

## Press Release

### **Great Eagle Holdings Announces Full Year Results for 2007**

- Profit attributable to shareholders HK\$3,898 million (2006: HK\$407 million)
- Earnings per share HK\$6.47 (2006: HK\$0.68)
- Underlying core earnings (before asset revaluation changes, depreciation on hotel buildings and amortization of land lease payments) amounted to HK\$ 896 million (2006: HK\$ 657 million), up 36.5%
- Final dividend HK\$0.35 per share (2006: HK\$0.25), up 40%
- Total dividend for full year 2007 HK\$0.50 per share (2006: HK\$0.30, excluding special dividend), up 66.7%

**HONG KONG, 2<sup>nd</sup> April 2008.** Great Eagle Holdings Limited (SEHK: 041) today announces its results for the full year ended 31<sup>st</sup> December 2007. Group turnover was HK\$4,182 million (2006 HK\$3,772 million). Profit attributable to shareholders was HK\$3,898 million (2006 HK\$407 million). Earnings per share was HK\$6.47 (2006 HK\$0.68).

The underlying core earnings before asset revaluation changes, depreciation on hotel buildings and amortization of land lease payments for 2007 was HK\$896 million, an increase of 36.5% over that of HK\$657 million for 2006. However **the 2007 figure has not accounted for the final distribution declared by Champion REIT for 2007 attributed to Great Eagle** in the amount of HK\$124.9 million because distribution income from Champion is to be recognized upon the latter's distribution book closing date of 6<sup>th</sup> March 2008, which occurred after Great Eagle's 2007 financial year end. If this had been taken into account, **the underlying core earnings for 2007 would have been HK\$1,021 million, an increase of 55.4% over those for 2006.**

The Board declares a final dividend of HK\$0.35 per share (2006: HK\$0.25 per share), bring the total dividend for the full year of 2007 to HK\$0.50 per share, an increase of 66.7% over that of HK\$0.30 (excluding special interim dividend) for 2006.

Dr. K.S. Lo, Chairman and Managing Director of Great Eagle Holdings Limited, comments on the 2007 full-year results, "The increase in income associated with Champion REIT, the strength of the Hong Kong office leasing market, the good performance of our hotels in Hong Kong, and the reduction in interest expenses were major factors in the strong growth in our core earnings."

Dr. Lo also comments on the outlook for 2008, "The contribution from Champion REIT should continue to increase in 2008 as the underlying Citibank Plaza property continues to enjoy very high occupancy and positive rental reversion as the existing passing rents are substantially below current market rents. This income gain will be amplified by the effect of the reduction of Great Eagle's distribution waiver in favour of independent unitholders from 55% in 2007 to 20% in 2008. Langham Place Office Tower is almost full let and will benefit from positive rental reversion as leases written in 2005 at low rates are rolled over. The Langham Place Mall has successfully and substantially completed its tenant-mix realignment and upgrading initiative in 2007 and is well positioned to resume its income growth in the coming year. We are expecting stable performance of our hotels in Hong Kong in 2008 as business and convention-related travel volumes are sustained. It would be likely for the overall contribution from our overseas hotels to decline in 2008 as our London hotel is undergoing a major renovation and the slowdown in the U.S. economy may also affect the performance of our North American hotels."

Dr. Lo adds, "There has seen considerable volatility in the global financial markets in recent months. Though this might moderate the growth in demand for premises from financial institutions in the immediate

term, the current low vacancy rates and the shortage of new supply in the core commercial districts in the next several years should lend considerable support to office rent rates in Hong Kong. We have positioned Great Eagle to operate and compete effectively in this environment. We have a very sound balance sheet with very low gearing. The vast majority of our assets are high quality properties in prime locations. And we have a strong recurrent income base that has more upside for growth. We maintain our confidence on the long-term growth prospects of this region. With our strong liquidity position we will be looking out for strategic investments as and when market opportunities arise.”

On the proposed injection of Langham Place Mall and Office Tower into Champion REIT, Dr. Lo remarks, “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 holding in Champion, it will continue to participate in a significant way in the future growth of the expanded Champion REIT. The proposal has been approved by the independent unitholders of Champion and is pending the completion of the necessary financing arrangements by Champion.”

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 48.68% 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 nine luxury properties with over 5,000 rooms.

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