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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)

2020 ANNUAL RESULTS ANNOUNCEMENT

The Board of Directors of Great Eagle Holdings Limited (the "**Company**") announces the consolidated financial results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 December 2020 as follows:

	Year ended 31 December		
	2020 *HK$ million*	**2019** *HK$ million*	**Change**
Key Financials on Income Statement			
Based on core business [1]			
Revenue based on core business	**8,261.9**	**6,498.4**	**27.1%**
Core profit after tax attributable to equity holders	**1,771.9**	**1,731.0**	**2.4%**
Core profit after tax attributable to equity holders (per share)	**HK$2.48**	**HK$2.45**	
Based on statutory accounting principles [2]			
Revenue based on statutory accounting principles	**10,305.3**	**9,236.8**	**11.6%**
Statutory loss attributable to equity holders	**(8,540.3)**	**(337.8)**	**n.m.**
Interim dividend (per share)	**HK$0.33**	**HK$0.33**	
Special interim dividend (per share)	**HK$1.50**	**-**	
Final dividend (per share)	**HK$0.50**	**HK$0.50**	
Special final dividend (per share)	**HK$0.50**	**HK$0.50**	
Total dividend (per share)	**HK$2.83**	**HK$1.33**	

[1] On the basis of core business, figures excluded fair value changes relating to the Group's investment properties and financial assets, and were based on attributable distribution income from Champion REIT, Langham Hospitality Investments and Langham Hospitality Investments Limited ("**LHI**") and the U.S. Real Estate Fund ("**U.S. Fund**"), as well as realised gains and losses on financial assets. The management'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	
	December 2020	**June 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	1.2%	Net cash
Book value (per share)	HK$92.1	HK$95.9
Based on statutory accounting principles [2]		
Net gearing [3]	25.6%	20.1%
Book value (per share)	HK$81.7	HK$85.8

[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 67.22%, 69.24% and 49.97% equity stake of Champion REIT, LHI and the U.S. Fund respectively as at the end of December 2020.

[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

	Year ended 31 December		
	2020 *HK$ million*	2019 *HK$ million*	Change
Revenue from core business			
Revenue from property sales	5,107.9	-	n.a.
Hotels Division	1,300.1	4,249.9	- 69.4%
Gross rental income	183.3	218.6	- 16.1%
Management fee income from Champion REIT	378.0	424.4	- 10.9%
Distribution income from Champion REIT ^	988.0	1,036.4	- 4.7%
Distribution income from LHI ^	-	163.9	n.m.
Other operations	304.6	405.2	- 24.8%
Total revenue	**8,261.9**	**6,498.4**	**27.1%**
Income from property sales	2,055.4	-	n.a.
Hotels EBITDA	(625.8)	779.8	n.m.
Net rental income	134.5	168.2	- 20.0%
Management fee income from Champion REIT	378.0	424.4	- 10.9%
Distribution income from Champion REIT ^	988.0	1,036.4	- 4.7%
Distribution income from LHI ^	-	163.9	n.m.
Operating income from other operations	(26.3)	137.9	n.m.
Operating income from core business	**2,903.8**	**2,710.6**	**7.1%**
Depreciation	(380.8)	(305.7)	24.6%
Administrative and other expenses	(590.0)	(615.3)	- 4.1%
Other income	43.9	9.2	n.m.
Interest income	188.9	177.8	6.2%
Finance costs	(156.1)	(167.9)	- 7.0%
Share of results of joint ventures	(17.0)	43.9	n.m.
Share of results of associates	5.1	1.2	n.m.
Core profit before tax	**1,997.8**	**1,853.8**	**7.8%**
Income taxes	(224.9)	(119.5)	88.2%
Core profit after tax	**1,772.9**	**1,734.3**	**2.2%**
Non-controlling interest	(1.0)	(3.3)	- 69.7%
Core profit attributable to equity holders	**1,771.9**	**1,731.0**	**2.4%**

^ Under the Group's statutory profit, annual 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:

31 December 2020

	Assets *HK$ million*	**Liabilities** *HK$ million*	**Net Assets** *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**

31 December 2019

	Assets *HK$ million*	Liabilities *HK$ million*	Net Assets *HK$ million*
Great Eagle operations	39,391	12,160	27,231
Champion REIT	55,412	11,960	43,452
LHI	11,175	4,836	6,339
U.S. Fund	541	166	375
	106,519	29,122	77,397

Financial Figures based on statutory accounting principles

	Year ended 31 December		
	2020 *HK$ million*	**2019** *HK$ million*	**Change**
Revenue based on statutory accounting principles			
Revenue from property sales	5,107.9	-	n.a.
Hotels Division	1,815.2	5,600.2	- 67.6%
Gross rental income	183.3	218.6	- 16.1%
Other operations (including management fee income from Champion REIT)	682.5	829.6	- 17.7%
Gross rental income - Champion REIT	2,920.3	3,080.7	- 5.2%
Gross rental income - LHI	208.3	483.9	- 57.0%
Gross revenue - U.S. Fund	84.3	47.0	79.4%
Elimination on intragroup transactions	(696.5)	(1,023.2)	- 31.9%
Consolidated total revenue	**10,305.3**	**9,236.8**	**11.6%**
Income from property sales	2,055.4	-	n.a.
Hotels EBITDA	(625.8)	779.8	n.m.
Net rental income	134.5	168.2	- 20.0%
Operating income from other operations (including management fee income from Champion REIT)	351.6	562.3	- 37.5%
Net rental income - Champion REIT	2,065.4	2,183.0	- 5.4%
Net rental income - LHI	179.9	448.3	- 59.9%
Net operating loss - U.S. Fund	(0.0)	(43.1)	n.m.
Elimination on intragroup transactions	40.5	(56.6)	n.m.
Consolidated operating income	**4,201.5**	**4,041.9**	**3.9%**
Depreciation	(831.8)	(768.5)	8.2%
Fair value changes on investment properties	(14,252.7)	(2,146.8)	n.m.
Fair value changes on derivative financial instruments	(194.0)	(51.3)	n.m.
Fair value changes on financial assets at fair value through profit or loss	40.9	24.8	64.9%
Administrative and other expenses	(489.2)	(639.1)	- 23.5%
Impairment on property, plant and equipment	(347.9)	-	n.a.
Other income (including interest income)	289.7	232.0	24.9%
Finance costs	(802.9)	(884.4)	- 9.2%
Share of results of joint ventures	(17.0)	43.9	n.m.
Share of results of associates	5.1	1.2	n.m.
Statutory loss before tax	**(12,398.3)**	**(146.3)**	**n.m.**
Income taxes	(403.8)	(429.8)	- 6.0%
Statutory loss after tax	**(12,802.1)**	**(576.1)**	**n.m.**
Non-controlling interest	113.5	49.5	n.m.
Non-controlling unitholders of Champion REIT	4,148.3	188.8	n.m.
Statutory loss attributable to equity holders	**(8,540.3)**	**(337.8)**	**n.m.**

OVERVIEW

In 2020, the outbreak of the COVID-19 pandemic and the related containment measures took a drastic toll across our businesses. Our hotel business has been hit particularly hard and recorded an unprecedentedly steep loss for the year, while our other businesses witnessed a marked deterioration in business conditions during the year. Nonetheless, the Group's core profit in 2020 was supported solely by the profit booked for accumulated units sold at ONTOLO, our luxury residential development project, which have been delivered to buyers in the second half of 2020. 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$8,540.3 million in 2020 (2019: HK$337.8 million).

The Group's operating income rose 7.1% to HK$2,903.8 million in 2020 (2019: HK$2,710.6 million), driven by a HK$2,055.4 million operating income booked from the ONTOLO luxury residential project. Meanwhile, the Hotels Division turned a loss before interest, taxes and depreciation of HK$625.8 million in 2020 (2019: EBITDA of HK$779.8 million), owing to a collapse in hotel room demand amid global travel restrictions and social distancing measures imposed. Furthermore, there was an absence of distribution income from LHI in 2020 (2019: HK$163.9 million) given it did not declare a distribution amid the poor performance of its hotels.

Distribution income from Champion REIT dropped by 4.7% year-on-year to HK$988.0 million for 2020 (2019: HK$1,036.4 million). Meanwhile, management fee income from Champion REIT fell by 10.9% year-to-year to HK$378.0 million in 2020 (2019: HK$424.4 million). Net rental income from our investment portfolio dropped by 20.0% year-on-year to HK$134.5 million in 2020 (2019: HK$168.2 million).

There was also an across-the-board decline in profit of the Group's other business operations. Together with a provision of HK$128.0 million on loss due to rental commitments of our Eaton Club's flexible workspace business, operating loss of the Group's other businesses amounted to HK$26.3 million in 2020 (2019: operating profit of HK$137.9 million).

In 2020, the Group has written-off our non-core residual investment of HK$69.8 million in NeueHouse, a high-end co-working club company based in New York, as well as HK$63.0 million fixed assets of Eaton Club, as its expansion was met with the COVID-19 pandemic. These write-offs were included under "administrative and other expenses".

Net finance income amounted to HK$32.8 million in 2020 (2019: HK$9.9 million). Share of losses of joint ventures came to HK$17.0 million in 2020 (2019: share of profits of HK$43.9 million), due to a HK$32.4 million provision made for the Dalian mixed-use development project, as the remaining sales proceed has not been received by the end of 2020 as initially scheduled.

Core profit attributable to equity holders rose by 2.4% to HK$1,771.9 million in 2020 (2019: HK$1,731.0 million).

During the third quarter of 2020, LHI successfully raised gross proceeds of HK$1,019.1 million through its rights issue. The fund raised has strengthened LHI's financial position as LHI had entered into this pandemic crisis with a relatively high gearing ratio and insufficient cash resources. As a major shareholder of LHI, the Group has fully subscribed for all of our rights entitled as well as taken up additional rights, which resulted in an increase in our interest in LHI from 63.73% to 69.01% immediately following the completion of the rights issue.

BUSINESS REVIEW

Breakdown of Operating Income	Year ended 31 December		
	2020	2019	
	HK$ million	*HK$ million*	Change
1. Income from property sales	2,055.4	-	n.a.
2. Hotels EBITDA	(625.8)	779.8	n.m.
3. Income from Champion REIT	1,366.0	1,460.8	- 6.5%
4. Distribution income from LHI	-	163.9	n.m.
5. Net rental income from investment properties	134.5	168.2	- 20.0%
6. Operating income from other operations	(26.3)	137.9	n.m.
Operating income from core business	**2,903.8**	**2,710.6**	**7.1%**

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., comprised 723 luxury residential units and 456 parking spaces, was completed in the fourth quarter of 2020.

By the end of 2020, accumulated sales reached 493 residential units. 435 residential units and 92 carparks have been delivered to the buyers by the end of 2020, resulting in revenue and operating profit contribution from the project of HK$5,107.9 million and HK$2,055.4 million respectively during 2020. Average sales price for the residential units reached HK$16,682 per sq. ft. based on saleable area, and average sales price was HK$2.65 million per unit for the parking spaces sold.

2. HOTELS DIVISION

Hotels Performance

	Average daily rooms available		Occupancy		Average room rate (local currency)		RevPAR (local currency)	
	2020	2019	2020	2019	2020	2019	2020	2019
Europe								
The Langham, London	380	380	19.0%	80.3%	333	390	63	313
North America								
The Langham, Boston ^	-	317	-	59.2%	-	233	-	138
The Langham Huntington, Pasadena	379	379	22.3%	71.8%	295	281	66	202
The Langham, Chicago	316	316	21.3%	78.0%	369	407	79	317
The Langham, New York, Fifth Avenue	234	234	18.5%	83.6%	498	578	92	483
Eaton, Washington D.C.	209	209	17.9%	55.3%	182	253	32	140
Chelsea Hotel, Toronto	1,590	1,590	20.3%	77.6%	137	173	28	134
Australia / New Zealand								
The Langham, Melbourne	388	388	21.5%	87.1%	346	308	75	268
The Langham, Sydney	96	96	36.6%	82.1%	470	464	172	381
Cordis, Auckland	373	396	40.4%	81.6%	230	225	93	184
China								
The Langham, Shanghai, Xintiandi	355	356	52.3%	81.7%	1,172	1,590	613	1,299
Cordis, Shanghai, Hongqiao	395	395	40.4%	64.3%	723	934	292	601

^ Closed for renovation from April 2019

	Year ended 31 December		
	2020 *HK$ million*	2019 *HK$ million*	Change
Hotels revenue			
Europe	138.0	647.5	- 78.7%
North America	517.8	2,190.3	- 76.4%
Australia / New Zealand	296.1	758.3	- 61.0%
China	274.8	512.4	- 46.4%
Others (including hotel management fee income)	73.4	141.4	- 48.1%
Total hotels revenue	**1,300.1**	**4,249.9**	**- 69.4%**
Hotels EBITDA			
Europe	(47.9)	178.9	n.m.
North America	(364.6)	304.1	n.m.
Australia / New Zealand	(40.1)	113.3	n.m.
China	17.8	157.4	- 88.7%
Others (including hotel management fee income)	(191.0)	26.1	n.m.
Total hotels EBITDA	**(625.8)**	**779.8**	**n.m.**

The performance of our overseas hotels for 2020 has been severely impacted by the unprecedented revenue loss, as business came to a standstill and several of our overseas hotels suspended operation due to the COVID-19 pandemic. All of our hotels have seen continued weak demand from all markets due to strict controls on travel and social distancing implemented in every jurisdiction. To mitigate the substantial downturn in sales, our hotels have implemented some effective cost-saving measures.

Total revenue for the Hotels Division dropped by 69.4% year-on-year to HK$1,300.1 million in 2020. After accounting for the operating loss and rental payment shortfall of HK$238.2 million incurred as the lessee of LHI's hotels, which were included under "Others" breakdown of the Hotels Division's operating results, the Hotels Division incurred a loss before interest, taxes and depreciation of HK$625.8 million in 2020, as compared with an EBITDA of HK$779.8 million in 2019. The loss has factored in HK$239.3 million in government subsidies received.

EUROPE

The Langham, London

The Langham, London was forced to close during the first wave of the pandemic from March 2020 and was reopened on 4 July 2020. However, recovery was slow with minimal rooms and restaurant business. The rapid increase in COVID-19 cases in the third quarter of 2020 led to a second lockdown in November 2020 with bars and restaurants closed. In 2020, government relief subsidy amounting to HK$47.8 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 was closed since April 2019 for major renovation. All 317 guests rooms, the club lounge and public areas are undergoing renovations. Whereas The Langham, Chicago, The Langham, New York, Fifth Avenue, The Langham Huntington, Pasadena and Eaton, Washington D.C. were all forced to close during the first wave of the pandemic. Although they have reopened in the third quarter of 2020, business recovered slowly as restrictions on public gatherings and indoor dining continued to be in place. With the worsening pandemic situation, some states has imposed stay at home orders in the fourth quarter and restricted interstate travel. Our qualified hotels in the U.S. have applied for a total of US$9.93 million loan funding under the Paycheck Protection Program, and the fund has been received by the end of 2020. We estimate that approximately 65% of the fund received can be forgiven upon government's approval, which can then be booked as government relief subsidy in our results. Noted we have not booked any subsidy in our 2020 results, as our application for loan forgiveness has not yet been formally approved by the government.

Chelsea Hotel, Toronto

Although the Chelsea hotel remained open throughout 2020, there was a lack of demand except for some aircrew business. Hence, the hotel witnessed a significant decline in occupancy in 2020. During the year, government relief subsidy amounting to HK$36.5 million was booked for the hotel.

During 2020, 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 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. Current phase of the project continues with the minimal impact from COVID-19.

During the year, the Group is closely monitoring condominium market trends and condition. We are soliciting proposals from well-established Toronto property developers to explore potential joint-venture options that would reduce our market exposure while leveraging off local market expertise. Meanwhile, the Chelsea hotel operation will continue for at least one to two years more.

AUSTRALIA / NEW ZEALAND

The Langham, Melbourne and The Langham, Sydney

RevPARs of The Langham, Melbourne and The Langham, Sydney were already declining before the COVID-19 pandemic hit. The pandemic exacerbated the declines in RevPARs, as the Australian government placed restrictions on international and domestic flights when the pandemic hit. Hence, The Langham, Melbourne and The Langham, Sydney suspended their operations from April 2020 and have reopened for business since November and July respectively. But demand has remained lackluster since their reopening. In 2020, government relief subsidy amounting to HK$46.8 million was booked for the two hotels in Australia.

Cordis, Auckland

In New Zealand, the government shut its border to tourists. Although Cordis, Auckland remained open until August when there was an increase in the number of COVID-19 cases, there was only demand from aircrew business, resulting in significantly lowered occupancy for the hotel in 2020. With the restrictions lifted in October 2020, the hotel has seen recovery in rooms supported by domestic leisure business. In particular, the restaurant and catering segment has seen revenue returning to almost normal levels in the year. In 2020, government relief subsidy amounting to HK$26.2 million was booked for the hotel.

Construction of an additional 244 rooms on the site, which commenced in March 2019 and was originally targeted for completion in 2021, has now been delayed to 2022 due to the impact of the COVID-19 pandemic.

CHINA

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

RevPARs for The Langham, Xintiandi and Cordis, Hongqiao were in significant declines in the first quarter of 2020, which reflected the impacts of the COVID-19 pandemic that started spreading as early as January 2020. The Chinese Government imposed lockdowns in some provinces with strict social distancing measures. Hence, The Langham, Xintiandi and Cordis, Hongqiao temporarily closed their food and beverage outlets in February and March 2020.

As restrictions have been lifted with domestic travel resumed in the second quarter of 2020, business in The Langham, Xintiandi and Cordis, Hongqiao was gradually recovering. While room rates remained depressed, occupancy levels in both hotels have started to rebuild throughout the rest of the 2020 with demand being led by domestic retail segment. Nevertheless, the resurgence of COVID-19 cases from November 2020 onwards has translated to slower business pickup with cancellations in rooms and restaurants.

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 2020 was primarily due to the shortfall of HK$238.2 million incurred by the Group as the lessee of LHI's hotels.

As at the end of December 2020, there were nine hotels with approximately 2,800 rooms in our management portfolio. The most recent hotel added to the portfolio was Cordis, Dongqian Lake, Ningbo, which soft opened in May 2019 with 238 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 2020 dropped by 6.5% to HK$1,366.0 million. Of which, distribution income dropped by 4.7% to HK$988.0 million, as the REIT declared a 6.1% decline in distribution per unit and our holdings in the REIT has been increased from 66.22% as at the end of December 2019 to 67.22% as at the end of December 2020. Given lower net property income of Champion REIT, together with reduced agency leasing commission income in 2020, these have led to an overall 10.9% drop in management fee income from Champion REIT, which came to HK$378.0 million in 2020.

	Year ended 31 December		
	2020 *HK$ million*	2019 *HK$ million*	Change
Attributable distribution income	988.0	1,036.4	- 4.7%
Management fee income	378.0	424.4	- 10.9%
Total income from Champion REIT	**1,366.0**	**1,460.8**	**- 6.5%**

The following text was extracted from the 2020 annual results announcement of Champion REIT relating to the performance of the REIT's properties.

Three Garden Road

Occupancy of the property fell to 86.8% as at 31 December 2020 from 93.0% as at 31 December 2019. Despite the lower average occupancy, rental income of Three Garden Road maintained at the stable level of HK$1,518 million (2019: HK$1,512 million). The previous gap between the average passing rent of the property and the market rent provided us sufficient buffer to achieve a mild positive rental reversion amid the battered market environment. Average passing rent increased to HK$110.4 per sq. ft. (based on lettable area) as at 31 December 2020 (2019: HK$107.8 per sq. ft.). Net property income declined slightly by 0.4% to HK$1,369 million (2019: HK$1,375 million), owing to the increase of 8.5% in net property operating expenses.

Langham Place Office Tower

Despite the challenging business environment, total rental income of Langham Place Office remained stable at HK$378 million in 2020 (2019: HK$375 million). While market rents have been softening, passing rent of the property slightly increased to HK$47.7 per sq. ft. (based on gross floor area) as at 31 December 2020 (2019: HK$46.5 per sq. ft.) as the rental level of the departed tenants was lower than the passing rent. Net property income improved slightly to HK$346 million (2019: HK$342 million).

Langham Place Mall

Given the significant drop in tenants sales, total rental income of the mall recorded a 17.3% decline to HK$738 million (2019: HK$891 million), the biggest decrease since the opening of the mall. The mall remained fully occupied as at 31 December 2020. The proportion of tenants paying turnover rent only increased to 14.9% of area as at 31 December 2020 (6.9% as at 30 June 2020). The substantial decline in sales drove down turnover rent portion to HK$19 million (2019: HK$114 million). The average passing rents dropped to HK$179.3 per sq. ft. (based on lettable area) as at 31 December 2020 (2019: HK$209.5 per sq. ft.). Net property income fell 17.3% to HK$632 million (2019: HK$764 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 2020, LHI did not declare a distribution amid the devastated performance of its three hotels in Hong Kong.

	Year ended 31 December		
	2020 ***HK$ million***	**2019** ***HK$ million***	**Change**
Attributable distribution income	-	163.9	n.m.

Performances of the Hong Kong hotels below were extracted from the 2020 annual results announcement of LHI relating to the performance of the trust group's properties.

	Average daily rooms available		Occupancy		Average room rate (in HK$)		RevPAR (in HK$)	
	2020	2019	2020	2019	2020	2019	2020	2019
The Langham, Hong Kong	498	497	16.3%	75.3%	1,342	1,955	219	1,472
Cordis, Hong Kong	667	667	22.5%	73.1%	1,165	1,656	262	1,210
Eaton HK	465	465	37.4%	71.6%	543	950	203	679

The Langham, Hong Kong

The hotel's performance for 2020 was severely impacted by the pandemic as leisure and business levels remained low due in large part to global travel restrictions. Amid the plunge in demand from the traditional segments in 2020, the Hotel Manager switched its strategy to focus on the local staycation market, as well as long stay packages from the second quarter of 2020. As a result, the hotel managed a 16.3% occupancy for the full year, as compared with a 14.4% occupancy witnessed in the first half of 2020. Average room rate dropped by 31.4%, resulting in a RevPAR decline of 85.1% in 2020, as compared with a 73.6% drop in RevPAR of its respective High Tariff A hotel market.

Food and Beverage ("**F&B**") revenue for the hotel dropped by 53.0% year-on-year in 2020. All F&B outlets have witnessed substantial decline in revenue amid social distancing measures imposed, with banqueting business being particularly severely impacted as most existing bookings being deferred and negligible to pick up new business. Note that the all-day dining venue, The Food Gallery, was closed for three months at the beginning of the COVID-19 lockdown. The hotel applied for the Employment Support Scheme and other government subsidies and HK$25.3 million was booked under other revenue in 2020.

Cordis, Hong Kong

The hotel had fared slightly better than The Langham, Hong Kong as the hotel still had group business during the onset of the pandemic breakout in early 2020. However, the overall demand has fallen sharply following the travel restrictions and quarantine measures. The hotel increased its effort in targeting the local staycation market from the second quarter of 2020 and managed to achieve a 22.5% overall occupancy for 2020, as compared with a 19.5% occupancy in the first half of 2020. Average room rate dropped by 29.6% in 2020. RevPAR dropped by 78.3%, which compared unfavourably with a 73.6% drop in RevPAR of the respective High Tariff A hotel market.

Revenue from F&B witnessed a decline of 53.6% year-on-year in 2020. Business remained weak amid the imposed government restrictions, which led to a lack of banquet bookings as well as a substantial drop in revenue of all the outlets. The hotel has applied for the Employment Support Scheme and other government subsidies and HK$29.6 million was booked under other revenue in 2020.

Eaton HK

The hotel's average room rate dropped by 42.8% and occupancy dropped by 34.2 percentage points year-on-year in 2020. This resulted in a RevPAR decline of 70.1%, as compared with a 65.1% drop in RevPAR of its respective High Tariff B hotel market during 2020. The hotel benefitted from some guaranteed group business during February, but demand remained lackluster for the rest of the year, with price competition being extremely intense for the lower tariff hotels.

Revenue from F&B at the Eaton HK performed relatively well with a drop of only 13.6% year-on-year in 2020. After the renovation works, business at Yat Tung Heen was particularly strong despite the imposed government restrictions. The hotel has applied for the Employment Support Scheme and other government subsidies and HK$17.5 million was booked under other revenue in 2020.

5. RENTAL INCOME FROM INVESTMENT PROPERTIES

	Year ended 31 December		
	2020 *HK$ million*	2019 *HK$ million*	Change
Gross rental income			
Great Eagle Centre	119.9	135.3	- 11.4%
Eaton Residences Apartments	33.0	51.3	- 35.7%
Others	30.4	32.0	- 5.0%
	183.3	**218.6**	**- 16.1%**
Net rental income			
Great Eagle Centre	112.1	131.2	- 14.6%
Eaton Residences Apartments	19.1	31.0	- 38.4%
Others	3.3	6.0	- 45.0%
	134.5	**168.2**	**- 20.0%**

Great Eagle Centre

	As at the end of		
	December 2020	December 2019	Change
Office (on lettable area)			
Occupancy	**88.4%**	100.0%	*- 11.6ppt*
Average passing rent	**HK$69.5**	HK$70.1	*- 0.9%*
Retail (on lettable area)			
Occupancy	**95.0%**	99.4%	*- 4.4ppt*
Average passing rent	**HK$101.5**	HK$104.6	*- 3.0%*

Occupancy of office space in Great Eagle Centre dropped 11.6 percentage points to 88.4% amid the outbreak of the COVID-19 pandemic, which dampened demand for office space. Furthermore, as the Group took up more space for its in-house expansion, this also contributed to lower rental income for the Group. Overall gross rental income for the Great Eagle Centre, which included retail rental income and other income, dropped by 11.4% year-on-year to HK$119.9 million in 2020. Net rental income dropped by 14.6% to HK$112.1 million.

Eaton Residences Apartments

	Year ended 31 December		
	2020	**2019**	**Change**
(on gross floor area)			
Occupancy	**67.4%**	79.1%	*- 11.7ppt*
Average net passing rent	**HK$26.1**	HK$30.6	*- 14.7%*

Blue Pool Road property was closed for renovation from August 2020, which contributed to the decline in profit in 2020. The renovation targets for completion in the summer of 2021. Meanwhile, both the Wanchai Gap Road and Village Road property witnessed a decrease in demand from the leisure segment amid travel restrictions imposed. Gross rental income dropped by 35.7% year-on-year to HK$33.0 million in 2020, and net rental income dropped by 38.4% year-on-year to HK$19.1 million.

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 or distribution income from securities portfolio or other investments.

There was also an across-the-board decline in profit of the Group's other business operations. Together with a provision of HK$128.0 million on loss due to rental commitments of our Eaton Club's flexible workspace business, operating loss of the Group's other businesses amounted to HK$26.3 million in 2020 (2019: operating profit of HK$137.9 million).

U.S. FUND

The Group has established a U.S. Real Estate Fund in 2014, which targets at office and residential property investments in the United States. As at the end of December 2020, the Group held 49.97% interest in the U.S. Fund and acts as its asset manager with a 80% stake in the asset management company, and the remaining interest was held by China Orient Asset Management (International) Holding Limited.

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. Since the establishment of the U.S. Fund, it has already disposed of three office buildings by the end of 2016 and its remaining office building during 2019. The progress of other projects still held by the U.S. Fund are as follows:

The Austin, San Francisco
The site, which is located at 1545 Pine Street, San Francisco, was acquired in January 2015. The site is situated in the trendy Polk Street neighbourhood, in proximity to the traditional luxury residential areas of Nob Hill and Pacific Heights, and within easy reach from the burgeoning technology cluster in Mid-Market. The development with gross floor area of approximately 135,000 sq. ft. comprised 100 studio, one- and two-bedroom residences. The project was completed in December 2017 and was highly acclaimed by Wallpaper Magazine as an embodiment of Californian modernism. All residential units were sold by the end of December 2020. The project generated only a small profit.

Cavalleri, Malibu

The acquisition of the residential property with 68 rental apartment units in Malibu, California was completed in September 2015. Malibu is a sought-after high-end coastal residential area in Los Angeles, where regulatory development constraints establish high barriers to entry and currently no similar competing properties are available for sale or under development. The U.S. Fund has successfully repositioned the units to high-end products with renovation works completed in 2018. Since offers received for an en-bloc sale of the project did not meet our minimum acceptable price, the U.S. Fund has decided to change its strategy to lease out the units as luxury rental apartments instead.

DEVELOPMENT PROJECTS

China

Dalian Mixed-use Development Project

The project is located in Dalian, Liaoning Province. The project has been developed in two phases: Phase I comprises approximately 800 apartments and Phase II comprises 400 apartments and the hotel. Phase I development was completed by the end of 2018 with 60% of the apartments sold. The Group successfully entered into a sale agreement with a third party in July 2019 in respect of all the remaining unsold units of Phase I together with the site for Phase II of the project. Owing to the payment arrangement, attributable distribution income resulted from disposal will be made to the Group in two stages, with HK$73 million taken in the second half of 2019. The residual sales proceeds should have been received in July 2020. Since the Group did not receive the remaining sales proceeds by the end of 2020, the remaining profit has not been recognised in 2020's results. Furthermore, a HK$32.4 million provision has been shared in 2020 results, as it is uncertain when the final remaining sales proceeds will be received. At the same time, the Group has initiated legal proceedings to pursue the outstanding proceeds.

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.

Artistic rendering only

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 submissions received exceeded the budgeted amount, works are currently being undertaken to reduce construction costs to fall within the budgeted sum. Construction will commence after resolution of such matter.

United States

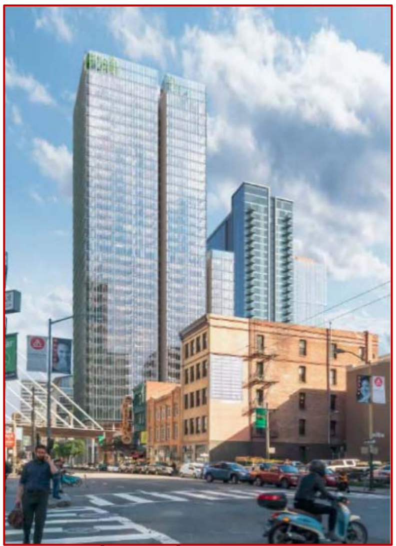
San Francisco Hotel Development Project, 1125 Market Street

Artistic rendering only

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 site has been earmarked for the development of an "Eaton" hotel. After optimising the design, the property can achieve a gross floor area of approximately 139,000 sq. ft. with 177-key. The updated design was submitted in August 2018 to the City of San Francisco for planning review. The design has been well received and was approved by the City of San Francisco in September 2020. Hearing for entitlement approval will take place after an agreement has been reached with the local union. Meanwhile, further study on profitability is being carried out due to uncertain market conditions and high construction cost in San Francisco. The project has been put on hold.

San Francisco Hotel Redevelopment Project, 555 Howard Street


Artistic rendering only

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.

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 first 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.

The design of the hotel is being carried out by world renowned architect Matteo Thun, and is currently in concept design stage. Completion of the project is expected to be no earlier than the second quarter of 2024. Further assessment on return is required due to the COVID-19 pandemic and its long term impact on Italy's tourism market.

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

After an extremely difficult year in 2020, the operating environment continues to be highly challenging as we head into 2021 amid the still-elevated number of new COVID-19 cases and emergence of new and more infectious strains. Hence, social distancing measures and travel restrictions have remained, with some even at their severest, in most of our key markets. As the course of the pandemic and pace of vaccinations remain highly uncertain, it is unclear when there will be a more sustainable easing in COVID-19-related restrictions. For now, China has avoided new major waves of infection that have stalled progress elsewhere and has pulled ahead in economic recovery.

For our Hotels Division, we expect our hotels' business will be under enormous pressure until travel restrictions and social distancing measures are fully lifted. Therefore, implementing strict cost control measures will be of utmost importance in 2021. Given our poor outlook for the global hotel and tourism industry, we expect LHI's performance will also be under pressure in 2021.

Compared with the hefty development profit booked in 2020 as the accumulated units sold since July 2019 were being recognised in 2020 upon completion of the project, we expect profit from ONTOLO to be substantially lower in 2021, as most of the unsold units at ONTOLO are larger-sized units which we expect to be sold at a much slower pace. In fact, with the 13 units sold during the first two months of 2021, the pace of sale has clearly decelerated.

For Champion REIT, as the overall operating environment will remain very difficult in 2021 for their businesses, there are obvious downside risks in rental income of their properties portfolio.

Overall, we expect the Group's core profit will decline in 2021, as we expect a much lower profit contribution from ONTOLO, whereas our other core businesses, especially the Hotels Division, cannot turn around until the pandemic can be controlled by vaccinations which has just started in major countries.

Other than the impacts of the pandemic, it is important to note that the tension between the U.S. and China remains intense. There is also an uncertainty relating to the new U.S. administration, further blurring the economic outlook for China and consequently, this could impact the economic outlook for 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 with very liquid cash position, we will try to capitalise on opportunities that may arise in 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 31 December 2020 was HK$21,829 million, an increase of HK$1,360 million compared to that as of 31 December 2019. The increase in net borrowings was mainly due to medium-term notes issued by Champion REIT and payment of special dividends. The increase was partially offset by the sales proceeds from ONTOLO.

Equity Attributable to Shareholders, based on professional valuation of the Group's investment properties as of 31 December 2020 and the depreciated costs of the Group's hotel properties (including Hong Kong hotel properties held by LHI), amounted to HK$58,811 million, representing a decrease of HK$10,111 million compared to the value of HK$68,922 million as of 31 December 2019. The decrease was mainly attributable to valuation loss of investment properties and distribution of dividends during the year.

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 67.22%, 69.24% 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 31 December 2020 was 25.6%. 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 31 December 2020	**On consolidated basis** *HK$ million*	**On core balance sheet basis** *HK$ million*
Great Eagle	**820**	**820**
Champion REIT	**14,674**	**-**
LHI	**6,158**	**-**
U.S. Fund	**177**	**-**
Net debts	**21,829**	**820**

Net debts attributable to Shareholders of the Group	**15,036**	**820**
Equity attributable to Shareholders of the Group	**58,811**	**66,335**
Net gearing ratio ^	**25.6%**	**1.2%**

^ ***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$29,570 million as of 31 December 2020. Bank loans amounted to HK$14,696 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	**7,118**	**14,787** [5]	**21,905** [3]
Medium term notes	**643**	**7,022** [4]	**7,665**
Total	**7,761**	**21,809**	**29,570**
%	**26.2%**	**73.8%**	**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$5,446 million loans were originally denominated in other currencies.
(4) (a) Equivalence of HK$5,322 million were US dollars notes; (b) Included notes of outstanding principal amount of US$386.4 million which was under cross currency swaps at an average rate of HK$7.7595 to US$1.00.
(5) Included floating rate debts which had been swapped to fixed rate debts. As at 31 December 2020, the Group had outstanding interest rate swap contracts of notional amount of HK$12,971 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 31 December 2020, our cash, bank deposits and undrawn loan facilities amounted to a total of HK$12,190 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 31 December 2020:

Within 1 year	15.8%
More than 1 year but not exceeding 2 years	14.8%
More than 2 years but not exceeding 5 years	60.6%
More than 5 years	8.8%

FINANCE COST

The net consolidated finance cost during the year was HK$600 million of which HK$43 million was capitalised to property development projects. Overall net interest cover at the reporting date was 6.3 times.

PLEDGE OF ASSETS

At 31 December 2020, properties of the Group with a total book carrying value of approximately HK$33,578 million (31 December 2019: HK$41,832 million) were mortgaged or pledged to secure credit facilities granted to its subsidiaries.

COMMITMENTS AND CONTINGENT LIABILITIES

At 31 December 2020, 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$9,410 million (31 December 2019: HK$7,841 million) of which HK$774 million (31 December 2019: HK$1,467 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.

FINAL DIVIDEND AND SPECIAL FINAL DIVIDEND

In view of the strong financial position of the Group and sufficient allocation of cash resources for the Group's upcoming strategic investment plans and financial commitments having been made, coupled with the sales proceeds from ONTOLO received by the Group during the year, the Board recommends the payment of a final dividend of HK50 cents per share (2019: HK50 cents per share) and a special final dividend of HK50 cents per share (2019: HK50 cents per share) for the year ended 31 December 2020 to the Shareholders subject to the approval of the Shareholders at the forthcoming 2021 Annual General Meeting (the "**2021 AGM**").

Taken together with the interim dividend of HK33 cents per share and the special interim dividend of HK$1.50 per share paid on 15 October 2020, the total dividend for the year 2020 is HK$2.83 per share (2019 total dividend: HK$1.33 per share, comprising an interim dividend of HK33 cents, a final dividend of HK50 cents and a special final dividend of HK50 cents).

Shareholders will be given the option to receive the proposed 2020 final dividend of HK50 cents per share in new shares in lieu of cash (the "**Scrip Dividend Arrangement**") and special final dividend of HK50 cents per share will be paid in the form of cash. The Scrip Dividend Arrangement is subject to The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") granting the listing of and permission to deal in the new shares to be issued pursuant thereto.

A circular containing details of the Scrip Dividend Arrangement will be despatched to the Shareholders together with the form of election for scrip dividend in May 2021. Dividend warrants and share certificates in respect of the proposed 2020 final dividend and special final dividend are expected to be despatched on 21 June 2021 to the Shareholders whose names appear on the Registers of Members of the Company (the "**Registers of Members**") on Tuesday, 18 May 2021.

CLOSURE OF REGISTERS OF MEMBERS

The Registers of Members will be closed during the following periods and during these periods, no transfer of shares will be registered:

(i) To attend and vote at the 2021 AGM

For the purpose of ascertaining the Shareholders' entitlement to attend and vote at the 2021 AGM, the Registers of Members will be closed from Monday, 3 May 2021 to Thursday, 6 May 2021, both days inclusive.

In order to be eligible to attend and vote at the 2021 AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited (the "**Branch Share Registrar**") 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 April 2021.

(ii) To qualify for the proposed 2020 final dividend and special final dividend

For the purpose of ascertaining the Shareholders' entitlement to the proposed 2020 final dividend and special final dividend, the Registers of Members will be closed from Thursday, 13 May 2021 to Tuesday, 18 May 2021, both days inclusive.

In order to qualify for the proposed 2020 final dividend and special final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Branch Share Registrar for registration not later than 4:30 p.m. on Wednesday, 12 May 2021.

ANNUAL GENERAL MEETING AND ANNUAL REPORT

The 2021 AGM of the Company will be held on Thursday, 6 May 2021. The notice of 2021 AGM together with the 2020 Annual Report and all other relevant documents (the "**Documents**") will be despatched to the Shareholders before the end of March 2021. The Documents will also be published on the Company's website at www.GreatEagle.com.hk and the website "HKEXnews" at www.hkexnews.hk.

GOVERNANCE AND COMPLIANCE

The Company is committed to maintaining and developing a high standard of corporate governance practices that are designed to enhance company image, boost Shareholders' confidence, and reduce the risk of fraudulent practices and ultimately serve the long-term interests of our Shareholders. Furthermore, we integrate social and environmental concerns in 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 the regulatory requirements and the needs of the Company to underpin our engrained value of integrity and accountability. During the year, the Company has complied with most of the code provisions and where appropriate, adopted some of the recommended best practices as set out in the Corporate Governance Code and Corporate Governance Report (the "**CG Code**") contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). Set out below are the 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 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. The Board believes that a balance of power and authority is adequately ensured by the operations of the Board which comprises experienced and high caliber individuals including five Independent Non-executive Directors and three Non-executive Directors who offer advices and views from different perspectives. Meanwhile, the day-to-day management and operation of the Group are delegated to divisional management under the leadership and supervision of Dr. Lo in the role of Managing Director 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 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 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 will disclose 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 stage of development of the Group. Since she is relatively inactive in the Group's business in recent years, she has not participated in the 2020 Director Development Program 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 is detrimental to the interests of the Shareholders. The Board considers that our current approach in disclosing the emoluments of Directors on named basis and that of the five highest paid individuals of the Group in the forms of aggregate amount and by bands in our annual reports is appropriate to maintain the equilibrium between transparency and privacy.

EMPLOYMENT AND LABOUR PRACTICES

As at 31 December 2020, the number of employees of the Group, including our head office management team, and frontline hotel and property management and operation colleagues, decreased approximately 24.6% to 4,799 (2019: 6,366). The decrease was mainly attributable to the suspension of operation in many of our hotels, mainly overseas properties, due to the COVID-19 pandemic. Staff costs (including Directors' emoluments) for the year ended 31 December 2020 amounted to HK$1,746.9 million (2019: HK$2,570.7 million). Salary levels of employees are competitive and discretionary bonuses are granted based on the performance of the Group as well as the performance of individual employees. Other employee benefits include educational allowance, insurance, medical scheme and provident fund schemes. Senior employees (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.

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 enquiry, all Directors and relevant employees of the Company have confirmed that they fully complied with the Code of Conduct for Securities Transactions throughout the year ended 31 December 2020.

AUDIT COMMITTEE

The final results of the Company for the year ended 31 December 2020 have been reviewed by the Audit Committee of the Company.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2020 as set out in this announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on this announcement.

NEW SHARES ISSUED

As at 31 December 2020, the total number of issued shares of the Company was 719,920,112. On 17 June 2020, 11,538,064 new shares were issued at the price of HK$20.32 per share pursuant to the Scrip Dividend Arrangement in respect of the 2019 final dividend. Details of the Scrip Dividend Arrangement were set out in the announcement published by the Company on 15 May 2020 and the circular to the Shareholders dated 20 May 2020 respectively.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

During the year ended 31 December 2020, 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 the 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 February 2021

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

	NOTES	**2020** **HK$'000**	2019 HK$'000
Revenue	4	**10,305,287**	9,236,830
Cost of goods and services		**(6,348,396)**	(5,194,954)
Operating profit before depreciation		**3,956,891**	4,041,876
Depreciation		**(831,868)**	(768,529)
Operating profit		**3,125,023**	3,273,347
Fair value changes on investment properties		**(14,252,703)**	(2,146,787)
Fair value changes on derivative financial instruments		**(194,050)**	(51,303)
Fair value changes on financial assets at fair value through profit or loss		**40,908**	24,837
Other income	6	**534,387**	232,036
Administrative and other expenses		**(489,189)**	(639,038)
Impairment loss on property, plant and equipment		**(347,898)**	-
Finance costs	7	**(802,927)**	(884,426)
Share of results of joint ventures		**(16,972)**	43,860
Share of results of associates		**5,147**	1,191
Loss before tax		**(12,398,274)**	(146,283)
Income taxes	8	**(403,811)**	(429,789)
Loss for the year, before deducting the amounts attributable to non-controlling unitholders of Champion REIT	9	**(12,802,085)**	(576,072)
Loss for the year attributable to:			
Owners of the Company		**(8,540,252)**	(337,790)
Non-controlling interests		**(113,487)**	(49,451)
		(8,653,739)	(387,241)
Non-controlling unitholders of Champion REIT		**(4,148,346)**	(188,831)
		(12,802,085)	(576,072)
Loss per share:	11		
Basic		**(HK$11.94)**	(HK$0.48)
Diluted		**(HK$11.94)**	(HK$0.48)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 **HK$'000**	2019 HK$'000
Loss for the year, before deducting the amounts attributable to non-controlling unitholders of Champion REIT	**(12,802,085)**	(576,072)
Other comprehensive income (expense):		
Items that will not be reclassified to profit or loss:		
Fair value (loss) gain on equity instruments at fair value through other comprehensive income	**(23,267)**	67,875
Share of other comprehensive expense of an associate	**(5,206)**	(8,312)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	**348,719**	(13,303)
Share of other comprehensive income of a joint venture	**-**	11,366
Cash flow hedges:		
Fair value adjustment on cross currency swaps and interest rate swaps designated as cash flow hedges	**(212,655)**	57,113
Reclassification of fair value adjustments to profit or loss	**43,724**	2,668
Other comprehensive income for the year, before deducting amounts attributable to non-controlling unitholders of Champion REIT	**151,315**	117,407
Total comprehensive expense for the year, before deducting amounts attributable to non-controlling unitholders of Champion REIT	**(12,650,770)**	(458,665)
Total comprehensive expense for the year attributable to:		
Owners of the Company	**(8,341,484)**	(237,343)
Non-controlling interests	**(112,003)**	(52,720)
	(8,453,487)	(290,063)
Non-controlling unitholders of Champion REIT	**(4,197,283)**	(168,602)
	(12,650,770)	(458,665)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2020

	NOTES	2020	2019
		HK$'000	HK$'000
Non-current assets			
Investment properties		**73,111,626**	87,322,962
Property, plant and equipment		**21,565,777**	20,201,239
Interests in joint ventures		**94,767**	112,116
Interests in associates		**53,268**	55,700
Equity instruments at fair value through other comprehensive income		**1,065,589**	1,034,736
Notes and loan receivables		**995,203**	755,421
Derivative financial instruments		**-**	65,652
		96,886,230	109,547,826
Current assets			
Stock of properties		**3,430,283**	6,096,557
Inventories		**105,886**	126,821
Debtors, deposits and prepayments	12	**734,060**	853,885
Notes and loan receivables		**2,318,802**	15,613
Financial assets at fair value through profit or loss		**463,846**	234,665
Derivative financial instruments		**20,954**	11,562
Tax recoverable		**78,189**	608
Restricted cash		**171,745**	166,405
Time deposits with original maturity over three months		**191,485**	200,000
Bank balances and cash		**7,378,111**	10,706,504
		14,893,361	18,412,620
Current liabilities			
Creditors, deposits and accruals	13	**5,035,056**	4,534,943
Derivative financial instruments		**49,980**	4,198
Provision for taxation		**459,097**	526,998
Distribution payable		**246,761**	264,668
Borrowings due within one year		**4,659,429**	4,146,215
Medium term notes		**-**	199,929
Lease liabilities		**9,267**	11,513
		10,459,590	9,688,464
Net current assets		**4,433,771**	8,724,156
Total assets less current liabilities		**101,320,001**	118,271,982

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2020

	2020	2019
	HK$'000	HK$'000
Non-current liabilities		
Derivative financial instruments	**394,657**	115,007
Borrowings due after one year	**17,147,860**	21,523,056
Medium term notes	**7,608,548**	5,326,277
Deferred taxation	**1,282,957**	1,379,636
Lease liabilities	**11,114**	18,232
	26,445,136	28,362,208
NET ASSETS	**74,874,865**	89,909,774
Equity attributable to:		
Owners of the Company		
Share capital	**359,960**	354,191
Share premium and reserves	**58,451,432**	68,568,106
	58,811,392	68,922,297
Non-controlling interests	**(607,648)**	(913,557)
	58,203,744	68,008,740
Net assets attributable to non-controlling unitholders of Champion REIT	**16,671,121**	21,901,034
	74,874,865	89,909,774

1. GENERAL INFORMATION

Great Eagle Holdings Limited (the "Company") is a company incorporated in Bermuda with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are property development and investment, operations of hotel, restaurant and flexible workspace, manager of real estate investment trust, trading of building materials, securities investment, provision of property management, maintenance and property agency services, property leasing and asset management.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, Great Eagle Holdings Limited and its subsidiaries (collectively referred to as the "Group") has applied the *Amendments to References to the Conceptual Framework in HKFRS Standards* and the following amendments to HKFRSs issued by Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the consolidated financial statements:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

The application of the *Amendments to References to the Conceptual Framework in HKFRS Standards* and the amendments to HKFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") - continued

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts and the related Amendments[1]
Amendment to HKFRS 16	COVID-19-Related Rent Concessions[4]
Amendments to HKFRS 3	Reference to the Conceptual Framework[2]
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform - Phase 2[5]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[1]
Amendments to HKAS 16	Property, Plant and Equipment - Proceeds before Intended Use[2]
Amendments to HKAS 37	Onerous Contracts - Cost of Fulfilling a Contract[2]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018 - 2020[2]

1 Effective for annual periods beginning on or after 1 January 2023.
2 Effective for annual periods beginning on or after 1 January 2022.
3 Effective for annual periods beginning on or after a date to be determined.
4 Effective for annual periods beginning on or after 1 June 2020.
5 Effective for annual periods beginning on or after 1 January 2021.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

4. 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).

	2020	2019
	HK$'000	HK$'000
Hotel income	**1,799,294**	5,545,524
Rental income from investment properties	**2,717,328**	2,918,917
Building management service income	**305,578**	321,697
Sales of properties	**5,178,149**	45,947
Sales of goods	**104,660**	213,728
Dividend income	**8,228**	21,370
Others	**192,050**	169,647
	10,305,287	9,236,830

5. SEGMENT INFORMATION

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

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

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

5. SEGMENT INFORMATION - continued

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

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

Segment revenue and results

2020

	Hotel operation HK$'000	Property investment HK$'000	Property development HK$'000	Other operations HK$'000	Sub-total HK$'000	Champion REIT HK$'000	Langham HK$'000	US Real Estate Fund HK$'000	Eliminations/ reclassification HK$'000	Consolidated HK$'000
REVENUE										
External revenue	1,799,294	181,936	5,107,869	304,292	7,393,391	2,825,029	1,915	84,306	646	10,305,287
Inter-segment revenue	15,893	1,373	-	378,240	395,506	95,291	206,341	-	(697,138)	-
Total	1,815,187	183,309	5,107,869	682,532	7,788,897	2,920,320	208,256	84,306	(696,492)	10,305,287

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$'000	Property investment HK$'000	Property development HK$'000	Other operations HK$'000	Sub-total HK$'000	Champion REIT HK$'000	Langham HK$'000	US Real Estate Fund HK$'000	Eliminations/ reclassification HK$'000	Consolidated HK$'000
RESULTS										
Segment results	(625,774)	134,533	2,055,379	351,600	1,915,738	2,065,451	179,887	(15)	40,467	4,201,528
Depreciation					(664,818)	-	(229,259)	(358)	62,567	(831,868)
Operating profit (loss) after depreciation					1,250,920	2,065,451	(49,372)	(373)	103,034	3,369,660
Fair value changes on investment properties					(406,544)	(13,847,194)	-	(4,665)	5,700	(14,252,703)
Fair value changes on derivative financial instruments					(103,619)	(70)	(90,361)	-	-	(194,050)
Fair value changes on financial assets at FVTPL					40,908	-	-	-	-	40,908
Other income					43,672	2,158	1,441	58	(2,800)	44,529
Administrative and other expenses					(443,816)	(24,939)	(19,527)	(4,192)	3,285	(489,189)
Impairment loss on property, plant and equipment					(347,898)	-	-	-	-	(347,898)
Net finance costs					32,809	(421,605)	(174,063)	(3,906)	9,059	(557,706)
Share of results of joint ventures					(16,972)	-	-	-	-	(16,972)
Share of results of associates					5,147	-	-	-	-	5,147
Loss before tax					54,607	(12,226,199)	(331,882)	(13,078)	118,278	(12,398,274)
Income taxes					(157,805)	(270,890)	23,157	-	1,727	(403,811)
Loss for the year					(103,198)	(12,497,089)	(308,725)	(13,078)	120,005	(12,802,085)
Less: Loss attributable to non-controlling interests/non-controlling unitholders of Champion REIT					(1,047)	4,148,346	107,991	6,543	-	4,261,833
Loss attributable to owners of the Company					(104,245)	(8,348,743)	(200,734)	(6,535)	120,005	(8,540,252)

5. SEGMENT INFORMATION - continued

Segment revenue and results - continued

2019

	Hotel operation HK$'000	Property investment HK$'000	Property development HK$'000	Other operations HK$'000	Sub-total HK$'000	Champion REIT HK$'000	Langham HK$'000	US Real Estate Fund HK$'000	Eliminations HK$'000	Consolidated HK$'000
REVENUE										
External revenue	5,545,524	217,951	-	404,745	6,168,220	3,019,905	1,659	47,046	-	9,236,830
Inter-segment revenue	54,651	682	-	424,881	480,214	60,765	482,224	-	(1,023,203)	-
Total	5,600,175	218,633	-	829,626	6,648,434	3,080,670	483,883	47,046	(1,023,203)	9,236,830

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$'000	Property investment HK$'000	Property development HK$'000	Other operations HK$'000	Sub-total HK$'000	Champion REIT HK$'000	Langham HK$'000	US Real Estate Fund HK$'000	Eliminations HK$'000	Consolidated HK$'000
RESULTS										
Segment results	779,817	168,204	-	562,284	1,510,305	2,182,965	448,300	(43,074)	(56,620)	4,041,876
Depreciation					(599,135)	-	(226,071)	-	56,677	(768,529)
Operating profit (loss) after depreciation					911,170	2,182,965	222,229	(43,074)	57	3,273,347
Fair value changes on investment properties					(152,851)	(1,994,379)	-	(357)	800	(2,146,787)
Fair value changes on derivative financial instruments					(36,412)	-	(14,891)	-	-	(51,303)
Fair value changes on financial assets at FVTPL					24,837	-	-	-	-	24,837
Other income					9,178	-	69	-	(1,029)	8,218
Administrative and other expenses					(596,610)	(23,896)	(13,328)	(8,881)	3,677	(639,038)
Net finance costs					9,882	(444,153)	(220,147)	(11,951)	5,761	(660,608)
Share of results of joint ventures					43,860	-	-	-	-	43,860
Share of results of associates					1,191	-	-	-	-	1,191
Loss before tax					214,245	(279,463)	(26,068)	(64,263)	9,266	(146,283)
Income taxes					(119,453)	(290,859)	(19,612)	-	135	(429,789)
Loss for the year					94,792	(570,322)	(45,680)	(64,263)	9,401	(576,072)
Less: Loss attributable to non-controlling interests/non-controlling unitholders of Champion REIT					(3,328)	188,831	16,546	36,233	-	238,282
Loss attributable to owners of the Company					91,464	(381,491)	(29,134)	(28,030)	9,401	(337,790)

6. OTHER INCOME

	2020 HK$'000	2019 HK$'000
Interest income on:		
Bank deposits	**149,358**	164,903
Financial assets at FVTPL	**11,124**	975
Notes receivable	**61,091**	33,052
Others	**23,648**	24,888
	245,221	223,818
Government subsidy	**261,468**	-
Recovery of bad debts	**-**	148
Sundry income	**11,801**	8,070
Net exchange gain	**15,897**	-
	534,387	232,036

7. FINANCE COSTS

	2020 HK$'000	2019 HK$'000
Interest on bank and other borrowings	**562,623**	689,433
Interest on medium term notes	**225,188**	196,555
Interest on lease liabilities	**1,043**	1,372
Other borrowing costs	**56,775**	79,912
	845,629	967,272
Less: amount capitalised	**(42,702)**	(82,846)
	802,927	884,426

8. INCOME TAXES

	2020 HK$'000	2019 HK$'000
Current tax:		
Current year:		
Hong Kong Profits Tax	**592,455**	356,196
Other jurisdictions	**2,203**	92,574
	594,658	448,770
Overprovision in prior years:		
Hong Kong Profits Tax	**(2,897)**	(628)
Other jurisdictions	**(6,785)**	(4,695)
	(9,682)	(5,323)
	584,976	443,447
Deferred tax:		
Current year	**(165,436)**	(10,600)
Overprovision in prior years	**(15,729)**	(3,058)
	(181,165)	(13,658)
	403,811	429,789

9. LOSS FOR THE YEAR

	2020 **HK$'000**	2019 HK$'000
Loss for the year has been arrived at after charging:		
Staff costs (including Directors' emoluments)	**1,746,906**	2,570,669
Share-based payments (including Directors' emoluments)	**13,308**	31,506
	1,760,214	2,602,175
Depreciation	**831,868**	768,529
Auditor's remuneration	**15,331**	15,735
Trustee's remuneration	**12,852**	14,685
Cost of inventories recognised as an expense	**3,267,544**	689,790
Write-down of properties held for sale (included in cost of goods and services)	**-**	32,525
Net exchange loss (included in administrative and other expenses)	**-**	15,205
Fitting-out works of hotel buildings written off	**700**	47,558
Allowance for doubtful debts	**607**	507
Share of tax of a joint venture (included in the share of results of joint ventures)	**-**	146
Share of tax of associates (included in the share of results of associates)	**11**	-
and after crediting:		
Net exchange gain (included in other income)	**15,897**	-
Share of tax credit of associates (included in the share of results of associates)	**-**	6
Recovery of bad debts	**-**	148
Dividend income from		
- equity instruments at fair value through other comprehensive income	**4,657**	14,659
- financial assets at FVTPL	**3,571**	6,711
Rental income from investment properties less related outgoings of HK$243,731,000 (2019: HK$204,556,000)	**2,473,597**	2,714,361

10. DIVIDENDS

	2020	2019
	HK$'000	HK$'000
Dividends paid:		
- Final dividend of HK50 cents in respect of the financial year ended 31 December 2019 (2019: HK50 cents in respect of the financial year ended 31 December 2018) per ordinary share	**354,190**	350,289
- Special final dividend of HK50 cents in respect of the financial year ended 31 December 2019 (2019: nil) per ordinary share	**354,191**	-
	708,381	350,289
- Interim dividend of HK33 cents in respect of the financial year ended 31 December 2020 (2019: HK33 cents in respect of the financial year ended 31 December 2019) per ordinary share	**237,574**	233,764
- Special interim dividend of HK$1.5 in respect of the financial year ended 31 December 2020 (2019: nil) per ordinary share	**1,079,880**	-
	1,317,454	233,764
	2,025,835	584,053

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.

On 8 July 2019, a final dividend of HK50 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 2018.

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

	2020	2019
	HK$'000	HK$'000
Dividends:		
Cash	**119,737**	93,431
Share alternative	**234,453**	256,858
	354,190	350,289

10. DIVIDENDS - continued

	2020	2019
	HK$'000	HK$'000
Dividends proposed:		
- Proposed final dividend of HK50 cents in respect of the financial year ended 31 December 2020 (2019: HK50 cents in respect of the financial year ended 31 December 2019) per ordinary share	**359,960**	354,191
- Proposed special final dividend of HK50 cents in respect of the financial year ended 31 December 2020 (2019: HK50 cents in respect of the financial year ended 31 December 2019) per ordinary share	**359,960**	354,191
	719,920	708,382

The proposed final dividends in respect of the financial year ended 31 December 2020 is subject to approval by the shareholders in the forthcoming annual general meeting.

11. LOSS PER SHARE

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

	2020	2019
	HK$'000	HK$'000
Loss		
Loss for the purposes of basic and diluted loss per share (Loss for the year attributable to owners of the Company)	**(8,540,252)**	(337,790)

	2020	2019
Number of shares		
Weighted average number of shares for the purpose of basic loss per share	**714,970,724**	707,927,393
Effect of dilutive potential shares:		
Share options	**-**	499,038
Weighted average number of shares for the purpose of diluted loss per share	**714,970,724**	708,426,431

12. DEBTORS, DEPOSITS AND PREPAYMENTS

	2020 HK$'000	2019 HK$'000
Trade debtors, net of allowance for doubtful debts	**114,923**	182,037
Deferred lease receivables	**169,381**	168,585
Retention money receivables	**11,079**	14,731
Other receivables	**188,875**	233,095
Deposits and prepayments	**249,802**	255,437
	734,060	853,885

Included in the balance of debtors, deposits and prepayments are trade debtors (net of allowance of doubtful debts) of HK$114,923,000 (2019: HK$182,037,000). For hotel income and sales of goods, the Group allows an average credit period of 30 - 60 days to certain trade customers. Rentals receivable from tenants and service income receivable from customers are payable on presentation of invoices.

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

	2020 HK$'000	2019 HK$'000
Within 3 months	**72,033**	170,481
More than 3 months but within 6 months	**20,955**	5,510
Over 6 months	**21,935**	6,046
	114,923	182,037

13. CREDITORS, DEPOSITS AND ACCRUALS

	2020 HK$'000	2019 HK$'000
Trade creditors	**203,987**	269,948
Deposits received	**789,414**	852,764
Customer deposits and other deferred revenue	**451,150**	898,412
Construction fee payable and retention money payable	**850,484**	389,426
Accruals, interest payable and other payables	**2,740,021**	2,124,393
	5,035,056	4,534,943

Included in the accruals is accrual of stamp duty based on the current stamp duty rate of 4.25% (2019: 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.

13. CREDITORS, DEPOSITS AND ACCRUALS - continued

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

	2020	2019
	HK$'000	HK$'000
Within 3 months	**188,423**	253,058
More than 3 months but within 6 months	**2,280**	3,099
Over 6 months	**13,284**	13,791
	203,987	269,948