Great Eagle Holdings Limited
鷹君集團有限公司

Incorporated in Bermuda with limited liability
於百慕達註冊成立之有限公司

(Stock Code: 41)

2010 ANNUAL RESULTS ANNOUNCEMENT

The Board of Directors of Great Eagle Holdings Limited (the "Company") is pleased to announce the consolidated financial results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2010 as follows:

FINANCIAL HIGHLIGHTS

	Year ended 31 December		
	2010	**2009**	
Key Financial Figures	***HK$ million***	***HK$ million***	**Change**
Revenue	**4,694.2**	**3,958.4**	**18.6%**
Statutory Profit attributable to equity holders	**4,179.2**	**1,182.7**	**253.4%**
Profit from core business after tax	**1,607.0**	**1,275.7**	**26.0%**
Profit from core business after tax (per share)	**HK$ 2.58**	**HK$ 2.07**	**24.6%**
Final Dividend (per share)	**HK$ 0.38**	**HK$ 0.35**	
Interim Dividend (per share)	**HK$ 0.19**	**HK$ 0.17**	
Total Dividend (per share)	**HK$ 0.57**	**HK$ 0.52**	

	As at the end of December	
	2010	**2009**
Net Gearing	**7%**	**12%**
Book value (per share)	**HK$46.2**	**HK$ 35.9**

In addition to the bookings of non-trading items like the increase in fair value of the Group's investment properties, the Group's reported statutory profit in 2010 was significantly lifted by the share of results of Champion REIT, as our investment in the REIT was reclassified as an associate company from 23 July 2010. However, in order to provide the same basis for comparison, the Group's core profit will be based on dividend received from Champion REIT, which is consistent with past practices.

OVERVIEW

Continued improvement was witnessed in our overall businesses in 2010 as the global economic recovery gathered pace. Core profit increased 26.0% from HK$1,275.7 million in 2009 to HK$1,607.0 million in 2010. The key driver was our hotels business, where operating income increased 53.8% from HK$428.8 million in 2009 to HK$659.6 million in 2010. Net rental income from investment properties increased 9% from HK$164.2 million in 2009 to HK$179.1 million in 2010. Income from Champion REIT increased 1.3% from HK$848.2 million in 2009 to HK$858.9 million in 2010. The profit for 2010 was also aided by an increase of HK$124.6 million in other income, which included a one-time gain of HK$220.1 million arising from the buy-back at a discount of the debts associated with the Pasadena hotel and the office property at 2700 Ygnacio in California.

BUSINESS REVIEW

HOTELS DIVISION

	Year ended 31 December		
	2010 ***HK$ million***	**2009** ***HK$ million*** ***(Restated)***	**Change**
Revenue			
Hong Kong Hotels	1,260.3	1,113.4	+ 13.2%
Hotels Outside of Hong Kong	1,997.4	1,554.1	+ 28.5%
Others	11.7	3.1	+ 276.0%
Total Hotel Revenue	3,269.4	2,670.6	+22.4%
EBITDA			
Hong Kong Hotels	412.5	349.9	+ 17.9%
Hotels Outside of Hong Kong	235.4	76.6	+ 207.3%
Others	11.7	2.4	+ 393.5%
Total Hotel Net Operating Income	659.6	428.8	+ 53.8%

The recovery in business and leisure travel gained momentum in 2010. The Hong Kong hotels moved from strength to strength as the strong growth in tourist arrivals continued, leading to healthy increases in occupancy rates at all three hotels. Gross revenue for Hong Kong rose 13.2% from HK$1,113.4 million in 2009 to HK$1,260.3 million in 2010. At the hotels outside of Hong Kong, the performance had been uneven at different countries. While London turned around solidly after the completion of a major renovation, our hotels in the U.S. generally lagged behind in terms of their pace of recovery. However revenue from our hotels outside of Hong Kong, coming off a low base of 2009, increased by 28.5% in 2010. Total revenue of the Hotels Division increased 22.4% year-on-year to HK$3,269.4 million in 2010.

EBITDA from the Hotels Division rose 53.8% year-on-year to HK$659.6 million in 2010. The major contributor was Hong Kong, which generated HK$412.5 million in 2010, a 17.9% growth over the prior year. At the hotels outside of Hong Kong, EBITDA increased by a marked 207.3% from HK$76.6 million in 2009 to HK$235.4 million in 2010. The key factor there was the renewed profit contribution from The Langham London, which was operating at closer to its full inventory with 350 rooms in 2010 and achieved a higher occupancy thereof. EBITDA from the Hotels Division would have been higher, had there not been a one-off provision associated with the rebranding of the Xintiandi hotel in Shanghai.

In 2010, there were three additions to the hotel portfolio, namely, the 204-room Eaton Luxe in Nanqiao, Shanghai, the 376-room Langham Place, Beijing Capital Airport and the 357-room The Langham Xintiandi, Shanghai. The first two hotels are operated under pure hotel management contracts, whereas the Group has a one-third equity stake in the Xintiandi property.

Continuing our strategy of building the global franchise of the Langham brand, we have in December 2010 acquired a 100% interest in a 330-room hotel redevelopment project in downtown Chicago. The redevelopment is currently scheduled for completion in 2013 and the hotel is expected to be branded a Langham. This investment is supported by its bottom-of-the-cycle valuation and is part of the Group’s strategy to own hotels in strategic gateway cities that will anchor our hotel brand.

HONG KONG HOTELS

The Langham, Hong Kong

The trend in corporate activities remained robust in 2010. The increased demand for hotel rooms, and hence a higher level of occupancy, enabled the Hotel to raise room rates, especially in the higher-yield retail business. However, heightened competition in the market has led to slower banquet business, especially from the wedding segment. Nevertheless, with increased covers and average spend in the restaurants, revenue from food and beverage in 2010 managed to remain in line with 2009.

For the year 2010, the hotel achieved an average occupancy of 80% (2009: 73%) and average room rate of HK$1,779 (2009: HK$1,575 re-based*).

** The average room rate for our Hong Kong hotels in year 2009 has been re-based to include service charges, in line with industry practices.*

The Langham Place, Hong Kong

Room revenue was boosted by corporate and leisure travel, with significant pick up in average room rate in the last quarter of 2010. Corporate functions and the strong performance of the restaurants contributed to an 8% growth in food and beverage revenue in 2010, notwithstanding a slow down in wedding banquet business due to increased competition.

For the year 2010, the hotel achieved an average occupancy of 85% (2009: 76%) and average room rate of HK$1,487 (2009: HK$1,324 re-based).

Eaton Smart, Hong Kong

The hotel unveiled its renovated lobby and restaurants in the fourth quarter of 2010 and was re-branded as Eaton Smart Hong Kong. Active demand for rooms from both corporate and retail travellers allowed the Hotel to further increase its occupancy and to raise room rates towards the latter part of 2010. For the full year in 2010, Revenue Par Available Room ("RevPAR") increased by 27% year-on-year to reach HK$782. On the other hand, with slower banqueting demand from the wedding segment, as well as closure of restaurants during the hotel renovation in the third quarter of 2010, revenue from food and beverage dropped by 12% year-on-year in 2010.

For the year 2010, the hotel achieved an average occupancy of 87% (2009: 78%) and average room rate of HK$900 (2009: HK$794 re-based).

HOTELS OUTSIDE OF HONG KONG

The Langham, London

Following the major renovations of the previous two years, the hotel managed a major turnaround in 2010. The hotel traded with an average rooms availability of 350 in 2010, as compared to 284 rooms in 2009. Capitalising on a citywide recovery and the repositioning of the hotel, strong revenue gains were achieved in 2010. The hotel saw a gain in occupancy rates on the enlarged rooms base. At the same time, it managed a 15% increase in average room rates in 2010 on better penetration in the higher-yield retail and group business.

For the year 2010, the hotel achieved an average occupancy of 75% on 350 rooms available (2009: 61% on 284 rooms available) and average room rate of £252 (2009: £219).

The Langham, Boston

After a slow start in 2010, a gradual increase in number of citywide conventions in Boston was witnessed. The increase in meeting and conference business, as well as an increase in corporate and roadshow activities from the financial institution sector led to a 9 percentage points gain in occupancy for Langham Boston for 2010 over that of 2009. However, due to continued market competition, average room rate grew only moderately in 2010. Revenue from food and beverage was steady.

For the year 2010, the hotel achieved an average occupancy of 68% (2009: 59%) and average room rate of US$219 (2009: US$213).

The Langham, Melbourne

The hotel was undergoing room renovation during August to October 2010. Therefore there was an average of 372 rooms available in 2010, as compared to 387 rooms in 2009. In the face of new supply of hotel rooms in the market, average room rate declined only 3% year-on-year, but occupancy rose 13 percentage points due to steady demand in retail and corporate business. Revenue from food and beverage increased by 13% year-on-year in 2010, and was supported by increase in both average check and covers. Completion of the first phase of room refurbishment in the fourth quarter is expected to help the hotel capture market share and strengthen room rates.

For the year 2010, the hotel achieved occupancy of 80% on an average of 372 rooms (2009: 67% on an average of 387 rooms) and an average room rate of A$ 252 (2009: A$260).

The Langham, Auckland

Mild increases in room rates and occupancy were observed for Langham Auckland in 2010. The improvement was primarily on the back of increased market share for the Hotel in a stable lodging industry for Auckland in 2010. The re-opening of the ballroom in March 2010 helped drove revenue from food and beverage, which increased 65% year-on-year in 2010.

For the year December 2010, the hotel achieved an occupancy of 66% (2009: 62%) and an average room rate of NZ$ 174 (2009: NZ$168).

The Langham Huntington, Pasadena

Stagnant market conditions, and hence a shortage of meetings and conference business, continued to impact the performance on the Hotel in 2010. There were modest gains in both occupancy and achieved room rates in 2010. However they remained at relatively low levels, which were unable to turn a profit at the operating for the hotel in 2010.

For the year 2010, the hotel achieved occupancy of 55% (2009: 47%) and an average room rate of US$ 217 (2009: US$224).

The Langham, Xintiandi, Shanghai

The 357-room luxury hotel soft opened in October 2010. At the end of 2010, 100 rooms were opened, with full operations scheduled for July 2011. With its modern design and high-profile location at the entrance to the bustling shopping and entertainment hub of Xintiandi, the hotel has been able to capture higher-yield retail and group business despite its recent opening. Demand for banqueting services from the corporate segment has also been encouraging.

Delta Chelsea Hotel, Toronto

The performance of the hotel has improved since the second quarter of 2010, with the return of leisure travel and large citywide events. Despite intense market competition, average room rate managed an increase of 3% in 2010, whereas occupancy rose by 2 percentage points in 2010. Revenue from food and beverage was on the other hand impacted by lower covers and average check at the restaurants.

For the year December 2010, the hotel achieved an occupancy of 68% (2009: 66%) and an average room rate of C$ 126 (2009: C$122).

DEVELOPMENT PROJECT

Dalian mixed-use development project

Progress at our mixed-use development project in Dalian, which comprises of approximately 1,200 high-rise luxury apartments and a 361-room Langham-branded luxury hotel, has been moving forward generally in accordance with our initial plan. The excavation works which commenced in the third quarter of 2010 is expected to finish in the first quarter of 2011, whereupon the foundation works will begin. Up to the end of December 2010, the Group has invested HK$520 million in respect of its 50% stake in the project.

INCOME FROM CHAMPION REIT

As mentioned at the beginning of this Management's Discussion and Analysis, due to the reclassification of our investment in Champion REIT as an associate company from 23 July 2010, the share of results from Champion REIT from 23 July 2010 were included in the Group's statutory profit. In addition, given this is a transitional year, distributions received over the second half of 2009 and first half of 2010 were also included. However, to provide the same basis for comparison, the Group's core profit is based on dividend received from Champion REIT, which is consistent with past practices.

Due to the Group's accounting policy of recognizing distribution income from Champion REIT at the date of payment of the distribution, the income statement of the Group for a six-month period reflects the distribution declared by the Champion REIT for the immediately preceding six-month period. Therefore the income statement for 2010 recognised the distributions made by Champion REIT for the second half of 2009 and the first half of 2010. On that basis, distribution income from Champion REIT increased by 3.1% year-on-year to HK$597.0 million. On the other hand, management fee income from Champion REIT decreased 2.7% year-on-year from HK$269.3 million in 2009 to HK$261.9 million in 2010, reflecting a decline in asset management fee in line with the lower net property income at Citibank Plaza.

Citibank Plaza

There was a recovery in the office leasing market in Central in 2010 as financial institutions gradually reversed their trend of downsizing. The arrival of a significant number of fund management companies to capitalize on China investment opportunities, together with the supporting legal trade, generated substantial demand. However, occupancy rate at Citibank Plaza decreased from 87.6% at the beginning of the year to 81.5% as at the end of 2010, because of earlier competition from some other landlords who offered long-term fixed-rate leases at relatively low rents. Passing rental rates (the average rental rate of existing contracted tenancies) at Citibank Plaza weakened in the first half of 2010 but stabilized at the HK$84-85 per sq. ft. level for the second half.

Langham Place Office Tower

Leasing conditions for the offices at Langham Place have been stable. The Office Tower had a slightly higher occupancy rate of 99.4% as of 31 December 2010, as compared to 98.5% a year ago. This was notwithstanding the expiry of 35% of leases by floor area during the Year and the strong price competition from new supply in the peripheral districts in Kowloon East. Langham Place's MTR location and the outstanding quality of the building have been important factors in retaining tenants and maintaining a high occupancy. For 2010, passing rents were stable and continued to remain within a narrow range centered around HK$26.50 per sq. ft.

Langham Place Mall

Despite the opening of a few new shopping malls in nearby Tsim Sha Tsui, the convenient location of the Langham Place Mall, its attractive shop offerings and its well conceived and executed marketing programmes ensured its status as one of the most popular shopping malls in Kowloon, among local shoppers and tourists alike. The Mall enjoyed very high levels of foot traffic and remained virtually fully let throughout 2010. Driven by a constantly improving mix of quality retailers and a robust retail market, the average sales per sq. ft. of the shops in the Mall improved by 18% year on year. The surge in spending by Mainland tourists, who now consider Langham Place one of their favourite destinations, on cosmetics and fashion has also been a major factor behind the growth. The average passing rent rate increased from HK$88.61 per sq. ft. at the beginning of 2010 to HK$97.48 at year-end.

INVESTMENT PROPERTIES

Great Eagle Centre

The lack of new supply in the Wanchai area, the relocation of cost-sensitive tenants from Central, coupled with strong demand from the service sector and Mainland Chinese companies have kept the office portion of Great Eagle Centre at close to full occupancy throughout 2010. With the strong occupancy, we were able to progressively raise spot rents through 2010 from the high HK$40's per sq. ft. at the beginning of the year to high HK$50's towards the end of 2010.

As the leases due for renewal in 2010 had been written during the last peaks of 2007 and 2008, when market rents were higher than those of 2010, there was therefore a small amount of negative rent rate reversion in 2010. Average passing rent at Great Eagle Centre at the end of December 2010 was 2% lower than that achieved at the beginning of the year. However, gross rental income increased by 4.2% year-on-year to HK$105.5 million in 2010 due to the higher average occupancy, as well as full year rental income contribution from an anchor tenant whose lease was renewed at a higher rental rate than its previous lease in the second quarter of 2009.

Net rental income rose 13.9% year-on-year to HK$102.2 million due to lower vacancy costs and a lower base for comparison, as net rental income in 2009 was impacted by booking of additional expenses related to the relocation and upgrading of the cooling water pumping facilities.

Eaton Serviced Apartments

The Eaton serviced apartments have benefitted from increased business activities and inflow of expatriates to Hong Kong in 2010 with generally higher occupancy. Rental rates achieved in the second half of 2010 at the Wanchai Gap Road and Village Road properties posted year-on-year growth in 2010. Occupancy also rose at the Blue Pool Road property, but the average rental rate achieved in the second half of 2010 was still lower than that achieved over the prior year, although the year-on-year decline in rental rates has been narrowing.

Overall, average occupancy rate at the three properties rose 22 percentage points year-on-year to 78.5% in 2010, whereas rental rates achieved dropped by 12% year-on-year to HK$33.6 per sq. ft over 2010. Gross rental income increased 20.9% year-on-year to HK$34.9 million, whereas net rental income increased 37.3% year-on-year to HK$23.9 million on the back of aggressive cost control.

United States Properties

All of our three properties in the U.S. have maintained their high occupancy levels throughout 2010 through renewal and new lettings, despite the sluggish demand for office space from the corporate sector in the area. Overall occupancy for the portfolio stood at 90% as at the end of 2010, whereas average rent rate achieved came in steady at US$36.4 per sq. ft for 2010. With full year rental income contribution from tenants secured in 2009 and higher occupancy at the Sacramento property, gross rental income for our U.S. properties increased by 3.1% year-on-year to HK$117.7 million in 2010. However, due to increased tenant inducement costs associated with the new lettings at 500 Ygnacio and 2700 Ygnacio, net rental income declined by 7.8% year-on-year to HK$46.7 million in 2010.

OUTLOOK

In 2011, our businesses should benefit from the generally positive outlook of the economies in Hong Kong and China.

Up to now, arrivals of affluent Chinese travelers from the Mainland have shown no signs of slowing down. Corporate travel will also be supported by robust economic activities in the region. Our Hong Kong hotels should perform well under these circumstances. However as all three hotels are already operating at or near their peak occupancy levels, the driver for RevPAR growth in 2011 will have to come mainly from further increases in room rates.

After completion of its overhaul in 2010, The Langham London has successfully repositioned itself among the leading luxury hotels in Central London. In a stable economic environment, there should be room for further gains in its occupancy and room rates in the coming year. The outlook for our hotels in Australia and New Zealand should also be stable in view of the favourable economic situations over there. For our hotels in the United States, while we anticipate the demand for rooms may be constrained by the relatively slow pace of economic recovery, there should be some modest improvement in their performance in 2011. Capital constraints of the last several years will lead to lower completions of new hotels in the United States. This could provide the platform for more meaningful RevPAR growth for our U.S. hotel in the following years.

The trend of increasing occupancy and escalating rent rates in the Central office market will be favourable to Champion REIT in the coming year. Citibank Plaza, its biggest asset, is located in Central where no large Grade-A office developments are scheduled for completion. While the property carried a 18.5% vacancy at the beginning of 2011, more than half of the existing vacant area will see tenant occupation before mid 2011, based on contracts already signed. Together with the steady income contribution from Langham Place Office Tower and Langham Place Mall, revenue for the Champion REIT's will likely show an improvement over 2010. However, distributions of Champion REIT will depend on a number of factors, including the level of interest expense upon refinancing of the debt on the Citibank Plaza property in May 2011.

Thus far, the growth in the local economy has been robust. However, the growth has been in part driven by the vast amount of liquidity in the system, and in part by the exceptional growth in Mainland tourist arrivals. Hong Kong's economy is now inextricably tied to the state of the China economy. Under the threat of rising inflation, the Central Government will introduce more control measures, including the gradual raising of RMB interest rates. Any subsequent cool down in the China economy could negatively affect the prospects of Hong Kong. We are mindful of these risks and their potential impact on our businesses in the region.

With regard to new investments, development opportunities in Mainland China remain high on our agenda, especially mixed-use development projects that generally generate higher financial returns. Economic growth in Mainland China is amongst the fastest in the world, where increasing urbanization and rising incomes will support property price growth in the long term. That should offer a favourable risk return profile for the Group. While we will be capitalizing on volatility in the marketplace to capture opportunities for new investments on a highly selective basis, we will continue to manage our finances prudently to ensure a manageable level of debts and a high level of liquidity.

FINANCIAL REVIEW

DEBT

Gross debts denominated in HK dollars amounted to HK$1,316 million as of 31 December 2010. Our foreign currency gross debts as of 31 December 2010 amounted to the equivalent of HK$2,168 million, of which the equivalent of HK$499 million, or 23.0% of our foreign currency debts, was on fixed-rate basis. Net of cash and bank deposits that matures within 3 months totalling the equivalent of HK$1,553 million, our consolidated net debt outstanding as of 31 December 2010 was HK$1,931 million, an decrease of HK$661 million from that of HK$2,592 million as of 31 December 2009.

Because of the persistent low interest rate environment and in order to enhance return to shareholders, as a normal treasury function the Group has been prudently investing in quality short-term bonds which are intended to be held to maturity, and full principal protected structured deposits and notes with reputable banks and financial institutions as counter-parties. As at 31 December 2010, investment in these bonds, structured deposits and notes amounted to HK$308 million. Should this amount be taken into account, the consolidated net borrowing of the Group would be reduced to HK$1,623 million.

Equity Attributable to Shareholders, based on professional valuation of the Group's investment properties as of 31 December 2010 and the depreciated costs of the Group's hotel properties, amounted to HK$28,764 million as of 31 December 2010. The net assets value at 31 December

2010 represents an increase of HK$6,447 million compared to the value of HK$22,317 million as of 31 December 2009, mainly attributable to the profit for the year, and the equity account for the Group's investment in Champion REIT units with effect from 23 July 2010. Based on the consolidated net debt of HK$1,931 million, the resulting gearing ratio at 31 December 2010 was 7%. Should the investment in bonds, structured deposits and notes mentioned above be recognized in the calculation, the gearing ratio will be reduced to 6%.

FINANCE COST

During the year, market interest rate has remained at an extremely low level. Coupled with the high interest income from the Group's investment in Champion REIT convertible bonds, the Group has earned a net interest income of HK$52 million for the year. Consequently, there is no applicable interest cover ratio as at the balance sheet dates.

LIQUIDITY AND DEBT MATURITY PROFILE

As of 31 December 2010, our cash, bank deposits and committed but undrawn loan facilities amounted to a total of HK$3,197 million. The majority of our loan facilities is short or medium term in nature and is secured by properties with sufficient value to loan coverage. The following is a profile of the maturity of our outstanding debts as of 31 December 2010:

Within 1 year	22.9%
1-2 years	73.5%
3-5 years	3.6%

PLEDGE OF ASSETS

At 31 December 2010, properties of the Group with a total carrying value of approximately HK$9,615 million (31 December 2009: HK$9,895 million), were mortgaged or pledged to secure credit facilities granted to its subsidiaries.

COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 December 2010, the Group has authorised capital expenditures not provided for in these financial statements amounting to approximately HK$74 million (31 December 2009: HK$309 million) of which approximately HK$70 million (31 December 2009: HK$309 million) was contracted for.

As at 31 December 2010, the Group has outstanding financial commitment of RMB180 million (equivalent to HK$211 million) for capital injection to a jointly controlled entity, and commitment of RMB233 million (equivalent to HK$275 million) for construction cost to complete a hotel property owned by an associate.

In addition to the above, as at 31 December 2010 the Group has provided a several corporate guarantee and a charge over its interest in the share capital of an associate to a bank in respect of its share, i.e US$19.5 million of total banking facility of US$117 million granted to an associate.

Other than set out above, the Group did not have any significant commitments and contingent liabilities as at 31 December 2010.

FINAL DIVIDEND

The Board of Directors recommends the payment of a final dividend of HK38 cents per share for the year ended 31 December 2010 (2009: HK35 cents per share) to the shareholders whose names appear on the Registers of Members on Thursday, 12 May 2011 (Record Date) subject to the approval of the shareholders at the forthcoming 2011 Annual General Meeting (the “2011 AGM”).

Taken together with the interim dividend of HK19 cents per share paid on 15 October 2010, this will make a total dividend for the full year of HK57 cents per share in 2010 (2009 total dividend: HK52 cents per share, comprising a final dividend of HK35 cents and an interim dividend of HK17 cents).

Shareholders will be given the option to receive the final dividend in new shares in lieu of cash (“Scrip Dividend Arrangement”). The Scrip Dividend Arrangement is subject to: (1) the approval of proposed final dividend at the 2011 AGM; and (2) The Stock Exchange of Hong Kong Limited 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 Shareholders together with the form of election for scrip dividend soon after the 2011 AGM. Dividend warrants and share certificates in respect of the proposed final dividend are expected to be despatched to Shareholders on 17 June 2011.

CLOSURE OF REGISTERS OF MEMBERS

The Registers of Members of the Company will be closed from Friday, 6 May 2011 to Thursday, 12 May 2011, both days inclusive, during which period no transfer of shares will be registered.

In order to qualify for the 2010 final dividend and be entitled to attend and vote at the 2011 AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the branch Share Registrars of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 5 May 2011.

ANNUAL GENERAL MEETING

The 2011 AGM of the Company will be held on Thursday, 12 May 2011 and the notice of 2011 AGM together with the 2010 Annual Report and all other relevant documents will be despatched to the shareholders on or about 31 March 2011 and published on the Company’s website at www.GreatEagle.com.hk and the website of The Stock Exchange of Hong Kong Limited.

ISSUANCE OF ANNUAL REPORT

The 2010 Annual Report of the Company for the year ended 31 December 2010 will be despatched to Shareholders on or about 31 March 2011.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

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

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

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

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

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

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

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

COMPLIANCE WITH THE MODEL CODE

The Company has adopted its own Code of Conduct regarding Securities Transactions by Directors and relevant employees of the Company ("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 ("Model Code") contained in Appendix 10 to the Listing Rules and the same is updated from time to time in accordance with the Listing Rules requirements.

Having made specific enquiry, all Directors and relevant employees of the Company have confirmed that they have fully complied with the Code of Conduct for Securities Transactions throughout the year ended 31 December 2010.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

During the year ended 31 December 2010, 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.

AUDIT COMMITTEE

The final results of Company for the year ended 31 December 2010 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 2010 as set out in the Preliminary Announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited 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 the Preliminary Announcement.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility has been integral to the Group's business ever since the Group's founding in 1963. Our commitment to CSR stems from a core belief that our business will prosper as the community and environment around us flourish.

As a founding Council Member of the Business Environment Council, the Group has long committed to keeping the environmental footprint of our properties to a minimum, both during the initial design and construction phases, as well as throughout the life of the building. The HK BEAM (Hong Kong Buildings Environmental Assessment Method) Society has certified two properties owned and/or managed by the Group – Great Eagle Centre and Langham Place Office Tower – even awarding the latter the Society's highest "Excellent" rating.

Our concern for the environment extends into our hotel business. At Langham Hotels International, the "Guests of the Earth" and "Green Team" programmes promote active participation, learning and awareness of environmental protection for hotel guests and staff respectively. The EC3 Global EarthCheck Programme – an independent auditing and monitoring service for the travel and tourism industry – has, as of January 2011, awarded five of our hotels "Certified Silver" status, and another three hotels "Benchmarked Bronze" status.

The Group relies on talented and committed professionals to operate its array of businesses. In addition to offering a generous compensation and benefits package, the Group provides training opportunities to staff of all levels. Frontline property management staff receive regular occupational health and safety training tailored to their particular work environment. Corporate Training and Executive Development Programmes are provided to the Group's middle and senior management staff so that they can continually develop their leadership skills. Aside from the training programmes organized by the Group, education subsidies are offered to encourage staff to pursue continuing education with accredited tertiary academic institutions.

EMPLOYEES

During the year, the number of employees of the Group increased approximately 5% to 4,679. The increase was attributable to the business rebounded and recovered in our hotel operations during the year. Salary levels of employees are competitive and discretionary bonuses are granted based on performance of the Group as well as performance of individual employees. Other employee benefits include educational allowance, insurance, medical scheme and provident fund schemes. Senior employees (including executive directors) are entitled to participate in the Great Eagle Holdings Limited Share Option Scheme. In order to enhance employee relations and communications, regular meetings of general staff with senior management have been arranged for the period, with particular emphasis on performance management. To further support the engagement of employees, our Hotel Division has also adopted the Total Quality Management (TQM) technology to drive development of people and continuous improvement of management systems.

In 2010, the Group has operated its competency-based human resources management module and implemented its 2010 staff training and people development plan which included management development programme for selected managerial staff to explore leadership competence, team building sessions for managers and team members to learn together key elements of team work spirit, good communication, and working synergy in order to further accelerate team effectiveness and strengthen management competencies. The Group has facilitated lots of external training programmes in leadership and other soft skill aspects, and also delivered a series of in-house technical skill training.

BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises five Executive Directors, namely Dr. LO Ka Shui (Chairman and Managing Director), Mr. LO Kai Shui (Deputy Managing Director), Mr. LO Hong Sui, Antony, Madam LAW Wai Duen, and Mr. KAN Tak Kwong (General Manager); three Non-executive Directors, namely Madam LO TO Lee Kwan, Mr. LO Hong Sui, Vincent and Dr. LO Ying Sui, Archie; and four Independent Non-executive Directors, namely Mr. CHENG Hoi Chuen, Vincent, Professor WONG Yue Chim, Richard, Mrs. LEE Pui Ling, Angelina and Mr. ZHU Qi.

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

Hong Kong, 23 February 2011

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2010

	NOTES	**2010** **HK$'000**	2009 HK$'000
Revenue	4	**4,694,155**	3,958,366
Cost of goods and services		**(2,888,798)**	(2,440,106)
Operating profit before depreciation and amortisation		**1,805,357**	1,518,260
Depreciation and amortisation		**(349,290)**	(359,788)
Operating profit		**1,456,067**	1,158,472
Fair value changes on investment properties		**571,775**	85,482
Fair value changes on derivative financial instruments		**458,437**	279,887
Fair value changes on financial assets carried at fair value through profit or loss		**16,039**	48,473
Income from discounted payoff of borrowings		**220,072**	-
Other income	6	**197,922**	288,045
Administrative expenses		**(226,149)**	(213,344)
Other expenses		**(6,187)**	(163)
Impairment loss recognised in respect of a hotel property		**-**	(490,908)
Finance costs	7	**(125,011)**	(131,639)
Share of results of associates		**1,858,883**	16,450
Share of results of a jointly controlled entity		**(7,167)**	-
Profit before tax		**4,414,681**	1,040,755
Income taxes	8	**(235,468)**	141,911
Profit for the year attributable to owners of the Company	9	**4,179,213**	1,182,666
Earnings per share:			
Basic	11	**HK$6.71**	HK$1.92
Diluted	11	**HK$6.69**	HK$1.92

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010	2009
	HK$'000	HK$'000
Profit for the year attributable to owners of the Company	**4,179,213**	1,182,666
Other comprehensive income:		
Fair value gain on available-for-sale investments	**1,080,015**	2,908,233
Exchange differences arising on translation of foreign operations	**81,186**	409,874
Surplus on revaluation of an owner occupied property upon change of use to investment property	**23,109**	-
Share of other comprehensive income of associates	**66,344**	-
Share of other comprehensive income of a jointly controlled entity	**12,356**	-
	1,263,010	3,318,107
Total comprehensive income for the year attributable to owners of the Company	**5,442,223**	4,500,773

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2010

	NOTES	31.12.2010 HK$'000	31.12.2009 HK$'000 (restated)	1.1.2009 HK$'000 (restated)
Non-current assets				
Property, plant and equipment		**10,409,396**	9,875,148	9,789,844
Investment properties		**4,192,297**	3,651,711	3,571,890
Interests in associates		**12,964,797**	59,466	47,080
Deposit for acquisition of leasehold land		**-**	591,000	-
Interest in a jointly controlled entity		**525,301**	-	-
Available-for-sale investments		**103,660**	8,083,050	4,502,622
Investment in convertible bonds		**3,309,997**	2,721,509	2,326,827
Notes receivable		**174,047**	223,413	77,500
Amounts due from associates		**12,077**	12,077	12,077
Restricted cash		**-**	61,521	33,887
Financial assets carried at fair value through profit or loss		**-**	77,551	-
		31,691,572	25,356,446	20,361,727
Current assets				
Inventories		**77,398**	65,774	111,120
Debtors, deposits and prepayments	12	**395,749**	339,765	471,226
Financial assets carried at fair value through profit or loss		**77,740**	340,634	99,825
Notes receivable		**55,819**	204,118	-
Bank balances and cash		**1,553,444**	1,859,563	3,359,122
		2,160,150	2,809,854	4,041,293
Current liabilities				
Creditors, deposits and accruals	13	**755,359**	635,920	1,055,987
Derivative financial instruments		**362**	591	7,814
Provision for taxation		**87,701**	66,145	106,609
Borrowings due within one year		**798,318**	467,040	1,928,963
Unsecured bank overdrafts		**-**	9,331	10,014
		1,641,740	1,179,027	3,109,387
Net current assets		**518,410**	1,630,827	931,906
Total assets less current liabilities		**32,209,982**	26,987,273	21,293,633
Non-current liabilities				
Borrowings due after one year		**2,685,950**	4,037,328	2,494,127
Deferred taxation		**759,675**	632,841	824,788
		3,445,625	4,670,169	3,318,915
NET ASSETS		**28,764,357**	22,317,104	17,974,718
Equity				
Share capital		**311,404**	310,913	304,832
Share premium and reserves		**28,452,953**	22,006,191	17,669,886
TOTAL EQUITY		**28,764,357**	22,317,104	17,974,718

1. GENERAL

The Company is a company incorporated in Bermuda with limited liability and its shares are listed on The Stock Exchange of Hong Kong.

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are property development and investment, hotel and restaurant operations, manager of real estate investment trust, trading of building materials, share investment, provision of management and maintenance services, property management, insurance agency and fitness centre operations.

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

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")/ CHANGES IN ACCOUNTING POLICIES

In the current year, the Group has applied the following revisions, amendments and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008
HKFRSs (Amendments)	Improvements to HKFRSs 2009
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 39 (Amendments)	Eligible Hedged Items
HKFRS 2 (Amendments)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised)	Business Combinations
HK(IFRIC)-Int 17	Distributions of Non-cash Assets to Owners
HK-Int 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand

Except as described below, the adoption of the new and revised HKFRSs had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

Amendment to HKAS 17 "Leases"

As part of "Improvements to HKFRSs" issued in 2009, HKAS 17 "Leases" has been amended in relation to the classification of leasehold land. Before the amendment to HKAS 17, the Group was required to classify leasehold land as operating leases and to present leasehold land as prepaid lease payments in the consolidated statement of financial position. The amendment to HKAS 17 has removed such a requirement. The amendment requires that the classification of leasehold land should be based on the general principles set out in HKAS 17, that is, whether or not substantially all the risks and rewards incidental to ownership of a leased asset have been transferred to the lessee.

2. **APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")/ CHANGES IN ACCOUNTING POLICIES** - continued

Amendment to HKAS 17 "Leases" - continued

In accordance with the transitional provisions of amendment to HKAS 17, the Group reassessed the classification of unexpired leasehold land as at 1 January 2010 based on information that existed at the inception of these leases. Leasehold land that qualifies finance lease classification has been reclassified from prepaid lease payment to property, plant and equipment retrospectively, resulting in a reclassification of prepaid lease payment with previous carrying amount of HK$1,751,184,000 at 1 January 2009 as property, plant and equipment that are measured at cost model.

Summary of the effect of the changes in accounting policies

The application of the amendment to HKAS 17 "Leases" had no material effect on the results for the current and prior periods and its effect on the financial positions of the Group as at 31 December 2009 and 1 January 2009 are as follows:

	31 December 2009		
	Originally stated	Adjustments	Restated
	HK$'000	HK$'000	HK$'000
Property, plant and equipment	8,168,735	1,706,413	9,875,148
Prepaid lease payments	1,706,413	(1,706,413)	-
Total effects on net assets	9,875,148	-	9,875,148

	1 January 2009		
	Originally stated	Adjustments	Restated
	HK$'000	HK$'000	HK$'000
Property, plant and equipment	8,038,660	1,751,184	9,789,844
Prepaid lease payments	1,751,184	(1,751,184)	-
Total effects on net assets	9,789,844	-	9,789,844

At 31 December 2010, leasehold land that qualifies for finance lease classification with the carrying amount of HK$1,660,852,000 has been included in property, plant and equipment.

2. **APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")/ CHANGES IN ACCOUNTING POLICIES** - continued

Hong Kong Interpretation 5 "Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause"

Hong Kong Interpretation 5 "Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause" ("HK-Int 5") clarifies that term loans that include a clause that gives the lender the unconditional right to call the loans at any time ("repayment on demand clause") should be classified by the borrower as current liabilities. The Group has applied HK-Int 5 for the first time in the current year. Hong Kong Interpretation 5 requires retrospective application.

In order to comply with the requirements set out in HK-Int 5, the Group has changed its accounting policy on classification of term loans with a repayment on demand clause. In the past, the classification of such term loans were determined based on the agreed scheduled repayment dates set out in the loan agreements. Under HK-Int 5, term loans with a repayment on demand clause are classified as current liabilities.

As a result, bank loans that contain a repayment on demand clause with the aggregate carrying amounts of HK$220,000,000 and HK$260,000,000 have been reclassified from non-current liabilities to current liabilities as at 31 December 2009 and 1 January 2009 respectively. Such term loan has been presented in the earliest time band in the maturity analysis for financial liabilities. The application of HK-Int 5 has had no impact on the reported profit or loss for the current and prior years and the financial position at 31 December 2010.

	31 December 2009		
	Originally stated	Adjustments	Restated
	HK$'000	HK$'000	HK$'000
Borrowings due within one year	247,040	220,000	467,040
Borrowings due after one year	4,257,328	(220,000)	4,037,328
Total effects on net assets	4,504,368	-	4,504,368

	1 January 2009		
	Originally stated	Adjustments	Restated
	HK$'000	HK$'000	HK$'000
Borrowings due within one year	1,668,963	260,000	1,928,963
Borrowings due after one year	2,754,127	(260,000)	2,494,127
Total effects on net assets	4,423,090	-	4,423,090

2. **APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")/ CHANGES IN ACCOUNTING POLICIES** - continued

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010[1]
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets[6]
HKAS 24 (Revised)	Related Party Disclosures[4]
HKAS 32 (Amendment)	Classification to Rights Issues[2]
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets[5]
HKFRS 9	Financial Instruments[7]
HK(IFRIC)-Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement[4]
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments[3]

[1] Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate
[2] Effective for annual period beginning on or after 1 February 2010
[3] Effective for annual period beginning on or after 1 July 2010
[4] Effective for annual period beginning on or after 1 January 2011
[5] Effective for annual period beginning on or after 1 July 2011
[6] Effective for annual period beginning on or after 1 January 2012
[7] Effective for annual period beginning on or after 1 January 2013

HKFRS 9 "Financial Instruments" (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 "Financial Instruments" (as revised in November 2010) adds requirements for financial liabilities and for derecognition.

- Under HKFRS 9, all recognised financial assets that are within the scope of HKAS 39 "Financial Instruments: Recognition and Measurement" are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

- In relation to financial liabilities, the significant change relates to financial liabilities that are designated as at fair value through profit or loss. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the presentation of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

2. **APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")/ CHANGES IN ACCOUNTING POLICIES** - continued

HKFRS 9 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted. The Directors are in the process of assessing the impact from the application of the new standard on the results and the financial position of the Group.

The amendments to HKAS 12 "Deferred Tax: Recovery of Underlying Assets" mainly deal with the measurement of deferred tax for investment properties that are measured using the fair value model in accordance with HKAS 40 "Investment Property". Based on the amendments, for the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties measured using the fair value model, the carrying amounts of the investment properties are presumed to be recovered through sale, unless the presumption is rebutted in certain circumstances. The Directors anticipate that the application of the amendments to HKAS 12 may have a significant impact on deferred tax recognised for investment properties that are measured using the fair value model. Had the amendments been adopted for the year ended 31 December 2010, the deferred tax liabilities for investment properties as at 31 December 2010 would have been decreased by HK$480,476,000 (2009: HK$385,630,000), the interests in associates would have been increased by HK$400,297,000 (2009: nil) and the profit for the current year would have been increased by HK$880,773,000 (2009: HK$50,299,000).

The Directors anticipate that the application of other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. **SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2009.

4. REVENUE

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

	2010	2009
	HK$'000	HK$'000
Property rental income	**264,975**	250,726
Building management service income	**19,158**	19,159
Hotel income	**3,269,365**	2,570,447
Sales of goods	**103,098**	113,358
Dividend income	**599,495**	580,922
Management service income earned as a manager of real estate investment trust	**181,042**	205,107
Others	**257,022**	218,647
	4,694,155	3,958,366

5. SEGMENT INFORMATION

HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group. Such internal reports are regularly reviewed by the chief operating decision maker (i.e. the chairman and managing director of the Group) in order to allocate resources to segments and to assess their performance. The Group's reportable segments under HKFRS 8 are as follows:

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

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

5. **SEGMENT INFORMATION** - continued

The accounting policies of the reportable segments are the same as the Group's accounting policies. The following is the analysis of the Group's revenue and results by reportable segment for the year under review:

2010

Segment revenue and results

	Property investment HK$000	Hotel operation HK$'000	Income from Champion REIT HK$'000	Other operations HK$'000	Eliminations HK$'000	Consolidated HK$'000
REVENUE						
External revenue	284,133	3,269,365	858,920	281,737	-	4,694,155
Inter-segment revenue	20,980	-	-	11,501	(32,481)	-
Total	305,113	3,269,365	858,920	293,238	(32,481)	4,694,155

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

	Property investment HK$000	Hotel operation HK$'000	Income from Champion REIT HK$'000	Other operations HK$'000	Eliminations HK$'000	Consolidated HK$'000
RESULTS						
Segment results	172,708	657,589	830,161	244,620		1,905,078
Unallocated corporate income						223,044
Unallocated corporate expenses						(137,107)
Depreciation and amortisation						(349,290)
Fair value changes on investment properties						571,775
Fair value changes on derivative financial instruments						458,437
Fair value changes on financial assets carried at fair value through profit or loss						16,039
Finance costs						(125,011)
Share of results of associates						1,858,883
Share of results of a jointly controlled entity						(7,167)
Profit before tax						4,414,681
Income taxes						(235,468)
Profit for the year attributable to owners of the Company						4,179,213

5. **SEGMENT INFORMATION** - continued

2009

Segment revenue and results

	Property investment HK$000	Hotel operation HK$'000	Income from Champion REIT HK$'000	Other operations HK$'000	Eliminations HK$'000	Consolidated HK$'000
REVENUE						
External revenue	269,885	2,570,447	848,237	269,797	-	3,958,366
Inter-segment revenue	20,376	-	-	11,529	(31,905)	-
Total	290,261	2,570,447	848,237	281,326	(31,905)	3,958,366

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

	Property investment HK$000	Hotel operation HK$'000	Income from Champion REIT HK$'000	Other operations HK$'000	Eliminations HK$'000	Consolidated HK$'000
RESULTS						
Segment results	164,581	428,554	818,164	321,112		1,732,411
Unallocated corporate income						10,366
Unallocated corporate expenses						(149,979)
Depreciation and amortisation						(359,788)
Fair value changes on investment properties						85,482
Fair value changes on derivative financial instruments						279,887
Fair value changes on financial assets carried at fair value through profit or loss						48,473
Impairment loss recognised in respect of a hotel property						(490,908)
Finance costs						(131,639)
Share of results of associates						16,450
Profit before tax						1,040,755
Income taxes						141,911
Profit for the year attributable to owners of the Company						1,182,666

6. OTHER INCOME

	2010 HK$'000	2009 HK$'000
Interest income on:		
Bank deposits	**7,940**	13,890
Investment in convertible bonds	**153,680**	145,880
Notes receivable	**15,570**	12,032
	177,190	171,802
Reversal of provision on construction fee payable (note)	**-**	105,256
Net exchange gain	**14,003**	4,880
Reversal of allowance for doubtful debts, net	**-**	1,363
Sundry income	**6,729**	4,744
	197,922	288,045

Note:

During the year ended 31 December 2009, the construction fee payable in respect of investment properties disposed on 3 June 2008 was finalised, resulting in a release of provision on construction fee payable amounting to HK$105,256,000.

7. FINANCE COSTS

	2010 HK$'000	2009 HK$'000
Interest on bank borrowings wholly repayable within five years	**70,409**	77,834
Interest on other loans wholly repayable within five years	**41,107**	43,691
Other borrowing costs	**13,495**	10,114
	125,011	131,639

8. INCOME TAXES

	2010 HK$'000	2009 HK$'000
Current tax:		
Current year:		
Hong Kong Profits Tax	**89,308**	88,047
Other jurisdictions	**26,051**	13,926
	115,359	101,973
Under(over)provision in prior years:		
Hong Kong Profits Tax	**308**	(30,146)
Other jurisdictions	**(492)**	(4,034)
	(184)	(34,180)
	115,175	67,793

8. **INCOME TAXES** - continued

	2010	2009
	HK$'000	HK$'000
Deferred tax:		
Current year	**122,739**	(243,491)
(Over)underprovision in prior years	**(2,446)**	33,787
	120,293	(209,704)
	235,468	(141,911)

Hong Kong Profits Tax is calculated at 16.5% (2009: 16.5%) of the estimated assessable profit for the year. Taxation arising in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

9. **PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY**

	2010	2009
	HK$'000	HK$'000 (restated)
Profit for the year attributable to owners of the Company has been arrived at after charging:		
Staff costs (including directors' emoluments)	**1,413,866**	1,162,045
Share based payments (including directors' emoluments)	**13,332**	4,176
	1,427,198	1,166,221
Depreciation and amortisation on		
- leasehold land and hotel buildings	**231,540**	229,374
- other property, plant and equipment	**117,750**	130,414
	349,290	359,788
Auditor's remuneration	**8,163**	8,131
Allowance for doubtful debts (included in other expenses)	**549**	-
Fitting-out works of hotel building written off (included in other expenses)	**4,094**	-
Operating lease payments on rented premises	**47,886**	51,562
Cost of inventories recognised as an expense	**422,834**	393,822
Share of tax of associates (included in the share of result of associates)	**433,444**	1,645
Loss on disposal of property, plant and equipment	**1,544**	163
and after crediting:		
Net exchange gain	**14,003**	4,880
Dividend income from listed investments:		
- Champion REIT	**596,955**	578,979
- Others	**2,540**	1,943
	599,495	580,922
Rental income from investment properties less related outgoings of HK$85,926,000 (2009: HK$86,523,000)	**179,049**	164,203

10. DIVIDENDS

	2010 **HK$'000**	2009 HK$'000
Dividends paid:		
- Final dividend of HK35 cents in respect of the financial year ended 31 December 2009 (2009: HK35 cents in respect of the financial year ended 31 December 2008) per ordinary share	**217,938**	213,381
- Interim dividend of HK19 cents in respect of the financial year ended 31 December 2010 (2009: HK17 cents in respect of the financial year ended 31 December 2009) per ordinary share	**118,331**	105,711
	336,269	319,092
Dividends proposed:		
- Proposed final dividend of HK38 cents in respect of the financial year ended 31 December 2010 (2009: HK35 cents in respect of the financial year ended 31 December 2009) per ordinary share	236,668	217,639

The proposed final dividend in respect of the financial year ended 31 December 2010 is subject to approval by the shareholders in the forthcoming annual general meeting.

11. EARNINGS PER SHARE

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

	2010 **HK$'000**	2009 HK$'000
Earnings		
Earnings for the purpose of basic earnings per share	**4,179,213**	1,182,666
Effect of dilutive potential shares:		
Adjustment to the share of profit of an associate based on dilution of its earnings per share	**(2,427)**	-
Earnings for the purpose of diluted earnings per share	**4,176,786**	1,182,666
Number of shares		
Weighted average number of shares for the purpose of basic earnings per share	**622,627,026**	615,928,605
Effect of dilutive potential shares:		
Share options	**1,665,431**	846,650
Weighted average number of shares for the purpose of diluted earnings per share	**624,292,457**	616,775,255

12. DEBTORS, DEPOSITS AND PREPAYMENTS

	2010	2009
	HK$'000	HK$'000
Trade debtors, net of allowance for doubtful debts	**267,542**	225,706
Deferred rent receivables	**21,410**	20,153
Other receivables	**45,280**	37,768
Deposits and prepayments	**61,517**	56,138
	395,749	339,765

For sales of goods, the Group allows an average credit period of 30 - 60 days to its trade customers. Rentals receivable from tenants and service income receivable from customers are payable on presentation of invoices. For hotel income, the Group allows a credit period of 30 days to certain customers. The following is an aged analysis of trade debtors net of allowance for doubtful debts based on the invoice date:

	2010	2009
	HK$'000	HK$'000
0 - 3 months	**241,330**	220,820
3 - 6 months	**11,270**	4,086
Over 6 months	**14,942**	800
	267,542	225,706

13. CREDITORS, DEPOSITS AND ACCRUALS

	2010	2009
	HK$'000	HK$'000
Trade creditors	**164,558**	150,826
Rental deposits	**198,411**	146,432
Construction fee payable and retention money payable	**3,263**	15,794
Accruals, interest payable and other payables	**389,127**	322,868
	755,359	635,920

The following is an aged analysis of trade creditors based on invoice date:

	2010	2009
	HK$'000	HK$'000
0 - 3 months	**156,926**	145,207
3 - 6 months	**2,257**	43
Over 6 months	**5,375**	5,576
	164,558	150,826