

Press Release

Great Eagle Proposes Injection of Langham Place Retail Mall and Office Tower into Champion REIT

HONG KONG, 14th February 2008. Great Eagle Holdings Limited (SEHK: 41) today announces the proposed injection of parts of Langham Place into Champion REIT. Great Eagle has entered into an agreement with Champion Real Estate Investment Trust for the sale of the Mall, Office Tower (except for four floors) and Carpark at a price of HK\$12.5 billion, equivalent to approximately HK\$12,519 per square foot for the retail portion and approximately HK\$6,815 per square foot for the office portion. (The Langham Place Hotel does not form part of the transaction.) The transaction is conditional upon the approval of unitholders of Champion REIT at an extraordinary unitholders meeting on 6 March 2008, and also subject to the securing of adequate financing by Champion REIT. Upon completion of the transaction, Great Eagle will cancel its existing 20% waiver in respect of its entitlement to distributions of Champion REIT for 2008, in consideration of which Great Eagle shall pay a compensation, provisionally estimated at approximately HK\$97 million, to Champion.

According to Savills Valuation and Professional Services Limited, the price of \$12.5 billion represents an 11.8% discount to the appraised value of HK\$14.17 billion of the Langham Place property. The discount is considered fair and appropriate in view of the quantum of the property. Great Eagle expects to receive new units of Champion REIT with an approximate value of HK\$3.0 billion and approximately HK\$5.0 billion in cash proceeds as part of the consideration. (The remaining HK\$4.4 billion of the consideration will be satisfied by way of assumption of debts by the purchaser.) After the acquisition of the Langham Place property, Champion is expected to be transformed into a dynamic REIT with diversified assets and excellent potential for growth. As Great Eagle will continue to maintain a substantial unit holding in Champion, it will continue to participate in a significant way in the future growth of the expanded REIT.

Upon completion of the transaction the balance sheet and liquidity position of Great Eagle will also be strengthened significantly. That would put the Group in a strong position to capitalize on favourable investment opportunities in the region as and when market windows open.

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 48.4% 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. It at present also owns 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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