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

(Stock Code: 41)

2021 INTERIM RESULTS ANNOUNCEMENT

The Board of Directors of Great Eagle Holdings Limited (the "**Company**") announces the unaudited consolidated financial results of the Company and its subsidiaries (collectively the "**Group**") for the six months ended 30 June 2021 as follows:

	Six months ended 30 June		
	2021 ***HK$ million***	**2020** ***HK$ million***	**Change**
Key Financials on Income Statement			
Based on core business [1]			
Revenue based on core business	**2,563.8**	**1,666.3**	**53.9%**
Core profit after tax attributable to equity holders	**534.9**	**88.8**	**502.4%**
Core profit after tax attributable to equity holders (per share)	**HK$ 0.74**	**HK$ 0.12**	
Based on statutory accounting principles [2]			
Revenue based on statutory accounting principles	**3,569.3**	**2,724.4**	**31.0%**
Statutory loss attributable to equity holders	**(784.0)**	**(6,512.8)**	**- 88.0%**
Interim dividend (per share)	**HK$ 0.33**	**HK$ 0.33**	
Special interim dividend (per share)	**-**	**HK$ 1.50**	

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

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

	As at the end of	
	June 2021	**December 2020**
Key Financials on Balance Sheet		
Based on share of Net Assets of Champion REIT, LHI and the U.S. Fund (core balance sheet) [1]		
Net gearing	11.9%	1.2%
Book value (per share)	HK$88.9	HK$92.1
Based on statutory accounting principles [2]		
Net gearing [3]	38.9%	25.6%
Book value (per share)	HK$79.0	HK$81.7

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

[2] As for the Group's balance sheet prepared under the statutory accounting principles, the entire debts of Champion REIT, LHI and the U.S. Fund were consolidated in aggregate. However, the Group only owns a 67.32%, 69.31% and 49.97% equity stake of Champion REIT, LHI and the U.S. Fund respectively as at the end of June 2021.

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

Core Profit - Financial Figures based on core business

	Six months ended 30 June		
	2021 *HK$ million*	2020 *HK$ million*	Change
Revenue from core business			
Revenue from property sales	957.6	-	n.a.
Hotels Division	725.9	734.2	- 1.1%
Gross rental income	76.4	96.7	- 21.0%
Management fee income from Champion REIT	185.6	191.4	- 3.0%
Distribution income from Champion REIT ^	478.5	482.1	- 0.7%
Distribution income from LHI ^	-	-	-
Other operations	139.8	161.9	- 13.7%
Total revenue	**2,563.8**	**1,666.3**	**53.9%**
Income from property sales	424.3	-	n.a.
Hotels EBITDA	(270.6)	(357.2)	- 24.2%
Net rental income	54.3	70.9	- 23.4%
Management fee income from Champion REIT	185.6	191.4	- 3.0%
Distribution income from Champion REIT ^	478.5	482.1	- 0.7%
Distribution income from LHI ^	-	-	-
Operating income from other operations	54.4	52.2	4.2%
Operating income from core business	**926.5**	**439.4**	**110.9%**
Depreciation	(158.9)	(188.2)	- 15.6%
Administrative and other expenses	(191.2)	(279.2)	- 31.5%
Other income	5.1	9.3	- 45.2%
Interest income	46.7	100.2	- 53.4%
Finance costs	(77.0)	(77.8)	- 1.0%
Share of results of joint ventures	(6.0)	13.9	- 143.2%
Share of results of associates	3.6	4.3	- 16.3%
Core profit before tax	**548.8**	**21.9**	**n.m.**
Income taxes	(13.8)	67.8	- 120.4%
Core profit after tax	**535.0**	**89.7**	**496.4%**
Non-controlling interest	(0.1)	(0.9)	- 88.9%
Core profit attributable to equity holders	**534.9**	**88.8**	**502.4%**

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

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

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

30 June 2021

	Assets	**Liabilities**	**Net Assets**
	HK$ million	***HK$ million***	***HK$ million***
Great Eagle operations	**43,895**	**18,090**	**25,805**
Champion REIT	**46,288**	**12,658**	**33,630**
LHI	**10,093**	**4,805**	**5,288**
U.S. Fund	**453**	**181**	**272**
	100,729	**35,734**	**64,995**

31 December 2020

	Assets	Liabilities	Net Assets
	HK$ million	*HK$ million*	*HK$ million*
Great Eagle operations	35,425	9,681	25,744
Champion REIT	48,192	13,500	34,692
LHI	10,441	4,812	5,629
U.S. Fund	451	181	270
	94,509	28,174	66,335

Financial Figures based on statutory accounting principles

	Six months ended 30 June		
	2021 *HK$ million*	**2020** *HK$ million*	**Change**
Revenue based on statutory accounting principles			
Revenue from property sales	957.6	-	n.a.
Hotels Division	1,010.1	979.4	3.1%
Gross rental income	76.4	96.7	- 21.0%
Other operations (including management fee income from Champion REIT)	325.4	353.4	- 7.9%
Gross rental income - Champion REIT	1,397.3	1,487.8	- 6.1%
Gross rental income - LHI	112.5	104.9	7.2%
Gross revenue - U.S. Fund	34.0	49.2	- 30.9%
Elimination on intragroup transactions	(344.0)	(347.0)	- 0.9%
Consolidated total revenue	**3,569.3**	**2,724.4**	**31.0%**
Income from property sales	424.3	-	n.a.
Hotels EBITDA	(270.6)	(357.2)	- 24.2%
Net rental income	54.3	70.9	- 23.4%
Operating income from other operations (including management fee income from Champion REIT)	240.0	243.6	- 1.5%
Net rental income - Champion REIT	995.6	1,051.0	- 5.3%
Net rental income - LHI	92.5	89.6	3.2%
Net operating income/(loss) - U.S. Fund	4.8	(3.2)	- 250.0%
Elimination on intragroup transactions	(33.2)	(40.8)	- 18.6%
Consolidated operating income	**1,507.7**	**1,053.9**	**43.1%**
Depreciation	(412.5)	(409.7)	0.7%
Fair value changes on investment properties	(1,864.6)	(9,403.1)	- 80.2%
Fair value changes on derivative financial instruments	167.0	(114.8)	- 245.5%
Fair value changes on financial assets at fair value through profit or loss	26.6	(3.4)	- 882.4%
Administrative and other expenses	(203.2)	(229.0)	- 11.3%
Other income (including interest income)	99.0	130.2	- 24.0%
Finance costs	(367.1)	(403.2)	- 9.0%
Share of results of joint ventures	19.8	13.9	42.4%
Share of results of associates	3.6	4.3	- 16.3%
Statutory loss before tax	**(1,023.7)**	**(9,360.9)**	**- 89.1%**
Income taxes	(138.8)	(61.2)	126.8%
Statutory loss after tax	**(1,162.5)**	**(9,422.1)**	**- 87.7%**
Non-controlling interest	14.1	73.9	- 80.9%
Non-controlling unitholders of Champion REIT	364.4	2,835.4	- 87.1%
Statutory loss attributable to equity holders	**(784.0)**	**(6,512.8)**	**- 88.0%**

OVERVIEW

Despite unprecedented challenges from the COVID-19 pandemic, which continue to place pressure across our businesses, the Group's core profit in the first half of 2021 was lifted by the profit booked for the 75 units delivered to buyers at ONTOLO, our luxury residential development project. The Group's core profit was HK$534.9 million in the first half of 2021 (1H 2020: HK$88.8 million), after factoring in an operating income of HK$424.3 million from ONTOLO. Meanwhile, the Group's statutory result, which included revaluation deficit and fair value changes on financial instruments, came to a loss attributable to equity holders of HK$784.0 million in the first half of 2021 (1H 2020: HK$6,512.8 million). Against an overall difficult operating environment, the Group continued to look for opportunities to expand its quality asset base and in February 2021, the Group successfully acquired the development rights for a luxury residential project in Ho Man Tin, Hong Kong.

The Ho Man Tin project, with a gross floor area of approximately 742,000 sq. ft., sits on top of the Ho Man Tin Mass Transit Railway (MTR) station. This is a traditional area for luxury residences and Ho Man Tin station will be connected to the Shatin-Central link, which is expected to significantly shorten the travel times between Ho Man Tin and other core business districts. The Group acquired the rights from an independent third party at his original acquisition cost of 2016. The Group has assumed all project costs, including outstanding land premiums and loans drawn. The Group's return from the project will comprise (i) a share of development profits; (ii) project management and other professional fees; and (iii) financial charges including a fixed interest rate on all capital which the Group injected for the project. We expect presale of the project to start in 2023 with completion by end of 2024.

The Group has also completed the development of a new tower with 244 hotel rooms located next to our Cordis, Auckland in the third quarter of 2021, as the Group took advantage of an underutilised plot ratio available at the site. The newly-added rooms is expected to open for business in the fourth quarter of 2021, and with the combined 631 rooms available at the hotel, this makes Cordis, Auckland the largest upscale hotel in the city's downtown. Meanwhile, The Langham, Boston, reopened in late June 2021 following the completion of a major renovation programme that was delayed due to COVID-19.

As for the Group's interim results, the majority of our overseas hotels continued to be negatively impacted by on-going travel restrictions, as well as mandatory quarantine requirements throughout the first half of 2021. However, after implementation of stringent cost controls and an appropriate scale-down of hotel operations, along with hotels in Mainland China witnessing a decent recovery, loss before interest, taxes and depreciation of the Hotels Division narrowed to HK$270.6 million in the first half of 2021 (1H 2020: HK$357.2 million).

Given that LHI generated an insignificant amount of distribution income amid the still lacklustre performances of its three hotels in Hong Kong due to the COVID-19 pandemic, LHI did not declare a distribution for the first half of 2021 (1H 2020: nil).

Distribution income from Champion REIT dropped by 0.7% year-on-year to HK$478.5 million for the first half of 2021 (1H 2020: HK$482.1 million). Meanwhile, management fee income from Champion REIT fell by 3.0% year-to-year to HK$185.6 million in the first half of 2021 (1H 2020: HK$191.4 million). Net rental income from our investment portfolio dropped by 23.4% year-on-year to HK$54.3 million in the first half of 2021 (1H 2020: HK$70.9 million).

Performance from the Group's other business operations rose 4.2% to HK$54.4 million in the first half of 2021 (1H 2020: HK$52.2 million).

Nonetheless, the Group's operating income rose 110.9% to HK$926.5 million in the first half of 2021 (1H 2020: HK$439.4 million), driven by a HK$424.3 million operating income booked for the 75 units at ONTOLO that were delivered to buyers during that period.

Administration and other expenses fell 31.5% to HK$191.2 million in the first half of 2021 amidst stringent cost controls, whereas net finance expense amounted to HK$30.3 million during the reporting period (1H 2020: net finance income of HK$22.4 million). Share of losses from joint ventures came to HK$6.0 million in the first half of 2021 (1H 2020: share of profits of HK$13.9 million), due to our share of outstanding construction costs booked in relation to the Miami project. Core profit attributable to equity holders rose by 502.4% to HK$534.9 million in the first half of 2021 (1H 2020: HK$88.8 million).

Despite the global operating environment being adversely affected, Great Eagle's financial position remains healthy and the Group is expected to withstand the pandemic without significant stress. During the third quarter of 2021, the Group successfully established a Medium Term Note Programme, which will allow the Group to take advantage of a potential buoyant funding market and provide it with more diverse and flexible funding channels.

BUSINESS REVIEW

Breakdown of Operating Income	Six months ended 30 June		
	2021	2020	
	HK$ million	*HK$ million*	Change
1. Income from property sales	424.3	-	n.a.
2. Hotels EBITDA	(270.6)	(357.2)	- 24.2%
3. Income from Champion REIT	664.1	673.5	- 1.4%
4. Distribution Income from LHI	-	-	-
5. Net Rental Income from investment properties	54.3	70.9	- 23.4%
6. Operating Income from other operations	54.4	52.2	4.2%
Operating income from core business	**926.5**	**439.4**	**110.9%**

1. PROPERTY SALES

ONTOLO, Pak Shek Kok

The site, which is located in Pak Shek Kok, Tai Po and commands spectacularly unobstructed sea views over Tolo Harbour was acquired in May 2014. The development, with a total permissible gross floor area of 730,870 sq. ft. or saleable area of 635,612 sq. ft., comprises 723 luxury residential units and 456 parking spaces, and was completed in the fourth quarter of 2020. During the first half of 2021, 75 residential units and 23 parking spaces were sold and delivered to buyers, resulting in revenue and operating profit contribution from the project of HK$957.6 million and HK$424.3 million, respectively, during the period. Average sales price for the residential units reached HK$18,233 per sq. ft. based on saleable area, and average sales price was HK$2.53 million per unit for the parking spaces sold during the period. As at the end of June 2021, 545 residential units had been sold from a total of 723 units.

2. HOTELS DIVISION

Hotels Performance

	Average Daily Rooms Available		Occupancy		Average Room Rate (local currency)		RevPAR (local currency)	
	1H 2021	1H 2020	1H 2021	1H 2020	1H 2021	1H 2020	1H 2021	1H 2020
Europe								
The Langham, London	380	380	4.7%	29.5%	416	324	20	96
North America								
The Langham, Boston#	304	-	2.0%	-	482	-	10	-
The Langham Huntington, Pasadena	379	379	22.3%	27.1%	347	284	77	77
The Langham, Chicago	316	316	26.2%	26.2%	439	359	115	94
The Langham, New York, Fifth Avenue	234	234	21.0%	27.2%	552	486	116	132
Eaton, Washington D.C.	209	209	20.7%	23.1%	160	203	33	47
Chelsea Hotel, Toronto	1,590	1,590	12.1%	25.7%	106	148	13	38
Australia / New Zealand								
The Langham, Melbourne	388	388	27.9%	35.9%	320	352	89	127
The Langham, Sydney	96	96	41.8%	31.7%	519	495	217	157
Cordis, Auckland	387	374	39.9%	49.4%	217	239	87	118
Mainland China								
The Langham, Shanghai, Xintiandi	353	355	68.2%	31.9%	1,235	1,191	842	380
Cordis, Shanghai, Hongqiao	394	395	62.8%	20.2%	763	709	479	143

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

	Six months ended 30 June		
	2021 *HK$ million*	2020 *HK$ million*	Change
Hotels Revenue			
Europe	28.1	102.1	- 72.5%
North America	231.4	355.2	- 34.9%
Australia / New Zealand	229.4	164.2	39.7%
Mainland China	187.3	83.6	124.0%
Others (including hotel management fee income)	49.7	29.1	70.8%
Total hotels revenue	**725.9**	**734.2**	**- 1.1%**
Hotels EBITDA			
Europe	(22.5)	(15.9)	41.5%
North America	(161.8)	(170.8)	- 5.3%
Australia / New Zealand	(18.7)	(15.8)	18.4%
Mainland China	33.6	(17.6)	- 290.9%
Others (including hotel management fee income)	(101.2)	(137.1)	- 26.2%
Total hotels EBITDA	**(270.6)**	**(357.2)**	**- 24.2%**

The performance of our overseas hotels for the first six months of 2021 has been mixed. They have been impacted by varying levels of restrictive measures in accordance with the number of COVID-19 cases in different countries. In the first half of 2021, Mainland China avoided new major waves of infection, which stalled progress elsewhere, especially in the U.K., allowing it to pull ahead in terms of economic recovery. This has helped our hotels in Mainland China enjoy a strong recovery during the first half of 2021 that resulted in a significant increase in revenue from Mainland China during the period.

Total revenue for the Hotels Division dropped by 1.1% year-on-year to HK$725.9 million in the first half of 2021. After accounting for operating loss and rental payment shortfall of HK$129.8 million incurred as the lessee of LHI's hotels, and which are included under the "Others" breakdown of the Hotels Division's operating results, the Hotels Division incurred a loss before interest, taxes and depreciation of HK$270.6 million in the first half of 2021 (1H 2020: HK$357.2 million). The loss has factored in HK$43.6 million in government subsidies received, as compared with subsidies of HK$60.4 million received in the same period last year.

EUROPE

The Langham, London

The Langham, London was closed for the first four months of 2021 due to stay-at-home orders imposed by the government. The hotel reopened its accommodation and some of its restaurants in May 2021, as permitted by authorities, but some restrictive measures remained in place until mid-July 2021. In the first half of 2021, government relief subsidy amounting to HK$19.0 million was booked for the hotel.

NORTH AMERICA

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

The Langham, Boston, reopened in late June 2021 following the completion of a major renovation programme that was delayed due to COVID-19. However, performance of The Langham, Chicago, The Langham, New York, Fifth Avenue, The Langham Huntington, Pasadena and Eaton, Washington D.C. continued to be affected by social distancing restrictions and a ban on indoor dining throughout the first quarter of 2021. In June, most US cities had fully reopened and our hotels are gradually seeing revenue uptrend as rooms, restaurants and catering businesses resumed.

Our qualified hotels in the U.S. have received loan funding under the Paycheck Protection Program ("PPP") since 2020. Of which, US$6.6 million of the applied PPP loan had been formally forgiven by the government in August 2021, this will be booked as government relief subsidy in our income statement in the Group's 2021 annual results.

Chelsea Hotel, Toronto

Toronto was mostly in lockdown for the first six months of 2021, attributed to the worsening pandemic situation. The city started to reopen on a phased roadmap in June 2021. Hence, the Chelsea Hotel had a significantly low level of occupancy in the first half of 2021. During the first half of 2021, government relief subsidy amounting to HK$13.6 million was booked for the hotel.

During the first half of 2021, the Group continued to work on the right to redevelop the Chelsea Hotel site into a mixed-use project with a 400-key hotel, two residential condominium towers and a small amount of commercial space which together would more than double the existing aggregate gross floor area. After securing the Entitlement Rights per our development application in formal written in 2019, the Group submitted a Site Permit application to the City Planning in December 2019 and expected to receive Construction Permit approval in about 18-24 months' time. Our development team continues to assess market forces in order to determine the optimal timing to launch the redevelopment of the Chelsea site. During the period, the Group is closely monitoring condominium market trends and condition. Meanwhile, the Chelsea Hotel operation will continue.

AUSTRALIA / NEW ZEALAND

The Langham, Melbourne and The Langham, Sydney

Our Australian hotels were impacted by intermittent lockdowns during the second quarter of 2021 as the number of infections rose. Both The Langham, Melbourne and The Langham, Sydney received numerous cancellations in rooms and restaurants following the lockdown announcement. In the first half of 2021, government relief subsidy amounting to HK$8.0 million was booked for The Langham, Melbourne.

Cordis, Auckland
Gradual improvement has been witnessed in Auckland, supported by the domestic leisure business and domestic corporate activity making a comeback. Restaurants and catering businesses began to recover as restrictions were lifted. A new bar opened in March 2021 and has received positive reviews from local media. In the first half of 2021, government relief subsidy amounting to HK$2.4 million was booked for the hotel.

Construction of the new Pinnacle Tower, which comprises 244 rooms, was completed in the third quarter of 2021, and the Tower is scheduled to open in the fourth quarter of 2021.

MAINLAND CHINA
The Langham, Shanghai, Xintiandi and Cordis, Shanghai, Hongqiao
Our hotels in Shanghai saw a strong recovery in occupancy during the first half of the year. Rooms revenue was supported by a good mix of domestic leisure, corporate and group businesses. However, both hotels were challenged by rate pressure and resurgence of Covid cases in nearby regions of Mainland China. Cordis, Hongqiao continued to see revenue uptrend in its Chinese restaurant, after it was awarded one diamond by the "Black Pearl Restaurant Guide 2021" for the third consecutive year in March 2021.

Hotel Management Business
Results of the Hotels Division also included hotel management fee income from pure managed hotels and any surplus or shortfall incurred by the Group as the lessee of LHI's hotels, which are included under the "Others" breakdown of the Hotels Division's operating results. The loss incurred in "Others" in the first half of 2021 was primarily due to the shortfall of HK$129.8 million incurred by the Group as the lessee of LHI's hotels.

As at the end of June 2021, there were eleven hotels with approximately 3,200 rooms in our management portfolio. The most recent hotel added to the portfolio was Langham Place, Changsha, which opened in May 2021 with 294 rooms.

3. INCOME FROM CHAMPION REIT

The Group's core profit is based on the attributable distribution income and management fee income from Champion REIT in respect of the same financial period. On that basis, total income from Champion REIT in the first half of 2021 dropped by 1.4% to HK$664.1 million. Of which, distribution income decreased by 0.7% year-on-year to HK$478.5 million, as the REIT declared a 2.0% decline in distribution per unit and our holdings in the REIT has been increased from 66.61% as at the end of June 2020 to 67.32% as at the end of June 2021. Given the decline in the net property income of Champion REIT, overall management fee income from Champion REIT dropped by 3.0% to HK$185.6 million in the first half of 2021.

	Six months ended 30 June		
	2021	**2020**	
	HK$ million	***HK$ million***	**Change**
Attributable distribution income	478.5	482.1	- 0.7%
Management fee income	185.6	191.4	- 3.0%
Total income from Champion REIT	**664.1**	**673.5**	**- 1.4%**

The following text was extracted from the 2021 interim results announcement of Champion REIT relating to the performance of the REIT's properties.

Three Garden Road

Under a depressed market environment with various travel restrictions imposed around the globe, prospective tenants continued to be prudent in their leasing strategies. The lead time for securing replacement tenants also tend to be longer compared to before the pandemic. Total rental income of Three Garden Road declined by 4.6%, mainly due to lower average occupancy. Most arrangements under negative rental reversion will take effect in the second half of the year. Office passing rents remained steady at HK$111.1 per sq. ft. (based on lettable area) as at 30 June 2021 compared with HK$110.4 per sq. ft. as at 31 December 2020. Office occupancy declined to 85.0% as at 30 June 2021 (31 December 2020: 86.8%). Net property income decreased by 3.3% to HK$665 million (1H 2020: HK$687 million). Net property operating expenses declined by HK$13 million, mainly due to lower rental commission as a result of lower tenancy turnover.

Langham Place Office Tower

Pent-up demand from lifestyle occupiers boosted occupancy of the property to 91.0% as at 30 June 2021 compared with 88.7% as at 31 December 2020. However, negative rental reversion and lower average occupancy pushed down rental income of the property by 8.2% to HK$178 million (1H 2020: HK$194 million). Passing rents slid slightly to HK$47.6 per sq. ft. (based on gross floor area) as at 30 June 2021 compared with HK$47.7 per sq. ft. as at 31 December 2020. Net property operating expenses decreased by 2.7% to HK$16 million (1H 2020: HK$17 million), mainly due to decrease in net promotion expenses. Net property income declined by 8.7% to HK$162 million (1H 2020: HK$177 million).

Langham Place Mall

Despite a rebound in the retail business, the sales level was still significantly below its peak in 2018. Total rental income declined 8.4% to HK$347 million (1H 2020: HK$378 million). The base rent portion decreased by 11.7% to HK$306 million (1H 2020: HK$347 million) as a result of negative rental reversion and an increase in the number of tenants paying turnover rent only. Turnover rent portion increased to HK$15 million (1H 2020: HK$9 million) but at a rate that is insufficient to offset the drop in base rent. The proportion of tenants paying turnover rent was 14.3% of area as at 30 June 2021. The average passing rents slipped to HK$167.9 per sq. ft. (based on lettable area) as at 30 June 2021 (HK$179.3 per sq. ft. as at 31 December 2020). The mall remained fully occupied as at 30 June 2021. As the business environment for the retail industry picked up and tenants' sales recovered, net promotion expenses decreased by HK$7 million. Total net property operating expenses decreased by 25.3% to HK$36 million (1H 2020: HK$49 million). Net property income declined by 5.8% to HK$310 million (1H 2020: HK$330 million).

4. DISTRIBUTION INCOME FROM LHI

Under statutory accounting basis, our investment in LHI is classified as a subsidiary, and its results are consolidated into the Group's statutory income statement. However, as LHI is principally focused on distributions, the Group's core profit will be derived from the attributable distribution income. We believe this will better reflect the financial return and economic interest attributable to our investment in LHI. This entry is also consistent with our practice in accounting for returns from our investment in Champion REIT, which also focuses on distributions.

In the first half of 2021, LHI did not declare a distribution amid the poor performance of its three hotels in Hong Kong due to the COVID-19 pandemic.

Performances of the Hong Kong hotels below were extracted from the 2021 interim results announcement of LHI relating to the performance of the trust group's properties.

	Average Daily Rooms Available		**Occupancy**		**Average Room Rate (in HK$)**		**RevPAR (in HK$)**	
	1H 2021	1H 2020	1H 2021	1H 2020	1H 2021	1H 2020	1H 2021	1H 2020
The Langham, Hong Kong	498	498	20.6%	14.4%	1,137	1,490	235	214
Cordis, Hong Kong	667	667	26.2%	19.5%	1,008	1,293	264	252
Eaton HK	465	465	35.9%	30.1%	522	584	188	176

The Langham, Hong Kong

The Langham, Hong Kong, witnessed continued pressure on demand for rooms as quarantine restrictions on inbound travelers remained throughout the first half 2021. Amid the continued weak demand from the traditional segments during the first half of 2021, the Hotel Manager targeted the local staycation market and there was an improvement in occupancy, which came to 20.6% in the first half of 2021, while average room rate dropped by 23.7%.

Food & Beverage ("F&B") revenue for the Hotel increased by 24.7% year-on-year in the first half of 2021. The increase was due to improved revenue across our restaurants as government restrictions eased. Noted that The Food Gallery was closed for three months at the beginning of the COVID-19 lockdown during the first half of 2020.

Cordis, Hong Kong

Cordis, Hong Kong, also witnessed minimal demand from international arrivals following the travel restrictions and quarantined measures. As the Hotel focused on the local staycation market and long stay market, the Hotel managed to improve its occupancy to 26.2% for the first half of 2021, compared with a 19.5% occupancy achieved in the same period last year. However, average room rate dropped by 22.0% in the first half of 2021.

Revenue from F&B increased by 16.6% year-on-year in the first half of 2021. All the restaurants have witnessed an improvement in business as government restrictions eased.

Eaton HK

Eaton HK managed to deliver a 35.9% occupancy for the first half of 2021, as it captured a larger local staycation market with its more accommodative pricing. Although demand remained weak from other segments and Eaton HK's average room rate dropped by 10.6% year-on-year in the first half of 2021.

Revenue from F&B at Eaton HK increased by 22.9% year-on-year in first half of 2021. The growth was particularly strong at The Astor buffet restaurant. All the restaurants continue to build strong reputation after the renovation.

5. RENTAL INCOME FROM INVESTMENT PROPERTIES

	Six months ended 30 June		
	2021 *HK$ million*	2020 *HK$ million*	Change
Gross rental income			
Great Eagle Centre	49.3	61.6	- 20.0%
Eaton Residence Apartments	12.3	19.3	- 36.3%
Others	14.8	15.8	- 6.3%
	76.4	**96.7**	**- 21.0%**
Net rental income			
Great Eagle Centre	46.3	58.4	- 20.7%
Eaton Residence Apartments	5.2	10.5	- 50.5%
Others	2.8	2.0	40.0%
	54.3	**70.9**	**- 23.4%**

Great Eagle Centre

	As at the end of		
	June 2021	June 2020	Change
Office (on lettable area)			
Occupancy	**63.7%**	100.0%	*- 36.3ppt*
Average passing rent	**HK$69.3**	HK$69.3	-
Retail (on lettable area)			
Occupancy	**94.4%**	95.0%	*- 0.6ppt*
Average passing rent	**HK$87.8**	HK$103.5	*- 15.2%*

As occupancy of office space in Great Eagle Centre dropped by 36.3 percentage points year-on-year to 63.7% for the first half of 2021, the Group's overall rental income for the Great Eagle Centre fell 20.0% year-on-year to HK$49.3 million in the first half period. The increase in vacancy was primarily due to significantly reduced floor area leased by an anchor tenant upon their lease expiry in the second quarter of 2021. Spot rents at the Great Eagle Centre also dropped to the mid-to-high HK$60s per sq. ft. as at the end of June 2021, as compared with the mid-to-high HK$70s per sq. ft. as at the end of June 2020.

Eaton Residence Apartments

	Six months ended 30 June		
	2021	**2020**	**Change**
(on gross floor area)			
Occupancy	**69.8%**	66.0%	*3.8ppt*
Average net passing rent	**HK$16.7**	HK$25.0	*- 33.2%*

Both the Village Road and Wanchai Gap serviced apartments have sustained occupancy levels through extensions from long-stay guests in the first half of 2021, while the Blue Pool Road property, which comprises 56 apartments, remained closed throughout the first half of 2021 for major renovation works, scheduled for completion in the fourth quarter of 2021. Mainly as a result of the absence of income from the Blue Pool Road property, gross rental income dropped by 36.3% year-on-year to HK$12.3 million in the first half of the 2021, and net rental income dropped by 50.5% year-on-year to HK$5.2 million for the first half of 2021.

6. OPERATING INCOME FROM OTHER OPERATIONS

The Group's operating income from other business operations included property management and maintenance income, trading income from our trading and procurement subsidiaries, asset management fee income, income from our investment in the Eaton Club's flexible workspace business and dividend income or distribution from securities portfolio or other investments. In the first half of 2021, operating income from other business operations rose by 4.2% to HK$54.4 million (1H 2020: HK$52.2 million), the increase was due to improved performance for our wholly owned flexible workspace business, as the division incurred a loss of HK$3.3 million during the same period last year they expanded to new locations.

U.S. FUND

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

The Austin, San Francisco and Cavalleri, Malibu
All residential units of The Austin, San Francisco were sold by the end of December 2020. The project generated only a small profit. As for the 68 rental apartment units in Cavalleri, Malibu, California, 59 leases were signed by the end of June 2021.

DEVELOPMENT PROJECTS

Hong Kong and Mainland China

Ho Man Tin residential development project
This recently acquired project, which comprised of a gross floor area of approximately 742,000 sq. ft., involves the development of 990 apartments above Ho Man Tin MTR station under a Development Agreement with MTR Corporation Limited. A revised General Buildings Plan was submitted to Buildings Department in mid June 2021. Foundation works are in progress and the superstructure is scheduled to commence in March 2022. Our target is to complete the development by end of 2024.

Dalian Mixed-use Development Project
As at the end of June 2021, the final sales proceeds from the sale of the project, which represents 24% of the total proceeds, are still outstanding. The Group will continue to actively pursue the relevant arbitration proceedings in relation to the outstanding payments. Thus far, the provisional preservation measures are imposed over certain assets of the buyer as well as bank accounts and unsold residential units of the project company. These arbitration proceedings are still ongoing and it is difficult to ascertain when the arbitral awards will be issued by these arbitral tribunals. Nonetheless, the Group had already recouped its investment in the project after the first payment received in 2019.

Japan

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

World renowned architect, Kengo Kuma & Associates has been commissioned to design this 280-key flagship The Langham Hotel. Planning application has been submitted to the local government, and the contractor tender process has commenced in May 2019. However, as preliminary tender submissions received exceeded the budgeted amount, works are currently being undertaken to reduce construction costs to fall within the budgeted sum. Construction will only commence after resolution of such matter.

United States

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

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

San Francisco Hotel Redevelopment Projects, 555 Howard Street
555 Howard Street is a redevelopment project located right across the new Transbay Transit Center, the recently launched US$4.5 billion transportation hub, in the heart of The East Cut San Francisco's new central business district in the South of Market (SOMA) area. The Group completed the acquisition of this untitled site with an estimated gross floor area of 430,000 sq. ft. for US$45.6 million in April 2015.

The world renowned international architecture firm Renzo Piano Building Workshop has been commissioned to design this prestigious project in collaboration with the acclaimed California architect Mark Cavagnero Associates. After a change in plan, the revised plan is to build a hotel with 400+ keys. Entitlement for the all hotel scheme was submitted in December 2018 and the project was approved unanimously by the Planning Commission on September 24, 2020 at a Public Hearing. The project now has three years to obtain an approved building permit. Meanwhile, due to the outbreak of the COVID-19 pandemic, we are reassessing the project's return due to uncertain market conditions and the severe cost escalation of construction in San Francisco. Plans are being restudied to see if lower costing can be achieved. The project has been put on hold and plans for an alternative exit strategy are also being considered for this site.

Seattle Development Project, 1931 Second Avenue
The Group acquired a site in downtown Seattle for US$18 million in December 2016. The site is located at one of the highest points of downtown Seattle and near the famous Pike Place market. The site has an area of approximately 19,400 sq. ft. Although the Seattle site has already been approved for the development of a hotel, we are evaluating an opportunity to expand the development's floor area, and incorporate residential component to the project, so as to further enhance the financial attractiveness of the project. We have again brought in world renowned architect, Kengo Kuma & Associates, to design this landmark mixed use development project. Schematic design on the project were completed in the third quarter of 2019. However, reviews of the Master Use Permit application are being delayed at City Hall, due to the large number of development projects in the queue and the current COVID-19 pandemic situation. Entitlement is anticipated by the third quarter of 2022. We are closely monitoring the market price trend of Seattle construction cost and the condominium market.

Europe

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

World-renowned architect Matteo Thun is designing the hotel. The project team has completed the schematic design, and piling and ground works are scheduled to commence in early 2022. Completion of the project is expected to be in the third quarter of 2024.

Venice, being a world heritage-listed city with its distinctive canal landscape and highly celebrated architects, attracts more than 20 million visitors each year. The completion of this hotel would help to extend our prestigious Langham brand to continental Europe after The Langham, London has solidified its position as one of the most luxurious hotels in the U.K. This investment is part of the Group's strategy to own hotels in strategic gateway cities that will anchor our hotel brand.

OUTLOOK

The Group's businesses, especially hotel operations, continue to be severely impacted by the COVID-19 pandemic, with the possibility of another large-scale outbreak by the evolution of new virus variants. Achieving much higher levels of vaccination rates around the world should be the key to controlling the virus so that our businesses can resume their growth paths, although it appears that we are still many months from reaching sufficient levels to see social measures and travel restrictions meaningfully change. Therefore, we do not expect our hotel businesses to recover significantly during the remainder of the year. For our global hotel business, the Group continues to navigate through these difficult times and is focused on implementing strict cost controls, as well as the appropriate scaling of our operations to cope with rapidly changing market conditions for the remainder of the year. Furthermore, the extent and scope of government stimuluses in different countries will also affect hotel earnings.

Given the continued poor outlook for global hotels, we expect our hotels in Hong Kong will be similarly affected and therefore, we remain cautious on LHI's performance in the second half of 2021.

For Champion REIT, the REIT's manager expects rental income and distribution per unit to remain under pressure in 2021.

However, the Hong Kong residential market is buoyant as shown by the Centaline Property Centa-city Leading Index, which measures the secondary private residential property price in Hong Kong, and has rallied back to its historical peak level as at the end of June 2021. This trend should continue to support sales of the remaining units at ONTOLO in Pak Shek Kok in the second half of 2021.

Back in 2017, the Group wrote off a non-core investment in alternative investments, which included HK$127.4 million for an electric vehicle start-up company, as it experienced serious cash flow issue. Subsequent to our write-off, the company brought in a major global sovereign fund as a major investor and the start-up company then listed on the Nasdaq, U.S. through a SPAC vehicle in July 2021 with the listing code (LCID.US). As one of the early investors in the start-up company, there is a six-month lock-up period for the Group's shares. Immediately after the listing, the Group held approximately 13.4 million shares of the listed company, which included the Group's acquisition of additional shares at a consideration of US$20.2 million in the start-up's latest round of funding ahead of the merger with the SPAC. Shares of LCID have been trading at around US$22 per share since listing. The unrealised valuation surplus of this investment will be credited to balance sheet in the Group's 2021's annual results.

While we remain focused on managing the impacts of the pandemic on our businesses at the moment, we are also seeing rising U.S.-China geopolitical tensions, which could spill over into greater economic disruption and impact our businesses in Hong Kong. Therefore, we must stay vigilant and be ready to respond to further deterioration in our businesses at home and abroad. Nonetheless, given our strong balance sheet, we believe that we are in a relatively good position to ride out the present economic storm and, at the same time, we will continue to identify attractive investment opportunities that may arise during this uniquely challenging period.

FINANCIAL REVIEW

DEBT

On statutory reporting basis, after consolidating the results of Champion REIT, LHI and the U.S. Fund, the consolidated net debts of the Group as of 30 June 2021 was HK$29,454 million, an increase of HK$7,625 million compared to that as of 31 December 2020. The increase in net borrowings was mainly due to cash premium paid for a project in Ho Man Tin and assumed bank loan of HK$5,877 million upon novation of the project.

Equity Attributable to Shareholders, based on professional valuation of the Group's investment properties as of 30 June 2021 and the depreciated costs of the Group's hotel properties (including Hong Kong hotel properties held by LHI), amounted to HK$57,776 million, representing a decrease of HK$1,035 million compared to the value of HK$58,811 million as of 31 December 2020. The decrease was mainly attributable to valuation loss of investment properties and distribution of dividends during the period.

For statutory accounts reporting purpose, on consolidation the Group is treated to include entire debts of Champion REIT, LHI and the U.S. Fund. Based on the consolidated net debts attributable to the Group (i.e. only 67.32%, 69.31% and 49.97% of the net debts of Champion REIT, LHI and the U.S. Fund respectively) and equity attributable to shareholders, the gearing ratio of the Group as at 30 June 2021 was 38.9%. Since the debts of these three subsidiary groups had no recourse to the Group, we considered it was more meaningful to account for the Group's own net debts instead of attributable consolidated net debts against the Group's sharing of net assets of those subsidiaries, and the resulting net position is illustrated below.

Net debt at 30 June 2021	**On Consolidated Basis** *HK$ million*	**On Core Balance Sheet Basis** *HK$ million*
Great Eagle	**7,739**	**7,739**
Champion REIT	**15,415**	**-**
LHI	**6,135**	**-**
U.S. Fund	**165**	**-**
Net debts	**29,454**	**7,739**

Net debts attributable to Shareholders of the Group	**22,451**	**7,739**
Equity Attributable to Shareholders of the Group	**57,776**	**64,995**
Net Gearing ratio^	**38.9%**	**11.9%**

^Net debts attributable to Shareholders of the Group / Equity Attributable to Shareholders of the Group.

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

INDEBTEDNESS

Our gross debts (including medium term notes) after consolidating Champion REIT, LHI and the U.S. Fund amounted to HK$36,428 million as of 30 June 2021. Bank loans amounted to HK$17,427 million were secured by way of legal charges over certain of the Group's assets and business undertaking.

Outstanding gross debts(1)(2)	Floating rate debts *HK$ million*	Fixed rate debts *HK$ million*	Utilised facilities *HK$ million*
Bank loans	**19,888**	**8,868**(5)	**28,756**(3)
Medium Term Notes	**643**	**7,029**(4)	**7,672**
Total	**20,531**	**15,897**	**36,428**
%	**56.4%**	**43.6%**	**100%**

(1) All amounts are stated at face value.
(2) All debt facilities were denominated in Hong Kong Dollars except for (3) and (4) below.
(3) Equivalence of HK$5,953 million loans were originally denominated in other currencies.
(4) (a) Equivalence of HK$5,327 million were US dollars notes; (b) Included notes of outstanding principal amount of US$446.4 million which was under currency swaps at an average rate of HK$7.7597 to US$1.00.
(5) Included floating rate debts which had been swapped to fixed rate debts. As at 30 June 2021, the Group had outstanding interest rate swap contracts of notional amount of HK$7,022 million to manage interest rate exposure. The Group also entered into cross currency swaps of notional amount equivalent to HK$1,743 million in total to mitigate exposure to fluctuations in exchange rate and interest rate of Japanese YEN.

LIQUIDITY AND DEBT MATURITY PROFILE

As of 30 June 2021, our cash, bank deposits and undrawn loan facilities amounted to a total of HK$12,559 million. The majority of our loan facilities were secured by properties with sufficient value to loan coverage. The following is a profile of the maturity of our outstanding gross debts (including medium term notes) as of 30 June 2021:

Within 1 year	40.2%
More than 1 year but not exceeding 2 years	8.6%
More than 2 years but not exceeding 5 years	44.1%
More than 5 years	7.1%

FINANCE COST

The net consolidated finance cost during the period was HK$368 million of which HK$95 million was capitalised to property development projects. Overall net interest cover at the reporting date was 3.6 times.

PLEDGE OF ASSETS

At 30 June 2021, properties of the Group with a total book carrying value of approximately HK$20,910 million (31 December 2020: HK$33,578 million) were mortgaged or pledged to secure credit facilities granted to its subsidiaries.

COMMITMENTS AND CONTINGENT LIABILITIES

At 30 June 2021, the Group had authorised capital expenditure for investment properties and property, plant and equipment which was not provided for in these consolidated financial statements amounting to HK$8,884 million (31 December 2020: HK$9,410 million) of which HK$463 million (31 December 2020: HK$774 million) has been contracted for.

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

INTERIM DIVIDEND

The Board of Directors of the Company has resolved to declare an interim dividend of HK33 cents (2020: HK33 cents) per share for the six months ended 30 June 2021 (the "**2021 Interim Dividend**"), which will be payable on 13 October 2021 to the Shareholders whose names appear on the Registers of Members of the Company on Monday, 4 October 2021.

CLOSURE OF REGISTERS OF MEMBERS

The Registers of Members of the Company will be closed from Monday, 27 September 2021 to Monday, 4 October 2021, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the 2021 Interim Dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 24 September 2021.

GOVERNANCE AND COMPLIANCE

The Company is committed to maintaining and developing high standards of corporate governance practices designed to enhance the Company's image, boost Shareholders' confidence, minimise risk of fraudulent practices and ultimately serve the long-term interests of our Shareholders. Furthermore, we integrate social and environmental concerns into our business operations. Our commitment to this concept is steadfast as we believe that sustainability could create long-term value for our stakeholders and improve the quality of life in our workplace, the local community as well as the world at large.

CORPORATE GOVERNANCE POLICIES AND PRACTICES

The Board of Directors of the Company will, from time to time, monitor and review the Company's corporate governance practices in light of regulatory requirements and needs of the Company to underpin our engrained values of integrity and accountability. Throughout the period under review, the Company has complied with most of the code provisions and where appropriate, adopted the recommended best practices as set out in the Corporate Governance Code and Corporate Governance Report ("**CG Code**") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). Set out below are details of the deviations from the code provisions:

CG Code Provision A.2.1 requires that the roles of Chairman and Chief Executive should be separate and should not be performed by the same individual

Dr. Lo Ka Shui is the Chairman of the Board and also holds 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 practiced by the Company for decades and has withstood the test of time. The Board considers this arrangement to be appropriate for the Company as it preserves the consistent leadership culture of the Company and allows for the efficient discharge of the executive functions of the Chief Executive. The Board believes that a balance of power and authority is adequately ensured by the operations of the Board, comprised of experienced and high calibre individuals, including five Independent Non-executive Directors and three Non-executive Directors who offer advices and viewpoints from different perspectives. Meanwhile, the day-to-day management and operations of the Group are delegated to divisional management under the leadership and supervision of Dr. Lo in the role of Managing Director, and who is supported by the Executive Directors and Senior Management.

CG Code Provision 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 (the "**Bye-laws**") requires that one-third of Directors (other than the Executive Chairman and Managing Director) should retire by rotation, Non-executive Directors (including Independent Non-executive Directors) have no fixed term of office. The Board considers that the provisions in the Bye-laws 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, the Executive Chairman and Managing Director of the Company are not subject to retirement by rotation. The same provision is contained in The Great Eagle Holdings Limited Company Act, 1990 of Bermuda. As such, Directors who hold the offices of either the Executive Chairman or the Managing Director of the Company are by statute not required to retire by rotation. After due consideration, in particular to the legal costs and procedures involved, the Board considers that it is not desirable to propose any amendment to The Great Eagle Holdings Limited Company Act, 1990 for the sole purpose of subjecting the Executive Chairman and Managing Director of the Company to retirement by rotation. Dr. Lo Ka Shui is the Executive Chairman and Managing Director of the Company. There is no service contract between the Company and Dr. Lo Ka Shui, and he is not appointed for any specified length or proposed length of services with the Company. Notwithstanding that Dr. Lo is not subject to retirement by rotation, he has disclosed his biographical details in accordance with Rule 13.74 of the Listing Rules in the circular to the Shareholders in relation to, among other things, the re-election of retiring Directors, for Shareholders' information.

CG Code Provision A.6.5 requires that all Directors should participate in continuous professional development to develop and refresh their knowledge and skills

Madam Lo To Lee Kwan, a Non-executive Director of the Company, is the co-founder of the Group. She was involved in the early stages of development of the Group. Since she is relatively inactive in the Group's business in recent years, she has not participated in the 2021 Director Development Programme provided by the Company.

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

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

EMPLOYMENT AND LABOUR PRACTICES

Staff costs (including Directors' emoluments) for the six months ended 30 June 2021 amounted to HK$859.7 million (2020: HK$927.6 million). Salary levels of employees are competitive and discretionary bonuses are granted based on the performance of the Group as well as performance of individual employees. Other employee benefits include educational allowance, insurance, medical scheme and provident fund schemes. Senior employees (including Executive Directors) are entitled to participate in the Great Eagle Holdings Limited Share Option Scheme. Apart from offering a competitive compensation and benefits package, we provide corporate and vocational training to our colleagues according to the training and development policy of the Group.

There had been no material change to the number of employees and staff composition of the Group for the six months ended 30 June 2021.

COMPLIANCE WITH THE MODEL CODE

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

Having made specific enquiries, all Directors and relevant employees of the Company have confirmed that they have fully complied with the Code of Conduct for Securities Transactions throughout the six months ended 30 June 2021.

REVIEW OF INTERIM RESULTS

The unaudited financial statements for the six months ended 30 June 2021 were prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"), and have been reviewed by the Audit Committee of the Company, and by Deloitte Touche Tohmatsu, the independent auditor of the Company, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

NEW SHARES ISSUED

As at 30 June 2021, the total number of issued shares of the Company was 731,040,412. On 21 June 2021, a total of 10,247,300 new shares were issued at the price of HK$25.32 per share pursuant to the Scrip Dividend Arrangement in respect of the 2020 final dividend. Details of the Scrip Dividend Arrangement were set out in the announcement published by the Company on 18 May 2021 and the circular to the Shareholders dated 24 May 2021 respectively.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

During the six months ended 30 June 2021, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities.

PUBLIC FLOAT

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

BOARD OF DIRECTORS

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

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

Hong Kong, 26 August 2021

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2021

	NOTES	Six months ended 30 June **2021** HK$'000 (unaudited)	2020 HK$'000 (unaudited)
Revenue	3	**3,569,320**	2,724,360
Cost of goods and services		**(2,109,061)**	(1,747,850)
Operating profit before depreciation		**1,460,259**	976,510
Depreciation		**(412,478)**	(409,704)
Operating profit		**1,047,781**	566,806
Fair value changes on investment properties		**(1,864,615)**	(9,403,077)
Fair value changes on derivative financial instruments		**167,037**	(114,818)
Fair value changes on financial assets at fair value through profit or loss		**26,585**	(3,421)
Other income	5	**146,322**	207,637
Administrative and other expenses		**(203,182)**	(229,115)
Finance costs	6	**(367,073)**	(403,189)
Share of results of joint ventures		**19,823**	13,925
Share of results of associates		**3,598**	4,338
Loss before tax	7	**(1,023,724)**	(9,360,914)
Income taxes	8	**(138,777)**	(61,222)
Loss for the period, before deducting the amounts attributable to non-controlling unitholders of Champion REIT		**(1,162,501)**	(9,422,136)
Loss for the period attributable to:			
Owners of the Company		**(783,974)**	(6,512,770)
Non-controlling interests		**(14,091)**	(73,954)
		(798,065)	(6,586,724)
Non-controlling unitholders of Champion REIT		**(364,436)**	(2,835,412)
		(1,162,501)	(9,422,136)
Loss per share:	10		
Basic		**HK$(1.09)**	HK$(9.05)
Diluted		**HK$(1.09)**	HK$(9.05)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2021

	Six months ended 30 June	
	2021	2020
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Loss for the period, before deducting the amounts attributable to non-controlling unitholders of Champion REIT	**(1,162,501)**	(9,422,136)
Other comprehensive expense:		
Items that will not be reclassified to profit or loss:		
Fair value gain (loss) on equity instruments at fair value through other comprehensive income	**250,077**	(75,876)
Share of other comprehensive income (expense) of an associate	**2,746**	(10,680)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	**(88,109)**	(190,347)
Cash flow hedges:		
Fair value adjustment on cross currency swaps and interest rate swaps designated as cash flow hedges	**6,122**	(131,125)
Reclassification of fair value adjustments to profit or loss	**36,509**	9,730
Other comprehensive income (expense) for the period, before deducting amounts attributable to non-controlling unitholders of Champion REIT	**207,345**	(398,298)
Total comprehensive expense for the period, before deducting amounts attributable to non-controlling unitholders of Champion REIT	**(955,156)**	(9,820,434)
Total comprehensive expense for the period attributable to:		
Owners of the Company	**(624,330)**	(6,868,427)
Non-controlling interests	**(13,746)**	(75,888)
	(638,076)	(6,944,315)
Non-controlling unitholders of Champion REIT	**(317,080)**	(2,876,119)
	(955,156)	(9,820,434)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2021

	NOTES	**At 30 June 2021 HK$'000 (unaudited)**	At 31 December 2020 HK$'000 (audited)
Non-current assets			
Investment properties		**71,289,201**	73,111,626
Property, plant and equipment		**21,583,843**	21,565,777
Interests in joint ventures		**350,663**	94,767
Interests in associates		**55,187**	53,268
Equity instruments at fair value through other comprehensive income		**1,536,632**	1,065,589
Notes and loan receivables		**790,928**	995,203
Derivative financial instruments		**2,496**	-
		95,608,950	96,886,230
Current assets			
Stock of properties		**12,477,413**	3,430,283
Inventories		**82,895**	105,886
Debtors, deposits and prepayments	11	**729,624**	734,060
Notes and loan receivables		**2,057,514**	2,318,802
Financial assets at fair value through profit or loss		**444,181**	463,846
Derivative financial instruments		**-**	20,954
Tax recoverable		**20,569**	78,189
Restricted cash		**170,297**	171,745
Time deposits with original maturity over three months		**-**	191,485
Bank balances and cash		**6,803,484**	7,378,111
		22,785,977	14,893,361
Current liabilities			
Creditors, deposits and accruals	12	**6,568,486**	5,035,056
Derivative financial instruments		**24,397**	49,980
Provision for taxation		**594,306**	459,097
Distribution payable		**232,296**	246,761
Borrowings due within one year		**13,953,588**	4,659,429
Medium term notes		**643,000**	-
Lease liabilities		**8,459**	9,267
		22,024,532	10,459,590
Net current assets		**761,445**	4,433,771
Total assets less current liabilities		**96,370,395**	101,320,001

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2021

	At 30 June 2021 HK$'000 (unaudited)	At 31 December 2020 HK$'000 (audited)
Non-current liabilities		
Derivative financial instruments	**186,448**	394,657
Borrowings due after one year	**14,697,899**	17,147,860
Medium term notes	**6,977,371**	7,608,548
Deferred taxation	**1,248,687**	1,282,957
Lease liabilities	**6,880**	11,114
	23,117,285	26,445,136
NET ASSETS	**73,253,110**	74,874,865
Equity attributable to:		
Owners of the Company		
Share capital	**365,520**	359,960
Share premium and reserves	**57,410,729**	58,451,432
	57,776,249	58,811,392
Non-controlling interests	**(616,526)**	(607,648)
	57,159,723	58,203,744
Net assets attributable to non-controlling unitholders of Champion REIT	**16,093,387**	16,671,121
	73,253,110	74,874,865

1. BASIS OF PREPARATION

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

The outbreak of COVID-19 and the subsequent quarantine measures as well as the travel restrictions imposed by many countries continue to have negative impacts to the global economy, business environment and directly and indirectly affect the operations of the Group. The Group temporarily closed some of its hotels in an effort to contain the spread of the pandemic. On the other hand, governments in different countries continue to provide some financial measures and supports for corporates to overcome the negative impact arising from the pandemic. As such, the financial positions and performance of the Group were affected in different aspects, including decrease in fair value of investment properties, segment loss of hotel operation, and receipt of government grants in respect of COVID-19-related subsidies as disclosed in the relevant notes.

2. SIGNIFICANT ACCOUNTING POLICIES

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

Other than changes in accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards ("HKFRSs"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2021 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2020.

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2021 for the preparation of the Group's condensed consolidated financial statements:

Amendment to HKFRS 16	Covid-19-Related Rent Concessions
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform - Phase 2

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

3. REVENUE

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

	Six months ended 30 June	
	2021	2020
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Hotel income	**1,003,551**	972,683
Rental income from investment properties	**1,303,514**	1,388,705
Building management service income	**145,923**	155,179
Sales of properties	**976,654**	45,919
Sales of goods	**46,902**	69,322
Dividend income	**9,069**	6,250
Others	**83,707**	86,302
	3,569,320	2,724,360

4. SEGMENT INFORMATION

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

4. SEGMENT INFORMATION - continued

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

Hotel operation	-	hotel accommodation, food and banquet operations as well as hotel management.
Property investment	-	gross rental income and building management service income from leasing of furnished apartments and properties held for investment potential.
Property development	-	income from selling of properties held for sale.
Other operations	-	sales of building materials, flexible workspace operation, investment in securities, provision of property management, maintenance and property agency services.
Results from Champion REIT	-	based on published financial information of Champion REIT.
Results from Langham	-	based on financial information of Langham.
US Real Estate Fund	-	based on income from sale of properties, rental income and related expenses of the properties owned by the US Real Estate Fund.

Segment results of Champion REIT represent the published net property income less manager's fee. Segment results of Langham represent revenue less property related expenses and services fees. Segment results of US Real Estate Fund represent revenue less fund related expenses. Segment results of other operating segments (hereinafter referred to as the "Great Eagle Operations") represent the results of each segment without including any effect of allocation of interest income from bank balances and cash centrally managed, central administration costs, Directors' salaries, share of results of joint ventures, share of results of associates, depreciation, fair value changes on investment properties, derivative financial instruments and financial assets at fair value through profit or loss ("FVTPL"), other income, finance costs and income taxes. The hotel operation segment result has been arrived at after reversing intra-group HKFRS 16 impact for its role as a lessee to the three hotel properties owned by Langham. This is the measurement basis reported to the CODM for the purposes of resource allocation and performance assessment.

4. SEGMENT INFORMATION - continued

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

Segment revenue and results

Six months ended 30 June 2021

	Hotel operation HK$'000 (unaudited)	Property investment HK$'000 (unaudited)	Property development HK$'000 (unaudited)	Other operations HK$'000 (unaudited)	Sub-total HK$'000 (unaudited)	Champion REIT HK$'000 (unaudited)	Langham HK$'000 (unaudited)	US Real Estate Fund HK$'000 (unaudited)	Eliminations/ reclassifications HK$'000 (unaudited)	Consolidated HK$'000 (unaudited)
REVENUE										
External revenue	1,002,590	75,703	957,622	139,291	2,175,206	1,358,816	961	33,950	387	3,569,320
Inter-segment revenue	7,499	697	-	186,124	194,320	38,504	111,576	-	(344,400)	-
Total	1,010,089	76,400	957,622	325,415	2,369,526	1,397,320	112,537	33,950	(344,013)	3,569,320

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

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

4. **SEGMENT INFORMATION** - continued

Segment revenue and results - continued

Six months ended 30 June 2020

	Hotel operation HK$'000 (unaudited)	Property investment HK$'000 (unaudited)	Property development HK$'000 (unaudited)	Other operations HK$'000 (unaudited)	Sub-total HK$'000 (unaudited)	Champion REIT HK$'000 (unaudited)	Langham HK$'000 (unaudited)	US Real Estate Fund HK$'000 (unaudited)	Eliminations HK$'000 (unaudited)	Consolidated HK$'000 (unaudited)
REVENUE										
External revenue	972,683	96,034	-	161,874	1,230,591	1,443,576	962	49,231	-	2,724,360
Inter-segment revenue	6,665	676	-	191,468	198,809	44,264	103,921	-	(346,994)	-
Total	979,348	96,710	-	353,342	1,429,400	1,487,840	104,883	49,231	(346,994)	2,724,360

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

	Hotel operation HK$'000 (unaudited)	Property investment HK$'000 (unaudited)	Property development HK$'000 (unaudited)	Other operations HK$'000 (unaudited)	Sub-total HK$'000 (unaudited)	Champion REIT HK$'000 (unaudited)	Langham HK$'000 (unaudited)	US Real Estate Fund HK$'000 (unaudited)	Eliminations HK$'000 (unaudited)	Consolidated HK$'000 (unaudited)
RESULTS										
Segment results	(357,208)	70,934	-	243,611	(42,663)	1,051,013	89,614	(3,202)	(40,855)	1,053,907
Depreciation					(331,641)	-	(114,993)	-	36,930	(409,704)
Operating profit after depreciation					(374,304)	1,051,013	(25,379)	(3,202)	(3,925)	644,203
Fair value changes on investment properties					(230,512)	(9,172,565)	-	-	-	(9,403,077)
Fair value changes on derivative financial instruments					(32,477)	(70)	(82,271)	-	-	(114,818)
Fair value changes on financial assets at FVTPL					(1,482)	(1,939)	-	-	-	(3,421)
Other income					9,331	(1,146)	707	23	(1,079)	7,836
Administrative and other expenses					(207,868)	(16,115)	(6,065)	(808)	1,741	(229,115)
Net finance costs					22,424	(210,728)	(92,592)	(3,894)	4,005	(280,785)
Share of results of joint ventures					13,925	-	-	-	-	13,925
Share of results of associates					4,338	-	-	-	-	4,338
Loss before tax					(796,625)	(8,351,550)	(205,600)	(7,881)	742	(9,360,914)
Income taxes					68,315	(140,253)	10,716	-	-	(61,222)
Loss for the period					(728,310)	(8,491,803)	(194,884)	(7,881)	742	(9,422,136)
Less: Loss (profit) attributable to non-controlling interests/ non-controlling unitholders of Champion REIT					(872)	2,835,412	70,884	3,942	-	2,909,366
Loss attributable to owners of the Company					(729,182)	(5,656,391)	(124,000)	(3,939)	742	(6,512,770)

5. OTHER INCOME

	Six months ended 30 June	
	2021	2020
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Interest income on:		
Bank deposits	**10,335**	87,511
Financial assets at FVTPL	**9,204**	1,020
Notes and loan receivable	**67,152**	33,717
Others	**7,348**	156
	94,039	122,404
Government subsidy	**47,321**	80,266
Sundry income	**4,962**	2,427
Net exchange gain	**-**	2,540
	146,322	207,637

6. FINANCE COSTS

	Six months ended 30 June	
	2021	2020
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Interest on bank and other borrowings	**306,905**	309,633
Interest on medium term notes	**122,868**	99,648
Interest on lease liabilities	**375**	573
Other borrowing costs	**32,153**	26,390
	462,301	436,244
Less: amount capitalised	**(95,228)**	(33,055)
	367,073	403,189

7. LOSS BEFORE TAX

	Six months ended 30 June	
	2021	2020
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Loss before tax has been arrived at after charging (crediting):		
Staff costs (including Directors' emoluments)	**859,704**	927,628
Share-based payments (including Directors' emoluments)	**7,797**	7,608
	867,501	935,236
Depreciation	**412,478**	409,704
Share of tax of associates (included in the share of results of associates)	**45**	23
Dividend income from		
- equity instruments at fair value through other comprehensive income	**(5,629)**	(4,903)
- financial assets at FVTPL	**(3,440)**	(1,347)
Loss on disposal of property, plant and equipment (included in administrative and other expenses)	**32**	76
Net exchange loss (included in administrative and other expenses)	**2,866**	-
Net exchange gain (included in other income)	**-**	(2,540)

8. INCOME TAXES

	Six months ended 30 June 2021 HK$'000 (unaudited)	2020 HK$'000 (unaudited)
Current tax:		
Current period:		
Hong Kong Profits Tax	**190,626**	140,194
Other jurisdictions	**773**	(169)
	191,399	140,025
Overprovision in prior periods:		
Hong Kong Profits Tax	**(22)**	(1,174)
Other jurisdictions	**(16,484)**	(6,282)
	(16,506)	(7,456)
	174,893	132,569
Deferred tax:		
Current period	**(35,333)**	(55,831)
Overprovision in prior periods	**(783)**	(15,516)
	(36,116)	(71,347)
	138,777	61,222

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods. Taxation arising in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

9. DIVIDENDS

	Six months ended 30 June	
	2021	2020
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Dividends paid:		
Final dividend of HK50 cents in respect of the financial year ended 31 December 2020 (2020: HK50 cents in respect of the financial year ended 31 December 2019) per ordinary share	**360,396**	354,190
Special final dividend of HK50 cents in respect of the financial year ended 31 December 2020 (2020: HK50 cents in respect of the financial year ended 31 December 2019) per ordinary share	**360,396**	354,191
	720,792	708,381
Dividends declared after the end of reporting period:		
Interim dividend of HK33 cents in respect of the six months ended 30 June 2021 (2020: HK33 cents in respect of the six months ended 30 June 2020) per ordinary share	**241,243**	237,574
Special interim dividend of HK$1.50 in respect of the six months ended 30 June 2020 per ordinary share	**-**	1,079,880
	241,243	1,317,454

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

On 17 June 2020, a final dividend of HK50 cents per ordinary share, which included scrip dividend alternatives offered to shareholders, and a special final dividend of HK50 cents per ordinary share were paid to shareholders as the final dividend in respect of the financial year ended 31 December 2019.

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

	Six months ended 30 June	
	2021	2020
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Dividends		
Cash	**100,934**	119,737
Share alternative	**259,462**	234,453
	360,396	354,190

On 26 August 2021, the Directors have determined that an interim dividend of HK33 cents (2020: interim dividend of HK33 cents and a special interim dividend of HK$1.50) per ordinary share will be paid to the shareholders of the Company whose names appear in the Register of Members on 13 October 2021.

10. LOSS PER SHARE

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

	Six months ended 30 June	
	2021	2020
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Loss		
Loss for the purposes of basic and diluted loss per share (Loss for the period attributable to owners of the Company)	**(783,974)**	(6,512,770)

	Six months ended 30 June	
	2021	2020
	(unaudited)	(unaudited)
Number of shares		
Weighted average number of shares for the purpose of basic and diluted loss per share	**720,967,027**	719,920,112

For the periods ended 30 June 2021 and 30 June 2020, the diluted loss per share was the same as the basic loss per share as the computation of diluted loss per share does not assume the exercise of the Company's outstanding share options because it will otherwise result in a decrease in loss per share.

11. DEBTORS, DEPOSITS AND PREPAYMENTS

	30 June 2021	31 December 2020
	HK$'000	HK$'000
	(unaudited)	(audited)
Trade debtors, net of allowance for doubtful debts	**113,910**	114,923
Deferred lease receivables	**164,674**	169,381
Retention money receivables	**7,357**	11,079
Other receivables	**190,243**	188,875
Deposits and prepayments	**253,440**	249,802
	729,624	734,060

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

11. DEBTORS, DEPOSITS AND PREPAYMENTS - continued

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

	30 June 2021 HK$'000 (unaudited)	31 December 2020 HK$'000 (audited)
Within 3 months	**58,706**	72,033
More than 3 months but within 6 months	**13,265**	20,955
Over 6 months	**41,939**	21,935
	113,910	114,923

12. CREDITORS, DEPOSITS AND ACCRUALS

	30 June 2021 HK$'000 (unaudited)	31 December 2020 HK$'000 (audited)
Trade creditors	**179,972**	203,987
Deposits received	**802,129**	789,414
Customer deposits and other deferred revenue	**457,886**	451,150
Construction fee payable and retention money payable	**740,809**	850,484
Accruals, interest payable and other payables	**4,387,690**	2,740,021
	6,568,486	5,035,056

The aggregate of the remaining lump sum payment and the estimated sharing of surplus proceeds for the Ho Man Tin project amounted to HK$2,527,600,000 is included in the accruals, interest payable and other payable as at 30 June 2021.

Included in the accruals is accrual of stamp duty based on the current stamp duty rate of 4.25% (31 December 2020: 4.25%) on the stated consideration of HK$22,670,000,000 in the property sale and purchase agreements for the legal assignment of the investment properties which Champion REIT acquired the property interests in Three Garden Road upon listing.

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

	30 June 2021 HK$'000 (unaudited)	31 December 2020 HK$'000 (audited)
Within 3 months	**165,448**	188,423
More than 3 months but within 6 months	**1,996**	2,280
Over 6 months	**12,528**	13,284
	179,972	203,987