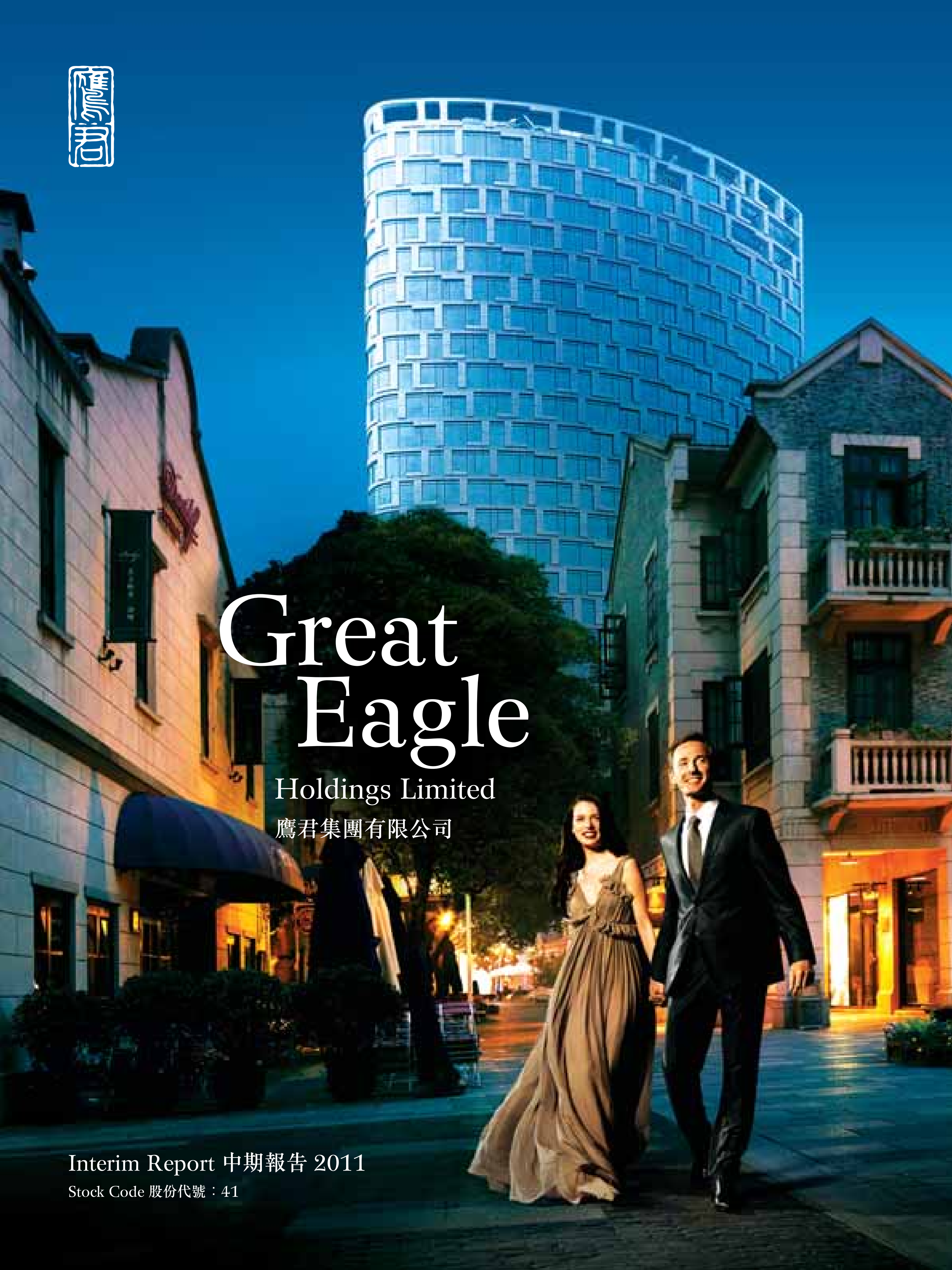

Great Eagle
Holdings Limited
鷹君集團有限公司

Interim Report 中期報告 2011

Stock Code 股份代號：41

GROUP 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 office, retail, residential and hotel properties in Asia, North America and Europe.

The Group's principal holdings include a 51.55% interest (as at 30 June 2011) in Champion Real Estate Investment Trust, which owns 1.56 million square feet of Grade-A commercial office space in Citibank Plaza in the Central business district of Hong Kong, as well as the office tower and shopping mall of Langham Place comprising a total floor area of 1.29 million square feet in the prime shopping district of Mongkok, Kowloon. In the United States, the Group owns three office buildings with a total floor area of 534,000 square feet. 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 thirteen luxury properties with over 6,000 rooms, including ten luxury hotels branded under The Langham and Langham Place brands in the gateway cities of Hong Kong, Shanghai, Beijing, London, Boston, Los Angeles, Melbourne and Auckland; two Eaton Hotels in Hong Kong and Shanghai; and the Delta Chelsea Hotel in Toronto. Langham Hotels International Limited (a wholly-owned subsidiary of Great Eagle) manages all the hotels with the exception of the Toronto property.

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 company of the Group in place of The Great Eagle Company, Limited.

CONTENTS

CORPORATE INFORMATION

DIRECTORS

LO Ka Shui *(Chairman and Managing Director)*
LO Kai Shui *(Deputy Managing Director)*
LO TO Lee Kwan#
CHENG Hoi Chuen, Vincent*
WONG Yue Chim, Richard*
LEE Pui Ling, Angelina*
ZHU Qi*
LO Hong Sui, Antony
LAW Wai Duen
LO Hong Sui, Vincent#
LO Ying Sui#
KAN Tak Kwong *(General Manager)*

Non-executive Directors
* *Independent Non-executive Directors*

AUDIT COMMITTEE

CHENG Hoi Chuen, Vincent *(Chairman)*
WONG Yue Chim, Richard
LEE Pui Ling, Angelina
ZHU Qi

REMUNERATION COMMITTEE

LEE Pui Ling, Angelina *(Chairman)*
CHENG Hoi Chuen, Vincent
WONG Yue Chim, Richard

NOMINATION COMMITTEE

WONG Yue Chim, Richard *(Chairman)*
CHENG Hoi Chuen, Vincent
LEE Pui Ling, Angelina

FINANCE COMMITTEE

LO Ka Shui
LO Kai Shui
KAN Tak Kwong

COMPANY SECRETARY

WONG Mei Ling, Marina

AUDITOR

Deloitte Touche Tohmatsu

LEGAL ADVISORS

Mayer Brown JSM
Clifford Chance
Appleby

PRINCIPAL BANKERS

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WEBSITE

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STOCK CODE

41

DIVIDEND NOTICE AND KEY DATES

INTERIM DIVIDEND

The Board of Directors of Great Eagle Holdings Limited has resolved to declare an interim dividend of HK21 cents (2010: HK19 cents) per share for the six months ended 30 June 2011, payable on 14 October 2011 to shareholders whose names appear on the Registers of Members of the Company on Friday, 7 October 2011.

CLOSURE OF REGISTERS OF MEMBERS

The Registers of Members of the Company will be closed from Monday, 3 October 2011 to Friday, 7 October 2011, both days inclusive, during which period no transfer of shares will be registered.

In order to qualify for the interim dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the branch Share Registrars of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 30 September 2011.

KEY DATES

2011 Interim Results Announcement	:	19 August 2011
Closure of Registers of Members	:	3 October 2011 – 7 October 2011 *(both days inclusive)*
Record Date for 2011 Interim Dividend	:	7 October 2011
Payment of 2011 Interim Dividend of HK21 cents per share	:	14 October 2011

FINANCIAL HIGHLIGHTS

Key Financial Figures	Six months ended 30 June 2011 HK$ million	2010 (restated) HK$ million	Change
Revenue	2,230.3*	2,240.6	- 0.5%
Statutory Profit attributable to equity holders	2,770.6	820.5	+ 237.7%
Profit from core business after tax	752.3	602.4	+ 24.9%
Profit from core business after tax (per share)	HK$1.19	HK$0.97	+ 22.7%
Interim Dividend (per share)	HK$0.21	HK$0.19	

	As at the end of June 2011	December 2010 (restated)
Net Gearing	5%	7%
Book value (per share)	HK$51.4	HK$47.6

* *The drop in revenue was primarily due to effect of re-classification of our investment in Champion REIT, which has been reclassified as an associate from July 2010. As a result, dividend income from Champion REIT amounting to HK$267 million was not included in 2011's first half revenue.*

ACCOUNTING POLICIES AND BASIS OF PREPARATION

For the fiscal year 2011, changes in accounting policies and basis of preparation have been made in deriving the Group's revenue, operating profit, statutory and core business after tax. The changes have been necessary due to the reclassification of our investment in Champion REIT, which became an associate in July 2010 after modification to Hong Kong's REIT Code, as well as the early adoption of HKAS 12.

In relation to Group revenue, operating profit and statutory profit, the share of results of Champion REIT will now be captured under the share of results from associates, as opposed to our previous practice of recognising dividend income from Champion REIT. This will have the impact of lowering revenue and operating profit, as dividend income from Champion REIT was previously included as part of revenue and operating profit. With regard to the early adoption of HKAS 12, the consequence of this is that the Group is no longer required to account for deferred tax on the revaluation of our investment properties in Hong Kong, where there is no taxation on capital gains.

On the Group's core profit, which the Management Discussion and Analysis will focus on, the accounting change will be less substantial. As the Group still considers dividend income to be a more meaningful measure of financial return from our investment in Champion REIT, core profit will continue to be based on attributable dividend income from Champion REIT, rather than the share of its results. Moreover, since our investment in Champion REIT has been reclassified from investment securities to an associate, it became feasible to incorporate dividend distributable by Champion REIT in respect of the same financial period as our reporting period.

Compared with our prior practice of recognising dividend declared by Champion REIT from the prior financial period, this adjustment of recognising the same period dividend income will eliminate the time lag effect inherent in past financial statements. The revised practice on core profit will better reflect the performance of the Group and its associates during the relevant financial period. Distribution income from Champion REIT in the first half of 2010 has been restated to provide a like-for-like comparison on core profit. With regard to the early adoption of HKAS 12, there is no impact on core profit, as core profit does not include the impact of revaluation of investment properties.

The following table summarises the changes on the Group's revenue, operating profit, statutory and core profit after the reclassification of Champion REIT as an associate and the early adoption of HKAS 12:

		Interim Results 2011 New practice	Interim Results 2010 Prior practice
Revenue and operating profit			
1.	Reclassification of Champion REIT as an associate	Dividend income from Champion REIT will *not* be recognised in the Group's revenue and operating profit	Incorporated attributable dividend from Champion REIT of the previous relevant financial period (i.e. dividend declared for 2H 2009) in the Group's revenue and operating profit
Reported statutory profit			
1.	Reclassification of Champion REIT as an associate	Share of results of Champion REIT included under share of results of associates	Attributable dividend from Champion REIT of the previous relevant financial period (i.e. dividend declared for 2H 2009)
2.	Early adoption of HKAS 12	Not required to account for deferred tax on the revaluation of our investment properties in Hong Kong	Required to account for deferred tax on the revaluation of our investment properties in Hong Kong
Core profit			
1.	Reclassification of Champion REIT as an associate	Share of results of Champion REIT will *not* be included Attributable dividend from Champion REIT of the *same* financial period (i.e. dividend declared for 1H 2011)	Attributable dividend from Champion REIT of the previous relevant financial period (i.e. dividend declared for 2H 2009)
2.	Early adoption of HKAS 12	No impact	No impact

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

2011 started on a solid footing, especially for the Group's hotel business in Hong Kong, where strong business momentum continued. The Group's hotel in London also performed strongly in the first half of 2011, as the hotel continues to gain recognition as one of the top hotels in Central London after its major renovation. With stable economic conditions, our two hotels in Australasia also posted steady growth, whereas our hotels in North America saw some recovery in their operations, albeit at a slow pace. There was a small decline in income from Champion REIT in the half year period, reflecting the higher vacancy at Citibank Plaza compared to a year ago.

Core profit increased 24.9%, or HK$150 million, year-on-year to HK$752 million for the first half of 2011. The increase came primarily from a higher contribution from the Hotels Division, as well as lower interest expense.

HOTELS DIVISION

	Six months ended 30 June		
	2011 HK$ million	2010 HK$ million	Change
Hotel Revenue			
Hong Kong Hotels	675.0	588.3	+ 14.7%
Overseas Hotels	1,111.3	915.9	+ 21.3%
Others	15.0	7.6	+ 97.4%
Total Hotel Revenue	1,801.3	1,511.8	+ 19.1%
Hotel EBITDA			
Hong Kong Hotels	242.9	166.9	+ 45.6%
Overseas Hotels	166.0	55.9	+ 197.0%
Others	9.8	5.5	+ 78.2%
Total Hotel EBITDA	418.7	228.3	+ 83.4%

Hong Kong continues to be one of our strongest markets with RevPAR growth of between 15-21% in the first half of 2011. The strong momentum in business and leisure travel built up in the second half of 2010 continued into the first half of 2011. With average occupancy in excess of 80%, we were able to raise room rates throughout the first half of 2011. The increase in room rates was the predominate driver for the growth in RevPAR for the period. Gross revenue for Hong Kong in the first half of 2011 rose 14.7% year-on-year from HK$588.3 million to HK$675 million.

Among our overseas hotels, the strongest performance came from London with a 32% increase in RevPAR in the first half of 2011, whereas Melbourne and Auckland also recorded steady RevPAR growth. Hotels in Boston, Pasadena and Toronto showed some improvement in occupancy from low bases, but competitive market conditions and weak demand for lodging continued to place pressure on room rates. Total revenue from hotels outside of Hong Kong increased by 21.3% to HK$1,111.3 million in the first half of 2011, from HK$915.9 million in the first half of 2010. Overall revenue of the Hotels Division increased 19.1% year-on-year to HK$1,801.3 million in the first half of 2011.

As the increases in room rates were the key drivers for RevPAR growth at the majority of our hotels, this led to an expansion of EBITDA margins at the Hotels Division. Compared with a 19.1% growth in revenue, EBITDA from the Hotels Division rose 83.4% year-on-year to HK$418.7 million in the first half of 2011. Hotels in Hong Kong contributed an EBITDA of HK$242.9 million, a growth of 45.6%. EBITDA from hotels outside of Hong Kong increased by 197% from HK$55.9 million in the first half of 2010 to HK$166 million in the first half of 2011, with the biggest increase coming from London. (Note: in the first half of 2010, a one-off re-branding expense was booked, which lowered the base for EBITDA comparisons.)

HONG KONG HOTELS

The Langham, Hong Kong

Benefiting from an increase in visitor arrivals, Langham Hong Kong was able to grow its average room rate and maintain a high occupancy level over the first half of 2011. There was some disruption on the Hotel's operation in March after the earthquake and tsunami in Japan, but the impact was short-lived. At the same time, the increase in arrivals from Mainland China as well as other parts of the Asia-Pacific region more than offset the slower arrivals from Japan. With a high level of occupancy rate, the focus was on maximising room rates, and the Hotel was able to deliver a 21% increase in average room rate over the first half of 2010. Revenue from food and beverage rose 18% over the first half of 2010 on increased covers and checks, as well as a stronger banqueting business.

For the six months ended June 2011, the hotel achieved average occupancy of 76% (2010: 76%) and an average room rate of HK$2,088 (2010: HK$1,723).

Langham Place, Hong Kong

In addition to the rebound in corporate travel, the increase in leisure business led by arrivals from Southeast Asia and Mainland China helped to maintained occupancy at 83% in the first half. That has allowed the Hotel to increase its average room rates by 20%, which in turn led to a 21% increase in room revenue.

Revenue from food and beverage at the Hotel rose 10% year-on-year mainly due to an increased number of corporate functions and strong performance at the Hotel's award winning Chinese restaurant.

For the six months ended June 2011, the hotel achieved average occupancy of 83% (2010: 82%) and an average room rate of HK$1,720 (2010: HK$1,429).

Eaton Smart, Hong Kong (rebranded from Eaton in November 2010)

The Hotel achieved a 19% increase in average room rate over the first half of 2010, due to increased demand from corporate and leisure travellers from Southeast Asia and Mainland China. However, as a result of the transition towards more leisure guests from Southeast Asia and Mainland China, the Hotel's occupancy dropped by 3.2 percentage points in the first half of 2011.

With increased competition from other restaurants for wedding banquets, the Hotel's catering business softened. This coupled with slower business at the Japanese restaurant led to marginally lower revenue for food and beverage. This dropped by 2% in the first half of 2011.

For the six months to June 2011, the hotel achieved average occupancy of 82.4% (2010: 85.6%) and an average room rate of HK$1,006 (2010: HK$845).

OVERSEAS HOTELS

The Langham, London

After its re-launch last year, the Hotel continued to gain recognition as one of the top hotels in Central London. This has helped to increase its high-yielding leisure business. Together with the revival in the corporate market, the Hotel was able to increase its average room rate by 16% over the first half of 2010. Occupancy rose by 9 percentage points over the first half of 2010 to reach 74% on an average of 377 available rooms in the first half of 2011, compared with 65% on an average of 352 available rooms in the first half of 2010. As a result, the Hotel achieved a significant turnaround in operating results, with room revenue increasing by 41% in the first half of 2011. Revenue from food and beverage also rose 26% on increased corporate and banqueting events.

For the six months ended June 2011, the hotel achieved occupancy of 74% on an average of 377 rooms (2010: 65% on an average of 352 rooms) and an average room rate of £273 (2010: £235).

The Langham, Boston

Despite harsh weather conditions which caused major travel disruptions at the beginning of the year coupled with a stagnant economy, there were some rebound in corporate activities over the first half of 2011. However, as the hospitality market remained competitive, the average room rate achieved for the Hotel only rose by 6% year-on-year over the first half of 2011. Occupancy rate rose by 2 percentage points year-on-year over the first half of 2011.

For the six months to June 2011, the hotel achieved average occupancy of 66% (2010: 64%) and an average room rate of US$225 (2010: US$213).

The Langham, Melbourne

Despite lower demand from corporate travellers during weekdays, the Hotel registered a surge in higher yielding leisure travellers over the weekends. As a result, the Hotel was able to grow its average room rate by 8% year-on-year over the first half of 2011. During the first half of 2011, the first phase of the refurbished rooms comprising 78 rooms was released to the market, further enhancing the competitive position of the Hotel in Melbourne. Revenue from food and beverage was lifted by increased business at the restaurants, which offset slower demand for catering services over the first half of 2011.

For the six months to June 2011, the hotel achieved occupancy of 79% on an average of 381 rooms (2010: 78% on an average of 387 rooms) and an average room rate of A$266 (2010: A$246).

The Langham, Auckland

With continued improvement in market sentiment, the Hotel witnessed an increase in retail, meetings and conference business, which helped lift both occupancy and room rates. Average room rate achieved increased by 6% year-on-year over the first half of 2011, whereas occupancy rose by 4 percentage points year-on-year over the first half of 2011. The increase in revenue from food and beverage was more significant, following the renovation of the ballroom which was completed in March last year.

For the six months ended June 2011, the hotel achieved average occupancy of 69% (2010: 65%) and an average room rate of NZ$185 (2010: NZ$174).

The Langham Huntington, Pasadena

Despite a challenging economic and operating environment, the Hotel showed an improvement in results compared to the prior-year period. The improvement was mainly due to higher occupancy, which rose by 11 percentage points year-on-year in the first half of 2011, as the Hotel was able to capture more retail leisure business. However, demand from domestic corporate and conference business remains weak. The increased guest mix towards lower yielding retail leisure travellers diluted the average room rate achieved in the first half of 2011, and it dropped 4% year-on-year. Revenue from food and beverage rose 15% year-on-year.

For the six months to June 2011, the hotel achieved average occupancy of 62.7% (2010: 51.4%) and an average room rate of US$214 (2010: US$224).

Delta Chelsea Hotel, Toronto

The Hotel managed to deliver stable performance with a 5% year-on-year growth in RevPAR in the first half of 2011. The increase was driven by an increase in occupancy rate, though average room rate achieved dropped by 1% year-on-year. Even though there were no major conferences over the first half of this year, the steady rebound in leisure and corporate business helped drive occupancy. Nevertheless, average room rate remained suppressed due to a continued competitive market environment. Revenue from food and beverage increased 8% year-on-year on increased catering demand from corporate functions and banquets.

For the six months to June 2011, the hotel achieved average occupancy of 70% (2010: 66%) and an average room rate of C$125 (2010: C$126).

DEVELOPMENT PROJECTS

Dalian Mixed-use Development Project

The Group has a 50% equity interest in this project in Dalian's Donggang area and acts as the project manager. The site is earmarked for the development of approximately 1,200 high-end apartments and a luxury international hotel with approximately 350 rooms, generating an aggregate gross floor area of approximately 286,000 sq. metres.

All major approvals to design were obtained by February 2011. The project is being developed in two phases. The first phase will comprise a portion of the high-end luxury apartments, and the second phase will include the remaining luxury apartments and the hotel. Following the completion of excavation works in March 2011, foundation works are currently underway. The project is targeted for completion in two phases between 2015 and 2017.

The maintenance of price stability in the property markets has emerged as a top priority on the Central Government's policy agenda. At present there are restrictions on residential home purchase for residents of Dalian. This could potentially lead to a slowdown in property transactions and prices of residential properties. Nevertheless with the completion of our project still several years away, the prime location and low land cost should continue to make our Dalian project a highly viable investment.

Up to the end of June 2011, the Group has invested HK$575 million for its stake in the project.

Hotel development project in Chicago

In December 2010, the Group acquired a 100% interest in a project in Downtown Chicago, USA for conversion into a 330-room luxury hotel at an initial cost of approximately US$60 million. There will be additional construction costs relating to the redevelopment work of the project. The project comprises the lower 13 floors and part of the basement of an existing commercial building at 330 Wabash Avenue (previously known as the IBM Building) in Chicago City Centre. An internationally renowned designer has been retained to undertake the design of the hotel. The redevelopment is currently scheduled for completion in 2013 and the hotel is expected to be branded a Langham. This investment is supported by its bottom-of-the-cycle valuation and is part of the Group's strategy to establish a presence in strategic gateway cities to anchor our hotel brand.

INCOME FROM CHAMPION REIT

As mentioned at the beginning of this Management's Discussion and Analysis, due to the reclassification of our investment in Champion REIT as an associate from July 2010, the share of results from Champion REIT was included in the Group's statutory profit. However, the Group still considers dividend income to be a more meaningful measure of financial return from our investment in Champion REIT. Hence our core profit will be based on attributable dividend income from Champion REIT in respect of the same financial period as our reporting financial period.

On that basis, distribution income from Champion REIT dropped 2.2% year-on-year to HK$267 million. With lower net property income achieved by Champion REIT and a lower level of leasing activity done via the Group's agents in the first half of 2011, management fee income from Champion REIT decreased 7% year-on-year from HK$136.2 million in the first half of 2010 to HK$126.6 million in the first half of 2011.

	Six months ended 30 June		
	2011	2010 (restated)	
	HK$ million	HK$ million	Change
Dividend income	267.0	272.9	- 2.2%
Management fee income	126.6	136.2	- 7.0%
Total income from Champion REIT	393.6	409.1	- 3.8%

Citibank Plaza

Progress on leasing during the first half of 2011 led to improved occupancy at Citibank Plaza. Vacancy rate improved from 18.5% in December 2010 to 11.4% as at the end of June. Spot rents at Citibank Plaza improved from around HK$100 per sq. ft. at the end of 2010 to roughly HK$120 per sq. ft. during the first half. However, passing rental rates remained flat over the half year period, as a number of the larger leases commencing in 2011 were negotiated in 2010 when rent levels were still below HK$100 per sq. ft. Net property income at Citibank Plaza fell by 6.2% year on year to HK$464 million due to a combination of lower rental revenue, and higher expenses associated with the higher percentage of new letting relative to renewals.

Langham Place Office Tower

The occupancy rate increased slightly from 99.4% as of December 2010 to 99.6% as at the end of June 2011. With easing pressure from office supply in the peripheral Kowloon East area, spot rents have increased. However, as the majority of the leases that commenced in the first half of 2011 were negotiated last year, passing rents were stable at HK$26.93 per sq. ft. as of June 2011. Revenue at the office tower came to HK$126 million over the first half of 2011, compared to HK$135 million for the corresponding period in 2010. The drop was due to the loss of naming right agreement income of about HK$7 million. Net property income fell from HK$108 million to HK$101 million.

Langham Place Mall

The Mall enjoyed very high levels of foot traffic and has remained virtually fully let in the first half of 2011. Revenue increased by 10.3% from HK$230 million to HK$254 million. Revenue growth would have been even stronger were it not for the expiry of a naming right agreement at the end of last year, which resulted in the loss of income of about HK$6 million. Net property income at the Mall increased by 12.7% to HK$200 million.

INVESTMENT PROPERTIES

Great Eagle Centre

	Office in sq. ft.	Retail in sq. ft.	Total in sq. ft.
As at June 2010 (i.e. before conversion on the 3rd floor)			
Total gross floor area	193,271	76,903	270,174
Total lettable floor area	162,508	37,144	199,652
As at June 2011 (i.e. after conversion on the 3rd floor)			
Total gross floor area	214,230	55,944	270,174
Total lettable floor area	173,308	26,344	199,652
Space occupied by the Group and its subsidiaries (all in lettable area)			
As at June 2010			
Permanent space occupied	17,407	12,585	
As a % of total office/retail lettable area	10.7%	33.9%	
As at June 2011			
Permanent space occupied	28,207	12,585	
As a % of total office/retail lettable area	16.3%	47.8%	
Temporary space occupied	3,581		
As a % of total office/retail lettable area	2.1%		

On the back of new and expansion demand from the service sector and Mainland Chinese companies, the office portion was fully occupied at the end of June 2011, compared with 99.4% a year ago. Average passing rent for the office portion also increased by 5.4% from HK$44.1 per sq. ft. as of June 2010 to HK$46.4 per sq. ft. as of June 2011. While the retail space accounted for a smaller portion of total lettable space at Great Eagle Centre, it has also benefitted from positive rental reversion, which lifted retail average passing rent from HK$68.1 per sq. ft. as of June 2010 to HK$78.8 per sq. ft. as of June 2011. Retail occupancy was stable at 93.5% as at the end of June 2011 compared with beginning of the year.

There has been an increase in space occupied by the Group in the building. The rental related thereto is eliminated on consolidation. The eliminated rental income led to a slower 2.5% growth in overall rental income for Great Eagle Centre from HK$52.6 million in the first half of 2010 to HK$53.9 million in the first half of 2011. Net rental income rose by a higher rate of 5.2% from HK$50.6 million in 2010 to HK$53.2 million in the first half of 2011, as a result of a one-time expense booked in the first half of 2010.

Eaton Serviced Apartments

An increased inflow of overseas professionals drove rental rates for the serviced apartments in Hong Kong during the first half. There was also some short-term one-off demand from the Japan market in March after the earthquake there.

Compared with the first half of last year, when a surge in the supply of serviced apartments placed pressure on rates, the moderation in supply of new serviced apartments in recent quarters has helped to support rental rates during the first half of 2011. Achieved rental rate rose 34% year-on-year to HK$41.2 per sq. ft. over the first half of 2011. However, as competition in the market is still keen, this has affected our ability to maintain business volume at the increased rental rates. As a result, occupancy for the first half of 2011 dropped by 6 percentage points year-on-year to 70%. Gross rental income increased 21.8% year-on-year to HK$19 million, whereas net rental income increased 14.2% year-on-year to HK$12.8 million.

United States Properties

As the office market recovery continues in the U.S., there are signs that asking rental rates are firming up in the San Francisco Bay Area since the second quarter of 2011. However, as the average passing rental rates for our office portfolio remained above market levels, it has been difficult for us to lift our passing rents in the first half of 2011. Nonetheless, the longer duration of the leases in the U.S. and a smaller amount of expiring leases have helped to mitigate the impact of negative rental reversion. Average rent achieved over the half year period was steady at US$36.5 per sq. ft.

On the other hand, a lower level of occupancy in the early part of the half year period has resulted in lower gross rental income for the U.S. properties. The lower occupancy was primarily due to departure of some tenants at 500 Ygnacio and 353 Sacramento in the second half of last year. Nonetheless, the majority of that vacant space had been re-leased in 2011, and occupancy rate actually rose by 5 percentage points to 95% as at the end of June 2011 from the beginning of the year. But with little rental contribution from the new leases in the first half, gross rental income dropped by 4.9% year-on-year to HK$55.9 million. At the same time, the increase in leasing activities has increased tenant inducement costs. Net rental income as a result declined by 10.2% year-on-year to HK$20.9 million.

FINANCIAL REVIEW

DEBT

Gross debts denominated in HK dollars amounted to HK$1,315 million as of 30 June 2011. Our foreign currency gross debts as of 30 June 2011 amounted to the equivalent of HK$2,165 million, of which the equivalent of HK$497 million or 23.0% of our foreign currency debts was on fixed-rate basis. Net of cash and bank deposits that mature within 3 months totalling the equivalent of HK$1,884 million, our consolidated net debt outstanding as of 30 June 2011 was HK$1,596 million, a decrease of HK$335 million from that of HK$1,931 million as of 31 December 2010.

Because of the persistent low interest rate environment and in order to enhance return to shareholders, as a normal treasury function the Group has been prudently investing in quality short-term bonds which are intended to be held to maturity, and structured deposits and principal protected notes with reputable banks and financial institutions as counter-parties. As at 30 June 2011, investment in these bonds, structured deposits and notes amounted to HK$277 million. Should this amount be taken into account, the consolidated net borrowing of the Group would be reduced to HK$1,319 million.

Equity Attributable to Shareholders, based on professional valuation of the Group's investment properties as of 30 June 2011 and the depreciated costs of the Group's hotel properties, amounted to HK$32,468 million as of 30 June 2011. The net assets value at 30 June 2011 represented an increase of HK$2,823 million compared to the restated value of HK$29,645 million as of 31 December 2010, mainly attributable to the profit for the period including share of results of Champion REIT. Based on the consolidated net debt of HK$1,596 million, the resulting gearing ratio at 30 June 2011 was 5%. Should the investment in bonds, structured deposits and notes mentioned above be recognized in the calculation, the gearing ratio would be reduced to 4%.

FINANCE COST

During the period, market interest rate had remained at an extremely low level. Coupled with the high interest income from the Group's investment in Champion REIT convertible bonds, the Group had earned a net interest income of HK$39 million for the first half period. Consequently, there was no applicable interest cover ratio at the end of the reporting period.

LIQUIDITY AND DEBT MATURITY PROFILE

As of 30 June 2011, our cash, bank deposits and committed but undrawn loan facilities amounted to a total of HK$3,828 million. The majority of our loan facilities is short or medium term in nature and is secured by properties with sufficient value to loan coverage. The following is a profile of the maturity of our outstanding debts as of 30 June 2011:

Within 1 year	15.8%
1-2 years	64.4%
3-5 years	19.8%

PLEDGE OF ASSETS

At 30 June 2011, properties of the Group with a total carrying value of approximately HK$10,132 million (31 December 2010: HK$9,615 million), were mortgaged or pledged to secure credit facilities granted to its subsidiaries.

COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 June 2011, the Group had authorised capital expenditures not provided for in these financial statements amounting to approximately HK$721 million (31 December 2010: HK$74 million) of which approximately HK$87 million (31 December 2010: HK$70 million) was contracted for.

As at 30 June 2011, the Group had outstanding financial commitment of RMB88 million (equivalent to HK$105 million) (31 December 2010: HK$152 million) for capital injection to a jointly controlled entity, and commitment of RMB120 million (equivalent to HK$144 million) (31 December 2010: HK$275 million) for construction cost to complete a hotel property owned by an associate.

In addition to the above, as at 30 June 2011 the Group had provided several corporate guarantee and a charge over its interest in the share capital of an associate to a bank in respect of its share of banking facility utilised by the associate of US$15 million (equivalent to HK$114 million) (31 December 2010: HK$152 million).

Other than set out above, the Group did not have any significant commitments and contingent liabilities as at 30 June 2011.

OUTLOOK

Moving through the year, we expect to face a progressively tougher operating environment, as a confluence of weak economic growth in the U.S., liquidity tightening in China and the lack of progress of European debt restructuring will all weigh on business sentiment and raised chances of prolonged slow growth in global economies. Despite the bulk of our income is derived from the Asia region, where economic conditions are relatively healthier than that of the U.S. and Europe, we should not underestimate the potential impact on our operations.

The second half of the year has historically been the stronger half for our Hotels Division. Barring a sharp slowdown in the economy, our hotels in Hong Kong should continue to benefit from a sustained inflow of Mainland tourists. Langham London may also post further growth in room rates, given increasing recognition of its premium market positioning. Hotels in other international markets will reflect a combination of steady performance in some markets and continued uncertainty in others. Nonetheless, we will also place strong emphasis on yield management and cost rationalisation to further optimise results.

At Champion REIT, the pick up in leasing activities at Citibank Plaza in the second half may be much slower than earlier expected, due to tenants' resistance to high rents and the lower demand from the financial sector in the midst of global market uncertainties. At Langham Place, the Mall will be the main driver of income growth as the arrival of Mainland tourists and their spending have so far shown no signs of slowing down. Overall, we expect to see stable income and contribution from Champion REIT in the second half.

Our Group has a strong recurrent income base in our portfolio of high quality assets, and we have a strong balance sheet with low gearing. We are therefore well placed to face the recent volatility in global markets. We will also look out for value-added acquisition opportunities within weak market conditions to further broaden our asset base.

LO Ka Shui
Chairman and Managing Director

Hong Kong, 19 August 2011

GOVERNANCE AND COMPLIANCE

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

Great Eagle Holdings Limited is committed to maintaining and developing a high standard of corporate governance practices that are designed to enhance company image, boost shareholders' confidence, and reduce the risk of fraudulent practices and ultimately serve the long-term interests of our shareholders. The Board of Directors of the Company will continuously review the Company's corporate governance practices to ensure they are appropriate for monitoring both compliance and performance.

The Company has complied with all the code provisions and, where appropriate, adopted some of the recommended best practices as set out in the CG Code contained in Appendix 14 to the Listing Rules throughout the period under review, except the following deviations from certain CG Code Provisions in respect of which remedial steps for compliance have been taken or considered reasons are given below:

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

Dr. Lo Ka Shui is the Chairman of the Board and is holding the office of Managing Director of the Company. While this is a deviation from CG Code Provision A.2.1, dual role leadership has been in practice by the Company for decades and has withstood the test of time. The Board considers this arrangement to be appropriate for the Company as it can preserve the consistent leadership culture of the Company and allow efficient discharge of the executive functions of the chief executive officer. 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 four Independent Non-executive Directors.

CG Code Provision A.4.1 requires that non-executive directors should be appointed for a specific term, subject to re-election

While the Bye-laws of the Company requires that one-third of the Directors (other than the Executive Chairman and Managing Director) should retire by rotation, the Non-executive Directors (including the Independent Non-executive Directors) have no fixed term of office. The Board considers that the provisions in the Bye-laws of the Company and its corporate governance measures are no less exacting than those prescribed by CG Code Provision A.4.1 and therefore does not intend to take any steps in this regard.

CG Code Provision A.4.2 requires that every director should be subject to retirement by rotation at least once every three years

Under the existing Bye-laws of the Company, the Executive Chairman and Managing Director of the Company are not subject to retirement by rotation. The same provision is contained in The Great Eagle Holdings Limited Company Act, 1990 of Bermuda. As such, Directors who hold the offices of either the Executive Chairman or the Managing Director of the Company are by statute not required to retire by rotation. After due consideration, in particular to the legal costs and procedures involved, the Board considers that it is not desirable to propose any amendment to The Great Eagle Holdings Limited Company Act, 1990 for the sole purpose of subjecting the Executive Chairman and Managing Director of the Company to retirement by rotation.

COMPLIANCE WITH THE 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 contained in Appendix 10 to the Listing Rules and the same is updated from time to time in accordance with the Listing Rules requirements.

Having made specific enquiry, all Directors and relevant employees of the Company have confirmed that they have fully complied with the Code of Conduct for Securities Transactions throughout the six months period ended 30 June 2011.

REVIEW OF INTERIM RESULTS

The unaudited financial statements for the six months ended 30 June 2011 were prepared in accordance with HKAS 34 "Interim Financial Reporting" issued by the HKICPA, and have also been reviewed by the Audit Committee of the Company, and by Deloitte Touche Tohmatsu, the independent auditor of the Company in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

DISCLOSURE OF DIRECTORS' INFORMATION PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Changes in the information of Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the date of the 2010 Annual Report of the Company are set out below:

Dr. Lo Ka Shui, Chairman and Managing Director of the Company, retired as a Board Member of the Hong Kong Airport Authority with effect from 31 May 2011.

Mr. Cheng Hoi Chuen, Vincent, an Independent Non-executive Director of the Company, retired as an Executive Director of HSBC Holdings Plc on 27 May 2011 and resigned as a Director and the Chairman of HSBC Bank (China) Company Limited and HSBC Bank (Taiwan) Limited on 27 May 2011 and 28 May 2011 respectively. He was appointed as an Independent Non-executive Director of Hui Xian Asset Management Limited (Manager of the public listed Hui Xian Real Estate Investment Trust) on 4 April 2011.

In accordance with the Listing Rules, any change in the amount of the director's emoluments and the basis of determining the same shall be disclosed in the next published annual or interim report. On 7 March 2011, 1,247,000 share options of the Company were granted to the following Executive Directors of the Company and according to the Company's share accounting policy, the following share-based payments in respect of the aforesaid options were accounted for during the vesting period as non-cash emoluments of the respective Executive Directors:

Name of Executive Directors	Number of Options	Share-based Payment* (HK$)
Lo Ka Shui *(Chairman and Managing Director)*	622,000	681,090
Lo Kai Shui *(Deputy Managing Director)*	100,000	109,500
Lo Hong Sui, Antony	125,000	136,875
Law Wai Duen	100,000	109,500
Kan Tak Kwong *(General Manager)*	300,000	328,500

* *Further details of share-based payments are set out in note 22 to the Condensed Consolidated Financial Statements on page 53 in this Report.*

SHARE CAPITAL

As at 30 June 2011, the total number of issued shares of the Company was 631,734,272. As compared with the position of 31 December 2010, a total of 8,924,898 new shares were issued during the period in the following manner:

(1) During the period, 2,744,000 new shares were issued pursuant to exercise of share options under the 1999 Share Option Scheme of the Company. Total funds raised therefrom amounted to HK$39,809,860.

(2) On 17 June 2011, a total of 6,180,898 new shares at a price of HK$25.56 per share were issued to the shareholders who have elected to receive scrip shares under the Scrip Dividend Scheme in respect of the 2010 final dividend.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

During the six months ended 30 June 2011, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities.

PUBLIC FLOAT

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

REMUNERATION AND STAFF DEVELOPMENT

There have been no material changes to the information disclosed in the 2010 Annual Report in respect of the remuneration of employees, remuneration policies and staff development.

During the period, the number of employees of the Group increased approximately 3% to 4,802. The change was mainly attributable to the increase in staff in our hotel operations. Salary levels of employees are competitive and discretionary bonuses are granted based on performance of the Group as well as performance of individual employees. Other employee benefits include educational allowance, insurance, medical scheme and provident fund schemes. Senior employees (including executive directors) are entitled to participate in the share option scheme of the Company. In order to enhance employee relations and communications, regular meetings of general staff with senior management have been arranged for the period, with particular emphasis on performance management. To further support the engagement of employees, our Hotel Division applies the Total Quality Management (TQM) technology to develop a global management system by involving every employee in our continuous improvement culture.

In 2011, the Group has introduced staff training and development plan which included management development programme for managing talents through competency initiatives; team building workshop for further establishing synergy and building collaborative working relationship. The aim is to strengthen leadership competencies and accelerate team effectiveness. The Group has also facilitated external and in-house designed training programmes in management, soft skill as well as technical skills training.

DISCLOSURE OF INTERESTS

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

As at 30 June 2011, 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 set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange, are as follows:

1. Long positions in shares and underlying shares of the Company

	Number of Ordinary Shares/Underlying Shares						
Name of Director	Personal interests	Family interests	Corporate interests	Other interests	Number of outstanding share options	Total	Percentage of issued share capital [8]
Lo Ka Shui	40,101,966 [1]	–	4,233,302 [2]	283,525,919 [3]	1,242,000	329,103,187	52.09
Lo Kai Shui	202,973	–	639,146 [4]	208,891,692 [5]	525,000	210,258,811	33.28
Lo To Lee Kwan	999,332	–	4,592,671 [6]	208,891,692 [5]	–	214,483,695	33.95
Cheng Hoi Chuen, Vincent	–	10,000	–	–	–	10,000	0.00
Lo Hong Sui, Antony	54,715	–	–	208,891,692 [5]	600,000	209,546,407	33.17
Law Wai Duen	1,063,048	–	–	208,891,692 [5]	412,000	210,366,740	33.29
Lo Hong Sui, Vincent	293	–	–	208,891,692 [5]	–	208,891,985	33.06
Lo Ying Sui	3,855,046	3,764	33,269,396 [7]	208,891,692 [5]	–	246,019,898	38.94
Kan Tak Kwong	1,018,753	–	–	–	1,050,000	2,068,753	0.32

Notes:

(1) *Among these 40,101,966 shares, 8,909,165 shares of which were derivative interests held by Dr. Lo Ka Shui.*

(2) *Among these 4,233,302 shares, 1,178,125 shares of which were derivative interests. These interests were held by certain companies wholly-owned by Dr. Lo Ka Shui who is also a director of these companies.*

(3) *These 283,525,919 shares comprise:*

(i) *208,891,692 shares owned by a discretionary trust of which Dr. Lo Ka Shui, Mr. Lo Kai 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 the beneficiaries; and*

(ii) *74,634,227 shares owned by another discretionary trust of which Dr. Lo Ka Shui is the Founder.*

(4) *These 639,146 shares comprise 534,900 shares held by certain companies wholly-owned by Mr. Lo Kai Shui and 104,246 shares held by a company controlled by him. Mr. Lo Kai Shui is also a director of these companies.*

(5) *These shares are the same parcel of shares referred to in Note (3)(i) above.*

(6) *These 4,592,671 shares were held by certain companies wholly-owned by Madam Lo To Lee Kwan who is also a director of these companies.*

(7) *These 33,269,396 shares were held by a company wholly-owned by Dr. Lo Ying Sui who is also a director of this company.*

(8) *This percentage has been compiled based on the total number of shares of the Company in issue as at 30 June 2011 of 631,734,272 shares and rounded down to 2 decimal places.*

2. Long positions in shares of associated corporations of the Company

(a) Recruit Holdings is an associated company of the Company, in which the Group has approximately 19.63% interests in the issued share capital as at 30 June 2011. Dr. Lo Ka Shui beneficially owned 150,000 shares in Recruit Holdings, representing 0.047% of its issued share capital.

(b) MGIL is an associated company of the Company, in which the Group has a 33.33% interests in the issued share capital as at 30 June 2011. Mr. Lo Hong Sui, Vincent was interested in the remaining 66.67% interests in MGIL through a company beneficially owned by him.

Save as disclosed above, as at 30 June 2011, none of the Directors or chief executives of the Company were taken to be interested or deemed to have any other interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, 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 as set out in Appendix 10 to the Listing Rules.

SHARE OPTION SCHEMES

In accordance with the 2009 Share Option Scheme of the Company, the Board of Directors of the Company may grant options to eligible employees, including Executive Directors of the Company and its subsidiaries, to subscribe for shares in the Company.

The 2009 Share Option Scheme of the Company was to replace the 1999 Share Option Scheme. Upon the adoption of the 2009 Share Option Scheme on 27 May 2009, the 1999 Share Option Scheme was terminated. Options granted during the life of the 1999 Share Option Scheme and remain unexpired prior to the termination of the 1999 Share Option Scheme continue to be exercisable in accordance with their terms of issue after termination of the 1999 Share Option Scheme.

During the six months ended 30 June 2011, the details of the movements in the share options granted to the Company's employees (including Directors) under the 1999 Share Option Scheme and 2009 Share Option Scheme are as follows:

	Number of Share Options						
Date of grant	Outstanding as at 01/01/2011	Grant during the period	Exercised during the period	Lapsed during the period	Outstanding as at 30/06/2011	Exercise period	Exercise price per share (HK$)
04/01/2007[1]	2,733,000	–	(1,090,000)	(28,000)	1,615,000	05/01/2009 – 04/01/2012	22.35
08/01/2009[1]	2,873,000	–	(1,654,000)	(2,000)	1,217,000	09/01/2011 – 08/01/2014	9.34
04/03/2010[2]	2,703,000	–	–	(96,000)	2,607,000	05/03/2012 – 04/03/2015	22.80
07/03/2011[2]	–	3,047,000[3]	–	(74,000)	2,973,000	08/03/2013 – 07/03/2016	26.18
Total	**8,309,000**	**3,047,000**	**(2,744,000)**	**(200,000)**	**8,412,000**		

Notes:

(1) *Share options were granted under the 1999 Share Option Scheme.*

(2) *Share options were granted under the 2009 Share Option Scheme.*

(3) *During the six months ended 30 June 2011, 1,247,000 and 1,800,000 share options were granted to the Directors and other employees of the Group respectively.*

(4) *During the six months ended 30 June 2011, no share options were cancelled.*

(5) *Consideration paid for each grant of share options was HK$1.00.*

(6) *The vesting period for the share options granted is 24 months from the date of grant.*

(7) *The closing price of the shares of the Company immediately before the date of grant of 7 March 2011, i.e. 4 March 2011, was HK$26.10.*

During the six months ended 30 June 2011, the details of the movements in the share options granted to Directors (some are also substantial shareholders) under the 1999 Share Option Scheme and 2009 Share Option Scheme as required to be disclosed according to Rule 17.07 of the Listing Rules are as follows:

		Number of Share Options						
	Date of grant	Outstanding as at 01/01/2011	Grant during the period	Exercised during the period	Lapsed during the period	Outstanding as at 30/06/2011	Exercise price per share (HK$)	Weighted average closing price immediately before the date of exercise (HK$)
Directors								
Lo Ka Shui	04/01/2007[1]	600,000	–	(600,000)	–	–	22.35	25.49
	08/01/2009[1]	609,000	–	(609,000)	–	–	9.34	25.49
	04/03/2010[2]	620,000	–	–	–	620,000	22.80	N/A
	07/03/2011[2]	–	622,000	–	–	622,000	26.18	N/A
		1,829,000	622,000	(1,209,000)	–	1,242,000		
Lo Kai Shui	04/01/2007[1]	200,000	–	–	–	200,000	22.35	N/A
	08/01/2009[1]	125,000	–	–	–	125,000	9.34	N/A
	04/03/2010[2]	100,000	–	–	–	100,000	22.80	N/A
	07/03/2011[2]	–	100,000	–	–	100,000	26.18	N/A
		425,000	100,000	–	–	525,000		
Lo Hong Sui, Antony	04/01/2007[1]	200,000	–	–	–	200,000	22.35	N/A
	08/01/2009[1]	125,000	–	–	–	125,000	9.34	N/A
	04/03/2010[2]	150,000	–	–	–	150,000	22.80	N/A
	07/03/2011[2]	–	125,000	–	–	125,000	26.18	N/A
		475,000	125,000	–	–	600,000		
Law Wai Duen	04/01/2007[1]	100,000	–	–	–	100,000	22.35	N/A
	08/01/2009[1]	112,000	–	–	–	112,000	9.34	N/A
	04/03/2010[2]	100,000	–	–	–	100,000	22.80	N/A
	07/03/2011[2]	–	100,000	–	–	100,000	26.18	N/A
		312,000	100,000	–	–	412,000		
Kan Tak Kwong	04/01/2007[1]	300,000	–	–	–	300,000	22.35	N/A
	08/01/2009[1]	250,000	–	–	–	250,000	9.34	N/A
	04/03/2010[2]	200,000	–	–	–	200,000	22.80	N/A
	07/03/2011[2]	–	300,000	–	–	300,000	26.18	N/A
		750,000	300,000	–	–	1,050,000		
Employees	04/01/2007[1]	1,333,000	–	(490,000)	(28,000)	815,000	22.35	25.49
(other than	08/01/2009[1]	1,652,000	–	(1,045,000)	(2,000)	605,000	9.34	25.49
Directors)	04/03/2010[2]	1,533,000	–	–	(96,000)	1,437,000	22.80	N/A
	07/03/2011[2]	–	1,800,000	–	(74,000)	1,726,000	26.18	N/A
		4,518,000	1,800,000	(1,535,000)	(200,000)	4,583,000		

Notes:

(1) *Share options were granted under the 1999 Share Option Scheme.*

Share options granted on 04/01/2007 are exercisable during the period from 05/01/2009 to 04/01/2012.

Share options granted on 08/01/2009 are exercisable during the period from 09/01/2011 to 08/01/2014.

(2) *Share options were granted under the 2009 Share Option Scheme.*

Share options granted on 04/03/2010 are exercisable during the period from 05/03/2012 to 04/03/2015.

Share options granted on 07/03/2011 are exercisable during the period from 08/03/2013 to 07/03/2016.

(3) *During six months ended 30 June 2011, no share options were cancelled.*

(4) *Consideration paid for each grant of share options was HK$1.00.*

(5) *The vesting period for the share options granted is 24 months from the date of grant.*

(6) *The closing price of the shares of the Company immediately before the date of grant of 7 March 2011, i.e. 4 March 2011, was HK$26.10.*

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 30 June 2011, the interests and short positions of persons (other than a Director or the chief executive 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	Number of shares	Percentage of issued share capital [5]
HSBC International Trustee Limited	274,494,364 [1]	43.45
Powermax Agents Limited[2]	154,947,717	24.52
Surewit Finance Limited[3]	43,877,919	6.94
Adscan Holdings Limited[4]	33,269,396	5.26

Notes:

(1) *The number of shares disclosed was based on the latest Disclosure of Interest Form dated 2 October 2008 received from HSBC International Trustee Limited ("HITL"). According to the latest disclosures made by the Directors of the Company, as at 30 June 2011:*

(i) *208,891,692 shares representing 33.06% 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, Mr. Lo Kai 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 beneficiaries.*

(ii) *74,634,227 shares representing 11.81% 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 154,947,717 shares held by it were among the shares referred to in Note (1)(i) above.*

(3) *Surewit Finance Limited is wholly-owned by HITL in the capacity of a trustee of a discretionary trust and the said 43,877,919 shares held by it were among the shares referred to in Note (1)(ii) above.*

(4) *Adscan Holdings Limited is a company wholly-owned by Dr. Lo Ying Sui, who is also a director of this company.*

(5) *This percentage has been compiled based on the total number of shares of the Company in issue as at 30 June 2011 of 631,734,272 shares and rounded down to 2 decimal places.*

Save as disclosed above, as at 30 June 2011, no person (other than Directors of the Company whose interests in shares, underlying shares and debentures of the Company are set out on pages 18 and 19) 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 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 INTERIM FINANCIAL INFORMATION

Deloitte.
德勤

TO THE BOARD OF DIRECTORS OF GREAT EAGLE HOLDINGS LIMITED
(incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 25 to 55 which comprises the condensed consolidated statement of financial position of Great Eagle Holdings Limited (the "Company") and its subsidiaries as of 30 June 2011 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 Main Board Listing 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 this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information 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 interim financial information 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 interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
19 August 2011

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2011

	Notes	Six Months Ended 30 June 2011 HK$'000 (unaudited)	2010 HK$'000 (unaudited) (restated)
Revenue	3	2,230,283	2,240,643
Cost of goods and services		(1,541,950)	(1,413,200)
Operating profit before depreciation and amortisation		688,333	827,443
Depreciation and amortisation		(172,259)	(165,402)
Operating profit		516,074	662,041
Fair value changes on investment properties		599,762	165,621
Fair value changes on derivative financial instruments		(169,751)	98,371
Fair value changes on financial assets designated at fair value through profit or loss		(1,637)	12,030
Other income		98,436	91,470
Administrative expenses		(111,904)	(107,650)
Other expenses		–	(556)
Finance costs	5	(49,961)	(62,786)
Share of results of associates		2,005,862	11,450
Share of results of a jointly controlled entity		(4,174)	–
Profit before tax		2,882,707	869,991
Income taxes	6	(112,069)	(49,486)
Profit for the period attributable to owners of the Company	7	2,770,638	820,505
Earnings per share	9		
Basic		HK$4.39	HK$1.32
Diluted		HK$3.57	HK$1.31

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2011

	Six Months Ended 30 June	
	2011 HK$'000 (unaudited)	2010 HK$'000 (unaudited) (restated)
Profit for the period	2,770,638	820,505
Other comprehensive income		
Fair value (loss) gain on available-for-sale investments	(1,863)	797,786
Surplus on revaluation of an owner occupied building upon change of use (note 10)	–	3,789
Exchange differences arising on translation of foreign operations	140,918	(115,323)
Share of other comprehensive income of associates	(66,253)	–
Share of other comprehensive income of a jointly controlled entity	10,879	–
	83,681	686,252
Total comprehensive income for the period attributable to owners of the Company	2,854,319	1,506,757

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2011

	Notes	At 30 June 2011 HK$'000 (unaudited)	At 31 December 2010 HK$'000 (restated)
Non-current assets			
Property, plant and equipment	10	10,507,489	10,409,396
Investment properties	10	4,795,542	4,192,297
Interests in associates	11	15,254,733	13,365,094
Interest in a jointly controlled entity	12	587,006	525,301
Available-for-sale investments	13	101,797	103,660
Investment in convertible bonds	14	3,208,034	3,309,997
Notes receivable	15	161,983	174,047
Amounts due from associates		12,077	12,077
		34,628,661	32,091,869
Current assets			
Inventories		72,991	77,398
Debtors, deposits and prepayments	16	448,029	395,749
Financial assets designated at fair value through profit or loss	17	84,547	77,740
Derivative financial instruments		70	–
Notes receivable	15	29,977	55,819
Bank balances and cash		1,884,170	1,553,444
		2,519,784	2,160,150
Current liabilities			
Creditors, deposits and accruals	18	761,998	755,359
Derivative financial instruments		–	362
Provision for taxation		92,265	87,701
Borrowings due within one year	19	549,740	798,318
		1,404,003	1,641,740
Net current assets		1,115,781	518,410
Total assets less current liabilities		35,744,442	32,610,279

	Notes	At 30 June 2011 HK$'000 (unaudited)	At 31 December 2010 HK$'000 (restated)
Non-current liabilities			
Borrowings due after one year	19	2,930,627	2,685,950
Deferred taxation		345,605	279,199
		3,276,232	2,965,149
NET ASSETS		32,468,210	29,645,130
Equity			
Share capital	20	315,867	311,404
Share premium and reserves		32,152,343	29,333,726
TOTAL EQUITY		32,468,210	29,645,130

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2011

	Attributable to owners of the Company										
	Share capital HK$'000	Share premium HK$'000	Investment revaluation reserve HK$'000	Property revaluation reserve HK$'000	Capital redemption reserve HK$'000	Contributed surplus HK$'000	Exchange translation reserve HK$'000	Share option reserve HK$'000	Hedging reserve HK$'000	Retained profits HK$'000	Total HK$'000
At 1 January 2010 (as previously stated)	310,913	3,739,100	(2,346,769)	–	1,650	402,540	(3,470)	31,919	–	20,181,221	22,317,104
Prior year adjustments in respect of change in accounting policy	–	–	–	–	–	–	–	–	–	385,630	385,630
At 1 January 2010 (restated)	310,913	3,739,100	(2,346,769)	–	1,650	402,540	(3,470)	31,919	–	20,566,851	22,702,734
Profit for the period	–	–	–	–	–	–	–	–	–	820,505	820,505
Fair value gain on available-for-sale investments	–	–	797,786	–	–	–	–	–	–	–	797,786
Surplus on revaluation of an owner occupied property upon change of use to investment property	–	–	–	3,789	–	–	–	–	–	–	3,789
Exchange differences arising on translation of foreign operations	–	–	–	–	–	–	(115,323)	–	–	–	(115,323)
Total comprehensive income for the period	–	–	797,786	3,789	–	–	(115,323)	–	–	820,505	1,506,757
Dividend paid	–	–	–	–	–	–	–	–	–	(217,938)	(217,938)
Shares issued at premium	485	23,029	–	–	–	–	–	(5,674)	–	–	17,840
Share issue expenses	–	(4)	–	–	–	–	–	–	–	–	(4)
Recognition of equity-settled share based payments	–	–	–	–	–	–	–	5,703	–	–	5,703
At 30 June 2010 (unaudited) (restated)	311,398	3,762,125	(1,548,983)	3,789	1,650	402,540	(118,793)	31,948	–	21,169,418	24,015,092

	Attributable to owners of the Company										
	Share capital HK$'000	Share premium HK$'000	Investment revaluation reserve HK$'000	Property revaluation reserve HK$'000	Capital redemption reserve HK$'000	Contributed surplus HK$'000	Exchange translation reserve HK$'000	Share option reserve HK$'000	Hedging reserve HK$'000	Retained profits HK$'000	Total HK$'000
At 1 January 2011 (as previously stated)	311,404	3,762,428	43,068	23,109	1,650	402,540	90,165	39,577	66,251	24,024,165	28,764,357
Prior year adjustments in respect of change in accounting policy	–	–	–	–	–	–	–	–	–	880,773	880,773
At 1 January 2011 (restated)	311,404	3,762,428	43,068	23,109	1,650	402,540	90,165	39,577	66,251	24,904,938	29,645,130
Profit for the period	–	–	–	–	–	–	–	–	–	2,770,638	2,770,638
Fair value loss on available-for-sale investments	–	–	(1,863)	–	–	–	–	–	–	–	(1,863)
Exchange differences arising on translation of foreign operations	–	–	–	–	–	–	140,918	–	–	–	140,918
Share of other comprehensive income of associates	–	–	–	–	–	–	(2)	–	(66,251)	–	(66,253)
Share of other comprehensive income of a jointly controlled entity	–	–	–	–	–	–	10,879	–	–	–	10,879
Total comprehensive income for the period	–	–	(1,863)	–	–	–	151,795	–	(66,251)	2,770,638	2,854,319
Dividend paid	–	–	–	–	–	–	–	–	–	(237,625)	(237,625)
Shares issued at premium	4,463	207,048	–	–	–	–	–	(13,719)	–	–	197,792
Share issue expenses	–	(20)	–	–	–	–	–	–	–	–	(20)
Recognition of equity-settled share based payments	–	–	–	–	–	–	–	8,614	–	–	8,614
At 30 June 2011 (unaudited)	315,867	3,969,456	41,205	23,109	1,650	402,540	241,960	34,472	–	27,437,951	32,468,210

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2011

	Notes	Six Months Ended 30 June 2011 HK$'000 (unaudited)	2010 HK$'000 (unaudited)
Cash generated from operations		493,511	297,590
Hong Kong Profits Tax paid		(3,776)	(17,181)
Tax paid in other jurisdictions		(43,349)	(15,151)
Hong Kong Profits Tax refunded		10	–
Net cash from operating activities		446,396	265,258
Investing activities			
Dividends received from associates		282,932	3,129
Investment in an associate	11a	(179,210)	–
Additions of property, plant and equipment		(120,412)	(129,862)
Additions of financial assets designated at fair value through profit and loss		(96,210)	(15,510)
Proceeds on disposal of financial assets designated at fair value through profit and loss		89,408	236,551
Investment in a jointly controlled entity	12	(55,000)	(224,612)
Proceeds on redemption of notes receivable		39,823	85,442
Interest received		20,745	25,809
Additions of investment properties		(2,024)	(709)
Dividends received from listed available-for-sale investments		2,000	194,474
Proceeds on disposal of property, plant and equipment		20	8
Additions of notes receivable		–	(400,923)
Proceeds on disposal of a subsidiary	12	–	295,500
Decrease in restricted cash		–	61,521
Net cash (used in) from investing activities		(17,928)	130,818

	Six Months Ended 30 June	
	2011 HK$'000 (unaudited)	2010 HK$'000 (unaudited)
Financing activities		
Repayments of bank loans	(454,983)	(148,430)
New bank loans raised	403,077	–
Dividends paid to shareholders	(79,641)	(215,687)
Interest paid	(50,040)	(55,004)
Net proceeds from issue of shares	39,789	15,585
Net cash used in financing activities	(141,798)	(403,536)
Net increase (decrease) in cash and cash equivalents	286,670	(7,460)
Effect of foreign exchange rate changes	44,056	(16,037)
Cash and cash equivalents at 1 January	1,553,444	1,850,232
Cash and cash equivalents at 30 June	1,884,170	1,826,735
Analysis of the balance of cash and cash equivalents:		
Bank balances and cash	1,884,170	1,826,849
Bank overdrafts	–	(114)
	1,884,170	1,826,735

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the six months ended 30 June 2011

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 34 "Interim Financial Reporting".

2. PRINCIPAL 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.

Except for early adoption during the current period of amendments to HKAS 12 "Income Taxes" in advance of their effective date, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2011 are the same with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2010.

In the current interim period, the Group has applied, for the first time, a number of new or revised standards and amendments ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Amendments to HKAS 12 "Income Taxes" (applied in advance of their effective date)

The Group has applied amendments to HKAS 12 titled "Deferred Tax: Recovery of Underlying Assets" in advance of their effective date (annual periods beginning on or after 1 January 2012). Under the amendments, investment properties that are measured using the fair value model in accordance with HKAS 40 "Investment Property" are presumed to be recovered through sale for the purposes of measuring deferred tax, unless the presumption is rebutted in certain circumstances.

As a result, the Group's investment properties that are measured using the fair value model have been presumed to be recovered through sale for the purpose of measuring deferred tax in respect of such properties. The application of the amendments has resulted in the Group's deferred tax liabilities being decreased by HK$385,630,000 and HK$480,476,000 as at 1 January 2010 and 31 December 2010, respectively, and the Group's interests in associates being increased by HK$400,297,000 as at 31 December 2010, with the corresponding adjustment being recognised in retained profits. In addition, the application has resulted in the Group's income tax expense for the six months ended 30 June 2010 being decreased by HK$25,147,000 and profit for the six months ended 30 June 2010 being increased by the same amount.

In the current period, no deferred tax has been provided for in respect of changes in fair value of such investment properties, whereas previously deferred tax liabilities were provided for in relation to the changes in fair value of such investment properties. The application of the amendments has resulted in the Group's income tax expense for the six months ended 30 June 2011 being reduced by HK$84,962,000, share of results of associates for the six months ended 30 June 2011 being increased by HK$280,632,000 and profit for the six months ended 30 June 2011 being increased by HK$365,594,000.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Amendments to HKAS 12 "Income Taxes" (applied in advance of their effective date) (Continued)

Summary of the effect of the changes in accounting policies

The effect of the above change in accounting policy described above on the results for the current and prior period by line items presented in the condensed consolidated income statement is as follows:

	Six Months Ended 30 June	
	2011 HK$'000 (unaudited)	2010 HK$'000 (unaudited)
Decrease in income taxes	84,962	25,147
Increase in share of results of associates	280,632	–
Increase in profit for the period	365,594	25,147

	Six Months Ended 30 June	
	2011 HK$ (unaudited)	2010 HK$ (unaudited)
Impact on basic earnings per share		
Basic earnings per share before adjustment	3.81	1.28
Adjustment in relation to application of amendments of HKAS 12 in respect of deferred tax on investment properties	0.58	0.04
Reported basic earnings per share	4.39	1.32
Impact on diluted earnings per share		
Diluted earnings per share before adjustment	2.99	1.27
Adjustment in relation to application of amendments of HKAS 12 in respect of deferred tax on investment properties	0.58	0.04
Reported diluted earnings per share	3.57	1.31

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Amendments to HKAS 12 "Income Taxes" (applied in advance of their effective date) (Continued)

Summary of the effect of the changes in accounting policies (Continued)

The effect of the above change in accounting policy on the financial positions of the Group as at 31 December 2010 and 1 January 2010 are as follows:

	31 December 2010 (originally stated) HK$'000	Adjustments HK$'000	31 December 2010 (restated) HK$'000
Interests in associates	12,964,797	400,297	13,365,094
Deferred taxation	(759,675)	480,476	(279,199)
Total effects on net assets	12,205,122	880,773	13,085,895
Retained profits, total effects on equity	24,024,165	880,773	24,904,938

	1 January 2010 (originally stated) HK$'000	Adjustments HK$'000	1 January 2010 (restated) HK$'000
Total effects on net assets			
Deferred taxation	(632,841)	385,630	(247,211)
Retained profits, total effects on equity	20,181,221	385,630	20,566,851

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

The Group has not early applied the following new or revised standards that have been issued but are not yet effective. The following new or revised standards have been issued after the date the consolidated financial statements for the year ended 31 December 2010 were authorised for issuance and not yet effective:

HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income[1]
HKAS 19 (Revised 2011)	Employee Benefits[2]
HKAS 27 (Revised 2011)	Separate Financial Statements[2]
HKAS 28 (Revised 2011)	Investments in Associates and Joint Ventures[2]
HKFRS 10	Consolidated Financial Statements[2]
HKFRS 11	Joint Arrangements[2]
HKFRS 12	Disclosure of Interests in Other Entities[2]
HKFRS 13	Fair Value Measurement[2]

1 *Effective for annual periods beginning on or after 1 July 2012*

2 *Effective for annual periods beginning on or after 1 January 2013*

The Directors anticipate that the application of these new and revised standards will have no material impact on the results and the financial position of the Group.

3. REVENUE

Revenue represents the aggregate of gross rental income, building management service income, income from hotel and restaurant management and operations, proceeds from sales of building materials, dividend income from investments, property management and maintenance income, management service income received as a manager of real estate investment trust, property agency commission and income from fitness centre operations.

	Six Months Ended 30 June	
	2011 HK$'000 (unaudited)	2010 HK$'000 (unaudited)
Property rental income	132,178	130,471
Building management service income	9,584	9,374
Hotel income	1,801,306	1,511,789
Sales of goods	60,673	38,603
Dividend income	2,000	324,106
Management service income earned as a manager of real estate investment trust	91,786	93,617
Others	132,756	132,683
	2,230,283	2,240,643

4. SEGMENT INFORMATION

HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group. Such internal reports are regularly reviewed by the chief operating decision maker (i.e. the chairman and managing director of the Group) in order to allocate resources to segments and to assess their performance. The Group's operating and reportable segments under HKFRS 8, which are consistent with those disclosed in the Group's annual financial statements for the year ended 31 December 2010, are as follows:

Property investment	—	gross rental income and building management service income from leasing of furnished apartments and properties held for investment potential.
Hotel operation	—	hotel accommodation, food and banquet operations as well as hotel management.
Income from Champion REIT	—	management service fee income for acting as the manager of Champion Real Estate Investment Trust ("Champion REIT"), dividend income from Champion REIT up to 23 July 2010 and provision of property management services to Champion REIT.
Other operations	—	sales of building materials, restaurant operation, fitness centre operation, investment in securities, provision of property management, maintenance and property agency services.

Segment results represent the results of each segment without including any effect of allocation of interest income from bank balances and cash centrally managed, central administration costs, directors' salaries, share of results of associates, share of results of a jointly controlled entity, depreciation and amortisation, fair value changes on investment properties, derivative financial instruments and financial assets designated at fair value through profit or loss, finance costs and income taxes. This is the measurement basis reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

4. SEGMENT INFORMATION (Continued)

The following is the analysis of the Group's revenue and results by operating and reportable segment for the period under review:

Six months ended 30 June 2011

	Property investment HK$'000 (unaudited)	Hotel operation HK$'000 (unaudited)	Income from Champion REIT HK$'000 (unaudited)	Other operations HK$'000 (unaudited)	Eliminations HK$'000 (unaudited)	Consolidated HK$'000 (unaudited)
REVENUE						
External revenue	141,762	1,801,306	126,631	160,584	–	2,230,283
Inter-segment revenue	1,165	–	–	4,849	(6,014)	–
Total	142,927	1,801,306	126,631	165,433	(6,014)	2,230,283
Inter-segment revenue are charged at mutually agreed prices and are recognised when services are provided.						
RESULTS						
Segment result	89,996	419,317	110,212	123,479		743,004
Unallocated corporate income						2,087
Unallocated corporate expenses						(70,226)
Depreciation and amortisation						(172,259)
Fair value changes on investment properties						599,762
Fair value changes on derivative financial instruments						(169,751)
Fair value changes on financial assets designated at fair value through profit or loss						(1,637)
Finance costs						(49,961)
Share of results of associates						2,005,862
Share of results of a jointly controlled entity						(4,174)
Profit before tax						2,882,707
Income taxes						(112,069)
Profit for the period attributable to owners of the Company						2,770,638

4. SEGMENT INFORMATION (Continued)

Six months ended 30 June 2010

	Property investment HK$'000 (unaudited)	Hotel operation HK$'000 (unaudited)	Income from Champion REIT HK$'000 (unaudited)	Other operations HK$'000 (unaudited)	Eliminations HK$'000 (unaudited)	Consolidated HK$'000 (unaudited) (restated)
REVENUE						
External revenue	139,845	1,511,789	460,265	128,744	–	2,240,643
Inter-segment revenue	10,327	–	–	6,650	(16,977)	–
Total	150,172	1,511,789	460,265	135,394	(16,977)	2,240,643

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

	Property investment HK$'000 (unaudited)	Hotel operation HK$'000 (unaudited)	Income from Champion REIT HK$'000 (unaudited)	Other operations HK$'000 (unaudited)	Eliminations HK$'000 (unaudited)	Consolidated HK$'000 (unaudited) (restated)
RESULTS						
Segment result	88,119	228,602	445,834	121,177		883,732
Unallocated corporate income						1,031
Unallocated corporate expenses						(74,056)
Depreciation and amortisation						(165,402)
Fair value changes on investment properties						165,621
Fair value changes on derivative financial instruments						98,371
Fair value changes on financial assets designated at fair value through profit or loss						12,030
Finance costs						(62,786)
Share of results of associates						11,450
Profit before tax						869,991
Income taxes						(49,486)
Profit for the period attributable to owners of the Company						820,505

5. FINANCE COSTS

	Six Months Ended 30 June	
	2011 HK$'000 (unaudited)	2010 HK$'000 (unaudited)
Interest on bank borrowings wholly repayable within five years	26,183	34,517
Interest on other loans wholly repayable within five years	18,189	21,931
Other borrowing costs	5,589	6,338
	49,961	62,786

6. INCOME TAXES

	Six Months Ended 30 June	
	2011 HK$'000 (unaudited)	2010 HK$'000 (unaudited) (restated)
Current tax:		
Current period:		
Hong Kong Profits Tax	39,632	42,975
Other jurisdictions	9,540	10,310
	49,172	53,285
Under(over)provision in prior periods:		
Hong Kong Profits Tax	4,402	240
Other jurisdictions	(1,980)	–
	2,422	240
	51,594	53,525
Deferred tax:		
Current period	60,475	(4,039)
	112,069	49,486

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.

7. PROFIT FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY

	Six Months Ended 30 June	
	2011 HK$'000 (unaudited)	2010 HK$'000 (unaudited)
Profit for the period attributable to owners of the Company has been arrived at after charging (crediting):		
Staff costs (including directors' emoluments)	778,674	673,439
Share based payments (including directors' emoluments)	8,614	5,703
	787,288	679,142
Depreciation and amortisation on:		
Leasehold land and hotel buildings	119,168	114,059
Other property, plant and equipment	53,091	51,343
	172,259	165,402
Allowance for doubtful debts, net	830	–
Share of tax of associates (included in the share of results of associates)	43,283	1,764
Dividend income from listed investments:		
Champion REIT	–	(324,080)
Others	(2,000)	(26)
	(2,000)	(324,106)
Interest income	(89,082)	(87,714)
Gain on disposal of property, plant and equipment (included in other income)	(5)	–
Net exchange (gain) loss	(6,907)	556

8. DIVIDENDS

	Six Months Ended 30 June	
	2011 HK$'000 (unaudited)	2010 HK$'000 (unaudited)
Dividends paid:		
Final dividend of HK38 cents in respect of the financial year ended 31 December 2010 (2010: HK35 cents in respect of the financial year ended 31 December 2009) per ordinary share	237,625	217,938
Dividend declared:		
Interim dividend of HK21 cents in respect of the six months ended 30 June 2011 (2010: HK19 cents in respect of the six months ended 30 June 2010) per ordinary share	132,664	118,331

On 17 June 2011, a final dividend of HK38 cents (2010: final dividend of HK35 cents) per ordinary share, which included scrip dividend alternatives offered to shareholders, was paid to shareholders as the final dividend in respect of the financial year ended 31 December 2010. The scrip dividend alternatives were accepted by the shareholders as follows:

	Six Months Ended 30 June	
	2011 HK$'000 (unaudited)	2010 HK$'000 (unaudited)
Dividends		
Cash	79,641	215,687
Share alternative	157,984	2,251
	237,625	217,938

The Directors have determined that an interim dividend of HK21 cents (2010: HK19 cents) per ordinary share will be paid to the shareholders of the Company whose names appear in the Register of Members on 7 October 2011.

9. EARNINGS PER SHARE

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

	Six Months Ended 30 June	
	2011 HK$'000 (unaudited)	2010 HK$'000 (unaudited) (restated)
Earnings		
Earnings for the purpose of basic earnings per share	2,770,638	820,505
Effect of dilutive potential shares:		
Adjustment to the share of profit of an associate based on dilution of its earnings per share (note)	(515,520)	–
Earnings for the purpose of diluted earnings per share	2,255,118	820,505

	Six Months Ended 30 June	
	2011	2010
Number of shares		
Weighted average number of shares for the purpose of basic earnings per share	630,521,184	622,451,479
Effect of dilutive potential shares:		
Share options	1,587,270	1,534,034
Weighted average number of shares for the purpose of diluted earnings per share	632,108,454	623,985,513

Note:

The adjustment to the share of profit of an associate represents the dilutive effects on assumed conversion of outstanding convertible bonds issued by Champion REIT and issue of units of Champion REIT for settlement of management service fee incurred by Champion REIT for the period ended 30 June 2011.

10. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

During the period, the Group had additions in relation to structural improvement work on hotel properties of HK$19,363,000 (six months ended 30 June 2010: HK$71,163,000). The Group had additions of hotel buildings under development of HK$14,815,000 (six months ended 30 June 2010: nil). The additions and disposals of other property, plant and equipment were HK$85,544,000 (six months ended 30 June 2010: HK$49,632,000) and HK$15,000 (six months ended 30 June 2010: HK$8,000), respectively.

During the six months ended 30 June 2010, the investment properties with carrying value of HK$91,000,000 were transferred to property, plant and equipment due to change in use from earning rental from outsiders to owner occupation. In addition, property, plant and equipment of HK$19,711,000 were transferred to investment properties due to change in use from owner occupation to earning rental from outsiders. At the date of change in use, the fair value of the property was HK$23,500,000, the excess of fair value over the carrying value of the property at that date of HK$3,789,000 was recognised in property revaluation reserve.

At 30 June 2011 and 2010, the Directors conducted an impairment assessment on hotel properties, no reversal or additional impairment loss was recognised for the six months ended 30 June 2011 and 2010.

During the period, the Group had additions to improvement work on investment properties at a cost of HK$2,461,000 (six months ended 30 June 2010: HK$523,000).

The fair value of the Group's investment properties of HK$4,795,542,000 as at 30 June 2011 (31 December 2010: HK$4,192,297,000) 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 – Savills Valuation and Professional Services Limited

Investment properties in the United States of America – Cushman & Wakefield Western, Inc.

The valuations for 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.

11. INTERESTS IN ASSOCIATES

	30 June 2011 HK$'000 (unaudited)	31 December 2010 HK$'000 (audited) (restated)
Cost of investment in associates:		
Unlisted associates in Hong Kong	12	12
Unlisted associate in The People's Republic of China ("PRC") (note a)	368,408	189,198
Listed associates in Hong Kong:		
– Investment in Champion REIT (note b)	10,849,663	10,795,911
– Others	2,596	2,596
	10,852,259	10,798,507
Share of post acquisition profit and other comprehensive income, net of dividend received	4,034,054	2,377,377
	15,254,733	13,365,094
Fair value of listed associates	11,324,058	11,774,827

Notes:

(a) *On 19 August 2010, the Group completed an acquisition of one-third of the entire issued share capital of Magic Garden Investments Limited ("MGIL"), a wholly owned subsidiary of Shui On Investment Company Limited ("Shui On"), at a consideration of US$24,118,000 (equivalent to HK$188,120,000) pursuant to a sale and purchase agreement entered into on 1 April 2010 among an indirectly wholly owned subsidiary of the Company, the chairman and managing director of the Group and Shui On, a related company in which a director who is also a close family member of the controlling shareholder of the Company has controlling interest. MGIL indirectly holds a hotel under development in the Luwan District, Shanghai. Details of the sales and purchase agreement were disclosed in an announcement issued on 1 April 2010 and a circular dated 21 April 2010 pursuant to the Listing Rules. The Group has further injected HK$179,210,000 to the associate for funding the outstanding construction cost payable and bank loan obligations during the period ended 30 June 2011. The amount was unsecured, interest-free and has no fixed terms of repayment.*

(b) *On 23 July 2010, Champion REIT announced that amendments have been made to the Trust Deed to comply with the revisions to the Code on Real Estate Investment Trusts published by The Securities and Future Commission of Hong Kong (the "REIT Code") on 25 June 2010. The Directors of the Company evaluated the amendments to the REIT Code and the Trust Deed, and concluded that the Group is able to exert significant influence on Champion REIT upon amendment to the Trust Deed in July 2010. Accordingly, the Group's holding of units issued by Champion REIT were reclassified to investment in an associate. During the period ended 30 June 2011, management service income of HK$53,752,000 (30 June 2010: HK$99,912,000) was received by the Group as manager of Champion REIT in the form of units of Champion REIT, accordingly, cost of investment in the associate was increased by the same amount.*

12. INTEREST IN A JOINTLY CONTROLLED ENTITY

On 5 February 2010, a subscription and shareholders' agreement (the "Agreement") was signed between Queenbrook Investments Limited ("Queenbrook"), the immediate holding company of Wealth Joy Holdings Limited ("Wealth Joy"), and an independent third party investor (the "Investor") for jointly developing a plot of land in Donggang area, Renmin Road East, which is the commercial and financial centre of Dalian, PRC (the "Project"). Completion of the Agreement took place on 26 February 2010 and 50% of issued share capital of Wealth Joy was disposed to the Investor at a consideration of HK$295,500,000, which was equal to its share of net identifiable assets at the date of completion of the Agreement. Pursuant to the Agreement, the financial and operating policies of Wealth Joy require unanimous consent from the Group and the Investor. Since then, Wealth Joy became a jointly controlled entity ("JCE") of the Group. Each of the Group and the Investor had further injected HK$55,000,000 (31 December 2010: HK$224,612,000) to the JCE for funding the development of the Project during the period ended 30 June 2011.

The Group's interest in the JCE amounted to HK$587,006,000 as at 30 June 2011 (31 December 2010: HK$525,301,000).

13. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments comprise:

	30 June 2011 HK$'000 (unaudited)	31 December 2010 HK$'000 (audited)
Listed equity securities in Hong Kong	82,016	83,879
Unlisted equity securities in Hong Kong	19,781	19,781
	101,797	103,660
Market value of listed securities	82,016	83,879

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

Unlisted investments represent unlisted equity investments and club debentures. They are measured at cost less impairment at the end of the reporting period because the range of reasonable fair value estimates is so widespread that the Directors are of the opinion that their fair values cannot be measured reliably since significant subjective judgments are required in valuing their underlying assets.

14. INVESTMENT IN CONVERTIBLE BONDS

	Straight debt HK$'000 (unaudited)	Embedded derivatives HK$'000 (unaudited)	Total HK$'000 (unaudited)
At 1 January 2011	2,551,177	758,820	3,309,997
Interest income recognised during the period	79,919	–	79,919
Interest received	(11,700)	–	(11,700)
Change in fair value	–	(170,182)	(170,182)
At 30 June 2011	2,619,396	588,638	3,208,034

On 3 June 2008, the Group subscribed an aggregate principal amount of HK$2,340 million 1% guaranteed convertible bonds due 2013 ("Bonds") issued by Champion REIT. Details of the transaction were set out in the announcement of the Company dated 28 May 2008 and 3 June 2008.

The Bonds entitle the holders to convert them into units of Champion REIT at any time on or after 3 June 2009 up to the date which is seven days prior to 3 June 2013 at conversion price adjusted to HK$3.61 per unit on 16 May 2011. If the holder has elected to convert the Bonds, the issuer shall have an option to pay to the holders in whole or in part an amount of cash equal to the market values of the number of units deliverable. If the Bonds have not been converted, redeemed by the issuer or the holders or purchased and cancelled, they will be redeemed on 3 June 2013 at 123.94% of the outstanding principal amount. Interest of 1% will be paid semi-annually in arrears on 3 June and 3 December each year, commencing on 3 December 2008.

The Bonds has been split between a straight debt receivable component and embedded derivatives. The effective interest rate of the straight debt receivable component is 6.27% per annum.

The fair value of the embedded derivatives at the end of the reporting period is based on valuation carried out by an independent valuer. The fair value is determined based on the Binomial model using assumptions, some of which are supported by observable market data, including dividend yield of 5.56% (31 December 2010: 4.64%), unit price of Champion REIT at HK$4.37 (31 December 2010: HK$4.59), risk-free rate of 0.28% (31 December 2010: 0.83%) in respect of the Bonds, and expected volatility of 37.7% (31 December 2010: 39.75%) with reference to Champion REIT's historical volatility of the past 2 years (31 December 2010: 2.5 years).

15. NOTES RECEIVABLE

	30 June 2011 HK$'000 (unaudited)	31 December 2010 HK$'000 (audited)
Unsecured bonds	34,131	72,126
Medium term notes	157,829	157,740
	191,960	229,866
Less: Amounts due within one year shown under current assets	(29,977)	(55,819)
Amounts due after one year	161,983	174,047

At 30 June 2011, the Group held unsecured bonds and medium term notes with principal amounts of HK$34,131,000 (31 December 2010: HK$72,126,000) and HK$157,829,000 (31 December 2010: HK$157,740,000), respectively, issued by reputable financial institutions.

The unsecured bonds are denominated in Australian dollars and carry annual fixed coupon interest rates ranging from 6% to 7% (31 December 2010: 5.125% to 7%) per annum, or bank-bill reference rate in Australia plus certain spread with maturity dates ranging from September 2011 to August 2012 (31 December 2010: January 2011 to August 2012), while the medium term notes, which are denominated in Hong Kong dollars and United States dollars, carry interest at fixed rates ranging from 3% to 5.15% (31 December 2010: 3% to 5.15%) per annum in the first six to twelve months starting from the issue dates and at variable rates based on either 3-month London Interbank Offered Rate or 3-month Hong Kong Interbank Offered Rate, thereafter till the maturity dates ranging from August 2012 to August 2013 (31 December 2010: in August 2012).

16. DEBTORS, DEPOSITS AND PREPAYMENTS

	30 June 2011 HK$'000 (unaudited)	31 December 2010 HK$'000 (audited)
Trade debtors, net of allowance for doubtful debts	309,772	267,542
Deferred rent receivables	22,441	21,410
Other receivables	45,472	45,280
Deposits and prepayments	70,344	61,517
	448,029	395,749

For sales of goods, the Group allows an average credit period of 30 – 60 days to its trade customers. Rentals receivable from tenants and service income receivable from customers are payable on presentation of invoices. For hotel income, the Group allows a credit period of 30 days to certain customers.

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

	30 June 2011 HK$'000 (unaudited)	31 December 2010 HK$'000 (audited)
0 – 3 months	267,540	241,330
3 – 6 months	21,801	11,270
Over 6 months	20,431	14,942
	309,772	267,542

17. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2011 HK$'000 (unaudited)	31 December 2010 HK$'000 (audited)
Structured deposits and notes designated at fair value through profit or loss	84,547	77,740

17. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

At 30 June 2011, the Group held principal protected structured deposits and notes with fair value of HK$84,547,000 (31 December 2010: HK$77,740,000) with a bank and a financial institution with maturity ranging from July 2011 to September 2011 (31 December 2010: in September 2011). The structured deposits and notes are denominated in United States dollars and Australian dollars. They contain embedded derivatives with their interest components linked to foreign exchange rate movements which are not closely related to the host contracts. The entire structured deposits and notes have been designated as financial assets at fair value through profit or loss on initial recognition.

The fair values of structured deposits and notes designated at fair value through profit or loss at the end of the reporting periods are provided by a counterparty bank and a financial institution.

18. CREDITORS, DEPOSITS AND ACCRUALS

	30 June 2011 HK$'000 (unaudited)	31 December 2010 HK$'000 (audited)
Trade creditors	132,564	164,558
Rental deposits	248,828	198,411
Construction fee payable and retention money payable	3,031	3,263
Accruals, interest payable and other payables	377,575	389,127
	761,998	755,359

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

	30 June 2011 HK$'000 (unaudited)	31 December 2010 HK$'000 (audited)
0 – 3 months	118,063	156,926
3 – 6 months	5,290	2,257
Over 6 months	9,211	5,375
	132,564	164,558

19. BORROWINGS

	30 June 2011 HK$'000 (unaudited)	31 December 2010 HK$'000 (audited)
Bank loans and revolving loans (secured)	2,472,931	2,469,881
Other non-current loans (secured)	1,017,035	1,019,641
	3,489,966	3,489,522
Loan front-end fee	(9,599)	(5,254)
	3,480,367	3,484,268
The maturity of the above loans is as follows:		
On demand or within one year	549,740	798,318
More than one year but not exceeding two years	2,242,238	2,559,211
More than two years but not exceeding five years	688,389	126,739
	3,480,367	3,484,268
Less: Amounts due within one year shown under current liabilities	(549,740)	(798,318)
Amounts due after one year	2,930,627	2,685,950

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

	30 June 2011 (unaudited)	31 December 2010 (audited)
Effective interest rate:		
Fixed-rate borrowings	3.84% to 6.09%	4.91% to 6.09%
Variable-rate borrowings	0.79% to 6.13%	1.41% to 5.96%

At the end of the reporting period, included in the Group's borrowings are fixed-rate borrowings with carrying amount of HK$497,072,000 (31 December 2010: HK$499,013,000), the remaining balances were variable-rate borrowings.

20. SHARE CAPITAL

	30 June 2011 (unaudited)		31 December 2010 (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	800,000	400,000	800,000	400,000
Issued and fully paid:				
Shares of HK$0.50 each				
Balance brought forward	622,810	311,404	621,827	310,913
Issued upon exercise of share options under the share option scheme	2,744	1,372	870	435
Issued as scrip dividends	6,181	3,091	113	56
Balance carried forward	631,735	315,867	622,810	311,404

During the period ended 30 June 2011, 6,180,898 (31 December 2010: 112,859) shares of HK$0.50 each in the Company were issued at HK$25.56 (31 December 2010: HK$19.94) per share as scrip dividends.

21. MAJOR NON-CASH TRANSACTIONS

(a) During the period ended 30 June 2011, 6,180,898 (31 December 2010: 112,859) shares of HK$0.50 each in the Company were issued at HK$25.56 (31 December 2010: HK$19.94) per share as scrip dividends.

(b) During the period ended 30 June 2011, management service income of HK$53,752,000 (30 June 2010: HK$99,912,000) was received as manager of Champion REIT in the form of units of Champion REIT. The units were classified as interests in associates.

During the period ended 30 June 2011, management service income of HK$91,786,000 (30 June 2010: HK$93,617,000) was earned as manager of Champion REIT in which HK$55,072,000 (30 June 2010: HK$59,311,000) will be settled in the form of units of Champion REIT. The remaining balance of HK$36,714,000 (30 June 2010: HK$34,306,000) will be settled by cash, both amounts will be settled subsequent to the period end.

(c) During the period ended 30 June 2010, 37,160,820 units of Champion REIT were received in lieu of cash in regards of the distributions for the six months ended 31 December 2009 amounting to HK$129,632,000 on initial recognition. The units were classified as available-for-sale investments and are held for long term purpose.

22. SHARE-BASED PAYMENTS

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 (unaudited)
Outstanding at 1 January 2011	8,309,000
Granted during the period	3,047,000
Exercised during the period	(2,744,000)
Lapsed during the period	(200,000)
Outstanding at 30 June 2011	8,412,000

The closing price of the Company's shares immediately before 7 March 2011, the date of grant, was HK$26.15.

The weighted average closing price of the Company's shares immediately before the date on which the options were exercised was HK$25.49.

During the period, share options were granted on 7 March 2011. The fair value of the options determined at the date of grant using the Black-Scholes option pricing model was HK$6.57. The exercise price of the options was HK$26.18. The options were exercisable for 36 months on the expiry of 24-month vesting period after the date of grant.

23. COMMITMENTS AND CONTINGENT LIABILITIES

At 30 June 2011, the Group has authorised capital expenditure for acquisition of investment properties and property, plant and equipment which is not provided for in these condensed consolidated financial statements amounting to HK$720,821,000 (31 December 2010: HK$73,744,000) of which HK$86,877,000 (31 December 2010: HK$69,517,000) was contracted for.

At 30 June 2011, the Group has outstanding financial commitment in respect of capital injection to a jointly controlled entity of RMB87,910,000 (equivalent to HK$104,610,000) (31 December 2010: HK$152,000,000) and share of commitment of construction cost to completion of a hotel property owned by an associate of RMB119,669,000 (equivalent to HK$144,081,000) (31 December 2010: HK$275,000,000).

In addition to the above, the Group has provided several corporate guarantee and a charge over its interest in the share capital of an associate to a bank in respect of the Group's share of banking facility utilised by the associate of US$14,625,000 (equivalent to HK$113,825,000) (31 December 2010: US$20,000,000 (equivalent to HK$152,000,000)). In the opinion of the Directors of the Company, because the banking facility is secured by a hotel property owned by the associate and the market value of the hotel property is higher than the guaranteed amount, the fair value of the financial guarantees is insignificant.

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

24. 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.

Related companies are companies in which Mr. Lo Hong Sui, Vincent and Mr. Lo Kai Shui, directors of the Company who are also close family members of the controlling shareholder, have controlling interests.

	Six Months Ended 30 June	
	2011 HK$'000 (unaudited)	2010 HK$'000 (unaudited)
Transactions with associates for the period		
Interest received on investment in convertible bonds	11,700	–
License fee and hotel management fee income	853	–
Asset management fee income	91,786	–
Marketing service income	9,162	–
Property management service income	25,683	–
Repairs and maintenance income	2,089	–
Supply procurement and consultancy services income	963	–
Rental and building management fee expense	13,928	–
Transactions with a jointly controlled entity for the period		
Project advisory income	9,116	9,287
Investment management income	5,929	4,095
Transactions with related companies for the period		
Trading income	482	422
Rental and building management fee income	3,081	2,512
Management service income	570	360
Rental charges	300	300
Procurement income	–	689
Consultancy service income	150	–

24. RELATED PARTY DISCLOSURES (Continued)

	30 June 2011 HK$'000 (unaudited)	31 December 2010 HK$'000 (audited)
Balances with associates and related companies as at		
Amounts due from associates (note a)	12,077	12,077
Amounts due from associates (note b) (included in trade debtors under debtors, deposits and prepayments)	112,655	110,413
Amounts due from related companies (note b) (included in debtors, deposits and prepayments)	832	462
Amounts due to related companies (note b) (included in creditors, deposits and accruals)	882	854

Notes:

(a) The amounts due from associates are unsecured, interest-free and have no fixed repayment terms. The associates are not expected to repay within twelve months from the end of the reporting period and the balances are classified as non-current.

(b) The amounts are unsecured, interest-free and repayable on demand.

In addition to the above balance with associates, the Group subscribed the Bonds issued by Champion REIT, a listed associate of the Group, details of the Bonds are disclosed in note 14.

DEFINITIONS

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

Term	Definition
"1999 Share Option Scheme"	the former Executive Share Option Scheme of the Company adopted by an ordinary resolution passed on 10 June 1999 and amended by an ordinary resolution passed on 20 December 2001
"2009 Share Option Scheme"	the share option scheme of the Company adopted by an ordinary resolution passed on 27 May 2009
"Bonds"	the 1% guaranteed convertible bonds due 2013 issued by Champion REIT
"CG Code"	the Code on Corporate Governance Practices set out in Appendix 14 to the Listing Rules
"Champion REIT"	Champion Real Estate Investment Trust (Stock Code: 2778), an associate of the Company, the units of which are listed on the Stock Exchange, in which the Group has an interest of approximately 51.55% as at 30 June 2011
"Code of Conduct for Securities Transactions"	Code of Conduct regarding Securities Transactions by Directors and relevant employees of the Company
"Company"	Great Eagle Holdings Limited
"Core profit"	Profit from core business after tax
"EBITDA"	Earning before interest, taxes, depreciation and amortization
"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
"JCE"	Jointly controlled entity
"Listing Rules"	Rules Governing the Listing of Securities on the Stock Exchange
"MGIL"	Magic Garden Investments Limited, a limited company incorporated in the British Virgin Islands and an associate of the Company, in which the Group has an interest of 33.33%
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers
"new and revised HKFRSs"	New or revised standards and amendments issued by the HKICPA
"PRC"	The People's Republic of China
"Queenbrook"	Queenbrook Investments Limited, a limited company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of the Company
"Recruit Holdings"	Recruit Holdings Limited (Stock Code: 550), an associate of the Company, the shares of which are listed on the Stock Exchange, in which the Group has an interest of approximately 19.63% as at 30 June 2011
"RevPAR"	Revenue per available room
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"REIT Code"	the Code on Real Estate Investment Trusts published by the Securities and Futures Commission of Hong Kong
"Wealth Joy"	Wealth Joy Holdings Limited, a limited company incorporated in the British Virgin Islands and a jointly controlled entity of the Group

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