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EASTERN PROPERTY HOLDINGS ANNOUNCES SUCCESSFUL US\$125 MILLION EQUITY OFFERING

Road Town, Tortola, BVI, 27 October 2006 - Eastern Property Holdings Limited ("EPH") today announces the pricing of its offering of 1,391,304 newly issued ordinary shares at US\$90.00 per Share (the "New Shares"). Overall investor demand for the New Shares was in excess of US\$400 million. EPH intends to use the proceeds received from the offering to finance current development projects, repay short-term debt, and further expand its business by potentially acquiring additional commercial properties and/or entering into new property development projects.

Listing and first trading of the New Shares on the SWX Swiss Exchange under the ticker symbol "EPH" is expected to occur on or about 30 October 2006. The Joint Lead Managers have been granted an over-allotment option (the "Greenshoe Option") to subscribe for up to an additional 208,696 ordinary shares.

Upon completion of this offering, EPH will have 3,106,638 ordinary shares outstanding or, if the Greenshoe Option is exercised in full, 3,388,377 ordinary shares issued and outstanding, in each case assuming all outstanding warrants are exercised and assuming no sale of treasury shares.

The offering consisted of a public offering in Switzerland and a private placement in certain other countries outside Switzerland, and outside the United States, Canada, Australia and Japan, and included an offering of New Shares to eligible existing shareholders in accordance with pre-emptive subscription rights.

EPH has been listed on the real estate segment of the SWX Swiss Exchange since November 2003 (SWX: EPH; Bloomberg: EPH SW) and invests in real estate and real estate development in Russia and the Commonwealth of Independent States.

As at 30 June 2006, EPH's net assets were US\$147.39 million, representing net assets per share of US\$86.36, and total assets were US\$191.33 million.

Since EPH raised its initial capital in 2003, the Board of Directors has declared a dividend per share for the year ended 31 December 2004 of US\$1.30, and a dividend per share for the year ended 31 December 2005 of US\$1.50.

ING Bank N.V., Kempen & Co and Renaissance Capital acted as Joint Lead Managers in the offering, and OZ Bankers acted as Co-Lead Manager.

Further Information

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НАСТОЯЩИЙ РЕЛИЗ НЕ ЯВЛЯЕТСЯ ПРЕДЛОЖЕНИЕМ ИЛИ РЕКЛАМОЙ ЦЕННЫХ БУМАГ В РОССИЙСКОЙ ФЕДЕРАЦИИ, РАВНО КАК НЕ ЯВЛЯЕТСЯ ПРЕДЛОЖЕНИЕМ КАКОМУ-ЛИБО ЛИЦУ, ПРОЖИВАЮЩЕМУ, ЗАРЕГИСТРИРОВАННОМУ, УЧРЕЖДЕННОМУ ИЛИ ИМЕЮЩЕМУ ПОСТОЯННОЕ МЕСТОЖИТЕЛЬСТВО (МЕСТОНАХОЖДЕНИЯ) В РОССИЙСКОЙ ФЕДЕРАЦИИ, ИЛИ НАХОДЯЩЕМУСЯ НА ТЕРРИТОРИИ РОССИЙСКОЙ ФЕДЕРАЦИИ (ЛИБО ПРЕДЛОЖЕНИЕМ В ПОЛЬЗУ ТАКОГО ЛИЦА) О ПРОДАЖЕ ЦЕННЫХ БУМАГ, А ТАКЖЕ НЕ ЯВЛЯЕТСЯ ПРИГЛАШЕНИЕМ КОМУ-ЛИБО ИЗ ТАКИХ ЛИЦ (ЛИБО В ПОЛЬЗУ КОГО-ЛИБО ИЗ ТАКИХ ЛИЦ) ДЕЛАТЬ ОФЕРТЫ О ПРИОБРЕТЕНИИ ЦЕННЫХ БУМАГ.

ОН НЕ ПРЕДНАЗНАЧЕН ДЛЯ ПУБЛИЧНОГО РАСПРОСТРАНЕНИЯ И НЕ ДОЛЖЕН ПУБЛИЧНО РАСПРОСТРАНЯТЬСЯ НА ТЕРРИТОРИИ РОССИЙСКОЙ ФЕДЕРАЦИИ.

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