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**Great Eagle
Holdings Limited**
鷹君集團有限公司

Incorporated in Bermuda with limited liability
於百慕達註冊成立之有限公司

(Stock Code: 41)

CONNECTED TRANSACTION

Shareholders' Deed for the JV Project

AND

CONTINUING CONNECTED TRANSACTIONS

Master Agreement for the JV Brand

The Board is pleased to announce that on 22 August 2011, MCL, an indirect wholly-owned subsidiary of the Company, entered into the Shareholders' Deed with SODH in relation to the JV Project whereby MCL and SODH agreed to form a joint venture through the establishment of the JV Co, a subsidiary owned as to 60% of its issued share capital by the Group and the remaining 40% of its issued share capital by the Shui On Group, for the purpose of owning and holding the JV Brand and relevant Trademarks for use by new and existing hotel complexes and branded residences developed under the JV Brand in the PRC.

In furtherance of the JV Project, LHC, also an indirect wholly-owned subsidiary of the Company, entered into the Master Agreement with SODH in relation to the Hotel Agreements, the Branded Residences Agreements and the License Agreements that may be entered into by members of the Langham Hospitality Group with the Shui On Group from time to time for the provision of fitting-out, centralised services, marketing and management services, and granting licences to hotel complexes and branded residences developed and/or owned by the Shui On Group or third parties under the JV Brand.

Mr. Vincent Lo is a non-executive Director and his spouse and the trustee of a discretionary trust of which he is a discretionary object are directly or indirectly interested in 2,654,600,915 shares of Shui On Land, representing approximately 50.93% of the issued share capital of Shui On Land as at the date of this announcement, so as to control the exercise of more than 30% of the voting power of Shui On Land. Shui On Group holds 40% equity interest in the JV Co. Accordingly, SODH, the JV Group and the Shui On Group are connected persons of the Company, and the formation of the joint venture under the Shareholders' Deed with SODH constitutes a connected transaction for the Company. As there is currently no significant capital commitment to be made by the Group under the Shareholders' Deed, the entering into of the Shareholders' Deed is exempt from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The Company will comply with the applicable requirements of the Listing Rules as and when required.

Given the connected relationship between the Company and Shui On Land as mentioned above, the Master Agreement and the Transactions will also constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios calculated with reference to the proposed Annual Caps will exceed 0.1% but will be less than 5%, the entering into of the Master Agreement and the Transactions are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

THE SHAREHOLDERS' DEED

Date

22 August 2011

Parties

- (1) MCL, an indirect wholly-owned subsidiary of the Company;
- (2) SODH, a wholly-owned subsidiary of Shui On Land; and
- (3) JV Co

Subject matter

Pursuant to the Shareholders' Deed, MCL and SODH have agreed to form a joint venture in relation to the JV Project. The JV Co is owned as to 60% of its issued share capital by the Group, and the remaining 40% of its issued share capital by the Shui On Group.

The Shareholders' Deed, among other things, sets out the parties' agreement on the manner in which the JV Co is to be financed, operated and managed in carrying out the following activities:

- (i) own and hold the JV Brand and Trademarks;
- (ii) review and approve the brand standard for the Hotels and Branded Residences operating under the JV Brand;
- (iii) grant to each Hotel to be managed by the Group under the JV Brand the right and non-exclusive licence to use the JV Brand and Trademarks in the management and operations of the Hotel; and
- (iv) grant to the owner/developer or project manager of the Branded Residences a non-exclusive licence to use the JV Brand and Trademarks in the marketing, naming and operations of the Branded Residences.

SODH shall procure that all Hotels and Branded Residences owned or otherwise controlled (as to 50% or more of the beneficial interest) by Shui On shall be solely and exclusively managed by the Group. MCL shall use its best endeavours to establish and promote the JV Brand.

In furtherance of the JV Project, and in anticipation of the Hotel Agreements, Branded Residences Agreements and Licence Agreements that the Langham Hospitality Group may

enter into with the Shui On Group from time to time, on 22 August 2011, the Company entered into the Master Agreement, details of which are set out below.

THE MASTER AGREEMENT

Date

22 August 2011

Parties

- (1) LHC, an indirect wholly-owned subsidiary of the Company; and
- (2) SODH.

Term

3 years from 22 August 2011 to 21 August 2014, which shall be automatically renewed for a further term of 3 years each upon expiration of any such term subject to compliance with the applicable disclosure and reporting requirements under the Listing Rules.

Subject matter

Members of the Langham Hospitality Group may enter into the Hotel Agreements, the Branded Residences Agreements and the Licence Agreements with the Shui On Group from time to time for provision of fitting-out, centralised services, marketing and management services, and licensing by the Langham Hospitality Group to the hotel complexes and branded residences developed and/or owned by the Shui On Group or third parties under the JV Brand.

Such Hotel Agreements, Branded Residences Agreements and Licence Agreements may be entered into from time to time on normal commercial terms as set out in the Shareholders' Deed in relation to the JV Project.

Some of the agreements to be entered into under the Master Agreement may have an initial term ranging from 3 to 15 years. As it is expected that some of the agreements that may be entered into pursuant to the Master Agreement may exceed 3 years, the Company has, in accordance with the requirement under Rule 14A.35 of the Listing Rules, sought advice from KBC, its independent financial adviser.

KBC, based on the facts that (i) it is necessary for both parties to carry out their duties for the operations and management of the JV Brand under the Master Agreement and formulate relevant long-term strategic plans; (ii) the Group has entered into agreements of the same nature with terms ranging from 10 to 20 years (renewable for 5 to 10 years); and (iii) it is not unusual for hotel management companies to enter into agreements of the same nature with duration of 15 years or more and are renewable for a period of more than 3 years, has confirmed that it is a normal business practice for some of the agreements (comprising hotel management agreements, centralised services and marketing agreements, hotel licence agreements and branded residence operations licence agreements) that may be entered into pursuant to the Master Agreement to have a duration of over 3 years.

Annual caps

The Directors propose that the Annual Caps for each of the financial years ending 31 December 2025 shall not exceed RMB80,000,000 (approximately HK\$97,560,000).

The Annual Caps were calculated with reference to (i) potential for further growth in the Group's business under the JV Project; (ii) the volume of agreements under negotiation and anticipated to be entered into between the Group and the Shui On Group in relation to the JV Project; and (iii) the agreed upon rates, which represent normal commercial terms competitive with standard market rates, between the Group and the Shui On Group under the Hotel Agreements, the Branded Residences Agreements and the Licence Agreements.

REASONS FOR AND BENEFITS OF THE JOINT VENTURE AND THE TRANSACTIONS

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.

Langham Hospitality Group encompasses a family of distinctive hospitality brands which include hotels, resorts, residential serviced apartments, restaurants and spas, located on four continents. It takes its name from the legendary Langham in London which was opened in 1865 as Europe's first Grand Hotel. For almost 150 years, this flagship hotel has represented sophisticated and gracious hospitality, a philosophy that reflects elegance in design, innovation in hospitality, genuine service and captivation of the senses across all properties. The brands include the luxurious Langham and international five-star Langham Place, the upscale Eaton Luxe, midscale Eaton Smart and the award-winning Chuan Spa. Langham Hospitality Group is a wholly-owned subsidiary of the Company.

Shui On Land, through its subsidiaries and associates, is one of the leading property developers in the PRC. It engages principally in the development, sale, leasing, management and long-term ownership of high-quality residential, office, retail, entertainment and cultural properties in the PRC.

Given Shui On Group's extensive experience in property development in the PRC, the Directors believe that the strategic alliance of the Group and the Shui On Group through the formation of the joint venture under the Shareholders' Deed will allow the Group to capitalise on Shui On Group's expertise in property development and further extend the reach of its hotel and branded residence network in the PRC.

As the Group may enter into the Hotel Agreements, the Branded Residences Agreements and the Licence Agreements with the Shui On Group in relation to the JV Project, the Directors believe that it is in the interest of the Company from a cost and administrative convenience perspective to enter into the Master Agreement to cover all such agreements that may be entered into from time to time with the Shui On Group in connection with the JV Project.

The Directors (including the independent non-executive Directors) are of the view that the Shareholders' Deed, the Master Agreement and the Transactions were agreed on normal commercial terms which are fair and reasonable so far as the Company and the Shareholders are concerned, and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Mr. Vincent Lo is a non-executive Director and his spouse and the trustee of a discretionary trust of which he is a discretionary object are directly or indirectly interested in 2,654,600,915 shares of Shui On Land, representing approximately 50.93% of the issued share capital of Shui On Land as at the date of this announcement, so as to control the exercise of more than 30% of the voting power of Shui On Land. Shui On Group holds 40% equity interest in the JV Co. Accordingly, SODH, the JV Group and the Shui On Group are connected persons of the Company, and the formation of the joint venture under the Shareholders' Deed with SODH constitutes a connected transaction for the Company. As there is currently no significant capital commitment to be made by the Group under the Shareholders' Deed, the entering into of the Shareholders' Deed is exempt from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The Company will comply with the applicable requirements of the Listing Rules as and when required.

Given the connected relationship between the Company and Shui On Land as mentioned above, the Master Agreement and the Transactions will also constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios calculated with reference to the proposed Annual Caps will exceed 0.1% but will be less than 5%, the entering into of the Master Agreement and the Transactions are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Save for Mr. Vincent Lo, who is an executive director of Shui On Land, none of the other Directors has a material interest in the Shareholders' Deed, the Master Agreement and the Transactions, and therefore none of them abstained from voting on the resolutions passed by the Board relating to the JV Project.

DEFINITIONS

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

“Annual Caps”	the maximum annual aggregate fees receivable under the Transactions
“associate”, “connected person”, “continuing connected transaction” and “subsidiary”	have the meaning ascribed to them under the Listing Rules
“Board”	the board of Directors
“Branded Residences”	includes residences or apartments located within a radius of 1 kilometre from a Hotel either (i) owned by SODH or its affiliates in the PRC, and to be designated upon mutual agreement of MCL, SODH and the JV Co and managed under the JV Brand; or (ii) owned by third parties, and to be designated and managed under the JV Brand
“Branded Residences Agreements”	agreements for the provision of technical assistance services covering the design of layout and decorations,

	selection of facilities and equipment and integration of management information systems for the Branded Residences
“Company”	Great Eagle Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hotel”	an international five-star standard hotel with no more than 150 hotel rooms and with hotel rooms no smaller than 45 square meters per room or an otherwise commercially reasonable size; and any unsold Branded Residence units included in the Hotel rental pool as MCL, SODH and the JV Co may mutually agree
“Hotel Agreements”	agreements for the provision of hotel management and technical assistance services covering the design of layout and decorations, selection of facilities and equipment and integration of management information systems and centralised services and marketing services for the Hotels
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“JV Brand”	all intellectual property rights in the name of “88 Tiandi” in English and “八八天地” in Chinese or such other name(s) as the Shui On Group and the Langham Hospitality Group may agree
“JV Co”	88 Tiandi (BVI) Limited, a company incorporated in the British Virgin Islands and a non-wholly owned subsidiary of the Company, which is owned as to 60% of its issued share capital by the Group and as to 40% of its issued share capital by the Shui On Group
“JV Group”	JV Co and its subsidiaries
“JV Project”	the arrangements to establish the JV Co for the purposes of owning and holding the JV Brand for use by Hotels and Branded Residences in the PRC
“KBC”	KBC Bank N.V., acting through its Hong Kong branch, a licensed bank under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) and a registered institution registered for Type 6 (advising on corporate finance) regulated activities under the Securities and

	Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Langham Hospitality Group	Langham Hospitality Group Limited (朗廷酒店集團有限公司), a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company, and its subsidiaries (including the JV Group)
“LHC”	Langham Hotels (China) Limited (朗廷酒店集團(中國)有限公司), a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
“Licence Agreements”	licence agreements, marketing licence agreements and/or operations licence agreements
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Master Agreement”	the framework agreement dated 22 August 2011 entered into between LHC and SODH in relation to the Hotel Agreements, the Branded Residences Agreements and the Licence Agreements that may be entered into by the Group and the Shui On Group involving the JV Brand
“MCL”	Mighty Corporate Limited, a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macao Special Administration Region of the PRC and the territory of Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the shares of the Company
“Shareholders’ Deed”	the shareholders’ deed dated 22 August 2011 entered into between MCL, SODH and the JV Co in respect of the JV Project
“Shui On Land”	Shui On Land Limited, a company incorporated in the Cayman Islands, whose shares are listed on the Stock Exchange
“Shui On Group”	Shui On Land and its subsidiaries
“SODH”	Shui On Development (Holding) Limited, a company incorporated under the laws of the Cayman Islands and a wholly-owned subsidiary of Shui On Land

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trademarks”	such marks as specified in the Shareholders’ Deed and other marks, identifying characteristics of the JV Brand developed from time to time
“Transactions”	the transactions contemplated under the Master Agreement

For illustration purposes in this announcement, the amounts in RMB are translated to HK\$ at the rate of RMB0.82 = HK\$1.00. No representation is made that any amount in RMB has been or could be converted at the above rate or at any other rates or at all.

By Order of the Board
Great Eagle Holdings Limited
LO Ka Shui
Chairman and Managing Director

Hong Kong, 22 August 2011

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, Archie; 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.