

2001 Interim Results

11 Sep 2001

Profit attributable to shareholders HK\$225,035,000

Earnings per share HK\$0.41

Declared an interim dividend of HK7 cents per share

Great Eagle Holdings Limited (SEHK: 041) announces its unaudited consolidated interim results for the 6 months ended 30th June 2001. Turnover for the Great Eagle Group for the 6 months ended 30th June 2001 amounted to HK\$1,291,201,000 (2000: HK\$1,444,004,000). Profit before taxation for the period was HK\$299,257,000 (2000: HK\$405,363,000). Net profit attributable to shareholders, after tax and minority interests, was HK\$225,035,000 (2000: HK\$315,152,000).

The Board declared an interim dividend of HK7 cents for the 6 months ended 30th June 2001.

Dr. K.S. Lo, Deputy Chairman and Managing Director of Great Eagle Holdings Limited commented on the half-year performance, "After a 70% run-up in rent rates during 2000, weakness in global economies has led to softening in the office leasing market in Hong Kong during the first half of 2001. Though rent rates at both Citibank Plaza and Great Eagle Centre have declined from the level in late 2000, occupancy remained at very high levels. Our Hong Kong office properties are therefore well positioned to handle the market softness, especially when there will be very limited new supply in the market in the next nine to twelve months. We have also taken advantage of the negative sentiments to increase our Hong Kong office holdings by acquiring additional space in Citibank Plaza. Our two hotels in Hong Kong managed to deliver stable results in the first half. The performance of our U.K. and U.S.A. hotels was adversely impacted by the fall off in business travel. However the overseas hotels as a whole continued to be an important profit contributor. Our U.S. office properties also enjoyed high occupancy and increase income during the period."

Dr. Lo, who opined that the present downturn is of a cyclical nature, remained optimistic on the medium term. "Though the present market sentiments are rather gloomy globally, the rapid decline in interest rates and the resolute steps taken by corporations, especially those in U.S.A., to pare down their inventory and capacity should put the major economies back on a healthy footing soon. That together with the formal admission of China into the World Trade Organisation should be beneficial to the medium term economic prospects for Hong Kong."

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