

## 2006 Annual Results

11 Apr 2007

Profit attributable to shareholders HK\$406 million (2005: HK\$10,028 million)

Earnings per share HK\$0.68

Underlying core earnings before asset revaluation changes HK\$462 million (2005: HK\$242 million)

Final dividend HK 25 cents per share

Total dividend for full year 2006 (including a special interim dividend of HK\$5.00 per share paid in October 2006) HK\$5.30 per share

HONG KONG, 11th April 2007. Great Eagle Holdings Limited (SEHK: 041) today announces its results for the full year ended 31st December 2006. Group turnover was HK\$3,772 million (2005: HK\$3,521 million). Profit attributable to shareholders was HK\$406 million (2005: HK\$10,028 million). Earnings per share was HK\$0.68 (2005: HK\$16.93).

The Board declares a final dividend of HK 25 cents per share (2005: HK20 cents per share). Including a special dividend of HK\$5.00 per share paid in October 2006, the total dividend for the full year of 2006 amounts to HK\$5.30 per share.

Dr. K.S. Lo, Chairman and Managing Director of Great Eagle Holdings Limited, comments on the 2006 full-year results, "We are very pleased to have achieved a 91% increase in the Group's core earnings, after netting out items associated with asset revaluation changes, to \$462 million for the full year of 2006. The strong performance of our hotels worldwide, the strength of the Hong Kong office leasing market, and the saving of interest expenses following the spin-off of Champion REIT all contributed to this strong growth in our core earnings."

Dr. Lo adds, "We were also pleased to have delivered on our commitment to realize the significant value imbedded in our assets for our shareholders. We raised over \$10 billion through the public floatation of Champion Real Estate Investment Trust out of which HK\$3 billion was returned to the shareholders of Great Eagle by way of a special dividend in October 2006. "

Dr. Lo expects Great Eagle to benefit from the strong conditions of the Hong Kong office market in the coming year through its 48.3% stake in Champion REIT and its ownership of Langham Place. "The office market should remain tight throughout 2007 in the face of sustained demand from the financial and trading segments and the absence of significant new supply. We therefore expect a substantial improvement in the performance of Champion REIT in 2007, especially when a significant proportion of Citibank Plaza's leases will be due for either renewal or rental reversion to prevailing market levels during the year. As the distribution waiver in respect of the Group's entitlement in favour of other unit-holders will be scaled back, we are confident that the contribution from the REIT will resume in 2007. The Langham Place Office Tower is now 95% let

and when the first batch of office leases signed at initial occupancy is renewed later this year they should bring about a healthy increase in rental income. At the Langham Place Mall we have established a sustainable volume of regular shopper traffic and the sales momentum of our retailers has also been most promising."

Dr. Lo also anticipates steady performance of the Group's hotels in 2007. "The performance of our Hong Kong hotels will be underpinned by a healthy growth in business traveller arrivals, in particular convention and exhibition-related travel. There should be a moderate increase in room rates. Our overseas hotels, with the possible exception of Langham London which is undergoing renovation, are also positioned for further improvement in their overall performance."

"During 2006 we have significantly reduced the Group's financial gearing and strengthened its balance sheet. With our enhanced financial maneuverability we will cautiously explore investment opportunities in a disciplined manner, particularly in Mainland China. While our main focus will be on managing our existing property and hotel portfolios to maximize the organic growth of their income, we will also be looking for opportunities to grow our hotel portfolio and brand through investment and management contracts."

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 48.3% 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 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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