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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 SAN FRANCISCO, THE UNITED STATES BY THE U.S. REAL ESTATE FUND

The Board is pleased to announce that on 28 April 2016, 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\$169,500,000 (equivalent to approximately HK\$1,313,625,000) 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 and the Buyer not exercising its right of termination of the Purchase and Sale Agreement before the expiration of the Investigation Period 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.

The Board is pleased to announce that on 28 April 2016, the Seller, a wholly-owned subsidiary of the U.S. Real Estate Fund, 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\$169,500,000 (equivalent to approximately HK\$1,313,625,000) in cash subject to the terms and conditions as set out therein.

THE PURCHASE AND SALE AGREEMENT

Date

28 April 2016

Parties

- (1) the Seller, a wholly-owned subsidiary of the U.S. Real Estate Fund, 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 353 Sacramento Street, San Francisco, California, the United States (the "**Land**");
- (ii) the buildings and structures situated on the Land together with all 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 leases for portion of the Premises, any guarantees thereof and all security deposits deposited by the tenants in respect of all leases (the "**Leases**");
- (v) all agreements affecting the Premises which the Buyer is required to assume pursuant to the Purchase and Sale Agreement (the "**Miscellaneous Agreements**");
- (vi) all tangible personal property located on the Premises owned by the Seller, including furniture and equipment (the "**Personal Property**");
- (vii) assignable intangible property owned by the Seller and used exclusively in connection with the occupancy and operation of the Premises (the "**Intangible Property**");
- (viii) all the written warranties of any contractor, manufacturer or materialman relating to the Building (the "**Contractors' Warranties**"); and
- (ix) all assignable permits and licences pertaining to the Premises held by the Seller (the "**Permits**").

Consideration

Subject to certain adjustment for any prorations and credits provided under the provisions of the Purchase and Sale Agreement, the Consideration of US\$169,500,000 (equivalent to approximately HK\$1,313,625,000) for the Disposal is payable in cash by the Buyer to the Seller as follows:

- (a) an initial deposit of US\$1,000,000 (equivalent to approximately HK\$7,750,000) shall be paid within 1 Business Day after execution of the Purchase and Sale Agreement and held in escrow pending Closing;
- (b) an additional deposit of US\$7,000,000 (equivalent to approximately HK\$54,250,000) shall be paid within 1 Business Day after expiration of the Investigation Period and held in escrow (in the event the Buyer elects to approve the purchase of the Property by delivering a notice of such approval to the Seller prior to the expiration of the Investigation Period) pending Closing; and
- (c) 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 which is scheduled to take place on 9 June 2016.

The Consideration of US\$169,500,000 (equivalent to approximately HK\$1,313,625,000) was arrived at after the conclusion of a competitive marketing process and also after taking into account the independent valuation of the Property as at 31 December 2015 carried out by the independent property valuer appointed by the Company, of US\$152,000,000 (equivalent to approximately HK\$1,178,000,000).

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 at least three Business Days prior to the Closing, of the estoppels certificates executed by the tenants leasing not less than 80% of the square footage of the Premises which must include five specified tenants (each of which leases at least one full floor 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 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;

- (f) the Buyer shall have deposited into escrow all instruments and documents to be delivered by the Buyer to the Seller; and
- (g) 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 (d) by written notice to the Seller. The Seller shall have the right at all times to waive any Conditions (e) to (g) by written notice to the Buyer and the escrow holder.

Besides, in relation to the Investigation Period, 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 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\$1,000,000 (equivalent to approximately HK\$7,750,000) as described in item (a) under the section headed "The Purchase and Sale Agreement - Consideration" together with accrued interest shall be returned to the Buyer.

Closing

Closing will take place on 9 June 2016 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 for a period of up to thirty (30) days, provided that no later than four (4) Business Days prior to the date of Closing, the Buyer delivers to the escrow agent an additional deposit of US\$8,000,000 (equivalent to approximately HK\$62,000,000) (the "**Extension Deposit**") together with a written notice to that effect to the escrow agent 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.

The Buyer may, not later than ten (10) days before the Closing and upon written notice to the Seller, assign its rights to purchase the Property to the Buyer's designated assignee which the Buyer acts as the investment advisor of such designated assignee or has investment or advisory relationship with such designated assignee. Such designated assignee and its ultimate beneficial owner are parties independent of the Company and its connected persons.

Information of the Property

The Property, completed in 1982, is a 23-storey Class A office tower located in the heart of the San Francisco Central Business District with a gross floor area of 307,000 square feet and net rentable area of 259,683 square feet.

FINANCIAL IMPACT OF THE DISPOSAL AND USE OF PROCEEDS

For the financial years ended 31 December 2014 and 31 December 2015, the audited total rental income of the Property was US\$10,016,000 and US\$11,163,000 (equivalent to approximately HK\$77,624,000 and HK\$86,513,250) respectively.

As at 31 December 2015, the book carrying value on the basis of appraised value of the Property was US\$152,000,000 (equivalent to approximately HK\$1,178,000,000). Based on the above and after deducting estimated tax and transaction costs of approximately US\$11,000,000 (equivalent to approximately HK\$85,250,000), the Company expects that there will be a profit on the Disposal (before taking into account prior years' revaluation gain) of approximately US\$6,400,000 (equivalent to approximately HK\$49,600,000) attributable to the U.S. Real Estate Fund for the year 2016.

After taking into account the 49.6% equity interest held by the Company in the U.S. Real Estate Fund, a net disposal gain of approximately US\$3,174,000 (equivalent to approximately HK\$24,598,500) will be attributable to the shareholders of the Company in the year of Disposal. Further taking into account the unrealised revaluation gain recorded in prior years, it is expected that the Company will realise a net profit of US\$37,980,000 (equivalent to approximately HK\$294,345,000), which is to be recorded as core earnings.

After repaying the debt and deducting the transaction costs and expenses, the U.S. Real Estate Fund will receive net proceeds of approximately US\$114,700,000 (equivalent to approximately HK\$888,925,000) upon Closing. It is expected that the U.S. Real Estate Fund will distribute the sum of US\$56,891,000 (equivalent to approximately HK\$440,905,250) to the Company which in turn can be used by the Company as general 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 49.6% 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 U.S. Real Estate Fund and to dispose of all or any of them when they consider appropriate.

Given the strong office market in San Francisco, office prices have appreciated rapidly over the past year, especially in downtown San Francisco, where the Property is located. Therefore, the General Partner and Asset Manager believe it is appropriate to dispose of the Property, which allows the U.S. Real Estate Fund to take advantage of the favourable market conditions. The sale price reflected a 11.5% premium on the Property's book carrying value on appraised basis as at 31 December 2015 and provided the U.S. Real Estate Fund with an attractive return.

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 and the Buyer not exercising its right of termination of the Purchase and Sale Agreement before the expiration of the Investigation Period 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, hotel and restaurant operations, manager of real estate investment trust, trading of building materials, share investment, provision of management and maintenance services and property management and asset management. 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 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 49.6% equity interest therein.

The principal activity of the Buyer is the advisor to KBS Real Estate Investment Trusts and is an affiliate of KBS Realty Advisors, a private equity real estate company and registered advisor in the United States.

DEFINITIONS

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

- “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
- “Building”** 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
- “Business Day”** any day other than Saturday, Sunday, and holiday recognised by the Federal Reserve Bank of San Francisco

“Buyer”	KBS Capital Advisors LLC, a Delaware limited liability 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 meanings ascribed to it under the Listing Rules
“Consideration”	the consideration to be paid to the Seller by the Buyer for the Property
“Contractor’s Warranties”	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
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Property
“General Partner and Asset Manager”	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
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Intangible Property”	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
“Investigation Period”	the period commences on 11 April 2016 and ends on 10 May 2016 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 describes in item (iv) under Section headed “the Purchase and Sale Agreement - Subject matter” in this announcement
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Miscellaneous Agreements”	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
“Permits”	has the meaning ascribed to it as described in item (ix) under the section headed “The Purchase and Sale Agreement - Subject matter” in the announcement
“Personal Property”	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
“Premises”	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
“Property”	(i) the Land; (ii) the Building; (iii) the Appurtenant Rights; (iv) the Leases; (v) the Miscellaneous Agreements; (vi) the Personal Property; (vii) the Intangible Property; (viii) the Contractor’s Warranties; and (ix) the Permits 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 28 April 2016 entered into between the Seller and the Buyer in relation to, among other things, the Disposal and the transactions contemplated thereunder
“Seller”	Pacific EIH Sacramento LLC, a Delaware limited liability company and a wholly-owned subsidiary of the U.S. Real Estate Fund
“Shareholders”	holders of Shares
“Shares”	shares of HK\$0.50 each in the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“U.S. Real Estate Fund”	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 49.6% and 50.4% equity interest respectively.
“U.S.”	the United States of America
“US\$”	United States dollar, the lawful currency of U.S.
“%”	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\$7.75. 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, 28 April 2016

As at the date of this announcement, the Board comprises Dr. LO Ka Shui (Chairman and Managing Director), Mr. LO Kai Shui (Deputy 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 being the Independent Non-executive Directors.