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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)

## **DISCLOSEABLE AND CONNECTED TRANSACTIONS**

### **ACQUISITION OF A HOTEL DEVELOPMENT PROJECT IN MINHANG DISTRICT, SHANGHAI, THE PRC**

**AND**

### **ACQUISITION OF SHARES IN MAGIC GARDEN INVESTMENTS LIMITED**

#### **(A) THE ASSET ACQUISITION**

On 27 August 2014, Wisdom Joy, an indirect wholly-owned subsidiary of the Company, entered into the Framework Deed with Shine First, pursuant to which Shine First conditionally agreed to procure the Project Company to enter into the PRC SPAs to sell, and Wisdom Joy conditionally agreed to procure the GE Subsidiary, an indirect wholly-owned subsidiary of the Company to be established by Wisdom Joy, to enter into the PRC SPAs to purchase, the Target Asset (i.e. the Asset Acquisition) at the Asset Consideration.

#### **(B) THE SHARES ACQUISITION**

On 27 August 2014, GE Xintiandi, an indirect wholly-owned subsidiary of the Company, entered into the SPA with China Xintiandi, pursuant to which China Xintiandi conditionally agreed to sell, and GE Xintiandi conditionally agreed to purchase the Sale Shares and the Shareholder Loan (i.e. the Shares Acquisition) at the Aggregate Shares Consideration.

The Asset Acquisition and the Shares Acquisition are two separate and independent transactions for the Group and are not inter-conditional upon each other.

#### **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios as defined under the Listing Rules in respect of the Asset Acquisition and the Shares Acquisition in aggregate is/are more than 5% but less than 25%, each of the Asset Acquisition and the Shares Acquisition constitutes a discloseable transaction for the Company and are therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Mr. Vincent Lo is a non-executive Director and by virtue of being a discretionary beneficiary

of a trust which holds more than 30% of the issued share capital of the Company, Mr. Vincent Lo is an associate of the controlling shareholder of the Company. Each of Shine First and China Xintiandi is a wholly-owned subsidiary of SOL. Mr. Vincent Lo, the chairman and an executive director of SOL, and his associates are together entitled to control the exercise of more than 30% of the voting power at general meetings of SOL. As such, each of the Asset Acquisition and the Shares Acquisition also constitutes a connected transaction for the Company under the Listing Rules. As one or more of the applicable percentage ratios as defined under the Listing Rules in respect of the Asset Acquisition and the Shares Acquisition in aggregate is/are more than 5%, the Asset Acquisition and the Shares Acquisition are subject to the reporting, announcement, annual review and independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **GENERAL**

A circular containing, among other things, (a) further details of the Framework Deed, the PRC SPAs and the Asset Acquisition, (b) further details of the SPA and the Shares Acquisition, (c) such other information as required under the Listing Rules, (d) a letter from the independent board committee of the Company and a letter from the independent financial adviser to the independent board committee and the independent Shareholders in respect of the Framework Deed, the PRC SPAs, the SPA and the transactions contemplated thereunder, and (e) a notice convening the SGM is expected to be despatched to the Shareholders on or before 15 October 2014 so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

**Completion of the Asset Acquisition and the Shares Acquisition are conditional upon, among other things, the satisfaction of a number of conditions under the Framework Deed, the PRC SPAs and the SPA (as the case may be). Therefore, the Asset Acquisition and the Shares Acquisition may or may not materialise. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## **(A) THE ASSET ACQUISITION**

On 27 August 2014, Wisdom Joy, an indirect wholly-owned subsidiary of the Company, entered into the Framework Deed with Shine First, pursuant to which Shine First conditionally agreed to procure the Project Company to enter into the PRC SPAs to sell, and Wisdom Joy conditionally agreed to procure the GE Subsidiary to enter into the PRC SPAs to purchase, the Target Asset (i.e. the Asset Acquisition) at the Asset Consideration. The major terms of the Framework Deed are summarised as follows:

### **THE FRAMEWORK DEED**

#### **Date**

27 August 2014

#### **Parties**

- (1) Shine First
- (2) Wisdom Joy

As at the date of this announcement, Shine First, an indirect wholly-owned subsidiary of SOL, indirectly owns the entire beneficial interest in the Project Company, which in turn develops and owns the Target Asset.

Wisdom Joy will, through its wholly-owned subsidiary incorporated in Hong Kong, establish a wholly foreign owned enterprise in the PRC, namely the GE Subsidiary, which will be an indirect wholly-owned subsidiary of the Company, to purchase the Target Asset.

### **Asset Consideration and terms of settlement**

The Asset Consideration of RMB965,000,000 (equivalent to approximately HK\$1,215,900,000) shall be paid by the GE Subsidiary to the Project Company in accordance with the terms of the PRC SPAs.

The Asset Consideration is expected to be funded by the Group's internal resources.

### **Conditions for the Asset Acquisition**

The procurement obligations of Shine First and Wisdom Joy under the Framework Deed are conditional upon the satisfaction of the following conditions on or before the Asset Long Stop Date (except in the case of item (c) below, at least 50 days (or such extended period as the parties to the Framework Deed may agree in writing) before the Asset Long Stop Date):

- (a) each of Wisdom Joy and Shine First obtaining the approval of each of its and its holding companies' shareholders in respect of the Framework Deed and the transactions contemplated thereunder in accordance with, among others, the Listing Rules;
- (b) the GE Subsidiary having been established with the necessary capacity to acquire the Target Asset (including having sufficient funds to satisfy the PRC Initial Payment);
- (c) Shine First having delivered to Wisdom Joy the Bare-shell Floor Plan that does not have a material usage deviation;
- (d) Shine First having delivered to Wisdom Joy:
  - (i) a letter issued by a third party bank confirming that it does not object to the sale of the Target Asset by the Project Company to the GE Subsidiary; and
  - (ii) a letter issued by the Management Company confirming that it does not object to the sale of the Target Asset by the Project Company to the GE Subsidiary and it will not take any legal actions against the Target Asset or the GE Subsidiary in relation to or arising from the Asset Acquisition;
- (e) Shine First having delivered to the GE Subsidiary copies of the initial deed of mutual covenants and initial property management agreement to be entered into in respect of the project of which the Target Asset forms a part; and

- (f) other material matters in relation to the Target Asset, including but not limited to statements on the title rights of the Target Asset, being true, accurate and complete and not misleading except to the extent as would not materially and adversely affect the completion of the Asset Acquisition or the function and usage of the Target Asset.

### **PRC Signing**

The PRC Signing will take place on the 10<sup>th</sup> Business Day for Asset Acquisition after the satisfaction (or waiver, where items other than the above item (d)(ii) and (e) of the Conditions for Asset Acquisition cannot be waived) of all the Conditions for Asset Acquisition (or such other date as Shine First and Wisdom Joy may agree in writing).

### **Deposit**

Wisdom Joy will pay the cash sum of RMB96,500,000 (equivalent to approximately HK\$121,590,000) (the “**Deposit**”) to an escrow agent upon the execution of the Framework Deed, and the Deposit will be held by the escrow agent in the following manner and pursuant to the terms under the escrow agreement entered into among Wisdom Joy, Shine First and the escrow agent on the same date as the Framework Deed:

- (a) the Deposit (together with accrued interest) will be returned to Wisdom Joy under the following circumstances:
  - (i) the PRC Signing takes places and the Project Company having received the first payment in the cash sum of RMB386,000,000 (equivalent to approximately HK\$486,360,000) payable by the GE Subsidiary pursuant to the terms of the Aboveground Pre-SPA (the “**PRC Initial Payment**”);
  - (ii) any of the Conditions for Asset Acquisition has not been satisfied (or waived) by the Asset Long Stop Date and the Framework Deed is terminated, except where the condition of establishment of the GE Subsidiary has not been fulfilled on or before the Asset Long Stop Date due to Wisdom Joy's breach of its obligation under the Framework Deed and in such case the Deposit shall be released to Shine First;
  - (iii) all of the Conditions for Asset Acquisition have been satisfied (or waived), the GE Subsidiary has executed the Preliminary PRC SPAs, but the Project Company fails to execute the Preliminary PRC SPAs on the PRC Signing Date and the Framework Deed is terminated;
  - (iv) the Framework Deed is terminated due to a breach of warranty; or
  - (v) the GE Subsidiary fails to make the PRC Initial Payment on or before the last payment date allowed under the Aboveground Pre-SPA without any penalty being incurred by the GE Subsidiary to the Project Company (the “**PRC Initial Payment Date**”) but the period of such failure is less than 100 days after the PRC Initial Payment Date, the Deposit (together with all accrued interest) shall be returned to Wisdom Joy on the date when the GE Subsidiary subsequently makes the PRC Initial Payment to the Project Company together with any penalties for late payment.

- (b) the Deposit (together with accrued interest) will be released to Shine First under the following circumstances:
- (i) Wisdom Joy fails to establish the GE Subsidiary pursuant to the requirements set out under the Framework Deed on or before the Asset Long Stop Date due to a breach of its obligation under the Framework Deed and the Framework Deed is terminated;
  - (ii) all of the Conditions for Asset Acquisition have been satisfied (or waived), the Project Company has executed the Preliminary PRC SPAs, but the GE Subsidiary fails to execute the Preliminary PRC SPAs on the date of PRC Signing and the Framework Deed is terminated; or
  - (iii) the GE Subsidiary fails to make the PRC Initial Payment on or before the PRC Initial Payment Date and the period of such failure is equal to or more than 100 days after the PRC Initial Payment Date, in which case the Deposit (together with all accrued interest) shall be released to Shine First on the 100<sup>th</sup> day after the PRC Initial Payment Date.

### **Exit Sale for the Asset Acquisition**

Wisdom Joy undertakes to Shine First that if:

- (a) a member of the Group sells the Target Asset within 6 years from the Asset Completion Date (the “**Exit Sale for the Asset Acquisition**”); and
- (b) the Gross Consideration After Tax for the Asset Acquisition ( $X_1$ ) exceeds the product of the Hurdle Capital Value for the Asset Acquisition ( $A_1+B_1$ ) and the Proportion in the Target Asset ( $P_1$ ),

Wisdom Joy will pay to Shine First a sum equivalent to 10% of the amount by which the Gross Consideration After Tax for the Asset Acquisition exceeds the product of the Hurdle Capital Value for the Asset Acquisition and the Proportion in the Target Asset, provided that the maximum amount to be paid shall not exceed RMB10,000,000 (equivalent to approximately HK\$12,600,000).

Such amount is illustrated by the formula below:

$$[X_1 - (A_1 + B_1) \times P_1] \times 10\%$$

where

$X_1$  = gross consideration of the Exit Sale for the Asset Acquisition less all tax payable by the Group in respect of the Exit Sale for the Asset Acquisition (the “**Gross Consideration After Tax for the Asset Acquisition**”)

$A_1+B_1$  = the Hurdle Capital Value for the Asset Acquisition

- $A_1$  = the capital value of the Target Asset upon completion of the Exit Sale for the Asset Acquisition that would produce an IRR of 8.5% per annum for the Asset Consideration paid plus incidental acquisition costs of the Target Asset by the Group
- $B_1$  = the capital value of the Target Asset upon completion of the Exit Sale for the Asset Acquisition that would produce an IRR of 8.5% per annum for the total accrued costs for renovation, furniture, fixtures and equipment (FF&E) incurred by the Group in respect of the Target Asset up to completion of the Exit Sale for the Asset Acquisition
- $P_1$  = the proportionate interest in the Target Asset that has been disposed of after the Asset Completion Date (the “**Proportion in the Target Asset**”)

### **Restrictions on Exit Sale for the Asset Acquisition**

Wisdom Joy shall procure that the GE Subsidiary not to effect or permit the Exit Sale for the Asset Acquisition if the transferee or its related party is generally recognised in the business community as of ill repute or whom a prudent businessperson would not wish to associate in a commercial venture.

### **Right of First Notification**

Wisdom Joy agrees to grant to Shine First a right of first notification for a period of 6 years from Asset Completion in relation to the sale of a specified interest in the Target Asset (the “**Sale Interest**”) as follows:

- (a) the Group shall notify the SOL Group if it proposes to sell the Sale Interest and the minimum price (the “**Floor Price**”) for selling the Sale Interest;
- (b) if the SOL Group is interested in acquiring the Sale Interest and notify the Group within the prescribed time, the Group shall negotiate with the SOL Group on a non-exclusive basis at a price no less than the Floor Price within a 180 day period, during which the Group shall not enter into any binding agreement for the Sale Interest with any party at a price which is less than the Floor Price; and
- (c) if the Group fails to enter into a binding agreement for the Sale Interest with any party at a price which is no less than the Floor Price within such 180 day period, or, if a binding agreement for the Sale Interest is entered into with any party at a price which is no less than the Floor Price within such 180 day period but such sale fails to complete subsequently, then the right of the Group to sell its interest in the Target Asset shall again be subject to the abovementioned right of first notification.

### **THE PRELIMINARY PRC SPAs**

The Preliminary PRC SPAs comprise two agreements to be entered into between GE Subsidiary as purchaser and the Project Company as vendor in relation to the acquisitions of:

- (a) the Aboveground Portion, namely the Aboveground Pre-SPA; and
- (b) the Underground Portion and the Carpark Portion, namely the Underground Preliminary SPA.

The principal terms of the Preliminary PRC SPAs are set out as follows:

*Parties*

- (1) the Project Company as seller
- (2) the GE Subsidiary as purchaser

*Assets to be acquired*

The Aboveground Portion, the Underground Portion and the Carpark Portion

*Asset Consideration*

The Asset Consideration of RMB965,000,000 (equivalent to approximately HK\$1,215,900,000) comprises:

- (a) consideration payable for the Aboveground Portion in the amount of RMB772,000,000 (equivalent to approximately HK\$972,720,000); and
- (b) consideration payable for the Underground Portion and the Carpark Portion in the amount of RMB193,000,000 (equivalent to approximately HK\$243,180,000).

The Asset Consideration shall be paid by the GE Subsidiary to the Project Company in the following manner:

- (a) as to RMB386,000,000 (equivalent to approximately HK\$486,360,000), being 40% of the Asset Consideration, and as the PRC Initial Payment, within 15 days upon the PRC Signing;
- (b) as to RMB386,000,000 (equivalent to approximately HK\$486,360,000), being 40% of the Asset Consideration, on the same date of the Handover; and
- (c) as to RMB193,000,000 (equivalent to approximately HK\$243,180,000), being 20% of the Asset Consideration, within 15 days upon the satisfaction of the following conditions:
  - (i) the Handover has taken place;
  - (ii) the Underground Hotel SPA and the Capark SPAs have been signed;
  - (iii) the delivery certificate (房屋交接書) has been signed in respect of the Aboveground Portion; and
  - (iv) the Project Company has provided the GE Subsidiary with all application documents (save for the fapiao (發票) of such third payment) that shall be prepared and provided by the Project Company for the purpose of registering the title of the Target Asset under the name of the GE Subsidiary.

The Asset Consideration is determined after arm's length negotiations between Shine First and Wisdom Joy with reference to, among other things, the relevant construction costs and land acquisition costs incurred by the Project Company.

#### *Condition*

Handover is conditional upon, among others, the satisfaction of the following conditions:

- (a) the obtaining of the construction project completion inspection certificate issued by the competent PRC authorities in relation to the Target Asset;
- (b) the actual usage and function and construction standards of the Target Asset at Handover is substantially the same as those set out in the Preliminary PRC SPAs; and
- (c) there is no encumbrance on the interest of the Target Asset except as provided in the Preliminary PRC SPAs.

#### *Handover*

The date for delivering the Target Asset (i.e. the Handover), which shall take place simultaneously for each of the Aboveground Portion, Underground Portion and the Carpark Portion, is agreed to be on or before 30 May 2015.

#### *Post-Handover obligations*

The Project Company undertakes to fulfil the following obligations (among others) after the Handover:

- (a) obtain the initial property title certificate (大產證) of the Target Asset within 8 months from the obtaining of the construction project completion inspection certificate issued by the competent PRC authorities in relation to the Target Asset;
- (b) assist the GE Subsidiary to apply for the property title certificate (小產證) of the Aboveground Portion within 90 days from the date of the signing of the delivery certificate (房屋交接書), and of the Underground Portion and Carpark Portion within 90 days from the date of execution of the Underground Hotel SPA and the Carpark SPAs, by preparing and delivering all documents required to be stamped and signed by the Project Company for the application of the property title certificate (小產證) of the Target Asset to the GE Subsidiary; and
- (c) ensure that any mortgage or charge on the Aboveground Portion has been released at the signing of the delivery certificate (房屋交接書) and that any mortgage or charge on the Underground Portion or Carpark Portion has been released at the signing of the Underground Hotel SPA and the Carpark SPAs.

GE Subsidiary and the Project Company shall also sign the Underground Hotel SPA and the Carpark SPAs within 30 days from the date of the Project Company obtaining the initial property title certificate of the Target Asset.

## **INFORMATION OF THE TARGET ASSET**

The Target Asset is known as “The HUB Hotel” located at Building #4, D17 Block, Land Plot 06, Phase I of Hongqiao Commercial Core Zone, Minhang District, Shanghai, the PRC. The Target Asset comprises the aboveground portion of a 12-storey building, the underground portion of 3 storeys, and 27 carpark spaces, with a total gross floor area permitted to be constructed of approximately 46,229 m<sup>2</sup> for 403 guest rooms.

It is situated at “THE HUB” in the Hongqiao Central Business District which is designed and constructed by SOL to become a new business, cultural and lifestyle landmark which will comprise a retail component, offices, a performing arts and exhibition centre and a hotel, spanning a total gross floor area of 282,000 m<sup>2</sup>.

Based on information provided by Shine First, the unaudited net book value of the Target Asset prepared in accordance with accounting principles generally accepted in the PRC was approximately RMB683,300,000 (equivalent to approximately HK\$860,958,000) as at 30 June 2014. As the Target Asset is still under development and construction, no net profits (both before and after taxation and extraordinary items) are attributable to the Target Asset for the two financial years immediately preceding the Asset Acquisition.

The development cost of the Target Asset by the Project Company is approximately RMB898,000,000 (equivalent to approximately HK\$1,131,480,000).

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE FRAMEWORK DEED AND THE ASSET ACQUISITION**

As at the date of this announcement, the GE Subsidiary has not been established yet. In order to crystallise the major terms of the Asset Acquisition, the Group considers that it is beneficial to the Company and its Shareholders as a whole and in its commercial interests to enter into the Framework Deed with Shine First prior to entering into the PRC SPAs between the Project Company and the GE Subsidiary, such that the relevant terms and conditions of the Asset Acquisition can be confirmed and the Asset Acquisition can be procured to be effected immediately upon, among other things, the establishment of the GE Subsidiary with the necessary capacity to acquire the Target Asset (including having sufficient funds to satisfy the PRC Initial Payment).

The acquisition of the hotel in Hongqiao, i.e. the Target Asset, will allow the Group to benefit from the rapid rising demand for hotel rooms from the upcoming completion of the Hongqiao transportation hub and Hongqiao national convention and exhibition centre in Hongqiao’s central business district. Located to the west of Shanghai’s traditional downtown, Hongqiao’s transportation hub is considered one of the most important interconnecting hub in China, which will integrate eight means of transportation, including airport, railway station and metro lines. The national convention and exhibition centre is also expected to be one of the largest in China, with a planned exhibition space of 500,000 m<sup>2</sup>, it is nearly three times the size of the Shanghai new international expo center.

The Directors (excluding Mr. Vincent Lo who has abstained and the independent non-executive Directors who will give their recommendation taking into consideration the advice of independent financial adviser to be engaged) consider that the terms of the Framework Deed, the PRC SPAs and the transactions contemplated thereunder are fair and

reasonable and on normal commercial terms and are and in the interest of Company and its Shareholders as a whole.

## **(B) THE SHARES ACQUISITION**

On 27 August 2014, GE Xintiandi, an indirect wholly-owned subsidiary of the Company, entered into the SPA with China Xintiandi, pursuant to which China Xintiandi conditionally agreed to sell, and GE Xintiandi conditionally agreed to purchase the Sale Shares and the Shareholder Loan (i.e. the Shares Acquisition) at the Aggregate Shares Consideration. The major terms of the SPA are summarised as follows:

### **THE SPA**

#### **Date**

27 August 2014

#### **Parties**

- (1) China Xintiandi
- (2) GE Xitiandi

As at the date of this announcement, (i) China Xintiandi, an indirect wholly-owned subsidiary of SOL, owns the Sale Shares, representing approximately 66.67% of the total issued share capital of the Target Company; and (ii) the members of the Target Group owed China Xiantiadi the Shareholder Loan.

#### **Subject matter of the SPA**

- (a) the Sale Shares, representing approximately 66.67% of the total issued share capital in the Target Company; and
- (b) the Shareholder Loan owed by the members of the Target Group to China Xintiandi as at the Shares Completion.

#### **Aggregate Shares Consideration**

The Aggregate Shares Consideration comprises (a) the Shares Consideration (subject to adjustment) and (b) the Loan Consideration.

The Shares Consideration (subject to adjustment) shall be equal to 66.67% times the aggregate adjusted net asset value of the Target Business as at 31 August 2014 (the “**August Adjusted NAV**”), which shall be computed based on the audited accounts of the Target Business as at 31 August 2014 and adjusted for the following items:

- (a) the aggregate net book value of the “investment properties”, “property, plant and equipment” and “property, plant and equipment – prepaid lease” shall be substituted with an agreed amount equal to RMB1,739,000,000 (equivalent to approximately HK\$2,191,140,000);

- (b) the deferred tax of the Target Business, if any, shall not be taken into account;
- (c) the effect of intangible assets/liabilities of the Target Business, if any, shall be excluded;  
and
- (d) no account shall be taken of the assets and liabilities relating to Andaz Hotel, if any.

The Loan Consideration shall be an amount equal to the amount of the Shareholder Loan as at the Shares Completion on a dollar-to-dollar basis

### **Adjustments to the Shares Consideration**

- (1) After the Shares Completion, the following shall be prepared:
  - (a) the audited accounts of the Target Business as at the Shares Completion and for the period between 1 September 2014 up to the Shares Completion (the “**Closing Accounts**”); and
  - (b) the pro forma balance sheet and an income statement of the Target Business as at the Shares Completion (the “**Pro Forma Closing Statements**”).
- (2) Based on the Closing Accounts and the Pro Forma Closing Statements, the following amount shall be determined:
  - (a) the profit after tax/loss of the Target Business for the period between 1 September 2014 and Shares Completion excluding non-cash items (except for foreign exchange differences), depreciation and amortisation, revaluation increase on investment properties and deferred taxation and as stated in the Pro Forma Closing Statements (the “**Adjusted Profit and Loss**”); and
  - (b) an amount equal to the aggregate adjusted net asset value of the Target Business as at the Shares Completion computed based on the Closing Accounts and with the same adjustments as the August Adjusted NAV, and as stated in the Pro Forma Closing Statements (the “**Closing Adjusted NAV**”).
- (3) The Shares Consideration shall then be adjusted as follows:
  - (a) if the Closing Adjusted NAV is less than the sum of (i) the August Adjusted NAV and (ii) the Adjusted Profit and Loss, or in the case where the Adjusted Profit and Loss is a loss, the balance of the August Audited NAV after deducting such loss, China Xintiandi shall pay such shortfall amount times 66.67% to GE Xintiandi; and
  - (b) if the Closing Adjusted NAV is more than the sum of (i) the August Adjusted NAV and (ii) the Adjusted Profit and Loss, or in the case where the Adjusted Profit and Loss is a loss, the balance of the August Audited NAV after deducting such loss, GE Xintiandi shall pay such excess amount times 66.67% to China Xintiandi,

provided that the shortfall to be paid by China Xintiandi or the excess to be paid by GE Xintiandi (as the case may be) on the Shares Consideration shall not exceed RMB10,000,000 (equivalent to approximately HK\$12,600,000).

The Company expected that the Aggregate Shares Consideration after the above adjustments shall not exceed RMB600,000,000 (equivalent to approximately HK\$756,000,000), taking into consideration factors including the financial position of the Target Business as at 30 June 2014 and the maximum amount of adjustment as stated above.

The Aggregate Shares Consideration is determined after arm's length negotiations between China Xintiandi and GE Xintiandi with reference to, among other things, the net asset value and profit and loss of the Target Company attributable to the LXTD Hotel and the relevant investment costs incurred by China Xintiandi including land acquisition costs, construction costs and renovation costs of the LXTD Hotel.

### **Terms of Settlement of the Aggregate Shares Consideration**

The Aggregate Shares Consideration shall be paid by GE Xintiandi to China Xintiandi in the following manner:

- (a) as to RMB60,000,000 (equivalent to approximately HK\$75,600,000) (the “**Shares Deposit**”), within 2 days after the signing of the SPA;
- (b) an amount equal to the sum of (i) the Shares Consideration (before any adjustment) and (ii) the Loan Consideration, and after deducting the amount of the Shares Deposit, upon the Shares Completion.

After the Shares Completion, either China Xintiandi or GE Xintiandi (as the case may be) shall pay the amount representing any adjustments to the Shares Consideration to the other party within 14 days of the date of receipt of the Pro Forma Closing Statements.

The Aggregate Shares Consideration is expected to be funded by the Group's internal resources.

### **Conditions for Shares Acquisition**

The Shares Completion under the SPA is conditional upon the satisfaction of the following conditions on or before the Shares Long Stop Date:

- (a) each of the Company and SOL has obtained the requisite shareholders' approval approving the SPA, its related transaction documents and the transactions contemplated thereunder as may be required under its constitutional documents and/or the Listing Rules;
- (b) Shanghai Li Xing and each member of the Target Group have obtained consents under the debt covenants that are required to consummate the SPA, its related transaction documents and the transactions contemplated thereunder under the loans from a third party bank to Shanghai Li Xing, and such consents have not been withdrawn;

- (c) all outstanding amount between the Target Business with any member of the SOL Group (excluding the Target Business), whether accrued in the ordinary course of trading or not and including any value-added tax arising out of them, as at the Shares Completion have been settled;
- (d) board resolutions of Shanghai Li Xing duly executed by the board of directors of Shanghai Li Xing, approving (i) the resignation of directors, supervisors and general manager of Shanghai Li Xing appointed by the SOL Group, (ii) the appointment of persons nominated by GE Xintiandi as directors, supervisors and general manager of Shanghai Li Xing, (iii) the resignation of Mr. Vincent Lo as the legal representative of Shanghai Li Xing, (iv) the appointment of a person nominated by GE Xintiandi as the legal representative of Shanghai Li Xing and, where required, (v) changes to the constitutional documents of Shanghai Li Xing in connection with items (iii) and (iv) above, provided that GE Xintiandi shall notify China Xintiandi in writing the name of the persons it nominates as directors, supervisors and the legal representative of Shanghai Li Xing at least 60 days before the Shares Completion Date;
- (e) no statute, rule or regulation has been enacted or promulgated by any governmental entity which prohibits the Shares Completion, and there has been no order or injunction of a court of competent jurisdiction or order from a governmental entity in effect precluding or prohibiting the Shares Completion or prohibiting GE Xintiandi and China Xintiandi from performing their respective obligations under the SPA and its related transaction documents;
- (f) an agreement entered into between Shanghai Li Xing and the Management Company confirming that the hotel asset management agreement dated 17 February 2014 entered into between Shanghai Li Xing and the Management Company shall cease to be in effect upon and after the Shares Completion and no claims or demands has been or will be made by either of Shanghai Li Xing and the Management Company under the said agreement;
- (g) China Xintiandi has not materially breached any of the title warranties relating to LXTD Hotel that will result in a material adverse effect on the LXTD Hotel Business as a whole;
- (h) China Xintiandi has obtained all consents, approvals, clearances and authorisations of any relevant governmental authorities or other relevant third parties that are necessary for the consummation of the Shares Acquisition; and
- (i) GE Xintiandi has obtained sufficient funding in the PRC for financing the LXTD Hotel Business for a period of not more than six years after the Shares Completion.

If the above conditions have not been fulfilled, or in respect of conditions (f), (g) and (i) above waived by GE Xintiandi unilaterally or before the Shares Long Stop Date,

- (a) China Xintiandi and GE Xiantidi may agree in writing to extend the Shares Long Stop Date to a new long stop date (the “**Extended Long Stop Date**”);

- (b) if the parties to the SPA do not elect to extend the Shares Long Stop Date, or the conditions have not been fulfilled or waived (as the case may be) on or before the Extended Long Stop Date, the SPA shall automatically terminate and all rights and liabilities by any party under the SPA shall cease (except for any rights and obligations accrued before termination) and China Xintiandi shall return the Shares Deposit without interest to GE Xintiandi.

### **Shares Completion**

Shares Completion shall take place within 10 Business Days for Shares Acquisition after the satisfaction or waiver (as the case may be) of the conditions of the SPA or any date agreed by China Xintiandi and GE Xiantidi in writing.

### **Exit Sale for the Shares Acquisition**

GE Xintiandi undertakes to China Xintiandi that if:

- (a) a member of the Group sells the LXTD Hotel within 6 years from the Shares Completion Date (the “**Exit Sale for the Shares Acquisition**”); and
- (b) Two-Thirds of Gross Consideration After Tax for the Shares Acquisition ( $X_2$ ) exceeds the product of the Hurdle Capital Value for the Shares Acquisition ( $A_2+B_2$ ) and the Proportion in the LXTD Hotel ( $P_2$ ),

GE Xintiandi will pay to China Xintiandi a sum equivalent to 10% of the amount by which the Two-Thirds of Gross Consideration After Tax for the Shares Acquisition exceeds the product of the Hurdle Capital Value for the Shares Acquisition and the Proportion in the LXTD Hotel, provided that the maximum amount to be paid shall not exceed RMB10,000,000 (equivalent to approximately HK\$12,600,000).

Such amount is illustrated by the formula below:

$$[X_2 - (A_2 + B_2) \times P_2] \times 10\%$$

where

$X_2$  = two-thirds of the gross consideration of the Exit Sale for the Shares Acquisition less the tax payable by the Group in respect of the Exit Sale for the Shares Acquisition (the “**Two-Thirds of Gross Consideration After Tax for the Shares Acquisition**”)

$A_2+B_2$  = the Hurdle Capital Value for the Shares Acquisition

$A_2$  = the capital value of the LXTD Hotel upon completion of the Exit Sale for the Shares Acquisition that would produce an IRR of 8.5% per annum for the Aggregate Shares Consideration paid plus incidental acquisition costs of the LXTD Hotel by the Group

$B_2 =$  two-thirds of the capital value of the LXTD Hotel upon completion of the Exit Sale for the Shares Acquisition that would produce an IRR of 8.5% per annum for the total accrued costs for renovation, furniture, fixtures and equipment (FF&E) incurred by the Group in respect of the LXTD Hotel up to completion of the Exit Sale for the Shares Acquisition

$P_2 =$  the proportionate interest in the LXTD Hotel that has been disposed of after the Shares Completion Date (the “**Proportion in the LXTD Hotel**”)

## **INFORMATION OF THE TARGET GROUP**

The Target Company is an investment holding company incorporated in the BVI which was owned by China Xintiandi as to approximately 66.67% and GE Xintiandi as to approximately 33.33% as at the date of this announcement.

As at the date of this announcement, the Target Company indirectly owned 50% equity interests in Shanghai Li Xing through Victorious Run and Landton.

Shanghai Li Xing is a company established in the PRC and is owned as to 50% by Landton and as to 50% by the Andaz Shareholders. Shanghai Li Xing owns the land use rights and the building ownership rights pertaining to the LXTD Hotel and the Andaz Hotel.

Pursuant to the shareholders' agreement dated 12 November 2010 entered into between Landton and the Andaz Shareholders, (a) the Andaz Shareholders have the right over the development and operation of the Andaz Hotel and are entitled to all benefits arising from the Andaz Hotel; (b) Shanghai Li Xing has the right over the development and operation of LXTD Hotel and is entitled to all the benefits arising from the LXTD Hotel; and (c) any cost not attributable exclusively to either LXTD Hotel or the Andaz Hotel are borne by the Shanghai Li Xing and the Andaz Shareholders in equal shares.

### *Demerger*

Pursuant to the terms of the SPA, GE Xintiandi agrees to procure Shanghai Li Xing to appoint China Xintiandi (or its affiliate) as its agent to facilitate the completion of the proposed segregation of land use rights and building ownership rights of the Target Company over the Andaz Hotel and the LXTD Hotel (the “**Demerger**”) within three years from the Shares Completion Date (the “**Demerger Long Stop Date**”). China Xintiandi shall be responsible for two-third of the costs (including any tax and land transfer fees arising from the transfer of the underground portion of the LXTD Hotel) that should be borne by any member of the Target Business arising from the Demerger.

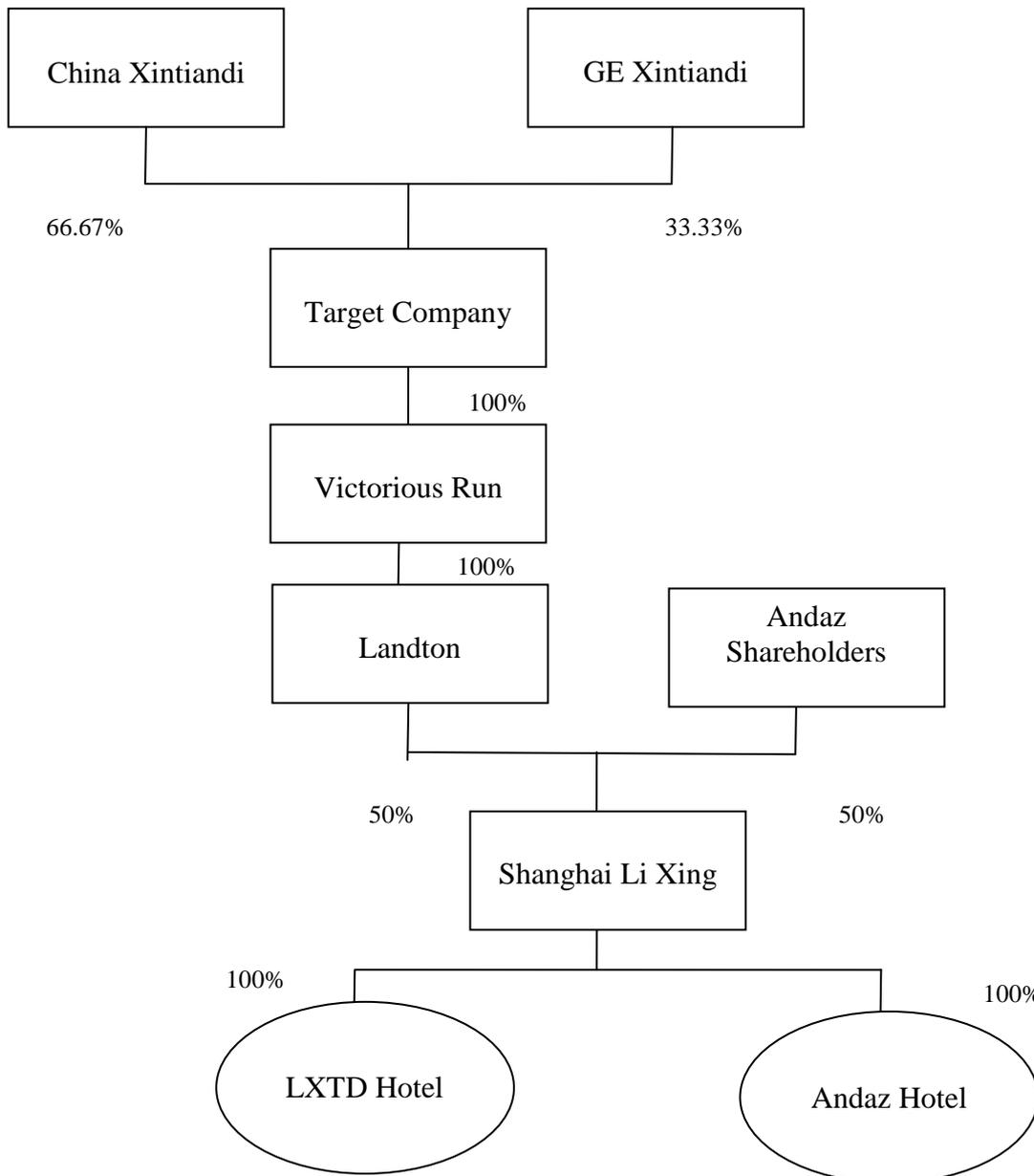
After completion of the Demerger, the Target Company will through Victorious Run, Landton and Shanghai Li Xing (or another wholly-owned subsidiary of Landton) hold all the legal and beneficial interest and assume all liabilities in relation to the LXTD Hotel. A company owned by the Andaz Shareholders will hold all the legal and beneficial interest and assume all liabilities in relation to the Andaz Hotel.

If the Demerger has not been completed on or before the Demerger Long Stop Date,

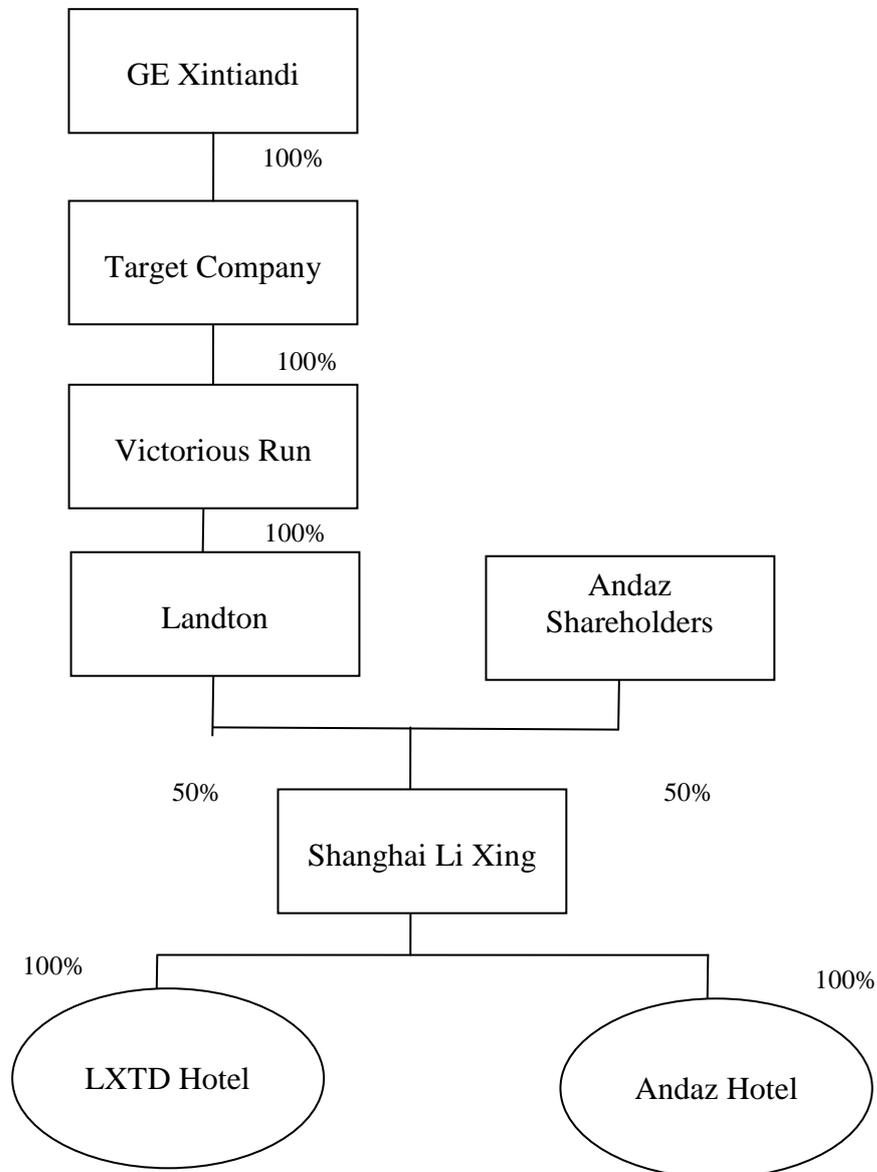
- (a) China Xintiandi may, at any time up to 30 days prior to the Demerger Long Stop Date, by written notice to GE Xintiandi and payment of RMB10,000,000 (equivalent to approximately HK\$12,600,000) to GE Xintiandi in cash, elect to extend the Demerger Long Stop Date by a period of one year to a new date (the “**Extended Demerger Long Stop Date**”);
- (b) if China Xintiandi does not elect to extend the Demerger Long Stop Date, or if it elects for such extension but the Demerger has not been completed on or before the Extended Demerger Long Stop Date, China Xintiandi shall procure the Andaz Shareholders to sell their entire interest in Shanghai Li Xing to a member of the Group in return for the disposal of Shanghai Li Xing's entire interest in Andaz Hotel to the Andaz Shareholders or their nominee, and such sale shall be completed within 6 months after the Demerger Long Stop Date or the Extended Demerger Long Stop Date (as the case may be). Where (i) China Xintiandi fails to procure the Andaz Shareholders to complete the sale contemplated above or (ii) China Xintiandi notifies GE Xintiandi in writing that it may not, in its reasonable opinion, be able to procure the Andaz Shareholders to complete such sale, whichever is the earlier, GE Xintiandi shall then procure the sale of the LXTD Hotel by Shanghai Li Xing to a member of the Group as soon as practicable, and two-thirds of the costs that may be payable under such sale (including any tax and land transfer fees arising from the transfer of the underground portion of the LXTD Hotel) shall be borne by China Xintiandi.

*Simplified Shareholding Structure of the Target Business*

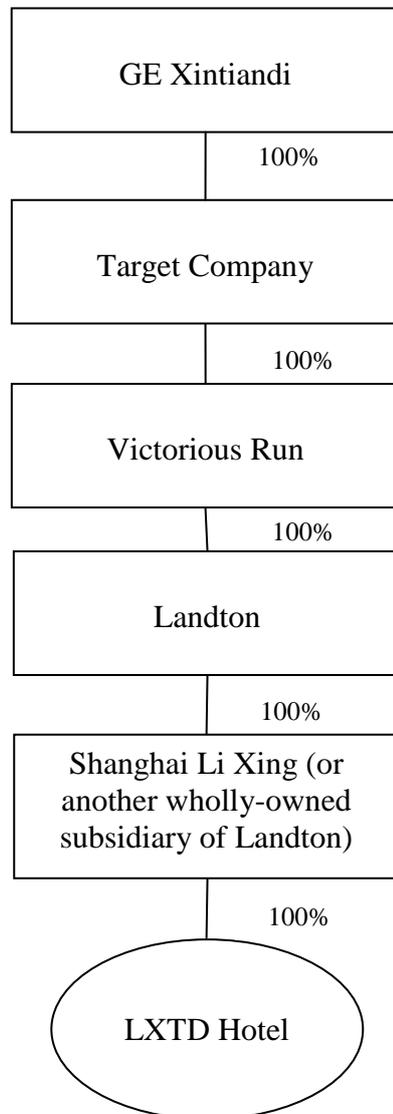
As at the date of this announcement, the existing simplified shareholding structure of the Target Business is set out as follows:



Assuming there is no change to the shareholding of the Target Business other than changes as a result of the Shares Completion, the simplified shareholding structure of the Target Business immediately after the Shares Completion will be as follows:



Assuming there is no change to the shareholding of the Target Business other than changes as a result of the Shares Completion and the completion of the Demerger, the shareholding structure of the Target Business immediately after the Shares Completion and the completion of the Demerger will be as follows:



### *LXTD Hotel*

The LXTD Hotel is a hotel located at 4/1 Qiu, Jiefang 108, Huaihai Middle Road, Luwan District (now known as Huangpu District), and is next to 上海新天地 (Shanghai Xintiandi), which is owned by the SOL Group and is a renowned destination for leisure and entertainment as well as commerce in Shanghai. It is a luxury hotel comprising 26 storeys (including Mezzanine floors) and a five-level basement with a total gross floor area of approximately 53,407 m<sup>2</sup>, providing 357 guest rooms and various hotel and entertainment facilities. LXTD Hotel commenced a soft opening in October 2010 and a grand opening in September 2012.

### *Financial Information of the Target Business*

The net liabilities of the Target Business as at 30 June 2014 was approximately RMB102,000,000 (equivalent to approximately HK\$128,520,000). Set out below are the unaudited net loss before and after taxation of the Target Business for the years ended 31 December 2012 and 2013 prepared in accordance with the International Financial Reporting Standards:

	<b>Year ended 31 December 2012</b>	<b>Year ended 31 December 2013</b>
	<i>Approximately</i>	<i>Approximately</i>
	<i>RMB</i>	<i>RMB</i>
Net loss before taxation	35,000,000	79,000,000
Net loss after taxation	35,000,000	79,000,000

Upon the Shares Completion, the Target Company will become a wholly-owned subsidiary of the Company and accordingly, the financial results of the Target Business will be consolidated into the consolidated financial statements of the Company.

The original purchase cost of the Sale Shares by China Xintiandi is RMB241,000,000 (equivalent to approximately HK\$303,660,000).

### **REASONS FOR AND BENEFITS OF ENTERING INTO THE SPA AND THE SHARES ACQUISITION**

Given the prime location of the hotel in the heart of Xintiandi, Shanghai, which is a key destination for both corporate and leisure travellers, the LXTD Hotel, which was managed by the Group since October 2010, is one of the Group's landmark hotels, that anchors the Group's globally recognised Langham brand. With the acquisition of the remaining approximately 66.67% ownership interest in the LXTD Hotel that the Group does not currently owns, the full ownership of the LXTD Hotel will help to ensure the penetration of our brand in one of the world's most important business and tourism cities.

The Directors (excluding Mr. Vincent Lo who has abstained and the independent non-executive Directors who will give their recommendation taking into consideration the advice of independent financial adviser to be engaged) consider that the terms of the SPA and the transactions contemplated thereunder are fair and reasonable and on normal commercial terms and are in the interest of Company and its Shareholders as a whole.

The Asset Acquisition and the Shares Acquisition are two separate and independent transactions for the Group and are not inter-conditional upon each other.

## **INFORMATION OF THE GROUP, SHINE FIRST, CHINA XINTIANDI AND THE SOL GROUP**

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 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. Wisdom Joy is an investment holding company and an indirect wholly-owned subsidiary of the Company.

Shine First is an investment holding company and an indirect wholly-owned subsidiary of SOL. China Xintiandi is a separately managed, indirect wholly-owned subsidiary of SOL, focusing principally on owning, managing, designing, leasing, marketing and enhancing premium retail, office and entertainment properties in affluent urban areas in the PRC. The SOL Group 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.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios as defined under the Listing Rules in respect of the Asset Acquisition and Shares Acquisition in aggregate is/are more than 5% but less than 25%, each of the Asset Acquisition and the Shares Acquisition constitutes a discloseable transaction for the Company and are therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Mr. Vincent Lo is a non-executive Director and by virtue of being a discretionary beneficiary of a trust which holds more than 30% of the issued share capital of the Company, Mr. Vincent Lo is an associate of the controlling shareholder of the Company. Each of Shine First and China Xintiandi is a wholly-owned subsidiary of SOL. Mr. Vincent Lo, the chairman and an executive director of SOL, and his associates are together entitled to control the exercise of more than 30% of the voting power at general meetings of SOL. As such, each of the Asset Acquisition and the Shares Acquisition also constitutes a connected transaction for the Company under the Listing Rules. As one or more of the applicable percentage ratios as defined under the Listing Rules in respect of the Asset Acquisition and the Shares Acquisition in aggregate is/are more than 5%, the Asset Acquisition and the Shares Acquisition are subject to the reporting, announcement, annual review and independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **SGM**

An SGM will be convened by the Company at which resolutions will be proposed to consider and, if thought fit, approve the Framework Deed, the PRC SPAs, the SPA and the transactions contemplated thereunder. Due to Mr. Vincent Lo's material interest in the Framework Deed, PRC SPAs, the SPA and the transactions contemplated thereunder, Mr. Vincent Lo and his associates will abstain from voting at the SGM. To the best of the Directors' knowledge,

information and belief after having made all reasonable enquiries, no Shareholders are required to abstain from voting at the SGM.

## **GENERAL**

An independent board committee of the Company comprising Mr. Cheng Hoi Chuen, Vincent, Professor Wong Yue Chim, Richard, Mrs. Lee Pui Ling, Angelina and Mr. Zhu Qi, being all independent non-executive Directors, will be established to advise the independent Shareholders in relation to the Framework Deed, the PRC SPAs, the SPA and the transactions contemplated thereunder. An independent financial adviser will be appointed to advise such independent board committee and the independent Shareholders on the same.

A circular containing, among other things, (a) further details of the Framework Deed, the PRC SPAs and the Asset Acquisition, (b) further details of the SPA and the Shares Acquisition, (c) such other information as required under the Listing Rules, (d) a letter from the independent board committee of the Company and a letter from the independent financial adviser to the independent board committee and the independent Shareholders in respect of the Framework Deed, the PRC SPAs, the SPA and the transactions contemplated thereunder, and (e) a notice convening the SGM is expected to be despatched to the Shareholders on or before 15 October 2014 so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

**Completion of the Asset Acquisition and the Shares Acquisition are conditional upon, among other things, the satisfaction of a number of conditions under the Framework Deed, the PRC SPAs and the SPA (as the case may be). Therefore, the Asset Acquisition and the Shares Acquisition may or may not materialise. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

<b>“Aboveground Portion”</b>	the aboveground portion of the Target Asset
<b>“Aboveground Pre-SPA”</b>	the pre-sale and purchase agreement (預售合同) to be entered into by the Project Company and the GE Subsidiary in relation to the sale and purchase of the Aboveground Portion
<b>“Aggregate Shares Consideration”</b>	collectively, the Shares Consideration (subject to adjustment) and the Loan Consideration

<b>“Adjusted Profit and Loss”</b>	has the meaning set out under item (2)(a) in the paragraph headed “Adjustments to Shares Consideration” in this announcement
<b>“Andaz Hotel”</b>	the real property or properties located at 7/1 Qiu, Jiefeng 107, Huaihai Middle Road, Luwan District (now known as Huangpu District), Shanghai, the PRC including the land where the said property or properties are erected thereon
<b>“Andaz Shareholders”</b>	the independent third parties which own 50% of the equity interest of Shanghai Li Xing
<b>“associate(s) ”;</b> <b>“connected person(s) ”;</b> <b>“controlling shareholder”;</b> <b>“percentage ratio(s) ”;</b> <b>and “subsidiary(ies) ”</b>	each has the meaning ascribed to it under the Listing Rules
<b>“Asset Acquisition”</b>	the sale and purchase of the Target Asset pursuant to the terms of the Framework Deed and the PRC SPAs
<b>“Asset Completion”</b>	the title of the Target Asset being transferred to and registered under the name of the GE Subsidiary in accordance with the terms of the PRC SPAs
<b>“Asset Completion Date”</b>	the date on which the Asset Completion takes place
<b>“Asset Consideration”</b>	RMB965,000,000 (equivalent to approximately HK\$1,215,900,000), being the consideration payable for the Asset Acquisition
<b>“Asset Long Stop Date”</b>	31 December 2014 (or such other date as the parties to the Framework Deed may agree in writing), which shall be automatically extended to 27 February 2015 (or such later date as the parties to the Framework Deed may agree in writing) if the GE Subsidiary is not established due to reasons other than the failure of Wisdom Joy to comply with its obligations under the Framework Deed
<b>“August Adjusted NAV”</b>	has the meaning set out under the paragraph headed “Aggregate Shares Consideration” in this announcement
<b>“Bare-shell Floor Plan”</b>	the bare-shell floor plan (清水房圖紙) of the Target Asset to be agreed at the signing of the PRC SPAs

<b>“Board”</b>	the board of Directors
<b>“Business Day for Asset Acquisition”</b>	a day other than a Saturday, a Sunday or a public holiday in Hong Kong or the PRC, on which banks are open in Hong Kong and the PRC to the general public for business
<b>“Business Day for Shares Acquisition”</b>	a day (other than a Saturday or Sunday or public holiday in Hong Kong and any day on which a tropical cyclone warning no.8 or above or a “black” rain warning signal is hoisted in Hong Kong at any time between 9.00am and 5.00pm) on which banks are open in Hong Kong for general commercial business
<b>“BVI”</b>	British Virgin Islands
<b>“Carpark Portion”</b>	certain carpark spaces of the Target Asset
<b>“Carpark SPAs”</b>	the sale and purchase agreements to be entered into by the Project Company and the GE Subsidiary in relation to the sale and purchase of the Carpark Portion
<b>“China Xintiandi”</b>	China Xintiandi Investment Company Limited, a company incorporated in the Cayman Islands and an indirect wholly-owned subsidiary of SOL
<b>“Closing Accounts”</b>	has the meaning set out under item (1)(a) in the paragraph headed “Adjustments to Shares Consideration” in this announcement
<b>“Closing Adjusted NAV”</b>	has the meaning set out under item (2)(b) in the paragraph headed “Adjustments to Shares Consideration” in this announcement
<b>“Company”</b>	Great Eagle Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange (Stock Code: 41)
<b>“Condition(s) for Asset Acquisition”</b>	the condition(s) set out under the paragraph headed “Conditions for the Asset Acquisition” in this announcement
<b>“Demerger”</b>	has the meaning set out under the paragraph headed “Demerger” in this announcement
<b>“Demerger Long Stop Date”</b>	has the meaning set out under the paragraph headed “Demerger” in this announcement
<b>“Deposit”</b>	has the meaning set out under the paragraph headed “Deposit” in this announcement
<b>“Director(s)”</b>	the director(s) of the Company

<b>“Exit Sale for the Asset Acquisition”</b>	has the meaning set out under item (a) in the paragraph headed “Exit Sale for the Asset Acquisition” in this announcement
<b>“Exit Sale for the Shares Acquisition”</b>	has the meaning set out under item (a) in the paragraph headed “Exit Sale for the Shares Acquisition” in this announcement
<b>“Extended Demerger Long Stop Date”</b>	has the meaning set out under item (a) in the paragraph headed “Demerger” in this announcement
<b>“Extended Long Stop Date”</b>	has the meaning set out under item (a) in the paragraph headed “Conditions for the Shares Acquisition” in this announcement
<b>“Floor Price”</b>	has the meaning set out under item (a) in the paragraph headed “Right of First Notification” in this announcement
<b>“Framework Deed”</b>	the deed relating to framework for the sale and purchase of the Target Asset entered into by Shine First and Wisdom Joy dated 27 August 2014 relating to the Asset Acquisition
<b>“GE Subsidiary”</b>	a wholly foreign owned enterprise in the PRC to be established by Wisdom Joy as its indirect wholly-owned subsidiary with the necessary capacity to acquire the Target Asset (including having sufficient funds to satisfy the PRC Initial Payment)
<b>“GE Xintiandi”</b>	G.E. Hotel (Xintiandi) Limited, a company incorporated in the BVI and an indirect wholly-owned subsidiary of the Company
<b>“Gross Consideration After Tax for the Asset Acquisition”</b>	has the meaning set out under the paragraph headed “Exit Sale for the Asset Acquisition” in this announcement
<b>“Group”</b>	the Company and its subsidiaries
<b>“Handover”</b>	the physical delivery (實際交付) of the Target Asset to the GE Subsidiary for the purposes of passing the control of the Target Asset to the GE subsidiary, which shall occur upon the completion acceptance (竣工驗收) of the Target Asset by the GE Subsidiary pursuant to the terms of the Preliminary PRC SPAs
<b>“HK\$”</b>	Hong Kong dollar, the lawful currency of Hong Kong

<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the PRC
<b>“Hurdle Capital Value for the Asset Acquisition”</b>	the total capital value of the Target Asset upon completion of the Exit Sale for the Asset Acquisition that would produce an IRR of 8.5% per annum for all the investments by the Group in the Target Asset, being the sum of (i) the total capital value of the Asset Consideration paid plus incidental acquisition costs of the Target Asset by the Group, and (ii) the total accrued costs for renovation, furniture, fixtures and equipment (FF&E) incurred by the Group in respect of the Target Asset up to completion of the Exit Sale for the Asset Acquisition
<b>“Hurdle Capital Value for the Shares Acquisition”</b>	the total capital value of the LXTD Hotel upon completion of the Exit Sale for the Shares Acquisition that would produce an IRR of 8.5% per annum for all the investments by the Group in the LXTD Hotel, being the sum of (i) the total capital value of the Aggregate Shares Consideration paid plus incidental acquisition costs of the LXTD Hotel by the Group, and (ii) two-thirds of the total accrued costs for renovation, furniture, fixtures and equipment (FF&E) incurred by the Group in respect of the LXTD Hotel up to completion of the Exit Sale for the Shares Acquisition
<b>“IRR”</b>	internal rate of return
<b>“Landton”</b>	Landton Limited (禮東有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Target Company as at the date of this announcement
<b>“Loan Consideration”</b>	consideration payable by GE Xintiandi for the Shareholder Loan, which shall be equal to the amount of the Shareholder Loan as at the Shares Completion on a dollar-to-dollar basis
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange
<b>“LXTD Hotel”</b>	the Langham Xintiandi Hotel, the real property located at 4/1 Qiu, Jiefeng 108, Huaihai Middle Road, Luwan District (now known as Huangpu District), Shanghai, the PRC including the land where the said property is erected thereon
<b>“LXTD Hotel Business”</b>	the investment interest of Landton in Shanghai Li Xing in respect of the ownership of the LXTD Hotel and the ownership and operations of the LXTD Hotel by Shanghai Li Xing
<b>“Management Company”</b>	上海新天地酒店管理有限公司 (Shanghai Xintiandi Hotel Management Co., Ltd.), a company established in the PRC

<b>“Mr. Vincent Lo”</b>	Mr. Lo Hong Sui, Vincent, a non-executive Director
<b>“PRC”</b>	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 Taiwan
<b>“PRC Initial Payment”</b>	has the meaning set out under item (a)(i) in the paragraph headed “Deposit” in this announcement
<b>“PRC Initial Payment Date”</b>	has the meaning set out under item (a)(v) in the paragraph headed “Deposit” in this announcement
<b>“PRC Signing”</b>	signing of the Preliminary PRC SPAs in accordance with the terms of the Framework Deed
<b>“PRC SPAs”</b>	collectively, the Aboveground Pre-SPA, the Underground Preliminary SPA, the Underground Hotel SPA and the Carpark SPAs
<b>“Preliminary PRC SPAs”</b>	collectively, the Aboveground Pre-SPA and the Underground Preliminary SPA
<b>“Pro Forma Closing Statements”</b>	has the meaning set out under item (1)(b) in the paragraph headed "Adjustments to Shares Consideration" in this announcement
<b>“Project Company”</b>	上海瑞橋房地產發展有限公司 (Shanghai Ruiqiao Real Estate Development Co., Ltd. ), a company established in the PRC and an indirect wholly-owned subsidiary of Shine First as at the date of this announcement
<b>“Proportion in the LXTD Hotel”</b>	has the meaning set out under the paragraph headed "Exit Sale for the Shares Acquisition" in this announcement
<b>“Proportion in the Target Asset”</b>	has the meaning set out under the paragraph headed "Exit Sale for the Asset Acquisition" in this announcement
<b>“RMB”</b>	Renminbi, the lawful currency of the PRC
<b>“SGM”</b>	the special general meeting to be convened by the Company to consider and, if thought fit, approve the Framework Deed, the PRC SPAs, the SPA and the transactions contemplated thereunder

<b>“Sale Shares”</b>	2 ordinary shares in the issued share capital of the Target Company, representing approximately 66.67% of its total issued share capital and being all the shares held by China Xintiandi in the issued share capital of the Target Company as at the date of this announcement
<b>“Sale Interest”</b>	has the meaning set out under the paragraph headed "Right of First Notification" in this announcement
<b>“Shanghai Li Xing”</b>	上海禮興酒店有限公司 (Shanghai Li Xing Hotel Co., Ltd.), a company established in the PRC with limited liability and was owned as to 50% by Landton and as to 50% by the Andaz Shareholders as at the date of this announcement
<b>“Share(s) ”</b>	ordinary share(s) in the capital of the Company
<b>“Shareholder(s) ”</b>	holder(s) of Shares
<b>“Shareholder Loan”</b>	the non-interest-bearing and unsecured loans owed by the members of the Target Group to China Xintiandi (together with its affiliates) as at the Shares Completion, which is approximately RMB466,900,000 (equivalent to approximately HK\$588,294,000) as at the date of this announcement
<b>“Shares Acquisition”</b>	the sale and purchase of the Sale Shares and the Shareholder Loan pursuant to the terms of the SPA
<b>“Shares Completion”</b>	completion of the sale and purchase of the Sale Shares and the Shareholder Loan in accordance with the terms of the SPA
<b>“Shares Completion Date”</b>	the date on which the Shares Completion takes place
<b>“Shares Consideration”</b>	the consideration (subject to adjustment) payable for the Sale Shares under the SPA
<b>“Shares Deposit”</b>	has the meaning set out under item (a) in the paragraph headed "Terms of Settlement of the Aggregate Shares Consideration" in this announcement
<b>“Shares Long Stop Date”</b>	31 December 2014
<b>“Shine First”</b>	Shine First Limited, a company incorporated in the BVI and an indirect wholly-owned subsidiary of SOL as at the date of this announcement
<b>“SOL”</b>	Shui On Land Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Stock Exchange (stock code: 272)
<b>“SOL Group”</b>	SOL and its subsidiaries

<b>“SPA”</b>	the agreement for the sale and purchase of the Sale Shares and the Shareholder Loan entered into by China Xintiandi and GE Xintiandi dated 27 August 2014 relating to the Shares Acquisition
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“Target Asset”</b>	the assets known as "The HUB Hotel" located at Building #4, D17 Block, Land Plot 06, Phase I of Hongqiao Commercial Core Zone, Minhang District, Shanghai, the PRC (together with the land use rights underlying such assets), which was owned and being developed by the Project Company as at the date of this announcement and comprises the Aboveground Portion, the Underground Portion and the Carpark Portion
<b>“Target Company”</b>	Magic Garden Investments Limited, a company incorporated in the BVI with limited liability and was owned as to approximately 66.67% by China Xintiandi and as to approximately 33.33% by GE Xintiandi as at the date of this announcement
<b>“Target Business”</b>	the Target Group together with the LXTD Hotel Business
<b>“Target Group”</b>	the Target Company, Victorious Run and Landton
<b>“Two-Thirds of Gross Consideration After Tax for the Shares Acquisition”</b>	has the meaning set out under the paragraph headed "Exit Sale for the Shares Acquisition" in this announcement
<b>“Underground Portion”</b>	the underground portion of the Target Asset
<b>“Underground Hotel SPA”</b>	the sale and purchase agreement to be entered into by the Project Company and the GE Subsidiary in relation to the sale and purchase of the Underground Portion
<b>“Underground Preliminary SPA”</b>	the preliminary sale and purchase agreement (預約訂購合同) to be entered into by the Project Company and the GE Subsidiary in relation to the sale and purchase of the Underground Portion and the Carpark Portion

“ <b>Victorious Run</b> ”	Victorious Run Limited, a company incorporated in the BVI with limited liability and a direct wholly-owned subsidiary of the Target Company as at the date of this announcement
“ <b>Wisdom Joy</b> ”	Wisdom Joy Investments Limited, a company incorporated in the BVI and an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“ <b>%</b> ”	Percent
“ <b>m<sup>2</sup></b> ”	Square metre

*For the purpose of this announcement and for illustrative purpose only, RMB is converted into HK\$ at the rate of RMB1:HK\$1.26. No representation is made that any amounts in RMB has been or could be converted at the above rates or at any other rates.*

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

Hong Kong, 27 August 2014

*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.*