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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 ACQUISITION OF PROPERTY IN SAN FRANCISCO, THE UNITED STATES

The Board is pleased to announce that on 21 October 2013, the Buyer, an indirect wholly owned subsidiary of the Company, entered into the Purchase and Sale Agreement with the Seller whereby the Buyer shall buy from the Seller its entire interest in the Property at a consideration of US\$181,000,000 (equivalent to approximately HK\$1,411,800,000) 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 Seller and its ultimate beneficial owner are parties independent of the Company and not connected persons of the Company.

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.

Shareholders should note that completion of the Acquisition is subject to review and approval of matters relating to the Property before the expiry of the Investigation Period and the satisfaction or waiver of various conditions under the Purchase and Sale Agreement. Accordingly, the Acquisition 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

21 October 2013

Parties

- (1) the Buyer, an indirect wholly owned subsidiary of the Company, as the purchaser; and
- (2) the Seller, the owner of the Property, as the seller.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Seller and its ultimate beneficial owner are parties independent of the Company and not connected persons of the Company.

Subject matter

The Property includes the following components:

- (i) certain real property located in the City and County of San Francisco, State of California, the United States and commonly known as 123 Mission Street (the "**Land**");
- (ii) the buildings, structures and improvements erected or located on the Land, including a 28-storey office building (the "**Improvements**");
- (iii) all the Seller's right, title and interest, if any, in and to any rights and appurtenances pertaining to the Land (the "**Appurtenant Rights**");
- (iv) all the Seller's right, title and interest, if any, in all tangible personal property located on or used exclusively in connection with the Premises, including furniture, fixtures and equipment, but excluding any of the same owned by the Tenants (the "**Personal Property**");
- (v) all the Seller's right, title and interest, if any, in all leases in effect at the Closing for portion of the Premises, and guarantees thereof (the "**Leases**") and any security deposits and prepaid rent paid or deposited by the Tenants in respect of the Leases;
- (vi) all the Seller's right, title and interest in those agreements affecting the Property that the Buyer elects to assume or that are source of obligations which the Buyer is required to assume pursuant to the Purchase and Sale Agreement (the "**Miscellaneous Agreements**");
- (vii) all the Seller's right, title and interest, if any, in and to all assignable permits and licences to the extent the same pertain to the Premises (the "**Permits**");

- (viii) all the Seller's right, title and interest, if any, in and to all assignable trademarks and trade names, if any, on-site telephone number, internet domain addresses and websites, and other intangible property, if any, used exclusively in connection with the occupancy and operation of the Premises (the "**Intangible Property**"); and
- (ix) all the Seller's right, title and interest, if any, in and to all assignable warranties of any contractor, manufacturer or materialman which relate to the Improvements or the Personal Property (the "**Warranties**").

Consideration

Subject to certain adjustment for any prorations and credits provided under the provisions of the Purchase and Sale Agreement, the Consideration of US\$181,000,000 (equivalent to approximately HK\$1,411,800,000) for the Acquisition is payable in cash by the Buyer to the Seller as follows:

- (a) an initial deposit of US\$3,000,000 (equivalent to approximately HK\$23,400,000) shall be paid within two Business Days from the date of the Purchase and Sale Agreement and held in escrow pending Closing;
- (b) an additional deposit of US\$3,000,000 (equivalent to approximately HK\$23,400,000) shall be paid within two Business Days from 31 October 2013 and held in escrow pending Closing; and
- (c) the balance of the Consideration, subject to certain adjustment for any prorations and credits, will be paid upon Closing which is scheduled to take place on 21 November 2013.

The Buyer shall have the right to negotiate the assumption of the Existing Loan with the Lender. In connection with such proposed assumption, the Buyer may seek the Lender's agreement to modify the terms of the Existing Loan.

If such proposed assumption and modification are acceptable to the Lender, then the Buyer will receive a credit against the balance of the Consideration for the unpaid balance of the Existing Loan so assumed by the Buyer.

The Buyer will also be required to propose a member of the Group acceptable to the Lender to serve as guarantor for the Existing Loan assumed by the Buyer and to pay all fees, charges and related costs in the approximate sum of US\$675,000 (equivalent to approximately HK\$5,265,000) as required by the Lender for such assumption and modification pursuant to the Purchase and Sale Agreement. Pacific Landmark Limited will be nominated to serve as a guarantor for the above purpose.

For the avoidance of doubt, such fees, charges and costs if so paid by the Buyer shall not be credited against the balance of the Consideration.

On the other hand, if the proposed assumption is not acceptable to the Lender, the Buyer is required to pay any prepayment fee or yield maintenance premium based on a preset formula tied to the U. S. treasury yields at the time of prepayment, which is currently estimated in the approximate sum of US\$6,300,000 (equivalent to approximately HK\$49,140,000), together with all fee, charges and related costs in the approximate sum of US\$75,000 (equivalent to approximately HK\$585,000) pursuant to the Purchase and Sale Agreement, which shall not be credited against the balance of the Consideration.

The Consideration was arrived at after arm's length negotiation between the Buyer and the Seller with reference to the prevailing market values of comparable properties in the nearby area of the Property and will be funded by external borrowing (including the proposed assumption of the Existing Loan, as the case may be) and/or by internal resources.

Conditions

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

- (a) no material default of the Major Contracts on the part of the Seller;
- (b) the Seller shall have deposited into escrow, for delivery to the Buyer upon Closing, all instruments and documents to be delivered by the Seller to the Buyer at the Closing under the provisions of the Purchase and Sale Agreement;
- (c) the title company having committed to issue an owner's title insurance policy to the Buyer insuring the Buyer's title to the Premises;
- (d) delivery by the Seller to the Buyer at least 3 Business Days prior to the Closing of the estoppel certificates executed by the Tenants leasing not less than 80% of the square footage of the Improvements leased to the Tenants;
- (e) the Seller shall have performed and satisfied all material covenants and material obligations under the Purchase and Sale Agreement to the extent such covenants and obligations are to be performed or satisfied as of the Closing;
- (f) the Buyer shall have deposited into escrow, the Consideration, subject to adjustment for any prorations and credits provided under the provisions of the Purchase and Sale Agreement; and all other monies required to be deposited by the Buyer under the provisions of the Purchase and Sale Agreement;
- (g) the Buyer shall have deposited into escrow, for delivery to the Seller upon Closing, all instruments and documents to be delivered by the Buyer to the Seller at the Closing under the provisions of the Purchase and Sale Agreement;
- (h) the Buyer shall have performed and satisfied all material covenants and material obligations under the Purchase and Sale Agreement to the extent such covenants and obligations are to be performed or satisfied as of the Closing; and
- (i) unless the Existing Loan is to be prepaid at the Closing, the Lender shall have agreed in writing to release the Seller and any guarantor of the Seller's obligations from any liability under the Existing Note and the other loan documents from and after the date of the Closing.

The Buyer may from time to time waive Conditions (a) to (e) by notice to the Seller and the escrow holder.

If by 21 November 2013 or such other date as the Buyer and the Seller may agree in writing Conditions (a) to (e) shall not have been satisfied by the Seller (or waived by the Buyer in writing), the Buyer is entitled to terminate the Purchase and Sale Agreement whereby neither the Buyer nor the Seller shall have any further rights or obligations except for any those rights or obligations which expressly survive the termination of the Purchase and Sale Agreement. For the avoidance of doubt, if the Buyer terminates the Purchase and Sale Agreement, the deposits as described in items (a) and (b) under the section headed "The Purchase and Sale Agreement - Consideration" with accrued interest shall be refunded to the Buyer and all documents deposited into escrow shall be returned to the party depositing such documents. However, if the failure of Conditions (a) to (e) constitutes a default of the Seller under the Purchase and Sale Agreement, then in lieu of terminating the Purchase and Sale Agreement the Buyer may elect to either (i) claim for recovery of its costs incurred up to US\$100,000 (equivalent to approximately HK\$780,000); or (ii) apply to any court of competent jurisdiction for specific performance to cause the Seller to convey the Property to the Buyer.

The Seller may from time to time waive Conditions (f) to (i) by notice to the Buyer and the escrow holder.

If by 21 November 2013 or such other date as the Buyer and the Seller may agree in writing Conditions (f) to (i) shall not have been satisfied by the Buyer (or waived by the Seller in writing), the Seller is entitled to terminate the Purchase and Sale Agreement whereby neither the Buyer nor the Seller shall have any further rights or obligations except for any those rights or obligations which expressly survive the termination of the Purchase and Sale Agreement. For the avoidance of doubt, if the Seller terminates the Purchase and Sale Agreement, all documents deposited into escrow shall be returned to the party depositing such documents and provided that all the Conditions (a) to (e) have been met, the deposits as described in items (a) and (b) under the section headed "The Purchase and Sale Agreement – Consideration with accrued interest shall be paid to the Seller as liquidated damages. However, if any of the Conditions (a) to (e) has not been met, the deposits as described in items (a) and (b) under the section headed "The Purchase and Sale Agreement – Consideration" with accrued interest shall be refunded to the Buyer.

The Buyer shall have the right to terminate the Purchase and Sale Agreement by delivering a written notice to the Seller to that effect by no later than 5:00 p.m. California time on the last day of the Investigation Period. The Buyer may elect to terminate the Purchase and Sale Agreement for any reason based on the Buyer's sole judgment or for no reason. If the Buyer terminates the Purchase and Sale Agreement, the initial deposit of US\$3,000,000 (equivalent to approximately HK\$23,400,000) shall be returned promptly to the Buyer.

Closing

Closing will take place on 21 November 2013 or such other date and time as the Buyer and the Seller may mutually agree upon in writing subject to the satisfaction or waiver (as the case may be) of the Conditions.

FURTHER INFORMATION RELATING TO THE PROPERTY

The Property includes a 28-storey office building consisting of approximately 345,595 rentable square feet located in City and County of San Francisco, State of California, the United States and commonly known as 123 Mission Street and that building is currently approximately 88% occupied by a total of 12 Tenants. After Closing, the Company intends to use the Property for rental purpose.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Property is located in the heart of downtown San Francisco at 123 Mission Street and is two blocks away from the new transbay transit centre of a modern regional transit hub connecting various transit systems, which is currently under construction.

The Acquisition offers the Company the opportunity to invest in the San Francisco office properties market, which has seen strong demand from the technology sector and has been one of the strongest office properties markets in the United States. The addition of this prime Property will help to build market share for our office portfolio in the United States, and bring in more economies of scale.

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.

Shareholders should note that completion of the Acquisition is subject to the review and approval of matters relating to the Property before the expiry of the Investigation Period and satisfaction or waiver of various conditions under the Purchase and Sale Agreement. Accordingly, the Acquisition 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, hotel and restaurant operations, acting as manager of real estate investment trust, trading of building materials, share investment, provision of management and maintenance services, property management and fitness centre operations. Its investment in office properties extends to the United States of America, and its hotel portfolio covers Asia, Australia, Europe, New Zealand and North America.

The principal activity of the Seller as a global trading company includes holding and operating investment in real estate.

DEFINITIONS

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

“Acquisition” the acquisition of the Property

“Appurtenant Rights” 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

“Board”	the board of Directors
“Business Day”	all days of the year except Saturdays, Sundays, and holidays recognized by the Federal Reserve Bank of San Francisco
“Buyer”	Pacific Eagle Holdings Corporation, a California corporation and an indirect wholly owned subsidiary of the Company
“Closing”	completion of the purchase and sale of the Property pursuant to the Purchase and Sale Agreement
“Company”	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)
“Conditions”	the conditions set out in the section headed “The Purchase and Sale Agreement - Conditions” in this announcement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration to be paid by the Buyer to the Seller for the Property
“Director(s)”	the director(s) of the Company
“Existing Loan”	certain loan borrowed by the Seller from the Lender as evidenced by the Existing Note whose interest rate is 4.88% per annum
“Existing Note”	certain promissory note dated 5 August 2005, in the original principal amount of US\$87,000,000 (equivalent to approximately HK\$678,600,000), secured by a deed of trust in favour of the Lender, with an approximate current balance of US\$79,480,000 (equivalent to approximately HK\$619,944,000) and a maturity date of 1 September 2015
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Improvements”	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
“Intangible Property”	has the meaning ascribed to it as described in item (viii) under the section headed "The Purchase and Sale Agreement - Subject matter" in this announcement
“Investigation Period”	the period until 31 October 2013 for the Buyer to review and approve all matters relating to the Property

“Land”	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
“Leases”	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
“Lender”	Teacher’s Insurance and Annuity Association of America, a New York corporation
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Major Contracts”	any Miscellaneous Agreement or Lease requiring (i) the payment to or by the Seller in excess of US\$100,000 (equivalent to approximately HK\$780,000) per annum; or (ii) the performance of services by the Seller or any party thereto the value of which is in excess of US\$100,000 (equivalent to approximately HK\$780,000)
“Miscellaneous Agreements”	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
“Pacific Landmark Limited”	a Delaware corporation and an indirect wholly owned subsidiary of the Company
“Permits”	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
“Personal Property”	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
“Premises”	the Land and the Improvements
“Property”	(i) the Land; (ii) the Improvements; (iii) the Appurtenant Rights; (iv) the Personal Property; (v) the Leases; (vi) the Miscellaneous Agreements; (vii) the Permits; (viii) the Intangible Property; and (ix) the Warranties; as described in the section headed "The Purchase and Sale Agreement - Subject matter" in this announcement
“Purchase and Sale Agreement”	the purchase and sale agreement dated 21 October 2013 entered into between the Buyer and the Seller in relation to, among other things, the Acquisition and the transactions contemplated thereunder
“Seller”	123 Mission LLC, a Delaware limited liability company

“Shares”	shares of HK\$0.50 each in the Company
“Shareholders”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenants”	tenants of the Property
“U.S.”	the United States of America
“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\$7.80. 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, 22 October 2013

As at the date of this announcement, the Board 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.