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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)



Shui On Land Limited
瑞安房地產有限公司*

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 272)

ANNOUNCEMENT

CONTINUING CONNECTED TRANSACTIONS

RENEWAL OF ANNUAL CAPS FOR THE HOTEL RELATED AGREEMENTS IN RELATION TO THE LANGHAM XINTIANDI, SHANGHAI

Reference is made to the announcement and the circular of Great Eagle dated 1 April 2010 and 21 April 2010 respectively, and the announcement and the circular of SOL dated 9 September 2011 and 6 October 2011 respectively in relation to, among other things, the continuing connected transactions under the following Hotel Related Agreements entered into between the Great Eagle Group and Shanghai Li Xing on 1 April 2010:

- (1) the Hotel Management Agreement whereby LHS was given the exclusive right to manage and operate The Langham Xintiandi, Shanghai for a term of 20 years from the opening of the hotel in 2012 and renewable by LHS for multiple 10-year periods, subject to the terms and conditions therein; and
- (2) the Licence Agreement whereby Shanghai Li Xing was granted a non-exclusive and non-transferable licence to use the “Langham” and other marks for the operation of The Langham Xintiandi, Shanghai during the term of the Hotel Management Agreement.

As the Existing Annual Caps had expired on 31 December 2013, Great Eagle and SOL have agreed to renew the annual caps of the Hotel Related Agreements for each of the three financial years ending 31 December 2014, 31 December 2015 and 31 December 2016 to ensure compliance with the Listing Rules.

Mr. Vincent Lo is a non-executive director of Great Eagle and by virtue of being a discretionary object of a discretionary trust which owns more than 30% of the issued share capital of Great Eagle, Mr. Vincent Lo is an associate of the controlling shareholder of Great Eagle. Shanghai Li Xing is a non wholly-owned subsidiary of SOL of which Mr. Vincent Lo, who is 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, the transactions under the Hotel Related Agreements constitute continuing connected transactions for both Great Eagle and SOL under the Listing Rules.

As one or more of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the Renewed Annual Caps are more than 0.1% but less than 5%, the continuing connected transactions under the Hotel Related Agreements (together with the Renewed Annual Caps) are subject to the reporting, announcement and annual review requirements but exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules for each of Great Eagle and SOL.

Background Information

Reference is made to the announcement and the circular of Great Eagle dated 1 April 2010 and 21 April 2010 respectively, and the announcement and the circular of SOL dated 9 September 2011 and 6 October 2011 respectively in relation to, among other things, the continuing connected transactions under the following Hotel Related Agreements entered into between the Great Eagle Group and Shanghai Li Xing on 1 April 2010:

- (1) the Hotel Management Agreement whereby LHS was given the exclusive right to manage and operate The Langham Xintiandi, Shanghai for a term of 20 years from the opening of the hotel in 2012 and renewable by LHS for multiple 10-year periods, subject to the terms and conditions therein; and
- (2) the Licence Agreement whereby Shanghai Li Xing was granted a non-exclusive and non-transferable licence to use the "Langham" and other marks for the operation of The Langham Xintiandi, Shanghai during the term of the Hotel Management Agreement.

The Hotel Management Fees payable by Shanghai Li Xing to LHS shall be determined with reference to a base fee of 0.5% of the total revenue of The Langham Xintiandi, Shanghai and an incentive fee at 6.75% over the gross operating profit of The Langham Xintiandi, Shanghai and a payment to LHS for global marketing and advertising services at 2% over the total room revenue of The Langham Xintiandi, Shanghai payable on a monthly basis. The Licence Fees payable by Shanghai Li Xing to LHI shall be determined with reference to a fee of 1% over the total revenue of The Langham Xintiandi, Shanghai payable on a monthly basis. The aggregate of the Hotel Management Fees and Licence Fees is comparable to fees charged by independent third parties for similar services.

As the Existing Annual Caps had expired on 31 December 2013, Great Eagle and SOL have agreed to renew the annual caps of the Hotel Related Agreements for each of the three financial years ending 31 December 2014, 31 December 2015 and 31 December 2016 to ensure compliance with the Listing Rules.

Historical Figures

For each of the three financial years ended 31 December 2011, 31 December 2012 and 31 December 2013, the aggregate amount of Hotel Management Fees and Licence Fees paid or payable by Shanghai Li Xing to the Great Eagle Group are as follows:

	For the financial year ended 31 December		
	2011	2012	2013
	(Audited)	(Audited)	(Unaudited)
	RMB	RMB	RMB
Hotel Management Fees and Licence Fees	5,000,000	10,000,000	14,000,000
	(equivalent to approximately HK\$6,000,000)	(equivalent to approximately HK\$13,000,000)	(equivalent to approximately HK\$18,000,000)

Renewed Annual Caps

Great Eagle and SOL have agreed to set the Renewed Annual Caps as follows:

	For the financial year ending 31 December		
	2014	2015	2016
	RMB	RMB	RMB
Renewed Annual Caps	25,000,000	27,000,000	29,000,000
	(equivalent to approximately HK\$32,000,000)	(equivalent to approximately HK\$35,000,000)	(equivalent to approximately HK\$37,000,000)

The Renewed Annual Caps are determined by the parties on an arm's length basis taking into account of the following:

- (a) the historical transaction amounts of the Hotel Management Fees and Licence Fees for each of the three financial years ended 31 December 2011, 31 December 2012 and 31 December 2013;
- (b) the estimated maximum operating results of The Langham Xintiandi, Shanghai based on virtually full occupancy; and
- (c) inflation.

The above is merely assumed for the purpose of determining the Renewed Annual Caps and shall not be regarded as any indication directly or indirectly as to the revenue, profitability or operating prospects of the Great Eagle Group or the SOL Group.

REASONS AND BENEFITS FOR THE TRANSACTIONS UNDER THE HOTEL RELATED AGREEMENTS

Great Eagle is holding 100% interest in the Langham Hospitality Group. It is knowledgeable and experienced in the development, operation and management of hotels and the related complementary services necessary for building a comprehensive hospitality platform.

With SOL Group's participation in the investment of hotel properties and considering the expertise of the Langham Hospitality Group which understands well the requirements and standards of SOL in the provision of hotel hospitality services, SOL considered that the continuing connected transactions under the Hotel Related Agreements will allow the SOL Group to leverage on the experience of the Langham Hospitality Group in hotel management and will benefit the ongoing operation of The Langham Xintiandi, Shanghai and facilitate the future growth of the SOL Group.

LISTING RULES IMPLICATIONS

Mr. Vincent Lo is a non-executive director of Great Eagle and by virtue of being a discretionary object of a discretionary trust which owns more than 30% of the issued share capital of Great Eagle, Mr. Vincent Lo is an associate of the controlling shareholder of Great Eagle. Shanghai Li Xing is a non wholly-owned subsidiary of SOL of which Mr. Vincent Lo, who is 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, the transactions under the Hotel Related Agreements constitute continuing connected transactions for both Great Eagle and SOL under the Listing Rules.

As one or more of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the Renewed Annual Caps are more than 0.1% but less than 5%, the continuing connected transactions under the Hotel Related Agreements (together with the Renewed Annual Caps) are subject to the reporting, announcement and annual review requirements but exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules for each of Great Eagle and SOL.

The directors (excluding Mr. Vincent Lo who has abstained but including the independent non-executive directors) of Great Eagle believe that the terms of the Hotel Related Agreements are on normal commercial terms, and together with the Renewed Annual Caps are fair and reasonable so far as the shareholders of Great Eagle are concerned, and the transactions thereunder are in the ordinary and usual course of the Great Eagle Group's business and in the interest of Great Eagle and the shareholders of Great Eagle as a whole.

As disclosed above in relation to Mr. Vincent Lo's interests in Great Eagle, he may be regarded as having a material interest in the continuing connected transactions under the Hotel Related Agreements and therefore has abstained from voting at the meeting of the SOL Board convened for the purpose of approving the Renewed Annual Caps. Save as disclosed above, none of the directors of SOL has a material interest in the Hotel Related Agreements. The directors of SOL (including the independent non-executive directors of SOL but excluding Mr. Vincent Lo who has abstained from voting) consider that the terms of the Hotel Related Agreements are on normal commercial terms and the transactions thereunder (together with the Renewed Annual Caps) are fair and reasonable and in the interests of SOL and its shareholders as a whole.

GENERAL INFORMATION

The principal activities of the Great Eagle 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.

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.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context otherwise requires.

“associate(s)” , “connected person(s)” “subsidiary(ies)”	each has the meaning ascribed to it under the Listing Rules
“Existing Annual Caps”	the aggregate of the estimated maximum annual Hotel Management Fees and annual Licence Fees payable by Shanghai Li Xing to the Great Eagle Group under the Hotel Related Agreements for each of the three financial years ended 31 December 2011, 31 December 2012 and 31 December 2013
“Great Eagle”	Great Eagle Holdings Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on the main board of the Stock Exchange (stock code: 41)
“Great Eagle Group”	Great Eagle and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hotel Management Agreement”	the agreement dated 1 April 2010 entered into between LHS and Shanghai Li Xing whereby LHS was appointed as hotel manager to provide hotel management service in the operation of The Langham Xintiandi, Shanghai
“Hotel Management Fees”	the aggregate amount of management fees and other fees incurred or to be incurred under the Hotel Management Agreement
“Hotel Related Agreements”	the Hotel Management Agreement and the Licence Agreement relating to The Langham Xintiandi, Shanghai

“Langham Hospitality Group”	Langham Hospitality Group Limited (a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of Great Eagle) and its subsidiaries, including LHI and LHS, which form part of the Great Eagle Group
“LHI”	Langham Hotels International Limited (朗廷酒店國際有限公司), a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of Great Eagle
“LHS”	朗廷酒店管理(上海)有限公司 (Langham Hotels (Shanghai) Company Limited), a company established in the PRC and an indirect wholly-owned subsidiary of Great Eagle
“Licence Agreement”	the agreement dated 1 April 2010 entered into between LHI and Shanghai Li Xing whereby LHI granted to Shanghai Li Xing a non-exclusive and non-transferable licence to use the “Langham” and other trademarks for the operation of The Langham Xintiandi, Shanghai
“Licence Fees”	the licence fees or other fees incurred or to be incurred under the Licence Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MGIL”	Magic Garden Investments Limited (妙園投資有限公司), a company incorporated in the British Virgin Islands, was originally owned as to 33.3% by the Great Eagle Group and 66.7% by Shui On Investment Company Limited, an associate of Mr. Vincent Lo. MGIL subsequently become a non wholly-owned subsidiary of SOL following the acquisition of the entire legal and beneficial ownership in MGIL by the SOL Group from Shui On Investment Company Limited which was completed in March 2012. Accordingly, MGIL remained a connected person of Great Eagle under the Listing Rules
“Mr. Vincent Lo”	Mr. Lo Hong Sui, Vincent
“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
“Renewed Annual Caps”	the aggregate of the estimated maximum annual Hotel Management Fees and annual Licence Fees payable by Shanghai Li Xing to the Great Eagle Group under the Hotel Related Agreements for each of the three financial years ending 31 December 2014, 31 December 2015 and 31 December 2016
“RMB”	Renminbi, the lawful currency of the PRC

“ Shanghai Li Xing ”	上海禮興酒店有限公司 (Shanghai Li Xing Hotel Co., Ltd.), a company established in the PRC and owned as to 50% by MGIL, being the holder of, among other properties, The Langham Xintiandi, Shanghai
“ SOL ”	Shui On Land Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the main board of the Stock Exchange (stock code: 272)
“ SOL Board ”	the board of directors of SOL
“ SOL Group ”	SOL and its subsidiaries
“ Stock Exchange ”	The Stock Exchange of Hong Kong Limited
“ The Langham Xintiandi, Shanghai ”	the hotel erected on 4/1 Qiu, Jiefang 108, Huaihai Middle Road, Luwan District (now known as Huangpu District), Shanghai, the PRC
“ % ”	per cent.

For the purpose of illustration only, conversion of RMB into HK\$ in this announcement are based on the exchange rates of RMB1.00 to HK\$1.210 for the year 2011, to HK\$1.230 for the year 2012 and to HK\$1.263 for the year 2013 and onwards. Such conversions should not be construed as representations that any amounts have been, could have been, or may be, exchanged at these or any other rates.

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

By Order of the Board
Shui On Land Limited
VINCENT H. S. LO
Chairman

Hong Kong, 28 January 2014

As at the date of this announcement, the board of directors of Great Eagle 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.

At the date of this announcement, the executive directors of SOL are Mr. Vincent H. S. LO (Chairman), Mr. Daniel Y. K. WAN and Mr. Philip K. T. WONG; the non-executive director of SOL is Mr. Frankie Y. L. WONG; and the independent non-executive directors of SOL are Sir John R. H. BOND, Dr. William K. L. FUNG, Professor Gary C. BIDDLE, Dr. Roger L. McCARTHY and Mr. David J. SHAW.

** For identification purpose only*