holdings Corporation and Rio dei Vetrai S.r.l.. 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 61, 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 Chartered Association of 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 55, 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 Humanitarian Education Advisor 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' interest in the Group and/or in the substantial shareholders of the Company are set out in the section "Disclosure of Interests" in this Interim Report.

GOVERNANCE AND COMPLIANCE

The Company is committed to maintaining and developing a high standard of corporate governance practices that are designed to enhance corporate image, boost Shareholders' confidence, and minimize 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.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Board will, from time to time, monitor and review the Company's corporate governance practices in light of regulatory requirements and the needs of the Company to underpin our engrained value of integrity and accountability. Throughout the period under review, the Company has complied with most of the code provisions, and where appropriate, adopted some of the recommended best practices as set out in the CG Code. 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. 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, 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 stage of development of the Group. Since she is relatively inactive in the Group's business in recent years, she has not participated in the 2023 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 in practice by the Company for decades and has withstood the test of time. The Board considers this arrangement to be appropriate for the Company as it can preserve the consistent leadership culture of the Company and 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 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 maintain the equilibrium between transparency and privacy.

COMPLIANCE POLICIES AND PROCEDURES

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 constituted the core elements of the governance framework of the Group, including:

- Anti-Fraud, Bribery and Corruption Policy
- Anti-Money Laundering and Counter-Financing of Terrorism Policies and Procedures
- Code of Conduct regarding Securities Transactions by Directors and Relevant Employees
- Employee Code of Conduct
- Policy on the Preservation and Prevention of misuse of Inside Information
- Privacy Policy
- 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 further enhancement will be made from time to time in light of the latest statutory and regulatory regimes and applicable international best practices. Copies of the principal governance policies can be obtained from the Group's website at www.GreatEagle.com.hk.

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. We offer competitive salaries to employees and discretionary bonuses are granted based on the performance of the Group as well as the performance of individual employees. Other employee benefits include educational allowance, insurance, medical scheme and provident fund schemes. Senior employees of the Group (including Executive Directors) are entitled to participate in the Great Eagle Holdings Limited Share Option Scheme.

There had been no material change to the number of employees and staff composition of the Group for the six months ended 30 June 2023.

COMPLIANCE WITH MODEL CODE

The Company has adopted its own Code of Conduct for Securities Transactions on terms no less exacting than the required standard set out in the Model Code 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 Group have confirmed that they have fully complied with the Code of Conduct for Securities Transactions throughout the six months ended 30 June 2023.

REVIEW OF INTERIM RESULTS

The unaudited condensed consolidated financial statements for the six months ended 30 June 2023 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 2023, 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 2023.

PURCHASE, SALE OR REDEMPTION OF COMPANY'S SECURITIES

During the six months ended 30 June 2023, 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 2023.

SUSTAINABILITY

The Group has been committed to enacting environmentally conscious, resource-conserving strategies and practices in our operations. The Group's overall ESG vision is to achieve sustainable growth which follows the sustainable development principle set out in the UN's Brundtland Report of 1987, entitled “Our Common Future”, namely, “Development that meets the needs of the present without compromising the ability of future generations to meet their own needs”. In decision-making processes, the Group adopts a “triple bottom line” approach, which considers three crucial sustainability factors: Profit, People and Planet. This approach facilitates the integration of sustainability into the core purpose of the Group's business, and ensures that the Group's work and business practices remain beneficial in the long term. By working towards our 2045 net-zero emissions roadmap and achieving our sustainability goals, we aim to create long-term value for our stakeholders and enhance the quality of life in the workplace, local community, and world at large.

DISCLOSURE OF INTERESTS

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

As at 30 June 2023, 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 which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange, 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 ⁽¹²⁾	Total
Lo Ka Shui	Beneficial Owner	Personal Interests	64,932,835 ⁽¹⁾	8.68)	64.38
	Interests of Controlled Corporations	Corporate Interests	95,928,364 ⁽²⁾	12.83)	
	Discretionary Beneficiary of a Discretionary Trust	Discretionary Trust Interests	254,664,393 ⁽³⁾	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 ⁽⁴⁾	0.73)	
	Discretionary Beneficiary of a Discretionary Trust	Discretionary Trust Interests	254,664,393 ⁽³⁾	34.06)	
Wong Yue Chim, Richard	Beneficial Owner	Personal Interests	10,198	0.00	0.00
Lo Hong Sui, Antony	Beneficial Owner	Personal Interests	1,303,973 ⁽⁵⁾	0.17)	34.23
	Discretionary Beneficiary of a Discretionary Trust	Discretionary Trust Interests	254,664,393 ⁽³⁾	34.06)	
Law Wai Duen	Beneficial Owner	Personal Interests	2,400,858 ⁽⁶⁾	0.32)	34.38
	Discretionary Beneficiary of a Discretionary Trust	Discretionary Trust Interests	254,664,393 ⁽³⁾	34.06)	

DISCLOSURE OF INTERESTS

Name of Directors	Capacity	Nature of Interests	Number of Ordinary Shares/ Underlying Shares Held	Percentage of Issued Share Capital ⁽¹²⁾	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 ⁽³⁾	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 ⁽⁷⁾	5.24))	
	Discretionary Beneficiary of a Discretionary Trust	Discretionary Trust Interests	254,664,393 ⁽³⁾	34.06))	
Lo Chun Him, Alexander	Beneficial Owner	Personal Interests	1,163,488 ⁽⁸⁾	0.16	0.16
Kan Tak Kwong	Beneficial Owner	Personal Interests	4,740,193 ⁽⁹⁾	0.63	0.63
Chu Shik Pui	Beneficial Owner	Personal Interests	2,079,554 ⁽¹⁰⁾	0.28	0.28
Poon Ka Yeung, Larry	Beneficial Owner	Personal Interests	100,000 ⁽¹¹⁾	0.01	0.01

Notes:

- (1) Among these interests, 3,390,000 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, 390,000 were share options.
- (6) Among these interests, 390,000 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, 1,035,000 were share options.
- (9) Among these interests, 2,050,000 were share options.
- (10) Among these interests, 1,787,000 were share options.
- (11) These 100,000 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 2023.

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 SFO, is accounted for as a subsidiary of the Company. As at 30 June 2023, the Group owned 68.78% 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 2023 are disclosed as follows:

Name of Directors	Total Number of Units/ Underlying Units Held	Percentage of Issued Units ⁽²⁾
Lo Ka Shui	16,911,617 ⁽¹⁾	0.28
Lo Ying Sui	239,000	0.00
Chu Shik Pui	8,000	0.00

Notes:

- (1) Among these 16,911,617 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) 10,061,000 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) This percentage has been compiled based on 5,990,682,244 units of Champion REIT in issue as at 30 June 2023.

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 2023, the Group owned 69.96% 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 2023 are disclosed as follows:

Name of Directors	Total Number of SSUs/ Underlying SSUs Held	Percentage of Issued SSUs ⁽³⁾
Lo Ka Shui	124,684,250 ⁽¹⁾	3.79
Lo To Lee Kwan	306,177 ⁽²⁾	0.01
Wong Yue Chim, Richard	257,610	0.01
Law Wai Duen	3,888,421	0.12
Lo Ying Sui	932,194	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) This percentage has been compiled based on 3,289,330,011 SSUs of LHI in issue as at 30 June 2023.

Save as disclosed above, as at 30 June 2023, 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 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, or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTION SCHEMES

In accordance with the 2019 Share Option Scheme, which was adopted pursuant to an ordinary resolution passed on 22 May 2019, the Board may grant 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 on 22 May 2019, the 2009 Share Option Scheme was terminated. 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.

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 2023 are as follows:

Date of Grant	Number of Share Options					Exercisable Period	Exercise Price per Share (HK\$)
	Outstanding as at 01/01/2023	Granted during the Period	Exercised during the Period	Lapsed during the Period	Outstanding as at 30/06/2023		
14/03/2018 ⁽¹⁾	3,349,000	–	–	(3,349,000)	–	15/03/2020–14/03/2023	42.40
14/03/2019 ⁽¹⁾	3,774,000	–	–	(23,000)	3,751,000	15/03/2021–14/03/2024	39.05
18/03/2020 ⁽²⁾	4,036,000	–	–	(29,000)	4,007,000	19/03/2022–18/03/2025	21.65
18/03/2021 ⁽²⁾	3,777,000	–	–	(26,000)	3,751,000	19/03/2023–18/03/2026	28.45
18/03/2022 ⁽²⁾	4,510,000	–	–	(54,000)	4,456,000	19/03/2024–18/03/2027	19.06
20/03/2023 ⁽²⁾	–	5,620,000 ⁽³⁾	–	(244,000)	5,376,000	21/03/2025–20/03/2028	16.52
Total	19,446,000	5,620,000	–	(3,725,000)	21,341,000		

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 2023, 1,934,000 share options were granted to the Directors of the Company and their Associates, while 3,686,000 share options were granted to eligible employees of the Group. Please refer to the announcement of the Company dated 20 March 2023 for details.
- (4) During the six months ended 30 June 2023, no share option was cancelled.
- (5) Consideration paid for acceptance of each grant of share options was HK\$1.00.
- (6) The vesting period for the share options granted is 24 months after the date of grant.
- (7) The closing price of the shares of the Company immediately before the date of grant of 20 March 2023, i.e. 17 March 2023 was HK\$16.50.

DISCLOSURE OF INTERESTS

On 20 March 2023, a total of 1,934,000 share options of the Company were granted to the following Executive Directors of the Company 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 2025 to 20 March 2028 as non-cash emoluments of the respective Executive Directors:

Category	Number of Options	Option Value * (HK\$)
(i) Executive Directors		
Lo Ka Shui (<i>Chairman and Managing Director</i>)	700,000	1,729,000
Lo Hong Sui, Antony	50,000	123,500
Law Wai Duen	50,000	123,500
Lo Chun Him, Alexander	180,000	444,600
Kan Tak Kwong (<i>General Manager</i>)	420,000	1,037,400
Chu Shik Pui	400,000	988,000
Poon Ka Yeung, Larry	100,000	247,000
(ii) Associates	34,000	83,980

* Further details of the share options are set out in note 27 to the Condensed Consolidated Financial Statements on page 88 of this Interim Report.

Details of Share Options Granted

During the six months ended 30 June 2023, 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 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					Exercise Price per Share (HK\$)	Weighted Average Closing Price Immediately Before the Date of Exercise (HK\$)
		Outstanding as at 01/01/2023	Granted during the Period	Exercised during the Period	Lapsed during the Period	Outstanding as at 30/06/2023		
Lo Ka Shui	14/03/2018 ⁽¹⁾	688,000	–	–	(688,000)	–	42.40	–
	14/03/2019 ⁽¹⁾	698,000	–	–	–	698,000	39.05	–
	18/03/2020 ⁽²⁾	680,000	–	–	–	680,000	21.65	–
	18/03/2021 ⁽²⁾	612,000	–	–	–	612,000	28.45	–
	18/03/2022 ⁽²⁾	700,000	–	–	–	700,000	19.06	–
	20/03/2023 ⁽²⁾	–	700,000	–	–	700,000	16.52	–
		3,378,000	700,000	–	(688,000)	3,390,000		
Lo Hong Sui, Antony	14/03/2018 ⁽¹⁾	100,000	–	–	(100,000)	–	42.40	–
	14/03/2019 ⁽¹⁾	100,000	–	–	–	100,000	39.05	–
	18/03/2020 ⁽²⁾	100,000	–	–	–	100,000	21.65	–
	18/03/2021 ⁽²⁾	90,000	–	–	–	90,000	28.45	–
	18/03/2022 ⁽²⁾	50,000	–	–	–	50,000	19.06	–
	20/03/2023 ⁽²⁾	–	50,000	–	–	50,000	16.52	–
		440,000	50,000	–	(100,000)	390,000		
Law Wai Duen	14/03/2018 ⁽¹⁾	100,000	–	–	(100,000)	–	42.40	–
	14/03/2019 ⁽¹⁾	100,000	–	–	–	100,000	39.05	–
	18/03/2020 ⁽²⁾	100,000	–	–	–	100,000	21.65	–
	18/03/2021 ⁽²⁾	90,000	–	–	–	90,000	28.45	–
	18/03/2022 ⁽²⁾	50,000	–	–	–	50,000	19.06	–
	20/03/2023 ⁽²⁾	–	50,000	–	–	50,000	16.52	–
		440,000	50,000	–	(100,000)	390,000		

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 01/01/2023	Granted during the Period	Exercised during the Period	Lapsed during the Period	Outstanding as at 30/06/2023		
Lo Chun Him, Alexander	14/03/2018 ⁽¹⁾	220,000	–	–	(220,000)	–	42.40	–
	14/03/2019 ⁽¹⁾	238,000	–	–	–	238,000	39.05	–
	18/03/2020 ⁽²⁾	230,000	–	–	–	230,000	21.65	–
	18/03/2021 ⁽²⁾	207,000	–	–	–	207,000	28.45	–
	18/03/2022 ⁽²⁾	180,000	–	–	–	180,000	19.06	–
	20/03/2023 ⁽²⁾	–	180,000	–	–	180,000	16.52	–
		1,075,000	180,000	–	(220,000)	1,035,000		
Kan Tak Kwong	14/03/2018 ⁽¹⁾	430,000	–	–	(430,000)	–	42.40	–
	14/03/2019 ⁽¹⁾	450,000	–	–	–	450,000	39.05	–
	18/03/2020 ⁽²⁾	400,000	–	–	–	400,000	21.65	–
	18/03/2021 ⁽²⁾	360,000	–	–	–	360,000	28.45	–
	18/03/2022 ⁽²⁾	420,000	–	–	–	420,000	19.06	–
	20/03/2023 ⁽²⁾	–	420,000	–	–	420,000	16.52	–
		2,060,000	420,000	–	(430,000)	2,050,000		
Chu Shik Pui	14/03/2018 ⁽¹⁾	350,000	–	–	(350,000)	–	42.40	–
	14/03/2019 ⁽¹⁾	380,000	–	–	–	380,000	39.05	–
	18/03/2020 ⁽²⁾	330,000	–	–	–	330,000	21.65	–
	18/03/2021 ⁽²⁾	297,000	–	–	–	297,000	28.45	–
	18/03/2022 ⁽²⁾	380,000	–	–	–	380,000	19.06	–
	20/03/2023 ⁽²⁾	–	400,000	–	–	400,000	16.52	–
		1,737,000	400,000	–	(350,000)	1,787,000		
Poon Ka Yeung, Larry	20/03/2023 ⁽²⁾	–	100,000	–	–	100,000	16.52	–
Associates of Directors of the Company ⁽⁷⁾	14/03/2018 ⁽¹⁾	40,000	–	–	(40,000)	–	42.40	–
	14/03/2019 ⁽¹⁾	60,000	–	–	–	60,000	39.05	–
	18/03/2020 ⁽²⁾	40,000	–	–	–	40,000	21.65	–
	18/03/2021 ⁽²⁾	36,000	–	–	–	36,000	28.45	–
	18/03/2022 ⁽²⁾	36,000	–	–	–	36,000	19.06	–
	20/03/2023 ⁽²⁾	–	34,000	–	–	34,000	16.52	–
		212,000	34,000	–	(40,000)	206,000		

Directors	Date of Grant	Number of Share Options				Outstanding as at 30/06/2023	Exercise Price per Share (HK\$)	Weighted Average Closing Price Immediately Before the Date of Exercise (HK\$)
		Outstanding as at 01/01/2023	Granted during the Period	Exercised during the Period	Lapsed during the Period			
Eligible Employees (other than Directors of the Company and their Associates ⁽⁷⁾)	14/03/2018 ⁽¹⁾	1,421,000	–	–	(1,421,000)	–	42.40	–
	14/03/2019 ⁽¹⁾	1,748,000	–	–	(23,000)	1,725,000	39.05	–
	18/03/2020 ⁽²⁾	2,156,000	–	–	(29,000)	2,127,000	21.65	–
	18/03/2021 ⁽²⁾	2,085,000	–	–	(26,000)	2,059,000	28.45	–
	18/03/2022 ⁽²⁾	2,694,000	–	–	(54,000)	2,640,000	19.06	–
	20/03/2023 ⁽²⁾	–	3,686,000	–	(244,000)	3,442,000	16.52	–
		10,104,000	3,686,000	–	(1,797,000)	11,993,000		

Notes:

- (1) Share options were granted under the 2009 Share Option Scheme.

Share options granted on 14/03/2018 are exercisable during the period from 15/03/2020 to 14/03/2023.

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.

- (3) During the six months ended 30 June 2023, 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 2023, i.e. 17 March 2023 was HK\$16.50.

- (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 2023, the interests and short positions of persons (other than the 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 Part XV 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 ⁽⁷⁾
HSBC International Trustee Limited	315,009,622 ⁽¹⁾	42.13
Powermax Agents Limited	246,937,926 ⁽²⁾	33.03
Mind Reader Limited	49,481,019 ⁽³⁾	6.62
Surewit Finance Limited	45,342,008 ⁽⁴⁾	6.06
Eagle Guardian Limited	41,763,361 ⁽⁵⁾	5.59
Adscan Holdings Limited	39,180,903 ⁽⁶⁾	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 2023:
- (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.
 - (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.

- (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 2023.

Save as disclosed above, as at 30 June 2023, no person (other than Directors or chief executives of the Company whose interests in shares, underlying shares and debentures of the Company are set out on pages 37 and 38) was interested (or deemed to be interested) or held any short position 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 49 to 94, which comprise the condensed consolidated statement of financial position as of 30 June 2023 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 certain explanatory notes. 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

25 August 2023

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2023

	NOTES	Six months ended 30 June	
		2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Revenue	3	5,082,425	4,090,986
Cost of goods and services		(2,723,201)	(2,359,901)
Operating profit before depreciation		2,359,224	1,731,085
Depreciation		(445,733)	(446,200)
Operating profit		1,913,491	1,284,885
Fair value changes on investment properties		(421,049)	(548,930)
Fair value changes on derivative financial instruments		(138,622)	286,264
Fair value changes on financial assets at fair value through profit or loss		10,724	(83,502)
Other income	5	117,569	58,149
Administrative and other expenses		(238,028)	(264,925)
Allowance for credit losses on notes receivables		–	(36,441)
Finance costs	6	(579,745)	(349,259)
Share of results of joint ventures		88,073	40,155
Share of results of associates		(4,743)	(7,711)
Profit before tax	7	747,670	378,685
Income taxes	8	(251,794)	(211,594)
Profit for the period, before deducting the amounts attributable to non-controlling unitholders of Champion REIT		495,876	167,091
Profit for the period attributable to:			
Owners of the Company		478,666	123,864
Non-controlling interests		(3,602)	25,287
Non-controlling unitholders of Champion REIT		475,064	149,151
		20,812	17,940
		495,876	167,091
Earnings per share:	10		
Basic		HK\$0.64	HK\$0.17
Diluted		HK\$0.64	HK\$0.17

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2023

	Six months ended 30 June	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Profit for the period, before deducting the amounts attributable to non-controlling unitholders of Champion REIT	495,876	167,091
Other comprehensive income (expense):		
<i>Items that will not be reclassified to profit or loss:</i>		
Fair value gain (loss) on equity instruments at fair value through other comprehensive income	15,609	(2,312,226)
Share of other comprehensive income of an associate	9,856	7,829
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	(128,453)	(386,462)
Cash flow hedges:		
Fair value adjustment on cross currency swaps and interest rate swaps designated as cash flow hedges	(4,017)	117,648
Reclassification of fair value adjustments to profit or loss	(15,508)	(8,236)
Deferred tax related to fair value adjustments recognised in other comprehensive income	514	–
Other comprehensive expense for the period, before deducting amounts attributable to non-controlling unitholders of Champion REIT	(121,999)	(2,581,447)
Total comprehensive income (expense) for the period, before deducting amounts attributable to non-controlling unitholders of Champion REIT	373,877	(2,414,356)
Total comprehensive income (expense) for the period attributable to:		
Owners of the Company	363,723	(2,481,195)
Non-controlling interests	(2,169)	27,014
Non-controlling unitholders of Champion REIT	361,554	(2,454,181)
	12,323	39,825
	373,877	(2,414,356)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2023

	NOTES	At 30 June 2023 HK\$'000 (unaudited)	At 31 December 2022 HK\$'000 (audited)
Non-current assets			
Investment properties	11	68,922,732	69,349,079
Property, plant and equipment	11	19,914,276	20,379,056
Interests in joint ventures	12	278,584	260,319
Interests in associates	13	202,597	204,018
Equity instruments at fair value through other comprehensive income	14	1,880,385	1,943,495
Notes and loan receivables	15	373,500	432,734
Derivative financial instruments	20, 21	42,700	111,589
		91,614,774	92,680,290
Current assets			
Stock of properties	16	11,417,736	12,068,882
Inventories		82,686	127,853
Debtors, deposits and prepayments	17	831,243	890,763
Notes and loan receivables	15	341,836	371,341
Financial assets at fair value through profit or loss	18	530,455	539,842
Derivative financial instruments	20, 21	137,809	144,085
Tax recoverable		709	2,082
Restricted cash		56,828	53,288
Time deposits with original maturity over three months		100,266	66,380
Bank balances and cash		6,941,300	5,941,727
		20,440,868	20,206,243
Current liabilities			
Creditors, deposits and accruals	19	5,683,648	6,719,586
Derivative financial instruments	20	129,106	2,753
Provision for taxation		346,458	253,346
Distribution payable		173,403	169,665
Borrowings due within one year	22	20,013,064	8,482,640
Medium term notes	23	–	3,017,389
Lease liabilities	24	2,428	5,407
		26,348,107	18,650,786
Net current (liabilities) assets		(5,907,239)	1,555,457
Total assets less current liabilities		85,707,535	94,235,747

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2023

	NOTES	At 30 June 2023 HK\$'000 (unaudited)	At 31 December 2022 HK\$'000 (audited)
Non-current liabilities			
Derivative financial instruments	20, 21	38,074	60,963
Borrowings due after one year	22	9,404,004	17,693,997
Medium term notes	23	4,018,589	4,006,947
Deferred taxation		1,331,772	1,286,645
Lease liabilities	24	5,447	6,363
		14,797,886	23,054,915
NET ASSETS		70,909,649	71,180,832
Equity attributable to:			
Owners of the Company			
Share capital	25	373,862	373,862
Share premium and reserves		56,571,033	56,446,194
		56,944,895	56,820,056
Non-controlling interests		(637,835)	(619,872)
		56,307,060	56,200,184
Net assets attributable to non-controlling unitholders of Champion REIT		14,602,589	14,980,648
		70,909,649	71,180,832

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

	Attributable to owners of the Company													Amount attributable to non-controlling unitholders of Champion REIT	Total	
	Share capital	Share premium	Investment revaluation reserve	Property revaluation reserve	Capital redemption reserve	Contributed surplus	Exchange translation reserve	Share option reserve	Hedging reserve	Other reserves	Retained profits	Sub-total	Non-controlling interests			Total equity
At 1 January 2022 (audited)	365,520	6,800,847	3,731,274	23,109	3,054	400,965	(549,879)	95,535	(26,998)	8,328,780	42,276,453	61,448,660	(618,377)	60,830,283	15,785,548	76,615,831
Profit for the period	-	-	-	-	-	-	-	-	-	-	123,864	123,864	25,287	149,151	17,940	167,091
Fair value loss on equity instruments at fair value through other comprehensive income	-	-	(2,300,002)	-	-	-	-	-	-	-	-	(2,300,002)	-	(2,300,002)	(12,224)	(2,312,226)
Change in fair value of cash flow hedges	-	-	-	-	-	-	-	-	74,298	-	-	74,298	-	74,298	35,114	109,412
Exchange differences arising on translation of foreign operations	-	-	23,296	-	-	-	(410,092)	-	-	(388)	-	(387,184)	1,727	(385,457)	(1,005)	(386,462)
Share of other comprehensive income of an associate	-	-	7,829	-	-	-	-	-	-	-	-	7,829	-	7,829	-	7,829
Total comprehensive (expense) income for the period	-	-	(2,268,877)	-	-	-	(410,092)	-	74,298	(388)	123,864	(2,481,195)	27,014	(2,454,181)	39,825	(2,414,356)
Transaction with non-controlling unitholders of Champion REIT: Distribution to non-controlling unitholders of Champion REIT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(202,803)	(202,803)
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(202,803)	(202,803)
Transactions with owners:																
Dividend paid (note 9)	-	-	-	-	-	-	-	-	-	-	(731,040)	(731,040)	-	(731,040)	-	(731,040)
Shares issued at premium	8,342	258,252	-	-	-	-	-	-	-	-	-	266,594	-	266,594	-	266,594
Lapse of share options	-	-	-	-	-	-	-	(24,632)	-	-	24,632	-	-	-	-	-
Distribution to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(26,784)	(26,784)	-	(26,784)
Recognition of equity-settled share based payments	-	-	-	-	-	-	-	10,539	-	-	-	10,539	-	10,539	-	10,539
Increase of interests in subsidiaries (note b)	-	-	-	-	-	-	-	-	-	55,070	-	55,070	8,126	63,196	(91,903)	(28,707)
At 30 June 2022 (unaudited)	373,862	7,059,099	1,462,397	23,109	3,054	400,965	(959,971)	81,442	47,300	8,383,462	41,693,909	58,568,628	(610,021)	57,958,607	15,530,667	73,489,274

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

	Attributable to owners of the Company													Amount attributable to non-controlling unitholders of Champion REIT	Total		
	Share capital	Share premium	Investment revaluation reserve	Property revaluation reserve	Capital redemption reserve	Contributed surplus	Exchange translation reserve	Share option reserve	Hedging reserve	Other reserves	Retained profits	Sub-total	Non-controlling interests			Total equity	Champion REIT
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	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	(5,788)	15,609	
Change in fair value of cash flow hedges	-	-	-	-	-	-	-	-	(12,809)	-	-	(12,809)	-	(12,809)	(6,202)	(19,011)	
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	(133,155)	-	-	(232)	-	(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	
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	-	-	-	-	-	
Lapse of share options	-	-	-	-	-	-	-	(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	
Increase of interests in subsidiaries (note b)	-	-	-	-	-	-	-	-	-	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	

Notes:

- 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.
- 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 2023

	Six months ended 30 June	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Cash generated from operations	2,155,410	1,348,400
Hong Kong Profits Tax paid	(26,527)	(405,516)
Other jurisdictions tax paid	(88,465)	(5,829)
Hong Kong Profits Tax refunded	–	38
Other jurisdictions tax refunded	677	1,708
Net cash from operating activities	2,041,095	938,801
Investing activities		
Acquisition of investment properties	–	(166,177)
Additions of equity instruments at fair value through other comprehensive income	(48,610)	(141,807)
Additions of financial assets at fair value through profit or loss	(55,515)	(653,794)
Additions of investment properties	(8,959)	(24,506)
Additions of property, plant and equipment	(209,351)	(266,776)
Additions of notes receivables	(140,690)	(99,552)
Advance of loan receivables	–	(5,395)
Withdrawal of restricted cash	–	24,712
Placement of restricted cash	(4,841)	(1,321)
Dividends received from associates	6,534	–
Interest received	90,307	28,224
Additions of investment in associate	–	(82,801)
Investment in a joint venture	(7,432)	–
Dividend received from a joint venture	89,152	–
Proceeds on disposal of financial assets at fair value through profit or loss	51,876	256,205
Proceeds on disposal of equity instruments at fair value through other comprehensive income	130,798	–
Proceeds on redemption of loan receivable	10,465	51,640
Proceeds on redemption of notes receivable	229,502	42,267
Proceeds on disposal of property, plant and equipment	14,712	25
Placement of time deposits with original maturity over three months	(100,266)	(39,238)
Release of time deposits with original maturity over three months	66,380	–
Net cash from (used in) investing activities	114,062	(1,078,294)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended 30 June 2023

	Six months ended 30 June	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Financing activities		
Change of interests in subsidiaries	(78,132)	(28,707)
Bank loans origination fees	(4,000)	(22,544)
Distribution paid to non-controlling unitholders of Champion REIT	(169,750)	(206,827)
Distribution paid to non-controlling interests	(28,658)	(26,784)
Dividends paid to shareholders	(373,862)	(464,446)
Interest paid	(697,739)	(357,676)
New bank loans raised	4,016,238	3,695,360
Redemption of medium term notes	(2,998,274)	(643,000)
Repayments of bank loans	(731,001)	(3,139,817)
Repayments of lease liabilities	(4,289)	(5,969)
Interest paid for leases	(88)	(252)
Net cash used in financing activities	(1,069,555)	(1,200,662)
Net increase (decrease) in cash and cash equivalents	1,085,602	(1,340,155)
Effect of foreign exchange rates changes	(86,029)	151,945
Cash and cash equivalents at 1 January	5,941,727	6,119,146
Cash and cash equivalents at 30 June	6,941,300	4,930,936

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

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 (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”).

The Directors of the Company review the Group’s financial position and are now negotiating with banks to refinance existing loans which are due within one year. The Directors of the Company are of the opinion that, taking into account of the fair value of investment properties and hotel properties available to pledge for new financing if needed, presently available banking facilities and internal financial resources, the Group has sufficient working capital for its present requirements within one year from the end of the reporting period. Hence, the condensed consolidated financial statements have been prepared on a going concern basis.

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 2023 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 December 2022.

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

In the current interim period, the Group has applied the following new and 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 2023 for the preparation of the Group’s condensed consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The application of the new and 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Application of new and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) (continued)

2.1 Impacts on application of Amendments to HKAS 12 Income Taxes “*International Tax Reform-Pillar Two model Rules*”

In July 2023, the HKICPA issued the amendments to HKAS 12 to add the exception to recognising and disclosing information about deferred tax assets and liabilities that are related to tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (the “Pillar Two legislation”). The amendments require that entities shall apply the amendments immediately upon issuance. The amendments also require that entities shall disclose separately its current tax expense/income related to Pillar Two income taxes, and the qualitative and quantitative information about its exposure to Pillar Two income taxes in periods in which the Pillar Two legislation is enacted or substantially enacted but not yet in effect in annual reporting periods beginning on or after 1 January 2023.

The application of the amendments 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.

2.2 Impacts on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 “*Disclosure of Accounting Policies*”

In addition, the Group will apply Amendments to HKAS 1 and HKFRS Practice Statement 2 “*Disclosure of Accounting Policies*” which are mandatorily effective for the Group’s annual period beginning on 1 January 2023 for the preparation of the Group’s consolidated financial statements for the year ending 31 December 2023.

HKAS 1 is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Application of new and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) (continued)

2.2 Impacts on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 “Disclosure of Accounting Policies” (continued)

HKFRS Practice Statement 2 “Making Materiality Judgements” (the “Practice Statement”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments is expected to affect the disclosures of the Group’s accounting policies in the Group’s annual consolidated financial statements for the year ending 31 December 2023.

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	
	2023 HK\$’000 (unaudited)	2022 HK\$’000 (unaudited)
Hotel income	2,943,290	1,992,914
Rental income from investment properties	1,250,275	1,253,306
Building management service income	142,615	142,177
Sales of properties	586,817	539,650
Sales of goods	58,028	61,759
Dividend income	18,917	13,292
Others	82,483	87,888
	5,082,425	4,090,986

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

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 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
Sales of properties	-	-	586,817	-	586,817	-	-	-	-	586,817
Sales 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

Six months ended 30 June 2022

	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	2,008,281	-	-	-	2,008,281	-	203,603	-	(218,970)	1,992,914
Building management service income	-	10,956	-	-	10,956	134,409	-	-	(3,188)	142,177
Sales of properties	-	-	539,650	-	539,650	-	-	-	-	539,650
Sales of goods	-	-	-	61,759	61,759	-	-	-	-	61,759
Others	-	-	-	257,477	257,477	-	-	-	(169,589)	87,888
Revenue from contracts with customers	2,008,281	10,956	539,650	319,236	2,878,123	134,409	203,603	-	(391,747)	2,824,388
Rental income from investment properties	-	63,214	-	-	63,214	1,196,357	-	21,033	(27,298)	1,253,306
Dividend income	-	-	-	11,883	11,883	-	-	-	1,409	13,292
	2,008,281	74,170	539,650	331,119	2,953,220	1,330,766	203,603	21,033	(417,636)	4,090,986

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

3. REVENUE (CONTINUED)

Disaggregation of revenue from contracts with customers:

– by source of revenue:

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
Sales of properties	586,817	–	586,817
Sales of goods	55,565	2,463	58,028
Others	–	82,483	82,483
Revenue from contracts with customers	1,759,208	2,054,025	3,813,233
Rental income from investment properties			1,250,275
Dividend income			18,917
			5,082,425

Six months ended 30 June 2022

	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	–	1,303,751	1,303,751
– food & beverage revenue	552,860	–	552,860
– others	79,923	56,380	136,303
Building management service income	–	142,177	142,177
Sales of properties	539,650	–	539,650
Sales of goods	60,174	1,585	61,759
Others	–	87,888	87,888
Revenue from contracts with customers	1,232,607	1,591,781	2,824,388
Rental income from investment properties			1,253,306
Dividend income			13,292
			4,090,986

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

3. REVENUE (CONTINUED)

Disaggregation of revenue from contracts with customers: (continued)

– by geographical locations:

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	1,759,208	2,054,025	3,813,233
Rental income from investment properties			1,250,275
Dividend income			18,917
			5,082,425

Six months ended 30 June 2022

	Revenue recognised at a point in time HK\$'000 (unaudited)	Revenue recognised over time HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
Hong Kong	724,763	544,506	1,269,269
The USA	258,312	501,198	759,510
The Mainland China	22,520	74,555	97,075
Canada	17,083	151,131	168,214
The United Kingdom	70,686	188,389	259,075
Australia	89,523	100,939	190,462
New Zealand	47,004	30,745	77,749
Others	2,716	318	3,034
Revenue from contracts with customers	1,232,607	1,591,781	2,824,388
Rental income from investment properties			1,253,306
Dividend income			13,292
			4,090,986

4. SEGMENT INFORMATION

Operating segments are identified on the basis of organisational structure and internal reports about components of the Group. Such internal reports are regularly reviewed by the chief operating decision maker (“CODM”) (i.e. the chairman and managing director of the Group) in order to allocate resources to segments and to assess their performance. Performance assessment is more specifically focused on the segment results of Pacific Eagle (US) Real Estate Fund, L.P. and its subsidiaries (collectively referred to as “US Real Estate Fund”) and each listed group, including Great Eagle Holdings Limited, Champion Real Estate Investment Trust (“Champion REIT”) and Langham Hospitality Investments and Langham Hospitality Investments Limited (“Langham”).

The Group’s operating and reportable segments under HKFRS 8 “Operating Segments” are as follows:

Hotel operation	—	hotel accommodation, food and banquet operations as well as hotel management.
Property investment	—	gross rental income and building management service income from leasing of furnished apartments and properties held for investment potential.
Property development	—	income from selling of properties held for sale.
Other operations	—	sales of building materials, 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 2023

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 2023

	Hotel operation HK\$'000 (unaudited)	Property investment HK\$'000 (unaudited)	Property development HK\$'000 (unaudited) (note 1)	Other operations HK\$'000 (unaudited)	Sub-total HK\$'000 (unaudited)	Champion REIT HK\$'000 (unaudited)	Langham HK\$'000 (unaudited) (note 2)	US Real Estate Fund HK\$'000 (unaudited)	Eliminations/ reclassifications HK\$'000 (unaudited)	Consolidated HK\$'000 (unaudited)
REVENUE										
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)	-
Total	2,970,414	82,382	586,817	328,517	3,968,130	1,299,504	271,476	19,378	(476,063)	5,082,425

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.

	422,441	54,819	545,394	235,762	1,258,416 (336,854)	876,248 -	226,434 (113,091)	6,199 (179)	(8,073) 4,391	2,359,224 (445,733)
RESULTS										
Segment results										
Depreciation										
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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the six months ended 30 June 2023

4. SEGMENT INFORMATION (CONTINUED)

Segment revenue and results (continued)

Six months ended 30 June 2022

	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)
(note 2)										
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.										
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 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 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 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 attributable to owners of the Company					51,976	38,107	48,575	4,271	(19,065)	123,864

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

4. SEGMENT INFORMATION (CONTINUED)

Segment revenue and results (continued)

Notes:

- (1) At the end of each reporting period, the Group updated the estimated development cost which represents the management's best estimation, an amount of HK\$259,680,000 related to the cost of properties delivered in prior years was credited to the condensed consolidated income statement during the current interim period.
- (2) The inter-segment revenue of Langham mainly includes the rental income of three hotel properties receivable from Great Eagle.

Segment assets and liabilities

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

30 June 2023

	Assets HK\$'000 (unaudited)	Liabilities HK\$'000 (unaudited)	Net Assets HK\$'000 (unaudited)
Hotel operation (note a)	18,603,276	5,848,756	12,754,520
Property investment (note a)	5,243,030	46,689	5,196,341
Property development (note a)	11,717,891	5,737,872	5,980,019
Other operations (note a)	711,339	206,317	505,022
Unallocated (note a)	6,618,924	4,866,404	1,752,520
Great Eagle Operations (note b)	42,894,460	16,706,038	26,188,422
Champion REIT (note c)	44,579,929	12,027,310	32,552,619
Langham (note d)	10,909,431	4,813,666	6,095,765
US Real Estate Fund (note e)	454,624	172,687	281,937

31 December 2022

	Assets HK\$'000 (audited)	Liabilities HK\$'000 (audited)	Net Assets HK\$'000 (audited)
Hotel operation (note a)	18,476,568	5,718,745	12,757,823
Property investment (note a)	5,261,668	46,813	5,214,855
Property development (note a)	12,352,257	6,434,278	5,917,979
Other operations (note a)	576,537	221,970	354,567
Unallocated (note a)	6,615,440	4,934,001	1,681,439
Great Eagle Operations (note b)	43,282,470	17,355,807	25,926,663
Champion REIT (note c)	44,538,279	11,925,942	32,612,337
Langham (note d)	10,470,774	4,782,590	5,688,184
US Real Estate Fund (note e)	434,526	157,631	276,895

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\$5,854,611,000 (31 December 2022: HK\$5,015,236,000) and borrowings of HK\$12,420,856,000 (31 December 2022: HK\$12,192,311,000), representing net debt of HK\$6,566,245,000 as at 30 June 2023 (31 December 2022: HK\$7,177,075,000).
- (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 68.78% (31 December 2022: 68.28%), excluding the effective interest of the distribution payable attributable from Champion REIT of HK\$382,020,000 (31 December 2022: HK\$365,218,000).
- (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 69.96% (31 December 2022: 69.70%). It includes three hotel properties with appraised value of HK\$15,265,000,000 as at 30 June 2023 (31 December 2022: HK\$14,685,000,000). 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\$3,336,794,000 (31 December 2022: HK\$3,423,855,000) 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 2022: 49.97%) interest held by Great Eagle Holdings Limited.

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For the six months ended 30 June 2023

5. OTHER INCOME

	Six months ended 30 June	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Interest income on:		
Bank deposits	87,093	11,465
Financial assets at FVTPL	1,129	4,786
Notes and loan receivables	13,249	11,675
Others	7,704	1,968
	109,175	29,894
Bad debt recovery	79	–
Government subsidy (note)	–	25,207
Sundry income	8,315	3,048
	117,569	58,149

Note:

During the current interim period, there are no government grants recognised (30 June 2022: HK\$25,207,000) in respect of COVID-19 related subsidies.

6. FINANCE COSTS

	Six months ended 30 June	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Interest on bank and other borrowings	558,995	217,820
Interest on medium term notes	66,601	119,942
Interest on lease liabilities	87	252
Other borrowing costs	38,090	38,086
	663,773	376,100
Less: amount capitalised (note)	(84,028)	(26,841)
	579,745	349,259

Note:

Interest were capitalised at an average annual rate of 3.59% (30 June 2022: 0.83%) to property development projects.

7. PROFIT BEFORE TAX

	Six months ended 30 June	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Profit before tax has been arrived at after charging (crediting):		
Staff costs (including Directors' emoluments)	1,388,750	1,100,804
Share-based payments (including Directors' emoluments)	8,995	10,539
	1,397,745	1,111,343
Depreciation	445,733	446,200
Share of tax of associates (included in the share of results of associates)	98	43
Share of tax of a joint venture (included in the share of results of joint ventures)	938	(831)
Dividend income from		
– financial assets at FVTPL	(9,156)	(5,396)
– equity instruments at FVTOCI	(9,761)	(7,896)
Loss on disposal of property, plant and equipment (included in administrative and other expenses)	221	105
Net exchange loss (included in administrative and other expenses)	2,427	28,932

8. INCOME TAXES

	Six months ended 30 June	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Current tax:		
Current period:		
Hong Kong Profits Tax	172,631	155,848
Other jurisdictions	37,108	17,101
	209,739	172,949
Under (over) provision in prior periods:		
Hong Kong Profits Tax	356	2,084
Other jurisdictions	(3,533)	1,444
	(3,177)	3,528
	206,562	176,477
Deferred tax:		
Current period	46,104	39,021
Over provision in prior periods	(872)	(3,904)
	45,232	35,117
	251,794	211,594

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For the six months ended 30 June 2023

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	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Dividends paid:		
Final dividend of HK50 cents in respect of the financial year ended 31 December 2022 (2022: HK50 cents in respect of the financial year ended 31 December 2021) per ordinary share	373,862	365,520
Special final dividend of HK50 cents in respect of the financial year ended 31 December 2021 per ordinary share	–	365,520
	373,862	731,040
Dividends declared after the end of reporting period:		
Interim dividend of HK37 cents in respect of the six months ended 30 June 2023 (2022: HK33 cents in respect of the six months ended 30 June 2022) per ordinary share	276,658	246,749

On 13 June 2023, a 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 2022.

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.

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

	Six months ended 30 June	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Dividends		
Cash	373,862	98,926
Share alternative	–	266,594
	373,862	365,520

The Directors have determined that an interim dividend of HK37 cents (2022: HK33 cents) per ordinary share will be paid to the shareholders of the Company, whose names appear in the Register of Members, on 3 October 2023.

10. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Earnings		
Earnings for the purposes of basic and diluted earnings per share (Profit for the period attributable to owners of the Company)	478,666	123,864

	Six months ended 30 June	
	2023 (unaudited)	2022 (unaudited)
Number of shares		
Weighted average number of shares for the purposes of basic and diluted earnings per share	747,723,345	731,869,950

For the period ended 30 June 2023 and 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.

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\$4,535,000 (six months ended 30 June 2022: HK\$10,797,000).

During the six months ended 30 June 2022, the Group acquired an investment property located in Hong Kong at a consideration together with transaction costs for a total amount of HK\$192,255,000.

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

Investment properties (continued)

The fair value of the Group's investment properties of HK\$68,922,732,000 as at 30 June 2023 (31 December 2022: HK\$69,349,079,000) 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 – Cushman & Wakefield 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.

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 valuation 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\$7,904,000 (six months ended 30 June 2022: HK\$34,532,000) and hotel buildings under development of HK\$78,764,000 (six months ended 30 June 2022: HK\$99,502,000). The Group also had additions in other property, plant and equipment of HK\$112,921,000 (six months ended 30 June 2022: HK\$99,667,000). During the current interim period, the Group had disposals of other property, plant and equipment with carrying amount of HK\$14,933,000 (six months ended 30 June 2022: HK\$130,000).

At 30 June 2023 and 2022, the Directors conducted an impairment assessment on hotel properties, neither reversal nor additional impairment loss was recognised for the six months ended 30 June 2023 and 2022.

12. INTERESTS IN JOINT VENTURES

	30 June 2023 HK\$'000 (unaudited)	31 December 2022 HK\$'000 (audited)
Cost of investment in joint ventures (note a)	458,064	386,302
Share of post-acquisition results and other comprehensive income, net of dividend received	(179,774)	(177,429)
	278,290	208,873
Amounts due from joint ventures (note b)	294	51,446
	278,584	260,319

Notes:

- (a) As at 30 June 2023, cost of investment in a joint venture included an amount due from a joint venture of HK\$281,183,000 (31 December 2022: HK\$209,588,000) which is in substance form part of the Group's net investment in the joint venture. The amount is unsecured and non-interest bearing.
- (b) Included in the balance of 31 December 2022 was HK\$51,154,000, which was denominated in Pound Sterling and was unsecured, repayable on demand and carried interest at market rate agreed between the lender and the borrower reasonably and in good faith from time to time. The amount was transferred to cost of investment during the current period.

In determining whether there exists 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 impairment was identified. Accordingly, no impairment loss is recognised.

13. INTERESTS IN ASSOCIATES

	30 June 2023 HK\$'000 (unaudited)	31 December 2022 HK\$'000 (audited)
Cost of investment in associates	134,336	134,336
Share of post-acquisition profits and other comprehensive income, net of dividend received	68,261	69,682
	202,597	204,018

In determining whether there exists 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 impairment was identified. Accordingly, no impairment loss is recognised.

14. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2023 HK\$'000 (unaudited)	31 December 2022 HK\$'000 (audited)
Listed equity securities in Hong Kong	266,461	298,765
Listed equity securities outside Hong Kong	730,023	721,155
Unlisted equity securities in Hong Kong	138,806	142,270
Unlisted equity securities outside Hong Kong	745,095	781,305
	1,880,385	1,943,495

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

	30 June 2023 HK\$'000 (unaudited)	31 December 2022 HK\$'000 (audited)
Notes receivables (note a)	407,915	487,013
Loan receivables (note b)	220,381	219,664
Mortgage loan receivables (note c)	87,040	97,398
	715,336	804,075
Less: Amounts due within one year shown under current assets	(341,836)	(371,341)
Amounts due after one year	373,500	432,734

Notes:

(a) Notes receivables

At 30 June 2023, the Group held secured bonds with principal amount of HK\$10,526,000 (31 December 2022: HK\$10,468,000) and unsecured bonds with principal amounts of HK\$397,389,000 (31 December 2022: HK\$476,545,000). Details of the notes receivables are set out below:

30 June 2023

Nominal value	Interest rate (per annum)	Maturity
United States dollar ("US\$") 200,000 to US\$4,000,000	1.5% to 8%	November 2023 to May 2026
Australian dollar ("AU\$") 2,049,000 to AU\$20,194,000	3.68% to 4.38%	July 2023 to September 2023
Euro ("EUR") 6,054,000	3.15%	July 2023

31 December 2022

Nominal value	Interest rate (per annum)	Maturity
US\$200,000 to US\$4,000,000	1.5% to 7.875%	March 2023 to May 2026
AU\$2,010,000 to AU\$5,000,000	3.1% to 3.66%	March 2023
Canadian dollar 30,381,000	4.78%	March 2023
EUR2,500,000	1.83%	February 2023

Included in the carrying amount of notes receivables as at 30 June 2023 is accumulated allowance for credit losses of HK\$164,978,000 (31 December 2022: HK\$164,410,000). During the period, the Group did not recognise any allowance for credit losses on notes receivables (31 December 2022: HK\$59,182,000) in the condensed consolidated income statement.

(b) Loan receivables

At 30 June 2023, the Group held loan receivables with aggregate carrying amounts of US\$28,114,000 (equivalent to approximately HK\$220,381,000) (31 December 2022: US\$28,128,000 (equivalent to approximately HK\$219,664,000)), which bear 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 2023

16. STOCK OF PROPERTIES

	30 June 2023 HK\$'000 (unaudited)	31 December 2022 HK\$'000 (audited)
Properties under development for sale (note a)	9,635,978	9,905,453
Properties held for sale (note b)	1,781,758	2,163,429
	11,417,736	12,068,882

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 exists 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 2023 and 31 December 2022.

17. DEBTORS, DEPOSITS AND PREPAYMENTS

	30 June 2023 HK\$'000 (unaudited)	31 December 2022 HK\$'000 (audited)
Trade debtors, net of allowance for doubtful debts	256,278	292,416
Deferred lease receivables	99,309	98,530
Retention money receivables	9,866	8,757
Other receivables, net of credit losses on interest receivables	168,406	176,808
Deposits and prepayments	297,384	314,252
	831,243	890,763

Included in the balance of debtors, deposits and prepayments are trade debtors (net of allowance for doubtful debts) of HK\$256,278,000 (31 December 2022: HK\$292,416,000). For hotel income and sales 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:

	30 June 2023 HK\$'000 (unaudited)	31 December 2022 HK\$'000 (audited)
Trade receivables from contracts with customers	220,774	238,855
Retention money receivables	9,866	8,757
Amount due within one year	(8,485)	(7,488)
Amount due after one year	1,381	1,269

Deposits and prepayments mainly consist of rental deposit paid, prepaid agency commissions of property sales 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:

	30 June 2023 HK\$'000 (unaudited)	31 December 2022 HK\$'000 (audited)
Within 3 months	218,867	244,428
More than 3 months but within 6 months	8,404	16,026
Over 6 months	29,007	31,962
	256,278	292,416

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For the six months ended 30 June 2023

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2023 HK\$'000 (unaudited)	31 December 2022 HK\$'000 (audited)
Equity linked notes	31,995	4,026
Currency linked notes	–	24,037
Listed equity securities held for trading	498,460	511,779
	530,455	539,842

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 and currency linked notes 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 2023

Nominal values	Maturity period
Equity linked notes	
HK\$10,000,000	6 months
US\$800,000 to US\$3,000,000	4 to 6 months

31 December 2022

Nominal values	Maturity period
Equity linked notes	
HK\$4,000,000	4 months
Currency linked notes	
Japanese yen ("JPY")139,399,000 to JPY140,171,000	9 months
AU\$815,000 to AU\$820,000	6 months

19. CREDITORS, DEPOSITS AND ACCRUALS

	30 June 2023 HK\$'000 (unaudited)	31 December 2022 HK\$'000 (audited)
Trade creditors	274,837	323,691
Deposits received	706,995	709,993
Customer deposits and other deferred revenue	534,490	413,609
Construction fee payable and retention money payable	202,282	646,393
Accruals, interest payable and other payables (note)	3,965,044	4,625,900
	5,683,648	6,719,586

Note:

With reference to the HMT Project as disclosed in note 16, the aggregate of the remaining lump sum payment and the estimated sharing of surplus proceeds amounted to HK\$1,735,000,000 (31 December 2022: HK\$2,367,000,000), which is measured at fair value, is included in the accruals, interest payable and other payables as at 30 June 2023.

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 2022: 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:

	30 June 2023 HK\$'000 (unaudited)	31 December 2022 HK\$'000 (audited)
Within 3 months	263,756	312,415
More than 3 months but within 6 months	6,076	7,668
Over 6 months	5,005	3,608
	274,837	323,691

20. DERIVATIVE FINANCIAL INSTRUMENTS

	30 June 2023		31 December 2022	
	Assets HK\$'000 (unaudited)	Liabilities HK\$'000 (unaudited)	Assets HK\$'000 (audited)	Liabilities HK\$'000 (audited)
Interest rate swaps	47,520	–	84,109	14,306
Cross currency swaps	39,184	–	–	8,535
Foreign currency derivative contracts	1,074	129,106	43,867	2,753
	87,778	129,106	127,976	25,594
Less: Would be matured within one year shown under current assets/liabilities	(45,078)	(129,106)	(127,976)	(2,753)
Would be matured after one year	42,700	–	–	22,841

The Group entered into interest rate swaps with aggregate notional amount of HK\$4,700,000,000 (31 December 2022: HK\$5,000,000,000) 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 0.83% to 3.995% (31 December 2022: 0.83% 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 2023

	Maturity
Interest rate swaps	September 2023 to December 2025
Cross currency swaps	June 2027
Foreign currency derivative contracts	July 2023 to February 2025

31 December 2022

	Maturity
Interest rate swaps	May 2023 to December 2025
Cross currency swaps	June 2027
Foreign currency derivative contracts	January 2023 to June 2023

21. DERIVATIVE FINANCIAL INSTRUMENTS UNDER HEDGE ACCOUNTING

	30 June 2023 HK\$'000 (unaudited)	31 December 2022 HK\$'000 (audited)
Derivative as assets		
Designated as cash flow hedge		
– interest rate swaps (note a)	92,731	111,038
– cross currency swaps (note b)	–	16,660
	92,731	127,698
Analysed for reporting purpose:		
Shown under current assets	92,731	16,109
Shown under non-current assets	–	111,589
	92,731	127,698
Derivative as liabilities		
Designated as cash flow hedge		
– interest rate swaps (note a)	9,745	24,937
– cross currency swaps (note b)	28,329	13,185
	38,074	38,122
Analysed for reporting purpose:		
Shown under non-current liabilities	38,074	38,122

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For the six months ended 30 June 2023

21. DERIVATIVE FINANCIAL INSTRUMENTS UNDER HEDGE ACCOUNTING (CONTINUED)

Notes:

(a) Interest rate swaps

As at 30 June 2023 and 31 December 2022, 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% to 0.95% (31 December 2022: 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.

	At 30 June 2023 (unaudited)	At 31 December 2022 (audited)
Carrying amount – assets (HK\$'000)	82,986	86,101
Notional amount (HK\$'000)	3,900,000	3,900,000
Maturity date	28 June 2024 to 29 June 2026	28 June 2024 to 29 June 2026
Change in fair value of hedging instruments during the period/year (HK\$'000)	25,297	116,974
Change in value of hedged item used to determine hedge effectiveness during the period/year (HK\$'000)	(25,297)	(116,974)
Weighted average swap rate per annum (before interest margin)	2.07%	2.07%

(b) Cross currency swaps

As at 30 June 2023 and 31 December 2022, 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.

	At 30 June 2023 (unaudited)	At 31 December 2022 (audited)
Carrying amount – (liabilities)/assets (HK\$'000)	(28,329)	3,475
Notional amount (US\$'000)	300,000	639,400
Maturity date	15 June 2030	17 January 2023 to 15 June 2030
Change in fair value of hedging instruments during the period/year (HK\$'000)	(29,314)	(9,547)
Change in value of hedged item used to determine hedge effectiveness during the period/year (HK\$'000)	29,314	9,547
Weighted average exchange rate (US\$:HK\$)	7.8176	7.7829

21. DERIVATIVE FINANCIAL INSTRUMENTS UNDER HEDGE ACCOUNTING (CONTINUED)

Notes: (continued)

(c) Hedging reserve

	Cross currency swaps HK\$'000	Interest rate swaps HK\$'000	Total hedging reserves HK\$'000
As at 1 January 2022 (audited)	(6,584)	(20,414)	(26,998)
Fair value adjustments on cross currency swaps and interest rate swaps designated as cash flow hedge	(9,547)	116,974	107,427
Reclassification of fair value adjustments to profit or loss	1,092	(1,211)	(119)
Deferred tax related to fair value adjustments recognised in other comprehensive income	–	(14,207)	(14,207)
Reclassification of amount attributable to non-controlling unitholders of Champion REIT	2,631	(32,370)	(29,739)
As at 31 December 2022 (audited)	(12,408)	48,772	36,364
Fair value adjustments on cross currency swaps and interest rate swaps designated as cash flow hedge	(29,314)	25,297	(4,017)
Reclassification of fair value adjustments to profit or loss	12,745	(28,253)	(15,508)
Deferred tax related to fair value adjustments recognised in other comprehensive income	–	514	514
Reclassification of amount attributable to non-controlling unitholders of Champion REIT	5,082	1,120	6,202
As at 30 June 2023 (unaudited)	(23,895)	47,450	23,555

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 2023 HK\$'000 (unaudited)	31 December 2022 HK\$'000 (audited)
Bank loans and revolving loans	29,279,491	26,051,946
Other loans	219,486	218,666
Loan front-end fee	29,498,977 (81,909)	26,270,612 (93,975)
	29,417,068	26,176,637

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

22. BORROWINGS (CONTINUED)

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

	30 June 2023 HK\$'000 (unaudited)	31 December 2022 HK\$'000 (audited)
Within one year	20,013,064	8,482,640
More than one year but not exceeding two years	2,202,954	7,494,618
More than two years but not exceeding five years	7,201,050	10,199,379
	29,417,068	26,176,637
Less: Amounts due within one year shown under current liabilities	(20,013,064)	(8,482,640)
Amounts due after one year shown under non-current liabilities	9,404,004	17,693,997

Borrowings amounting to HK\$14,265,778,000 (31 December 2022: HK\$14,067,830,000) 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:

	30 June 2023 HK\$'000 (unaudited)	31 December 2022 HK\$'000 (audited)
More than three years but not exceeding four years	235,164	233,383

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

	30 June 2023 HK\$'000 (unaudited)	31 December 2022 HK\$'000 (audited)
Within one year	20,013,064	8,482,640
More than one year but not exceeding two years	2,202,954	7,494,618
More than two years but not exceeding three years	3,035,665	4,210,899
More than three years but not exceeding four years	2,919,646	3,094,317
More than four years but not exceeding five years	1,010,575	2,660,780
	29,181,904	25,943,254

22. BORROWINGS (CONTINUED)

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.

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

	30 June 2023 (unaudited)	31 December 2022 (audited)
Fixed-rate borrowings	1%	1% to 2.86%
Variable-rate borrowings	0.56% to 4.76%	0.31% to 4.75%

23. MEDIUM TERM NOTES

	30 June 2023 HK\$'000 (unaudited)	31 December 2022 HK\$'000 (audited)
Medium term notes	4,051,640	7,060,441
Origination fees	(33,051)	(36,105)
	4,018,589	7,024,336
Less: Amount due within one year shown under current liabilities	–	(3,017,389)
Amount due after one year shown under non-current liabilities	4,018,589	4,006,947

The maturity of the medium term notes is as follows:

	30 June 2023 HK\$'000 (unaudited)	31 December 2022 HK\$'000 (audited)
Within one year	–	3,017,389
More than one year but not exceeding two years	973,949	199,965
More than two years but not exceeding five years	720,745	1,218,735
More than five years	2,323,895	2,588,247
	4,018,589	7,024,336
Less: Amount due within one year shown under current liabilities	–	(3,017,389)
Amount due after one year shown under non-current liabilities	4,018,589	4,006,947

23. MEDIUM TERM NOTES (CONTINUED)

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

As at 30 June 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%

As at 31 December 2022

Principal amount	Coupon rate (per annum)
US\$686,400,000	2.95% to 3.75%
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 2023 HK\$'000 (unaudited)	31 December 2022 HK\$'000 (audited)
Within one year	2,428	5,407
More than one year but not exceeding two years	1,883	2,031
More than two years but not exceeding five years	3,564	4,332
	7,875	11,770
Less: Amount due within one year shown under current liabilities	(2,428)	(5,407)
Amount due after one year shown under non-current liabilities	5,447	6,363

25. SHARE CAPITAL

	30 June 2023 (unaudited)		31 December 2022 (audited)	
	Number of shares '000	Nominal value HK\$'000	Number of shares '000	Nominal value HK\$'000
Authorised:				
Shares of HK\$0.50 each				
Balance brought forward and carried forward	1,200,000	600,000	1,200,000	600,000
Issued and fully paid:				
Shares of HK\$0.50 each				
Balance brought forward	747,723	373,862	731,040	365,520
Issued as scrip dividends	–	–	16,683	8,342
Balance carried forward	747,723	373,862	747,723	373,862

During the year ended 31 December 2022, 16,682,933 shares of HK\$0.50 each in the Company were issued at HK\$15.98 per share as scrip dividends.

26. MAJOR NON-CASH TRANSACTION

During the year ended 31 December 2022, 16,682,933 shares of HK\$0.50 each in the Company were issued at HK\$15.98 per share as scrip dividends.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

27. 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 2023 (audited)	19,446,000
Granted during the period	5,620,000
Lapsed during the period	(3,725,000)
Outstanding at 30 June 2023 (unaudited)	21,341,000

During the six months ended 30 June 2023, 5,620,000 share options were granted on 20 March 2023. The closing price of the Company's shares immediately before 20 March 2023, the date of grant, were HK\$16.50. 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 2023
Closing price per share as at the date of grant:	HK\$16.08
Exercise price:	HK\$16.52
Expected volatility (note a):	25.35%
Expected dividend yield (note b):	6.28%
Expected life from grant date:	5 years
Risk free interest rate (note c):	3.17%
Fair value per option:	HK\$2.47

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 the fair value of the options.

28. COMMITMENTS AND CONTINGENT LIABILITIES

At 30 June 2023, 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\$7,847,887,000 (31 December 2022: HK\$7,980,246,000) in aggregate of which HK\$629,611,000 (31 December 2022: HK\$906,456,000) was contracted for.

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

29. 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	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Transactions with a related party for the period		
Dr. Lo Ka Shui		
Management fee income	624	672
Transactions with related companies for the period		
Shui On Land Limited and its subsidiaries ¹		
Lease payment	–	940
Management fee expenses	1,618	1,707
Hotel income	314	544
Shui Sing (BVI) Limited and its subsidiaries ²		
Management fee income	132	132
Repair and maintenance income	110	85
Agency fee income	48	26
Healthy Seed ³		
Rental income	100	100
Building management fee income	87	83
Management fee income	140	72
Repair and maintenance income	13	–

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

29. CONNECTED AND RELATED PARTY DISCLOSURES (CONTINUED)

	30 June 2023 HK\$'000 (unaudited)	31 December 2022 HK\$'000 (audited)
Balances with related companies		
Amounts due from related companies (included in debtors, deposits and prepayments)		
Shui On Land Limited and its subsidiaries ¹	–	1,524
Shui Sing (BVI) Limited and its subsidiaries ²	39	382
	39	1,906
Amount due from a related party (included in debtors, deposits and prepayments)		
Mr. Lo Kai Shui	664	664
Amounts due to related companies (included in creditors, deposits and accruals)		
Shui On Land Limited and its subsidiaries ¹	–	270
Shui Sing (BVI) Limited and its subsidiaries ²	499	431
Healthy Seed ³	96	96
	595	797

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

29. 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 2022: 34.06%) interest of the Company.
- ³ Dr. Lo Ka Shui and Mr. Lo Chun Him, Alexander are directors of this company.

30. 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.

30. 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 2023 HK\$'000	31 December 2022 HK\$'000		
Listed equity securities classified as equity instruments at FVTOCI in the condensed consolidated statement of financial position.	996,484	1,019,920	Level 1	Quoted market bid prices in an active market.
Listed equity securities held for trading in the condensed consolidated statement of financial position.	498,460	511,779	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.	573,201	653,787	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.	(129,106) 1,074	43,867 (2,753)	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.	140,251 (9,745)	195,147 (39,243)	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.	39,184 (28,329)	16,660 (21,720)	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, discounted at a rate that reflects the credit risk of various counterparties.

30. 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 2023 HK\$'000	31 December 2022 HK\$'000			
Unlisted equity securities classified as equity instruments at FVTOCI in the condensed consolidated statement of financial position.	310,700	269,788	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 and currency linked notes classified as financial assets at FVTPL in the condensed consolidated statement of financial position.	31,995	28,063	Level 3	Discounted cash flow. Future cash flows are estimated based on share price/foreign currency exchange rate (from observable share price/foreign currency exchange rate at the end of the reporting period) and contracted share price/foreign currency exchange rate, discounted at a rate that reflects the credit risk of various counterparties.	Volatility of underlying share prices/foreign currency exchange rate. (note b)
Other payable classified as financial liability designated as at fair value in the condensed consolidated statement of financial position.	1,735,000	2,367,000	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)

30. 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 and currency 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 and currency linked notes HK\$'000	Unlisted equity securities HK\$'000
As at 1 January 2022 (audited)	2,830,300	243,864	214,699
Increase	–	143,673	113,852
Decrease	(463,300)	(364,360)	–
Transfer to level 1	–	–	(822)
Transfer to level 2	–	–	(38,992)
Change in fair value	–	4,886	(18,949)
As at 31 December 2022 (audited)	2,367,000	28,063	269,788
Increase	–	55,515	48,610
Decrease	(632,000)	(51,662)	–
Change in fair value	–	79	(7,698)
As at 30 June 2023 (unaudited)	1,735,000	31,995	310,700

The above changes in fair value of equity and currency 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 gain (loss) 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
"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 14 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 68.78% as at 30 June 2023
"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
"HKFRS"	Hong Kong Financial Reporting Standard
"HKICPA"	Hong Kong Institute of Certified Public Accountants

GLOSSARY OF TERMS

Term	Definition
"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 69.96% as at 30 June 2023
"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 10 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 2023
"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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