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鷹君集團有限公司  
Great Eagle  
Holdings Limited

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

(Stock Code: 41)

## ANNOUNCEMENT

### DISCLOSEABLE TRANSACTION IN RELATION TO DISPOSAL OF PROPERTY IN SEATTLE, THE UNITED STATES BY THE U.S. REAL ESTATE FUND

The Board is pleased to announce that on 10 December 2018, the Seller, a wholly-owned subsidiary of the U.S. Real Estate Fund, which in turn is an indirect non-wholly owned subsidiary of the Company, entered into the Purchase and Sale Agreement with the Buyer whereby the Seller shall sell the Property to the Buyer at a consideration of US\$151,000,000 (equivalent to approximately HK\$1,181,122,000) in cash subject to the terms and conditions as set out therein. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Buyer and its ultimate beneficial owner 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 receivable under the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company subject to the reporting and announcement requirements under the Listing Rules.

**Shareholders should note that completion of the Disposal is subject to the satisfaction or waiver of various conditions under the Purchase and Sale Agreement. Accordingly, the Disposal may or may not be completed. Shareholders and potential investors should exercise caution when dealing in the Shares.**

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## THE PURCHASE AND SALE AGREEMENT

### Date

10 December 2018

### Parties

- (1) the Seller, a wholly-owned subsidiary of the U.S. Real Estate Fund, which in turn is an indirect non-wholly owned subsidiary of the Company, as the owner of the Property and the seller; and
- (2) the Buyer as the buyer.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Buyer and its ultimate beneficial owner are parties independent of the Company and its connected persons.

### Subject matter

The Property includes the following components:

- (i) certain real property located at 710 Second Avenue, Seattle in the state of Washington, the United States and commonly known as Dexter Horton Building (the "**Land**");
- (ii) the buildings and structures and improvements erected or located on the Land (the "**Building**") (the Land and the Building, collectively, the "**Premises**");
- (iii) all appurtenances pertaining to the Land owned by the Seller (the "**Appurtenant Rights**");
- (iv) all equipment, fixtures and appliances of whatever nature, which are affixed to the Premises (the "**Fixtures**");
- (v) all tangible personal property located on the Premises owned by the Seller, including furniture and equipment (the "**Personal Property**");
- (vi) all leases, licence, tenancies, possession agreements and occupancy agreements for portion of the Premises, any amendments thereto and guarantees thereof and all security deposits deposited by the tenants in respect thereof (the "**Leases**");
- (vii) all agreements affecting the Premises which the Buyer is required to assume pursuant to the Purchase and Sale Agreement (the "**Miscellaneous Agreements**");

- (viii) all assignable permits, licences, land use entitlements, authorization and approval pertaining to the Premises held by the Seller (the “**Permits**”);
- (ix) all of the Seller’s right, title, and interest in all assignable warranties, guaranties, indemnities and bonds of any contractor, manufacturer or materialman relating to the Building or Personal Property (the “**Warranties**”); and
- (x) all of the Seller’s right, title, and interest in all assignable intangible property used exclusively in connection with the ownership, leasing, occupancy and/or operation of the Premises (the “**Intangible Property**”).

### **Consideration**

Subject to certain adjustment for any prorations and credits provided under the provisions of the Purchase and Sale Agreement, the Consideration of US\$151,000,000 (equivalent to approximately HK\$1,181,122,000) for the Disposal is payable in cash by the Buyer to the Seller as follows:

- (a) an initial deposit of US\$3,750,000 (equivalent to approximately HK\$29,332,500) shall be paid within one (1) Business Day after execution of the Purchase and Sale Agreement and held in escrow pending Closing; and
- (b) the balance of the Consideration, subject to the Extension Deposit (if any) as described below and certain adjustment for any prorations and credits, will be paid upon Closing.

The Consideration of US\$151,000,000 (equivalent to approximately HK\$1,181,122,000) was arrived at after arm's length negotiation between the Buyer and the Seller and also after taking into account the independent valuation of the Property as at 30 June 2018 carried out by the independent property valuer appointed by the Company, of US\$151,000,000 (equivalent to approximately HK\$1,181,122,000).

### **Conditions**

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

- (a) the Seller shall have deposited into escrow all instruments and documents to be delivered by the Seller to the Buyer;
- (b) delivery, by the Seller to the Buyer prior to the Closing, of the estoppels certificates executed by the major tenants and other tenants altogether leasing not less than 75% of the square footage of the Building;
- (c) the Seller shall have performed and satisfied all material covenants and material obligations required by the Purchase and Sale Agreement to be performed and satisfied with on its part prior to and as of the date of Closing;
- (d) the title company having committed to issue an owner’s title insurance policy to the Buyer insuring the Buyer’s title to the Property;

- (e) the Buyer shall not have exercised its right to terminate the Purchase and Sale Agreement given that representations and warranties of the Seller are correct in material respect;
- (f) the Buyer shall have performed and satisfied all material covenants and material obligations required by the Purchase and Sale Agreement to be performed and satisfied with on its part prior to and as of the date of Closing;
- (g) the Buyer shall have deposited into escrow all instruments and documents to be delivered by the Buyer to the Seller; and
- (h) the Buyer shall have deposited into escrow, the Consideration, subject to adjustment for any prorations and credits provided under the Purchase and Sale Agreement, and all other moneys required to be deposited by Buyer under the Purchase and Sale Agreement.

The Buyer shall have the right at all times to waive any Conditions (a) to (e) by written notice to the Seller and the escrow holder. The Seller shall have the right at all times to waive any Conditions (f) to (h) by written notice to the Buyer and the escrow holder.

### **Closing**

Closing will take place on 31 December 2018 (Washington time) or such other date and time as the Seller and the Buyer may mutually agree upon in writing subject to the satisfaction or waiver (as the case may be) of the Conditions. The Buyer has the right to extend the date of Closing to 17 January 2019 (Washington time), provided that at least five (5) Business Days prior to the date of Closing, the Buyer delivers to the escrow holder an Extension Deposit of US\$1,500,000 (equivalent to approximately HK\$11,733,000) (the “**Extension Deposit**”) together with a written notice to that effect to the escrow holder and the Seller. If the Buyer exercises its right to extend the date of the Closing and the Closing thereafter fails to occur due to a default of the Buyer, the amount of liquidated damages payable by the Buyer will be increased to include the Extension Deposit.

### **Information of the Property**

The 15-storey office property with 335,005 square feet of rentable area is located within Seattle's Central Business District and that building is currently approximately 92% occupied by 20 tenants.

### **FINANCIAL IMPACT OF THE DISPOSAL AND USE OF PROCEEDS**

For the two financial years ended 31 December 2016 and 31 December 2017, the audited total rental income of the Property was US\$8,955,000 (equivalent to approximately HK\$70,046,000) and US\$9,667,000 (equivalent to approximately HK\$75,615,000) respectively. After accounting for valuation gain and all the related operating expenses payable by the U.S. Real Estate Fund for the Property, net profit (both before and after taxation) attributable to the Property for the two financial years ended 31 December 2016 and 31 December 2017 are US\$8,522,000 (equivalent to approximately HK\$66,659,000) and US\$20,250,000 (equivalent to approximately HK\$158,396,000) respectively.

As at 31 December 2017, the book carrying value on the basis of appraised value of the Property was US\$151,000,000 (equivalent to approximately HK\$1,181,122,000). Based on the above and after deducting estimated tax, transaction costs and current year capital expenditures, the Company expects that there will be a loss on the Disposal (before taking into account prior years' valuation gain) of approximately US\$6,949,000 (equivalent to approximately HK\$54,355,000) attributable to the U.S. Real Estate Fund for the year 2018.

After taking into account the 49.97% equity interest held by the Company in the U.S. Real Estate Fund, a net disposal loss of approximately US\$3,473,000 (equivalent to approximately HK\$27,166,000) will be attributable to the Shareholders in the year of 2018. Further taking into account the unrealised valuation gain recorded in prior years, it is expected that the Company will realise a net profit of US\$7,263,000 (equivalent to approximately HK\$56,811,000).

After repaying the related debt and deducting the transaction costs and expenses, the U.S. Real Estate Fund will receive net proceeds of approximately US\$56,333,000 (equivalent to approximately HK\$440,637,000) upon Closing.

It is expected that the U.S. Real Estate Fund will distribute the net balance of such net proceeds, after taking into account the future working capital requirement of the U.S. Real Estate Fund, to the Company as working capital.

## **REASONS FOR THE DISPOSAL**

The Disposal is made in the name of the Seller, a wholly-owned subsidiary of the U.S. Real Estate Fund. By virtue of the Group acting as the General Partner and Asset Manager and the Group having a 49.97% equity interest therein, the Seller is classified as an indirect non-wholly owned subsidiary of the Group.

The General Partner and Asset Manager is responsible to regularly review the performance of the assets of the U.S. Real Estate Fund and to dispose of all or any of them when they consider appropriate.

The General Partner and Asset Manager believes that the Disposal is appropriate given that the U.S. Real Estate Fund has its fixed tenure and the Disposal, if materialized, represents the opportunity for the U.S. Real Estate Fund to realize its investment in the Property. The Consideration is equal to the Property's appraised value as at 30 June 2018.

The Directors believe that the terms of the Disposal 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 receivable under the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company subject to the reporting and announcement requirements under the Listing Rules.

**Shareholders should note that completion of the Disposal is subject to the satisfaction or waiver of various conditions under the Purchase and Sale Agreement. Accordingly, the Disposal may or may not be completed. Shareholders and potential investors should exercise caution when dealing in the Shares.**

## **GENERAL INFORMATION**

The principal activities of the Group include property development and investment, operations of hotel, restaurant and co-working space, manager of real estate investment trust, trading of building materials, securities investment, provision of property management, maintenance and property agency services, property leasing and asset management. Its investment in properties extends to the U.S., and its hotel portfolio covers Asia, Australia, Europe, New Zealand and North America.

The Seller is an investment holding company and a wholly-owned subsidiary of Pacific Eagle (US) Real Estate Fund, L.P., being the vehicle for the investment in the U.S. Real Estate Fund and classified as an indirect non-wholly owned subsidiary of the Company by virtue of the Group being the General Partner and Asset Manager and having a 49.97% equity interest therein.

The Buyer is which is principally engaged in real estate investments.

## **DEFINITIONS**

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

<b>“Appurtenant Rights”</b>	has the meaning ascribed to it as described in item (iii) under the section headed “The Purchase and Sale Agreement - Subject matter” in this announcement
<b>“Board”</b>	the board of Directors
<b>“Building”</b>	has the meaning ascribed to it as described in item (ii) under the section headed “The Purchase and Sale Agreement - Subject matter” in this announcement
<b>“Business Day”</b>	any day other than Saturday, Sunday, and holiday recognised by the Federal Reserve Bank of San Francisco
<b>“Buyer”</b>	CIM Group Acquisitions, LLC
<b>“Closing”</b>	completion of the purchase and sale of the Property pursuant to the Purchase and Sale Agreement
<b>“Company”</b>	Great Eagle Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange (stock code: 41)

<b>“Conditions”</b>	the conditions set out in the section headed “The Purchase and Sale Agreement - Conditions” in this announcement
<b>“connected person(s)”</b>	has the meanings ascribed to it under the Listing Rules
<b>“Consideration”</b>	the consideration to be paid to the Seller by the Buyer for the Property
<b>“Director(s)”</b>	the director(s) of the Company
<b>“Disposal”</b>	the disposal of the Property
<b>“Extension Deposit”</b>	being an additional deposit of US\$1,500,000 (equivalent to approximately HK\$11,733,000) for extending the date of Closing as more particularly mentioned in the section headed “The Purchase and Sale Agreement – Closing” in this announcement
<b>“Fixtures”</b>	has the meaning ascribed to it as described in item (iv) under the section headed “The Purchase and Sale Agreement - Subject matter” in this announcement
<b>“General Partner and Asset Manager”</b>	Pacific Eagle China Orient (US) Real Estate GP, LLC, a Delaware limited liability company and an indirect non-wholly owned subsidiary of the Company. It is the general partner of the U.S. Real Estate Fund, and is ultimately owned by the Company and China Orient Asset Management (International) Holding Limited as to 80% and 20% interests respectively
<b>“Group”</b>	the Company and its subsidiaries
<b>“HK\$”</b>	Hong Kong dollar, the lawful currency of Hong Kong
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the People’s Republic of China
<b>“Intangible Property”</b>	has the meaning ascribed to it as described in item (x) under the section headed “The Purchase and Sale Agreement - Subject matter” in this announcement
<b>“Land”</b>	has the meaning ascribed to it as described in item (i) under the section headed “The Purchase and Sale Agreement - Subject matter” in this announcement
<b>“Leases”</b>	has the meaning ascribed to it as described in item (vi) under the section headed “The Purchase and Sale Agreement - Subject matter” in this announcement

<b>“Listing Rules”</b>	Rules Governing the Listing of Securities on the Stock Exchange
<b>“Miscellaneous Agreements”</b>	has the meaning ascribed to it as described in item (vii) under the section headed “The Purchase and Sale Agreement - Subject matter” in this announcement
<b>“Permits”</b>	has the meaning ascribed to it as described in item (viii) under the section headed “The Purchase and Sale Agreement - Subject matter” in the announcement
<b>“Personal Property”</b>	has the meaning ascribed to it as described in item (v) under the section headed “The Purchase and Sale Agreement - Subject matter” in this announcement
<b>“Premises”</b>	has the meaning ascribed to it as described in item (ii) under the section headed “The Purchase and Sale Agreement - Subject matter” in the announcement
<b>“Property”</b>	(i) the Land; (ii) the Building; (iii) the Appurtenant Rights; (iv) the Fixtures; (v) the Personal Property; (vi) the Leases; (vii) Miscellaneous Agreements; (viii) the Permits; (ix) the Warranties; and (x) the Intangible Property as described in the section headed “The Purchase and Sale Agreement - Subject matter” in this announcement
<b>“Purchase and Sale Agreement”</b>	the purchase and sale agreement dated 10 December 2018 entered into between the Seller and the Buyer in relation to, among other things, the Disposal and the transactions contemplated thereunder
<b>“Seller”</b>	Pacific Dexter Horton LLC, a Delaware limited liability company and a wholly-owned subsidiary of the U.S. Real Estate Fund
<b>“Shareholders”</b>	holders of Shares
<b>“Shares”</b>	shares of HK\$0.50 each in the Company
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“U.S.”</b>	the United States of America
<b>“U.S. Real Estate Fund”</b>	Pacific Eagle (US) Real Estate Fund, L.P., a limited partnership close-end fund established by the Group principally for investment in office building in major cities in the U.S.. The fund is accounted for as a subsidiary of the Company by virtue of the Group acting as the General Partner and Asset Manager. The fund is owned by the Group and China Orient Asset

Management (International) Holding Limited as to 49.97% and 50.03% equity interest respectively.

“US\$”

United States dollar, the lawful currency of U.S.

“Warranties”

has the meaning ascribed to it as described in item (ix) under the section headed “The Purchase and Sale Agreement - Subject matter” in this announcement

“%”

per cent.

*For the purpose of illustration only, conversions of US\$ into HK\$ in this announcement are based on the exchange rates of US\$1.00 to HK\$7.822. 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, 10 December 2018

*As at the date of this announcement, the Board comprises Dr. LO Ka Shui (Chairman and Managing Director), Mr. LO Hong Sui, Antony, Madam LAW Wai Duen, Mr. LO Chun Him, Alexander, Mr. KAN Tak Kwong (General Manager) and Mr. CHU Shik Pui being the Executive Directors; Madam LO TO Lee Kwan, Mr. LO Hong Sui, Vincent and Dr. LO Ying Sui being the Non-executive Directors; and Mr. CHENG Hoi Chuen, Vincent, Professor WONG Yue Chim, Richard, Mrs. LEE Pui Ling, Angelina, Mr. LEE Siu Kwong, Ambrose and Professor POON Ka Yeung, Larry being the Independent Non-executive Directors.*