

## 2005 Annual Results

20 Apr 2006

Profit attributable to shareholders HK\$10,028 million

Earnings per share HK\$16.93

Recommended final dividend of HK 20 cents per share

Full-year dividend HK 23.5 cents per share - 42% increase on 2004

HONG KONG, 20th April 2006. Great Eagle Holdings Limited (SEHK: 041) today announces its results for the year ended 31st December 2005. Group turnover was HK\$3,521 million (2004: HK\$2,831 million). Profit attributable to shareholders was HK\$10,028 million (2004: HK\$3,104 million). Earnings per share was HK\$16.93 (2004: HK\$5.28).

The Board is recommending a final dividend of HK 20 cents per share (2004: HK 13.5 cents per share). Full year dividend for 2005 would be HK 23.5 cents, a 42% increase over the HK 16.5 cents for 2004.

Dr. K.S. Lo, deputy chairman and managing director of Great Eagle Holdings Limited, comments on the 2005 results, "The Grade-A office market in Hong Kong showed considerable strength in 2005 due to strong demand from the financial and trading sectors and a shortage of new supply. The resulting rise in rent rates has brought our office properties in Hong Kong into a positive rental reversion cycle in the second half of 2005. At the same time, there has also been a significant rise in the capital values of commercial properties in Hong Kong as the market is anticipating demand to outstrip the limited amount of new supply in the coming two years. According to new Hong Kong financial reporting standards, we are required to reflect the appreciation in the value of our investment properties in our Group's profit and loss account for the first time in the 2005 financial year. This has been a major factor behind the 2.2-time increase in our full year income from HK\$3,104 million for 2004 to HK\$10,028 million for 2005."

Dr. Lo adds, "Our hotels in Hong Kong have continued to show excellent performance in 2005 due mainly to a sustained growth in business travel. With occupancy at very high levels, we have been able to achieve healthy increases in room rates during the year. The current trend indicates that 2006 will most likely be another good year for Hong Kong hotels."

Dr. Lo comments further on the Group's financial strategy, "In order to reduce our financial gearing in a rising interest rate environment, we contracted to sell some of the floors in the office tower of Langham Place in 2005. As the leasing demand for quality office space in Kowloon has been strong, the remaining floor space will continue to be retained for leasing purposes. Nevertheless, we remain committed to our goal to meaningfully reduce our debts through asset divestiture, so as to enhance our financial maneuverability. We are at present diligently pursuing various alternatives to achieve that objective and announcements will be made as and when appropriate."

The Great Eagle Group is one of Hong Kong's leading property and hotel companies. Headquartered in Hong Kong, the Group develops, invests in and manages high quality office, retail, residential and hotel properties in Hong Kong, North America and Europe. Its core commercial properties comprise 1.8 million square feet of Grade-A office space in the prime commercial districts of Hong Kong and a 1.8 million square feet office, retail and hotel complex in the prime shopping district of Mongkok, Kowloon. The Group's extensive international hotel portfolio currently comprises eight luxury properties with over 4,700 rooms.

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