

Press Release

Great Eagle Holdings Announces First Half Results for 2008

- Profit from core business after tax increased by 21.1% year-on-year to HK\$ 512.1 million. Core earnings per share of HK\$ 0.85 (2007: HK\$0.70)
- Debt-free position
- A Special Interim Dividend of HK\$ 2.70 per share, on top of the already increased Interim Dividend of HK 20 cents per share (an increase of 33% from HK 15 cents in 2007).

HONG KONG, 16th September 2008. Great Eagle Holdings Limited (SEHK: 041) today announces its results for the six months ended 30th June 2008. Group turnover was HK\$2,437 million (2007 HK\$1,997 million). Profit attributable to shareholders was HK\$ 129.9 million (2007 HK\$613.8 million). Earnings per share were HK\$0.21 (2007 HK\$1.02). Profit from core business after tax was HK\$ 512.1 million (2007 HK\$422.9 million). The Board declares an interim dividend of HK 20 cents per share (2007 HK 15 cents), and a special interim dividend of HK\$ 2.70 per share.

Dr. K.S. Lo, Chairman and Managing Director of Great Eagle Holdings Limited, was pleased with the group's performance over the first half of 2008 "Supported by continuing demand in the Hong Kong commercial property market, coupled with a tight supply of office space in Core Business Districts, these have led to higher net rental income, and increased income contribution from the Champion REIT. That has more than made up for the softer results of the hotel operations. As a result we managed to deliver robust growth in earnings, with core earnings up 21.1%, in the period ended 30th June 2008. Core earnings would have been higher, if we excluded an one-off charge of HK\$106.9 million of fixed assets write-offs relating to a major renovation at Langham London. The renovation will position it as one of the very best hotels in London and will support greater long-term growth at the property as well as the Langham brand as a whole."

"The successful injection of the Langham Place Office Tower and Mall into Champion REIT has significantly strengthened the REIT's asset base and risk profile. In the second half of 2008, we are expecting increasing contributions from Champion, as the positive rental reversion at its properties should lead to progressively higher property income."

Dr. Lo adds, "The performance of our hotels in Hong Kong for the rest of the year should be relatively stable as regional business activities have remained fairly active, but the operating environment has become more challenging for our overseas hotels. Nevertheless, footprint of the group's hotel brand has extended to include more key global locations, as two more hotel management contracts have been secured over the first half. With the group's net-debt free balance sheet, the group is well sheltered from concerns over external risks."

"The Group is currently in a net-debt free position following the closing of the Champion asset injection. In view of our strong cash position, we are now returning approximately HK\$1.6 billion to our shareholders by way of a special interim dividend of HK\$2.70 per share, which fulfills our commitment to realizing more value for our shareholders".

On the Group's investment strategies, Dr. Lo comments, "The group is envisaging more investment opportunities in China, where the launch of macroeconomic control measures have effectively cooled down the property sector, and land prices have softened. Most property companies in China are currently cash strapped. That would put us in a favourable position, with our cash rich balance sheet, to compete for quality investments. We will continue with our rational and disciplined approach of investing only in projects that meet our high thresholds on quality and return. This strategy will require considerable patience and time to execute."

Company Background. 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 principal holdings include a 48.7% interest in Champion Real Estate Investment Trust, which owns 1.56 million square feet of Grade-A commercial office space in the Central business district of Hong Kong, and 1.29 million square feet of office and retail in the prime shopping district of Mongkok, Kowloon. The Group's extensive international hotel portfolio currently comprises nine luxury properties with over 5,000 rooms.

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For enquiries, please contact Ms. Carmen Tang, Investment Services Director of Great Eagle at (852) 2827 3770.