

Press Release

Great Eagle Holdings (0041.HK) announces establishment of an Office Property Fund investing in the United States with China Orient Asset Management (International) Holding Limited

HONG KONG, 15th April 2014. Great Eagle Holdings Limited (SEHK: 41) today announced it has signed an agreement with China Orient Asset Management (International) Holding Limited (“COAMCI”), a wholly-owned subsidiary of China Orient Asset Management Corporation, which is one of the four assets management companies approved for establishment by the State Council in China, to establish a close-end fund targeting at investment in office properties in the United States (U.S.).

Under the terms of the agreement, Great Eagle will inject three of its office properties in San Francisco, U.S. as its committed capital, whereas COAMCI will contribute US\$150 million of committed capital at the time of the first closing. Great Eagle will own an 80% interest in the General Partner of the U.S. office property fund, while COAMCI will hold a 20% interest. The General Partner will raise capital from other Limited Partners, with a total commitment, which included committed capital of Great Eagle and COAMCI, of up to US\$1 billion by the final closing of the U.S. office property fund.

The three properties to be injected into the U.S. office property fund by Great Eagle are 353 Sacramento Street, 123 Mission Street and 500 Ygnacio. The former two properties are located in the heart of the financial district in downtown San Francisco and provide 725,000 square feet of gross floor area, whereas the latter property is located in Walnut Creek, San Francisco and comprise a gross floor area of 110,000 square feet. Hence, the initial portfolio of the office property fund will already have a total gross floor area of 835,000 square feet at the time of the first closing.

As 123 Mission Street was only recently acquired by the Great Eagle Group, the property will be injected into the office property fund on an all-in cost basis, while 353 Sacramento Street and 500 Ygnacio will be injected based on their fair market values prior to the date of the first closing of the fund. The agreed net asset value of the three properties will represent Great Eagle’s committed capital of the fund. The Directors estimate that the capital commitment of the Group in the U.S. office property fund will be approximately US\$230 million.

As the U.S. economy continues to improve, demand from corporate occupiers has bolstered improvements in rents of some office markets. Although the pickup in demand has been uneven across the U.S., the General Partner believes some cities will see solid improvements as the recovery in the U.S. spreads. The strategy of the fund is to acquire office properties in selected cities which the General Partner believes will benefit from positive demand drivers, and where there is a lack of new supply to underpin improvements in those office markets.

At the same time, Great Eagle has committed to invest US\$100 million in an investment fund to be launched and managed by a joint venture led by COAMCI. With a target fund size of up to US\$ 1 billion, the investment fund targets financing real estate companies operating in China. Given COAMCI's track record in asset management and structured financing, with its prudent financial policy and stringent risk control system, COAMCI has delivered outstanding performance over the past.

Dr. K.S. Lo, Chairman and Managing Director of Great Eagle Holdings Limited, comments, "We are very pleased to be working with COAMCI to further expand our presence in the U.S. office market, we believe our proven track record with investing in the U.S., as well as our expanded network in the U.S. will provide the U.S. office property fund with plentiful of attractive investment opportunities." Dr. Lo further adds, "Leveraging on the extensive and unrivalled expertise of our highly regarded partner, whose funds have all done well over the past, Great Eagle will also be investing US\$100 million in the investment fund spearheaded by COAMCI."

Mr. Zhang Ziai, President of China Orient Asset Management Corporation, said, "We are very pleased to be working with the Great Eagle Group, by sharing and leveraging our expertise and resources, we believe this strategic partnership will result in superior returns to our investors."

Great Eagle Group

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 Asia, Australasia, North America and Europe. Pacific Eagle Holdings, a wholly-owned subsidiary of the Group is a highly skilled real estate manager with over 20 years of track record investing in office properties in the United States.

China Orient Asset Management (International) Holding Limited

China Orient Asset Management (International) Holding Limited "COAMCI", a wholly owned company by China Orient Asset Management Corporation, which is one of the four assets management companies approved for establishment by the State Council in China offering a broad range of financial services and products, as well as securities, insurance, investments and other businesses such as credit rating, trust, fund and asset management.

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For further information, please contact Ms. Carmen Tang, Investment Services Director of Great Eagle at (852) 2827 3770.