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Great Eagle Holdings Limited
鷹君集團有限公司

Incorporated in Bermuda with limited liability
(Stock Code: 41)

DISCLOSEABLE TRANSACTION ACQUISITION OF PROPERTIES

On 19 October 2007, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with the Seller, pursuant to which the Seller has agreed to sell and the Purchaser has agreed to buy the Property at the consideration of US\$170,000,000.

The Acquisition constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules. A circular containing, among other things, further details of the Acquisition will be dispatched to the Shareholders as soon as practicable in accordance with the requirement of the Listing Rules.

THE PURCHASE AND SALE AGREEMENT

Date: 19 October 2007

Parties:

Seller : Gateway, a California limited liability company; and
Oak Knoll, a California limited liability company.

Purchaser : Pacific Eagle Holdings Corporation, a California corporation, an indirect wholly-owned subsidiary of the Company

Assets to be acquired:

The Real Property together with various personal properties and rights of the Seller used in connection with the Hotel or its operation, including but not limited to furniture and fixtures, equipment and machinery, trademarks and service marks, consumables and inventory, permits and licenses, maintenance and purchase contracts, guest rooms and banquet facilities reservation contracts, but excluding all personal properties bearing any “Ritz-Carlton” or “Ritz” name, logo or similar mark and any other property which the Manager owns or is otherwise entitled to retain under the Management Agreement. Seller shall deliver to Purchaser, not later than 7 November 2007, a list of all Hotel assets owned or otherwise retained by Manager.

Consideration:

The purchase price of US\$170,000,000 was agreed through a competitive private bidding process.

The purchase price shall be payable in cash in the following manner:

- (i) an initial earnest money deposit of US\$3,000,000 was deposited with Escrow Company by the Purchaser on 19 October 2007;
- (ii) an additional earnest money deposit of US\$2,000,000 shall be deposited with Escrow Company by the Purchaser on or before 5:00 pm. (Pacific Standard Time) on 13 November 2007; and
- (iii) the balance of US\$165,000,000, subject to the apportionment and adjustments provided for in the Agreement for the income and expenses of the Real Property as of 11:59 p.m. (Pacific Standard Time) on the date prior to the date of Closing, such as expenses under any contracts, rents, revenues, real estate taxes and assessments, utility charges, and other operating expenses attributable to the Real Property, shall be deposited with Escrow Company by the Purchaser not later than 10:00 a.m. (Los Angeles time) on the date of Closing.

The said earnest money deposit shall be applied to the purchase price at the Closing.

The Seller currently has certain construction work underway with respect to certain guest suites at the Hotel and the purchase price shall be reduced by 110% of the amount remaining to be paid for such construction work as of Closing. If the amount actually paid by Purchaser to complete such construction work is less than the amount of such reduction in the purchase price, Purchaser will be obligated to pay the difference to Seller.

In addition to the aforesaid purchase price, the Purchaser shall be responsible for payment of certain expenses as of Closing, including, inter alia, the followings:

- (i) a portion of the premium for the Title Policy in accordance with the custom in Los Angeles County, California;
- (ii) the cost of the new survey for the Hotel Parcel including any modifications made thereto; and
- (iii) 50% of all fees of the Escrow Company with respect to the Closing.

The purchase price will be partly funded from internal resources of the Company and partly from external financing.

Termination of the Agreement

The Purchaser may elect to proceed with the Acquisition only by giving written notice of approval to the Seller and Escrow Company on or before the expiration of the Inspection Period. In the event that the Purchaser does not give such notice to the Seller and Escrow Company, the Agreement shall terminate and the aforesaid earnest money deposit shall be returned to the Purchaser with interest.

Closing:

Closing of the Acquisition is conditioned upon, among other things:

- (a) compliance with all obligations required by the Agreement by the Purchaser and all material obligations required by the Agreement by the Seller as of the date of Closing;
- (b) issuance of the Title Policy to the Purchaser has been irrevocably committed by the Title Company;
- (c) termination of the Master Lease and delivery of written evidence of such termination into escrow; and
- (d) termination of the Management Agreement and any other related agreements with the Manager relating to the Property and the Manager has vacated the premises in all material respects (except to the extent Manager is permitted to remain for purposes of performing transition obligations pursuant to the Agreement and the Management Agreement).

The Purchaser shall offer, or shall cause its management company to offer, before the Closing, employment at the Hotel to not less than 95% of all the then current employees of the Hotel which shall include all the then current hourly employees of the Hotel, at salaries and with benefits comparable with what each such employee shall be earning at the time of the Closing.

The Seller may, upon written notice to Purchaser, extend the date of the Closing to a date not later than 31 March 2008 to enable the Seller to satisfy all conditions precedent to the termination of the Management Agreement set forth therein. In case the Purchaser raises any objection in respect of the title of the Hotel Parcel on or before 5 November 2007, the Seller shall have the right to attempt to remove, satisfy or cure the same and be entitled to a reasonable adjournment of the Closing to not later than 31 March 2008 if additional time is required. Provided that all of the conditions precedent to the Closing as stated in Agreement have been satisfied or waived, the Closing is expected to take place on or before 12 December 2007.

REASONS FOR THE ACQUISITION

It is considered that the Acquisition is in the best interest of the Group since the Property can serve to further expand the hotel business of the Group. The terms of the Acquisition were arrived at through arm's length negotiations between the Seller and the Purchaser after a competitive bidding process. The Directors are of the view that the terms of the Agreement are fair and reasonable and the Acquisition is in the best interest of the Company and the Shareholders as a whole.

Based on the audited financial statements for the two years ended 30 June 2005 and 2006 respectively provided by the Seller, which were prepared based on the US GAAP (according to the representation of the Seller), the net profits before tax, interest and extraordinary items attributable to the Property for the two years ended 30 June 2006 were approximately US\$8,390,000 (approximately HK\$65,442,000) and US\$10,060,000 (approximately HK\$78,468,000) respectively. The said audited financial statements do not show the net profits after taxation and extraordinary items attributable to the Property and the value of the Property. The Seller has not provided any valuation report of the Property to the Company and the Company has not otherwise obtained a third party valuation report of the Property.

INFORMATION ON THE GROUP AND THE SELLER

The principal activities of the Group include property development and investment, hotel and restaurant operations, management of real estate investment trust, trading of building materials, share investment, provision of management and maintenance services, property management, insurance agency and fitness centre operation. Its investment in office properties extends to the U.S.A. and its hotel portfolio covers Hong Kong, North America, Europe, Australia and New Zealand.

Gateway is a California limited liability company engaging in the ownership of the Hotel Parcel and the Hotel and the leasing of the same to Oak Knoll.

Oak Knoll is a California limited liability company engaging in the leasing of the Hotel Parcel and the Hotel from Gateway and the operation of the Hotel.

The Company confirms that, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiry, the Seller and its ultimate beneficial owners are Independent Third Parties and neither of them nor their respective associates has any shareholding in the Company as at the date of this announcement.

GENERAL

As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition exceed 5% but are below 25%, the Acquisition constitutes a discloseable transaction for the Company under the Listing Rules.

A circular containing, among other things, further details of the Acquisition will be dispatched to the Shareholders as soon as practicable in accordance with the requirements of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

"Acquisition" the proposed purchase of the Property by the Purchaser under the Agreement;

"Agreement"	an agreement for sale and purchase and joint escrow instructions dated 19 October 2007 entered into between the Seller and the Purchaser in relation to the sale and purchase of the Property;
"Board"	the board of directors of the Company;
"Business Day"	all days of the year except Saturdays, Sundays, and holidays recognized by the Federal Reserve Bank of New York, banks and financial institutions in California, and banks and financial institutions in Hong Kong to the extent relating to Purchaser;
"Company"	Great Eagle Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on The Stock Exchange of Hong Kong Limited;
"Closing"	closing of the sale and purchase of the Property;
"Directors"	the directors of the Company;
"Escrow Company"	Chicago Title Company situated at 700 South Flower Street, Los Angeles, California 90017 USA, an Independent Third Party;
"Gateway"	Gateway Huntington Property, LLC, a California limited liability company;
"Group"	the Company and its subsidiaries;
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong Special Administrative Region of the People's Republic of China;
"Hotel"	a hotel known as "Ritz-Carlton Huntington Hotel & Spa" situated at the Hotel Parcel, containing 392 guest rooms (including 26 suites), 33,000 square feet of meeting and function space, an 11,000 square feet spa, fitness center, outdoor pool, and tennis courts, with a 5 Diamond rating from the American Automobile Association;
"Hotel Parcel"	certain land located at 1401 South Oak Knoll Avenue, Pasadena, California, USA, which contains approximately 16 acres (gross), which interest to be acquired is fee simple absolute;

"Independent Third Parties"	independent third parties who, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, are third parties independent of the Company and connected persons (as defined under the Listing Rules) of the Company;
"Inspection Period"	the period, from the date of the Agreement through 5:00 p.m. Los Angeles time on 12 November 2007, given to the Purchaser to examine, inspect and investigate the Property;
"Listing Rules"	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
"Manager"	The Ritz-Carlton Hotel Company, L.L.C., a Delaware limited liability company;
"Management Agreement"	Amended and Restated Management Agreement dated 1 July 2004 entered into between Oak Knoll and the Manager pursuant to which Manager manages the Hotel;
"Master Lease"	Lease and Assignment dated 31 December 2004 entered into between Gateway and Oak Knoll pursuant to which Gateway leases the Real Property to Oak Knoll;
"Oak Knoll"	Oak Knoll Hotel, LLC, a California limited liability company;
"Property"	the Hotel and the Hotel Parcel together with various personal properties and rights of the Seller used in connection with the Hotel or its operation, including but not limited to furniture and fixtures, equipment and machinery, trademarks and service marks, consumables and inventory, permits and licences, maintenance and purchase contracts, guest rooms and banquet facilities reservation contracts, but excluding all personal properties bearing any "Ritz-Carlton" or "Ritz" name, logo or similar mark and any other property which the Manager owns or is otherwise entitled to retain under the Management Agreement;
"Purchaser"	Pacific Eagle Holdings Corporation, a California corporation, an indirect wholly-owned subsidiary of the Company;
"Real Property"	the Hotel Parcel and the Hotel;

"Seller"	collectively, Gateway and Oak Knoll, which together with their respective ultimate beneficial owners are Independent Third Parties;
"Shareholders"	holder(s) of the shares of HK\$0.50 each in the share capital of the Company;
"Title Company"	Chicago Title Company situated at 700 South Flower Street, Los Angeles, California 90017 USA, an Independent Third Party;
"Title Policy"	an extended coverage owner's title insurance policy to be issued by the Title Company in favor of the Purchaser showing the fee title in the Hotel Parcel to be vested in the Purchaser;
"U.S.A."	United States of America;
"US\$"	United States dollars, the lawful currency of the U.S.A.; and
"US GAAP"	accounting principles generally accepted in the U.S.A.

Unless otherwise stated, all references in this announcement to HK\$ are for information only and are referenced to Hong Kong Dollars based on an approximate exchange rate of US\$1 = HK\$7.8.

By Order of the Board
LO Ka Shui
Chairman and Managing Director

Hong Kong, 23 October 2007

As at the date of this announcement, the Directors of the Company are:

*Dr. Lo Ka Shui (Chairman and Managing Director), Mr. Lo Kai Shui (Deputy Managing Director), Mrs. Lo To Lee Kwan, *Mr. Cheng Hoi Chuen, Vincent, *Professor Wong Yue Chim, Richard, *Mrs. Lee Pui Ling, Angelina, Mr. Lo Hong Sui, Antony, Madam Law Wai Duen, Mr. Lo Hong Sui, Vincent, Dr. Lo Ying Sui, Archie and Mr. Kan Tak Kwong*

* *Independent Non-executive Directors*