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Great Eagle
Holdings Limited
鷹君集團有限公司

Incorporated in Bermuda with limited liability
於百慕達註冊成立之有限公司

(Stock Code: 41)

ANNOUNCEMENT

DISCLOSEABLE TRANSACTION IN RELATION TO ACQUISITION OF HOTEL PROPERTY IN NEW YORK, THE UNITED STATES

The Board is pleased to announce that on 5 October 2012, the Buyer, an indirect wholly owned subsidiary of the Company as buyer and assignee, entered into the Sale and Purchase Agreement with the Sellers as sellers and assignors whereby the Buyer shall buy, and take up the assignment, from the Sellers their entire interest in the Hotel Property at a consideration of approximately US\$229.00 million (equivalent to approximately HK\$1,786.20 million) in cash subject to the conditions as set out therein. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of the Sellers and their respective beneficial owners are parties independent of the Company and its connected persons.

As one of the applicable percentage ratios as defined under the Listing Rules in relation to the aggregate amount payable under the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company subject to the reporting and announcement requirements under the Listing Rules.

The Board is pleased to announce that on 5 October 2012, the Buyer, an indirect wholly owned subsidiary of the Company as buyer and assignee entered into the Sale and Purchase Agreement with the Sellers as sellers and assignors whereby the Buyer shall buy and take up the assignment from the Sellers their entire interest in the Hotel Property at a consideration of approximately US\$229.00 million (equivalent to approximately HK\$1,786.20 million) in cash subject to the conditions as set out therein.

THE SALE AND PURCHASE AGREEMENT

Date

5 October 2012

Parties

- (1) the Buyer, an indirect wholly-owned subsidiary of the Company, as the buyer and assignee;
- (2) the Sellers, collectively the owners of the Hotel Property, as the sellers and assignors.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of the Sellers and their respective beneficial owners are parties independent of the Company and its connected persons.

Subject matter

The Hotel Property includes the following components:

- (i) the Hotel;
- (ii) the Commercial Unit 2, which is currently sub-leased to a third party restaurant sub-tenant unaffiliated with the Sellers for operation of a restaurant, being located on part of the Sub-cellar and most of the Second Floor of the Building;
- (iii) all the relevant tangible personal property (for example, all books, records, data, plans and reports, furniture, fixtures, equipment, machinery, vehicles, appliances, artwork, bedding, liens, supplies, food and beverage inventories, computer hardware and software and other tangible property) and all the relevant intangible personal property (for example, all reservations and deposits, signage rights, copyrights, trademarks, trade name, service marks, displays, symbols, designs, logos, and other intellectual property and related applications and registrations and all goodwill associated therewith) owned by the Seller 1 and the Seller 2 and used in connection with the ownership and operation of the Hotel and the ownership of the Commercial Unit 2;
- (iv) the Seller 1's and the Seller 2's right and interest in and to (a) all the relevant contracts to which the Seller 1 and the Seller 2 are parties and (b) all the relevant licences and permits issued in the name of the Seller 1 and the Seller 2 relating to the Hotel Property; and
- (v) the Seller 3's right title and interest in the restaurant sub-lease of the Commercial Unit 2.

The Hotel Property does not include (i) the operating assets of the third party restaurant sub-tenant of the Commercial Unit 2; (ii) the 28th Floor to the 60th Floor of the Building, which are residential condominium units of and mechanical equipment floors for the Building; and (iii) any rights to the “Setai” and “Capella” brands. All references to floor numbers or “Floors” in this announcement reflect the fact that the Building does not have a designated 13th Floor - which is a common practice in the United States.

Consideration

Subject to certain customary adjustments, credits, prorations and apportionments for the sale and purchase of hotel in the United States of America, the Consideration is US\$229.00 million (equivalent to approximately HK\$1,786.20 million) in cash, of which US\$15.00 million (equivalent to approximately HK\$117.00million) has been paid on the date of the Sale and Purchase Agreement and is being held in escrow pending Closing. The balance of the Consideration will be paid upon Closing, which is scheduled to occur on 15 January 2013.

The Consideration was arrived at after arm's length negotiation between the Sellers and the Buyer and will be funded partly by external borrowing and partly by internal resources.

Taking into account the prestigious location in Midtown New York, the quality and age of the Hotel Property, the replacement cost and the alignment with the Group's long-term strategy of enhancing its Langham brands, the Directors consider the Acquisition at the Consideration is in the interest of the Company and its Shareholders as a whole.

Conditions

Closing is conditional upon, among other things, the following Conditions being satisfied or waived:

- (a) the third party title company having committed to issue an owner's title insurance policy to the Buyer insuring the Buyer's title to the land, building, structure and other real property improvements to the Hotel Property;
- (b) termination of the management and consultancy contracts in relation to the Hotel and spa facility at the Hotel ;
- (c) discharge of the Honua Notice of Pendency;
- (d) termination of the Setai Branding Agreement in relation to and the brand of the Hotel;
- (e) No Action Letter having been issued by the New York State Department of Law;

- (f) agreement of the Sellers' existing mortgagee, which has a mortgage encumbering the entire Building, including the Hotel Property, to release the mortgage lien from the Hotel Property for payment of a specified portion of the Consideration (with the remaining principal of the Sellers to remain secured by the rest of the Building which does not form part of the Hotel Property); and
- (g) the Sellers having complied in all material respects with its contractual obligations under the Sale and Purchase Agreement, and the representations and warranties of the Sellers in the Sale and Purchase Agreement being true and correct in all material respects.

The Sellers' existing mortgage encumbers the entire Building, not just the Hotel Property, for a principal amount greater than the Consideration. The Sellers' mortgagee must agree to release the Hotel Property from the lien of the mortgage at Closing for an amount not to exceed the Consideration. In no event will Buyer be obligated to increase the Consideration to satisfy the requirements of the Sellers' mortgagee.

Closing

Closing is scheduled to take place on 15 January 2013 subject to the satisfaction or waiver (as the case may be) of the Conditions.

FURTHER INFORMATION RELATING TO THE HOTEL PROPERTY

The Hotel opened for business in November 2010 is located on certain floors of the Building (which is a sixty (60) floor building (including mechanical penthouse floors, i.e. the 59th and 60th Floors)) comprising, among other things, (i) 157 guest rooms located on the 5th Floor to the 17th Floor of the Building ; (ii) fifty-seven (57) suites located on the 18th Floor to the 27th Floor of the Building; (iii) a Hotel-operated restaurant and bar located principally on part of Cellar and part of First Floor of the Building; (iv) the spa area located on 4th Floor of the Building; and (v) the Hotel lobby located on the First Floor of the Building.

The Commercial Unit 2 is primarily located on part of the Sub-cellar and most of the Second floor of the Building, and is sub-leased to a third party restaurant sub-tenant unaffiliated with the Sellers or the Buyer for use as a restaurant by that third party restaurant sub-tenant.

After Closing, the Company intends to operate the Hotel Property (excluding the Commercial Unit 2) under the Langham Place brand, as the Commercial Unit 2 is currently sub-leased to the third party restaurant sub-tenant for use as restaurant by that third party restaurant sub-tenant.

According to the unaudited management accounts of the Hotel Property provided by the Sellers, the net operating loss attributable to the Hotel Property was approximately US\$1.21million (equivalent to approximately HK\$9.44million) and the net operating profit attributable to the Hotel Property was approximately US\$2.13 million (equivalent to approximately HK\$16.61 million) respectively for the years ended 31 December 2011 and for the 8 month period ended 31 August 2012.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Hotel is located in the heart of Midtown Manhattan at 400 Fifth Avenue and is within easy walking distance to New York's most important business and entertainment districts. The Acquisition offers the Company the opportunity to invest in the New York hotel market which has consistently been the strongest hotel market in the United States of America and it reaffirms the Group's ongoing efforts to invest in well located, high quality properties in key cities to enhance our position as a key player in the global luxury hospitality industry.

The establishment of a prime New York luxury hotel would be of vital significance to the development of the Langham brand. Upon completion of the Acquisition, the Group will operate hotels in all of the three largest metropolitan statistical areas in the United States, including New York, Los Angeles and Chicago.

The Directors believe that the terms of the Acquisition are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios as defined under the Listing Rules in relation to the aggregate amount payable under the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company subject to the reporting and announcement requirements under the Listing Rules.

GENERAL INFORMATION

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

The principal activity of the Sellers is the holding and operating the Hotel Property (including all tangible and intangible personal property related thereto). The Seller 1, the Seller 2 and the Seller 3 constitute the Sellers are all subsidiaries of Bi&Di Real Estate SpA, a company incorporated in Varese, Italy, and the assets of each of the three entities relating to the Hotel Property will be transferred and assigned to the Buyer.

DEFINITIONS

Unless the context otherwise requires, the capitalised terms used in this announcement shall have the following meanings:

“Acquisition”	the acquisition of the Hotel Property
“associate(s)”, "connected person"	Has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Building ”	the sixty (60) floor building and the improvements situated on the Land and commonly known as The Setai Fifth Avenue Hotel and Residences, a Condominium, and by the street address of 400 Fifth Avenue, New York, New York 10018, Borough of Manhattan, City, County and State of New York, the United States of America
"Buyer"	Pacific Fifth Avenue Corporation, a Delaware corporation and also an indirect wholly owned subsidiary of the Company
“Closing”	completion of the sale and purchase of the Hotel Property pursuant to the Sale and Purchase Agreement
“Commercial Unit 1”	one commercial unit, being the condominium unit designated as the “Commercial Unit 1” in the Declaration, located on part of the Cellar and part of First Floor containing Hotel-operated restaurant and bar together with certain other common elements in the Building
“Commercial Unit 2”	one commercial unit, being the condominium unit designated as the “Commercial Unit 2” in the Declaration, located principally on part of the Sub-cellar and most of the Second Floor which is currently sub-leased to a third party restaurant sub-tenant, containing restaurant operated by that restaurant sub-tenant together with certain other common elements in the Building
“Commercial Unit 3”	one commercial unit, being the condominium unit designated as the “Commercial Unit 3” in the Declaration, located on 4 th Floor containing the spa facility together with certain other common elements in the Building

“Company”	Great Eagle Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange
“Conditions”	the conditions set out in the section headed “The Sale and Purchase Agreement - Conditions” in this announcement
“Consideration”	the consideration to be paid by the Buyer to the Sellers for the Hotel Property
“Declaration”	the declaration, dated as of 10 November 2010 establishing condominium ownership of the Building and the Land which was recorded in the Office of the City Register of the City of New York on 26 November 2010
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
"Honua Notice of Pendency"	a notice of pendency filed of record by a third party against the Sellers' interest in the Hotel Property, and the remainder of the Building, in connection with a litigation
“Hotel ”	the hotel currently operated at the Hotel Unit, the Suites Unit, Commercial Unit 1 and Commercial Unit 3 as described under the section headed "The Sale and Purchase Agreement - Subject matter" in this announcement
“Hotel Unit”	one hotel unit , being the condominium unit designated as the “Hotel Unit” in the Declaration, located on the 5 th Floor to 17 th Floor of the Building which includes one hundred and fifty seven (157) guest rooms and hotel lobby located on the First Floor of the Building together with certain other common elements in the Building
"Hotel Property"	the (i) the Hotel; (ii) the Commercial Unit 2; (iii) all the relevant tangible personal property, and all the relevant intangible personal property, owned by the Seller 1 and the Seller 2 and used in connection with the ownership and operation of the Hotel and the ownership of the Commercial Unit 2; (iv) the Seller 1’s and the Seller 2’s right and interest in

and to (a) all the relevant contracts to which the Seller 1 and the Seller 2 are parties, and (b) all the relevant licences and permits issued in the name of the Seller 1 and the Seller 2 relating to the Hotel Property (but excluding any license to use the Setai or Capella names); (v) the Seller 3's right, title and interest in and to the restaurant sub-lease of the Commercial Unit 2, any security therefor and any rentals or other income therefrom as described in the section headed "The Sale and Purchase Agreement - Subject matter" in this announcement

“Land”	the land on which the Building is situate at the intersection of Fifth Avenue and West 36 th Street known by street address as 400 Fifth Avenue, New York, New York 10018, Borough of Manhattan, City, County and State of New York, the United States of America
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“No Action Letter”	A letter issued by the New York State Department of Law permitting the sale of the Hotel Property to the Buyer by the Sellers without necessity of filing an offering plan and without the sale and transfer being made pursuant to the offering plan.
“Sale and Purchase Agreement”	the agreement of purchase and sale dated 5 October 2012 entered into between the Buyer and the Sellers in relation to, among other things, the Acquisition and the transactions contemplated thereunder
“Seller 1”	400 Fifth Realty LLC, a Delaware limited liability company, being a wholly owned subsidiary of Bi&Di Real Estate SpA
“Seller 2”	400 Fifth Hotel Group LLC, a Delaware limited liability company, being an indirect wholly owned subsidiary of the Seller 1
“Seller 3”	400 Fifth Restaurant Group LLC, a Delaware limited liability company, being an indirect wholly owned subsidiary of the Seller 1
“Sellers”	the Seller 1, the Seller 2 and the Seller 3
"Setai Branding Agreement"	the branding and marketing agreement dated July 2010 between Setai Group LLC and the Seller 1

"Shares"	shares of HK\$ 0.50 each in the Company
"Shareholders"	holders of Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Suites Unit"	one unit containing fifty-seven (57) suites, being the condominium unit designated as the "Suites Unit" in the Declaration, located on portions of the 18th Floor through the 27th Floor of the Building together with certain other common elements in the Building
"US\$"	United States Dollar, the lawfully currency of the United States of America
"%"	per cent.

For the purpose of illustration only, conversion of US\$ into HK\$ in this announcement are based on the exchange rates of US\$1.00 to HK\$7.80. Such conversions should not be construed as representations that any amounts have been, could have been, or may be, exchanged at these or any other rates.

By Order of the Board
Great Eagle Holdings Limited
LO KA SHUI
Chairman and Managing Director

Hong Kong, 5 October 2012

As at the date of this announcement, the Board of Directors comprises five Executive Directors, namely Dr. LO Ka Shui (Chairman and Managing Director), Mr. LO Kai Shui (Deputy Managing Director), Mr. LO Hong Sui, Antony, Madam LAW Wai Duen and Mr. KAN Tak Kwong (General Manager); three Non-executive Directors, namely Madam LO TO Lee Kwan, Mr. LO Hong Sui, Vincent and Dr. LO Ying Sui; and four Independent Non-executive Directors, namely Mr. CHENG Hoi Chuen, Vincent, Professor WONG Yue Chim, Richard, Mrs. LEE Pui Ling, Angelina and Mr. ZHU Qi.