

## Press Release

### Great Eagle Holdings Announces Interim Results for 2006

- Profit attributable to shareholders HK\$102 million (2005: HK\$2,148 million)
- Earnings per share HK\$0.17
- Underlying core earnings before accounting changes HK\$317.5 million (2005: HK\$112.3 million)
- Interim dividend HK\$5 cents per share
- Special interim dividend HK\$5.00 per share

**HONG KONG, 20<sup>th</sup> September 2006.** Great Eagle Holdings Limited (SEHK: 041) today announces its results for the six months ended 30<sup>th</sup> June 2006. Group turnover was HK\$1,845 million (2005 HK\$1,634 million). Profit attributable to shareholders was HK\$102 million (2005 HK\$2,148 million). Earnings per share was HK\$0.17 (2005 HK\$3.64).

The Board declares an interim dividend of HK\$5 cents per share (2005: HK3.5 cents per share). In addition, the Board declares a special interim dividend of HK\$5.00 per share.

Dr. K.S. Lo, who has been elected Chairman of Great Eagle Holdings Limited at today's board meeting, in the place of the late Chairman Mr. Lo Ying Shek, comments on the 2006 interim results, "The milestone for our Group in the first half of 2006 was the spin-off of our interests in Citibank Plaza by way of the public floatation of Champion Real Estate Investment Trust. We have raised almost HK\$10.4 billion of cash from the exercise. After applying approximately HK\$5.0 billion of the proceeds towards repayment of loans, we are now returning approximately HK\$3 billion to the shareholders by way of a special interim dividend of HK\$5 per share. By so doing we have delivered on our earlier commitment to realize more value for our shareholders. At the same time there has been a significant reduction in the level of our gearing, which would give us more flexibility in an uncertain interest rate environment. By retaining a 49% stake in Champion REIT, Great Eagle will continue to participate meaningfully in the upside of the Hong Kong office market, which will remain under-supplied in the coming several years."

Dr. Lo adds, "**Mainly due to a much lower amount of revaluation surplus on our investment properties** as of 30<sup>th</sup> June 2006, the Group's net profit for the first 6 months of 2006 amounted to HK\$102 million, a significant decline from that of the prior year period. However, **netting out the items associated with changes in accounting standards, there was in fact an increase of 183% in the underlying core earnings of the Group to HK\$317.5 million for the first half of 2006.** Our hotels were a key driver of earnings growth. The Hong Kong hotels did very well on the back of the strong growth in business traveling. There was also good improvement in the overall performance of our overseas hotels as the Langham brand gained increasing recognition in the international travel market. "

"At Langham Place, the Mall has been gaining popularity among local shoppers and tourists alike, as shown by a substantial increase in the number of visitors over the previous year. The overall sales revenue of tenants has also shown satisfactory growth year on year. With the Mall having opened for almost two years we are in the process of rationalizing the tenant mix to make it even more appealing to shoppers. We sold four floors of the Office Tower last year to reduce project debts. The remaining office space will continue to be retained for long term investment."

On behalf of the Lo family and staff of the Great Eagle Group, Dr. Lo pays tribute to his late father, Mr. Lo Ying Shek, Founder of the Great Eagle Group, "Although the Chairman has passed on, his work ethics, his philosophy of fair dealings and cost effectiveness, and his persevering spirit will continue to be our culture and foundation."

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 49% interest in Champion Real Estate Investment Trust, which owns 1.4 million square feet of Grade-A commercial office space in the Central business districts 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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