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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**

### **CONTINUING CONNECTED TRANSACTIONS**

#### **IN RELATION TO**

#### **CLEANING SERVICES CONTRACTS**

The Board announces that on 17 April 2015 GEPM and Longworth, indirect wholly-owned subsidiaries of the Company, have entered into New Cleaning Services Contracts with SFK Services respectively for the provision of certain cleaning services to the Group by SFK Services.

Mr. Lo Kai Shui, the Deputy Managing Director of the Company, through his 30%-controlled companies, is entitled to control the exercise of more than 30% of the voting power at general meeting of SFK Construction which in turn indirectly holds the entire issued share capital of SFK Services. Accordingly, SFK Services constitutes an associate of a connected person of the Company and transactions entered into between the Group and SFK Services constitute connected transactions of the Company.

Given that the New Cleaning Services Contracts and the Supplemental Agreements of the 2013 Cleaning Services Contracts between the Company and SFK Services were entered into within a 12-month period, the Continuing Connected Transactions contemplated under the New Cleaning Services Contracts shall be aggregated with the Continuing Connected Transactions under the Supplemental Agreements of the 2013 Cleaning Services Contracts pursuant to Rule 14A.81 of the Listing Rules.

As the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules, calculated with reference to the maximum aggregate annual amount of the Continuing Connected Transactions contemplated under the New Cleaning Services Contracts and the Supplemental Agreements of the 2013 Cleaning Services Contracts, are more than 0.1% but less than 5%, the Continuing Connected Transactions contemplated under the New Cleaning Services Contracts and the Supplemental Agreements of the 2013 Cleaning Services Contracts are only subject to the reporting, announcement and annual review requirements and exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

References are made to the Company's announcement dated 27 February 2013 where the Company announced, among other things, that GEPM and Longworth, indirect wholly-owned subsidiaries of the Company, entered into the 2013 Cleaning Services Contracts with SFK Services respectively in January 2013 for the period from 1 January 2013 to 31 December 2014.

The Board announces that on 17 April 2015 GEPM and Longworth have entered into New Cleaning Services Contracts with SFK Services respectively for the provision of certain cleaning services to the Group by SFK Services.

**PRINCIPAL TERMS OF THE NEW CLEANING SERVICES CONTRACTS**

**The New Great Eagle Centre Cleaning Contract**

Date : 17 April 2015

Parties : (1) GEPM (for and on behalf of the owners of Great Eagle Centre)  
(2) SFK Services

Subject : Provision of cleaning and pest control services by SFK Services in relation to Great Eagle Centre of which the Group is the majority owner

Term : Two (2) years commencing from 1 May 2015 and expiring on 30 April 2017 (both days inclusive)

Fees : Basic fees of HK\$321,837.00 per month (subject to any additional services fee for other related services provided by SFK Services)

**The New GEC Development Common Areas Cleaning Contract**

Date : 17 April 2015

Parties : (1) GEPM (for and on behalf of the owners of Great Eagle Centre and Harbour Centre)  
(2) SFK Services

Subject : Provision of cleaning and pest control services by SFK Services in relation to the development common areas within Great Eagle Centre and Harbour Centre on 50-50 basis. Harbour Centre is not owned by the Group.

Term : Two (2) years commencing from 1 May 2015 and expiring on 30 April 2017 (both days inclusive)

Fees : Basic fees of HK\$46,627.00 per month (subject to any additional services fee for other related-services provided by SFK Services), being 50% of the total contract sum

### **The New Eagle Harbour Public Car Parks Cleaning Contract**

Date : 17 April 2015

Parties : (1) GEPM (for and on behalf of the owners of Eagle Harbour Public Car Parks)  
(2) SFK Services

Subject : Provision of cleaning and pest control services by SFK Services in relation to Eagle Harbour Public Car Parks in which the Group shares 50% of the carparking income and expenses

Term : Two (2) years commencing from 1 May 2015 and expiring on 30 April 2017 (both days inclusive)

Fees : Basic fees of HK\$8,954.50 per month (subject to any additional services fee for other related services provided by SFK Services), being 50% of the total contract sum

### **The New High Block of Langham Place Cleaning Contract**

Date : 17 April 2015

Parties : (1) Longworth (for and on behalf of the owners of High Block of Langham Place)  
(2) SFK Services

Subject : Provision of cleaning works and periodical deep cleaning services by SFK Services in relation to High Block of Langham Place of which Champion REIT is the majority owner

Term : Two (2) years commencing from 1 May 2015 and expiring on 30 April 2017 (both days inclusive)

Fees : Basic fees of HK\$761,264.00 per month (subject to any additional services fee for other related services provided by SFK Services)

### **The Langham Place Retail Tower, Carpark and Other Portions Cleaning Contract**

Date : 17 April 2015

Parties : (1) GEPM (for and on behalf of the owners of the Langham Place Retail Tower, Carpark and Other Portions)  
(2) SFK Services

Subject : Provision of cleaning works and periodical deep cleaning services by SFK Services in relation to (a) Langham Place Retail Tower and Carpark that are wholly-owned by Champion REIT and (b) Other Portions of which mainly consist the footbridges, tunnel, development common areas, and common areas serving Langham Place Retail Tower and High Block of Langham Place

Term	:	Two (2) years commencing from 1 May 2015 and expiring on 30 April 2017 (both days inclusive)
Fees	:	Basic fees of HK\$1,824,978 per month (subject to any additional services fee for other related services provided by SFK Services)

All the fees payable to SFK Services under the New Cleaning Services Contracts are determined by the parties on an arm's length basis through open tender procedures.

## **EXISTING TRANSACTIONS REQUIRING DISCLOSURE AS A RESULT OF AGGREGATION**

The 2013 Cleaning Services Contracts expired on 31 December 2014. On 23 January 2015, the Group and SFK Services entered into an supplemental agreement to each of the respective 2013 Cleaning Services Contracts. Pursuant to which, the term of each of the 2013 Cleaning Services Contracts was extended for four more months from 1 January 2015 to 30 April 2015 (both days inclusive) and the monthly basic fees payable by the Group thereunder increased by 8% in the following manner:

	<u>Monthly Basic Fees</u>	
	<u>2013 Cleaning Services Contracts</u>	<u>Supplemental Agreements</u>
Great Eagle Centre Cleaning Contract	HK\$287,160	HK\$310,133
GEC Development Common Areas Cleaning Contract	HK\$38,520	HK\$41,602
Eagle Harbour Public Car Parks Cleaning Contract	HK\$7,785	HK\$8,408
High Block of Langham Place Cleaning Contract	HK\$661,687	HK\$714,622

The increment in the monthly basic fees was determined after arm's length negotiation between the parties with reference to (i) the rise of labour, materials and relevant costs; (ii) inflationary rate and (iii) the prevailing market rate of similar services. Save for the extension of the term and the increase of the monthly basic fees under the 2013 Cleaning Services Contracts, all other material terms of the 2013 Cleaning Services Contracts remained unchanged.

None of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules, calculated with reference to the maximum aggregate amount of the Continuing Connected Transactions contemplated under the Supplemental Agreements of the 2013 Cleaning Services Contracts exceeds 0.1%, the Continuing Connected Transactions contemplated thereunder fall below the de minimis threshold stipulated under Rule 14A.76(1) of the Listing Rules. However, on the basis that the New Cleaning Services Contracts and the Supplemental Agreements of the 2013 Cleaning Services Contracts are aggregated, these Continuing Connected Transactions collectively are subject to the reporting, annual review and announcement requirements but are exempt from the independent Shareholders' approval requirement under Rule 14A.76(2) of the Listing Rules.

## ANNUAL CAPS

The following table sets out the annual caps of the Continuing Connected Transactions under the Supplemental Agreements of the 2013 Cleaning Services Contracts and the New Cleaning Services Contracts by properties:

	For the year ending <u>31 December 2015</u> (HK\$)	For the year ending <u>31 December 2016</u> (HK\$)	For the period from 1 January 2017 to 30 April 2017 (HK\$)
Great Eagle Centre, Development Common Area and Public Car Parks within Great Eagle Centre and Harbour Centre	5,129,000	5,209,000	1,737,000
High Block of Langham Place	10,291,000	10,506,000	3,502,000
Langham Place Retail Tower, Carpark and Other Portions	17,520,000*	26,280,000	8,760,000
Total:	32,940,000	41,995,000	13,999,000

\* *The cleaning services were/would be provided by an independent third party during the period from 1 January 2015 to 30 April 2015.*

The annual caps represent an estimate of the amount payable to SFK Services and are determined with reference to (i) the basic monthly fee pursuant to the Supplemental Agreements of the 2013 Cleaning Services Contracts and the New Cleaning Services Contracts; and (ii) the estimated expenses for additional cleaning and related services which may be requested from time to time by GEPM and/or Longworth from SFK Services.

## REASONS FOR AND BENEFITS OF THE SUPPLEMENTAL AGREEMENTS OF THE 2013 CLEANING SERVICES CONTRACTS AND THE NEW CLEANING SERVICES CONTRACTS

For the two years ended 31 December 2014, the cleaning services provided to the Group by SFK Services had consistently met the Group's requirements. In view of the increase in statutory minimum wage rate in Hong Kong effective from 1 May 2015, the Group decided to extend the term of each of the 2013 Cleaning Services Contracts with SFK Services for four more months only to allow sufficient time to obtain more solid and competitive tender prices for similar services after the approval of the new statutory minimum wage rate. Meanwhile, as a result of the aforesaid extension of contractual term, the commencement of the New Cleaning Services Contracts is now in line with the effective date of the adjustment of statutory minimum wage rate.

SFK Services has extensive experience in providing comprehensive cleaning services to commercial complexes and has been a service provider who has been cooperating well with the Group for years. It had been shortlisted through open tender procedures under the New Cleaning Services Contracts. The bases of selection included pricing, compliance with service specifications, service standards, manpower management and training, health/safety plan and track records.

The Supplemental Agreements of the 2013 Cleaning Services Contracts and the New Cleaning Services Contracts were entered into in the ordinary and usual course of business of the Group. The Directors (including the independent non-executive Directors) consider that the terms of the Supplemental Agreements of the 2013 Cleaning Services Contracts and the New Cleaning Services Contracts are fair and reasonable, and are in the interests of the Group and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

Mr. Lo Kai Shui, the Deputy Managing Director of the Company, through his 30%-controlled companies, is entitled to control the exercise of more than 30% of the voting power at general meeting of SFK Construction which in turn indirectly holds the entire issued share capital of SFK Services. Accordingly, SFK Services constitutes an associate of a connected person of the Company and transactions entered into between the Group and SFK Services constitute connected transactions of the Company.

Given that the New Cleaning Services Contracts and the Supplemental Agreements of the 2013 Cleaning Services Contracts between the Company and SFK Services were entered into within a 12-month period, the Continuing Connected Transactions contemplated under the New Cleaning Services Contracts shall be aggregated with the Continuing Connected Transactions under the Supplemental Agreements of the 2013 Cleaning Services Contracts pursuant to Rule 14A.81 of the Listing Rules.

As the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules, calculated with reference to the maximum aggregate annual amount of the Continuing Connected Transactions contemplated under the New Cleaning Services Contracts and the Supplemental Agreements of the 2013 Cleaning Services Contracts, are more than 0.1% but less than 5%, the Continuing Connected Transactions contemplated under the New Cleaning Services Contracts and the Supplemental Agreements of the 2013 Cleaning Services Contracts are only subject to the reporting, announcement and annual review requirements and exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **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, 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.

SFK Construction is principally engaged in construction industry and housing services in Hong Kong. SFK Services is a company providing cleaning services to both private and public sectors in Hong Kong and is an indirect wholly-owned subsidiary of SFK Construction.

## DEFINITIONS

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

“2013 Cleaning Services Contracts”	the Great Eagle Centre Cleaning Contract, the GEC Development Common Areas Cleaning Contract, the Eagle Harbour Public Car Parks Cleaning Contract and the High Block of Langham Place Cleaning Contract signed in January 2013 as disclosed in the announcement of the Company dated 27 February 2013
“30%-controlled company(ies)”; “associate”; “connected person”; “subsidiary(ies)”	each has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Champion REIT”	Champion Real Estate Investment Trust, a Hong Kong collective investment scheme authorised under section 104 of SFO, the units of which are listed on the Stock Exchange and is accounted for as a subsidiary of the Company, in which the Group has an interest of approximately 61.75%
“Company”	Great Eagle Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange
“Continuing Connected Transactions”	the provision of certain cleaning services to the Group by SFK Services
“Directors”	the directors of the Company
“Eagle Harbour Public Car Parks”	the public car parks at 4/F – 7/F within Great Eagle Centre and Harbour Centre
“GEPM”	The Great Eagle Properties Management Company, Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Great Eagle Centre”	Great Eagle Centre Office Building, Shopping Arcade and Car Parks in the First and Second Basements at 23 Harbour Road, Wanchai, Hong Kong
“Group”	the Company and its subsidiaries and for the purpose of this announcement including the special purpose vehicles of Champion REIT
“High Block of Langham Place”	the High Block of Langham Place at 555 Shanghai Street, Mongkok, Kowloon, Hong Kong

“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Langham Place Retail Tower, Carpark and Other Portions”	the Retail Tower, carpark and other portions (mainly consist the footbridges, tunnel, development common areas, and common areas serving Retail Tower and High Block) of Langham Place at 555 Shanghai Street, Mongkok, Kowloon, Hong Kong
“Langham Place Retail Tower, Carpark and Other Portions Cleaning Contract”	the cleaning contract entered into on 17 April 2015 between GEPM (for and on behalf of the owners of Langham Place Retail Tower, Carpark and Other Portions) and SFK Services in relation to the provision of cleaning works and periodical deep cleaning services by SFK Services for Langham Place Retail Tower, Carpark and Other Portions
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Longworth”	Longworth Management Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“New Cleaning Services Contracts”	the New Great Eagle Centre Cleaning Contract, the New GEC Development Common Areas Cleaning Contract, the New Eagle Harbour Public Car Parks Cleaning Contract, the New High Block Langham Place Cleaning Contract and the Langham Place Retail Tower, Carpark and Other Portions Cleaning Contract
“New Eagle Harbour Public Car Parks Cleaning Contract”	the new cleaning contract for Eagle Harbour Public Car Parks entered into on 17 April 2015 between GEPM (for and on behalf of the owners of Eagle Harbour Public Car Parks) and SFK Services in relation to the provision of cleaning and pest control services by SFK Services for Eagle Harbour Public Car Parks
“New GEC Development Common Areas Cleaning Contract”	the new cleaning contract for the development common areas within Great Eagle Centre and Harbour Centre entered into on 17 April 2015 between GEPM (for and on behalf of the owners of Great Eagle Centre and Harbour Centre) and SFK Services for the provision of cleaning and pest control services by SFK Services in relation to the development common areas within Great Eagle Centre and Harbour Centre on 50-50 basis
“New Great Eagle Centre Cleaning Contract”	the new cleaning contract for Great Eagle Centre entered into on 17 April 2015 between GEPM (for and on behalf of the owners of Great Eagle Centre) and SFK Services for the provision of cleaning and pest control services by SFK Services in relation to Great Eagle Centre



“New High Block of Langham Place Cleaning Contract”	the new cleaning contract for High Block of Langham Place entered into on 17 April 2015 between Longworth (for and on behalf of the owners of High Block of Langham Place) and SFK Services for the provision of cleaning works and periodical deep cleaning services by SFK Services in relation to High Block of Langham Place
“PRC”	the People’s Republic of China
“SFK Construction”	SFK Construction Holdings Limited, a company incorporated in the Bermuda with limited liability
“SFK Services”	Sun Fook Kong Housing Services Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of SFK Construction
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shares”	ordinary shares of HK\$0.50 each in the share capital of the Company
“Shareholders”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreements of the 2013 Cleaning Services Contracts” or “Supplemental Agreements”	the supplemental agreement to each of the respective 2013 Cleaning Services Contracts
“%”	per cent

By Order of the Board  
**Great Eagle Holdings Limited**  
**LO KA SHUI**  
*Chairman and Managing Director*

Hong Kong, 17 April 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.*