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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 SEATTLE, THE UNITED STATES BY
THE U.S. REAL ESTATE FUND**

The Board is pleased to announce that on 4 September 2015, the Buyer, a wholly owned subsidiary of Pacific Eagle (US) Real Estate Fund L.P., being the vehicle for the U.S. Real Estate Fund and classified as an indirect non-wholly owned subsidiary of the Company by virtue of the Group being its Asset Manager and having 49.6 % equity interest therein, 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\$124,500,000 (equivalent to approximately HK\$964,875,000) 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 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.

Shareholders should note that completion of the Acquisition is subject to 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

4 September 2015

Parties

- (1) the Buyer, a wholly owned subsidiary of Pacific Eagle (US) Real Estate Fund L.P., being the vehicle for the U.S. Real Estate Fund and classified as an indirect non-wholly owned subsidiary of the Company by virtue of the Group being its Asset Manager and having 49.6 % equity interest therein, 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 its connected persons.

Subject matter

The Property includes the following components:

- (i) certain real property located at 710 Second Avenue, Seattle, Washington, the United States and commonly known as Dexter Horton Building (the “**Land**”);
- (ii) the office building, situated on the Land (the “**Building**”) (the Land and the Building together with all improvements appurtenant thereto, collectively, “**Real Property**”);
- (iii) all tenants leases, any guarantees thereof, other occupancy agreements and all amendments thereof affecting the Real Property (the “**Leases**”);
- (iv) all assignable contracts pertaining to the operation of the Real Property, which the Buyer desires to assume on the Closing (the “**Services Contracts**”);
- (v) all fixtures, furniture, appliances, building supplies, equipment, machinery, inventory and other tangible items of personal property owned by the Seller and presently affixed to the Real Property and used in connection with the ownership, operation and occupancy of the Real Property (the “**Personal Property**”); and

- (vi) assignable and intangible personal property owned by the Seller and arising out of the Seller's ownership of the Real Property and Personal Property and all the warranties and guaranties with respect to the Real Property (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\$124,500,000 (equivalent to approximately HK\$964,875,000) for the Acquisition is payable in cash by the Buyer to the Seller as follows:

- (a) an initial deposit of US\$500,000 (equivalent to approximately HK\$3,875,000) shall be paid immediately upon execution of the Purchase and Sale Agreement and held in escrow pending Closing;
- (b) an additional deposit of US\$2,500,000 (equivalent to approximately HK\$19,375,000) shall be paid upon expiration of the Inspection Period 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 Inspection Period) pending Closing subject to the Extension Deposit (if any) as described below; 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 23 October 2015.

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 internal resources of the U.S. Real Estate Fund and external borrowing by the U.S. Real Estate Fund.

Conditions

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

- (a) the Seller shall have performed observed and complied with all covenants, agreements and conditions required by the Purchase and Sale Agreement to be performed, observed and complied with on its part prior to and as of the Closing;
- (b) the Buyer's approval prior to the end of the Inspection Period of the physical condition of the Property as evidenced by written notice of such approval delivered by the Buyer to the Seller;
- (c) the Buyer's approval prior to the end of the Inspection Period of all zoning, land use, building, environmental and other statutes, rules or regulations applicable to the Property as evidenced by written notice of such approval delivered by the Buyer to the Seller;
- (d) the Buyer's approval prior to the end of the Inspection Period of all the Leases and all the Services Contracts as evidenced by written notice of such approval delivered by the Buyer to the Seller;

- (e) the Buyer's approval prior to the end of the Inspection Period of all tenant correspondence files, litigations files, operating statements and all books, records, reports, tax bills, current rent rolls, warranties, licenses, permits, certificates of occupancy, plans and specifications and other documents in Seller's possession pertaining to the operation of the Property and the list of Personal Property in the Seller's possession for the Property as evidenced by written notice of such approval delivered by the Buyer to the Seller;
- (f) the title company having committed to issue an owner's extended coverage title insurance policy to the Buyer in the amount of the Consideration, insuring the Buyer's title to the Property;
- (g) the Buyer's approval of the purchase of the Property prior to the expiration of the Inspection Period as evidenced by written notice of such approval delivered by the Buyer to the Seller;
- (h) the estoppel certificates from the Tenants occupying at least 75% of the area of the Property actually rented to Tenants including all Tenants occupying 12,000 or more square feet of space; and
- (i) all the Seller's representations and warranties with respect to the Property are true and accurate as of the date of the Purchase and Sale Agreement and as of the date of Closing.

The Buyer may at its option from time to time waive any Conditions (a) to (i) by written notice to the Seller.

If by 23 October 2015 or such other date as the Buyer and the Seller may agree in writing Conditions (a) to (i) shall not have been satisfied by the Seller (or waived by the Buyer in writing), the Purchase and Sale Agreement, the rights and obligations of the Buyer and Seller shall terminate except for any those rights or obligations which expressly survive the termination of the Purchase and Sale Agreement.

Closing

Closing will take place on 23 October 2015 or such other earlier 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. Buyer may request to extend the date of Closing by up to fifteen (15) days, provided that not less than three (3) Business Days prior to the date of Closing, Buyer delivers to the escrow agent an additional deposit of US\$2,000,000 (equivalent to approximately HK\$15,500,000) (the "**Extension Deposit**") together with a notice to that effect.

FURTHER INFORMATION RELATING TO THE PROPERTY

The Property includes a 15-storey office building consisting approximately 336,355 rentable square feet located in and commonly known as Dexter Horton Building and that building is currently approximately 89.2% occupied by a total of 22 Tenants. After Closing, the U.S. Real Estate Fund intends to continue operating the Property as a multi-tenant office.

According to the information in relation to the Property made available to the Company, the Property generated net rental income of approximately US\$5,389,794 (equivalent to approximately HK\$41,770,904 for the year ended 31 December 2013 and approximately US\$4,924,163 (equivalent to approximately HK\$38,162,263) for the year ended 31 December 2014 preceding the Purchase and Sale Agreement.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Acquisition is made in the name of the Buyer, a wholly-owned subsidiary of Pacific Eagle (US) Real Estate Fund, L.P. being the vehicle of the U.S. Real Estate Fund.

By virtue of the Group being the Asset Manager of the U.S. Real Estate Fund and having a 49.6% equity interest therein, the Buyer is classified as a non-wholly owned subsidiary of the Group.

The 15-storey office property with 336,355 square feet of rentable area is located within Seattle's Central Business District, and it is a landmark building in the downtown area with its architectural significance. Downtown Seattle is one of the top performing office markets in the U.S. with single digit vacancy and rising rents, the market has benefited from an increase in demand for office space predominantly from the technology sector, which is expected to continue. It is anticipated that the Property will benefit from further increases in office rents in Seattle's Central Business District.

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 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, 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 Buyer is an investment holding company and a wholly owned subsidiary of Pacific Eagle (US) Real Estate Fund L.P., being classified as an indirect non-wholly owned subsidiary of the Company, which in turn is an indirect non-wholly owned subsidiary of the Company.

Pacific Eagle (US) Real Estate Fund L.P. is the vehicle for the U.S. Real Estate Fund which the Group holds 49.6% equity interest and also acts as the Asset Manager.

The principal activity of the Seller is real estate investment and development.

DEFINITIONS

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

“Acquisition”	the acquisition of the Property
“Asset Manager”	the general partner of Pacific Eagle (US) Real Estate Fund, L.P., i.e. China Orient (US) Real Estate GP, LLC, a Delaware limited liability company and an indirect non-wholly owned subsidiary of the Company
“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
“Buyer”	Pacific Eagle Investments LLC, a Delaware limited liability company and a wholly owned subsidiary of Pacific Eagle (US) Real Estate Fund L.P., being classified as an indirect non-wholly owned subsidiary of the Company, which in turn is an indirect non-wholly owned subsidiary of the Company.
“Business Day”	any day other than Saturday, Sunday, or any Federal or State of Washington legal holiday
“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 by the Buyer to the Seller for the Property
“Director(s)”	the director(s) of the Company
“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
“Inspection Period”	the period until 8 September 2015 for the Buyer to review and approve all matters relating to the Property
“Intangible 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
“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 (iii) 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
“Pacific Eagle (US) Real Estate Fund L.P. ”	Pacific Eagle (US) Real Estate Fund Limited Partnership, a Delaware limited partnership and the vehicle for the U.S. Real Estate Fund
“Personal Property”	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
“Property”	(i) the Land; (ii) the Building; (iii) the Leases; (iv) the Services Contracts; (v) the Personal Property; and (vi) the Intangible Property 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 4 September 2015 entered into between the Buyer and the Seller in relation to, among other things, the Acquisition and the transactions contemplated thereunder
“Real Property”	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
“Seller”	Dexter Horton Building, LLC, an Oregon limited liability company

“Services Contracts”	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
“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. Real Estate Fund”	the limited partnership close-end fund established by the Group principally for investment in office buildings and condo developments in major cities in the U.S. and Pacific Eagle (US) Real Estate Fund L. P. is the vehicle for that Fund and the Group holds 49.6% equity interest in the that Fund and also acts as the Asset Manager of that Fund.
“U.S.” or “United States”	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, 4 September 2015

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 and Mr. KAN Tak Kwong (General Manager) 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 and Mr. ZHU Qi being the Independent Non-executive Directors.