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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: 0041)

CONNECTED TRANSACTION FORMATION OF JOINT VENTURE FOR ACQUISITION OF AN OFFICE PROPERTY IN LONDON

FORMATION OF JOINT VENTURE

Reference is made to the announcement of Champion REIT, a non wholly-owned subsidiary of the Company, dated 28 February 2021 concerning the connected party transaction in relation to a minority interest in a joint venture formed to acquire an office property in London pursuant to the REIT Code.

On 26 February 2021 (after trading hours), Champion REIT (through the Champion SPV) entered into the MOA with the Other JV Parties pursuant to which the JV Parties agreed to form the Joint Venture for the purpose of acquiring “66 Shoe Lane”, being an office building in the City of London.

Pursuant to the MOA, shares of the JV Company were issued and allotted to each of the JV Parties. Following such issue and allotment of shares of the JV Company, the Champion SPV holds 27% of the total issued shares of the JV Company.

On the same day, the JV Company agreed to acquire the Target Company, which wholly-owns the Property, from the Sellers pursuant to the Sale and Purchase Agreement.

The aggregate capital commitment of Champion REIT in respect of the Joint Venture is expected to be £69.7 million (approximately HK\$764.3 million based on the Indicative Exchange Rate), after taking into account the Champion SPV’s *pro rata* share, based on its Shareholding Proportion, of the consideration payable for the Acquisition (including the Acquisition Deposit paid by Champion REIT), stamp duty, transaction costs and expenses and the ongoing working capital needs of the JV Company and the Target Company.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Mr. Christopher Cheng is a director of the REIT Manager, a wholly-owned subsidiary of Company and Wing Tai (being one of the JV Parties) is an associate of Mr. Christopher Cheng. Each of Mr. Christopher Cheng and Wing Tai is therefore a connected person of the Company at the subsidiary level and the Transaction constitutes a connected transaction of the Company at the subsidiary level under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Transaction exceeds 1% but less than 5%, pursuant to Rule 14A.76 of the Listing Rules, the Transaction constitutes a de minimis transaction of the Company and is subject to the announcement and reporting requirements, but exempted from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of: (i) the Other JV Parties, other than Wing Tai; and (ii) the Sellers is a third party independent of the Company and its connected persons.

No Director has a material interest in the Transaction and none of them was required to abstain from voting on the Board resolutions approving the Transaction.

Completion under the Sale and Purchase Agreement (i.e. the Acquisition Completion) is expected to take place on or around 9 April 2021. Upon the later of: (i) the Acquisition Completion; and (ii) the JV Parties agreeing to the final form of the JVA, the JV Parties will enter into the JVA, which will supersede the MOA, to govern the relationship between the JV Parties as shareholders of the JV Company.

Further announcement will be made in relation to the entering into of the JVA in accordance with all applicable requirements of the Listing Rules as and when required and appropriate.

Reference is made to the announcement of Champion REIT, a non wholly-owned subsidiary of the Company, dated 28 February 2021 concerning the connected party transaction in relation to a minority interest in a joint venture formed to acquire an office property in London pursuant to the REIT Code.

1. BACKGROUND

On 26 February 2021 (after trading hours), Champion REIT (through the Champion SPV) entered into the MOA with the Other JV Parties pursuant to which the JV Parties agreed to form the Joint Venture for the purpose of acquiring "66 Shoe Lane", being an office building in the City of London.

2. MEMORANDUM OF AGREEMENT

The principal terms of the MOA and the capital commitment of Champion REIT in respect of the Joint Venture are summarised below:

Date : 26 February 2021

Parties : Following the issue and allotment of shares of the JV Company to each JV Party, the Shareholding Proportion of each JV Party is as follows:

	<u>Shareholding Proportion</u>
(i) Top Paramount (or through its wholly-owned subsidiary)	31%
(ii) Champion SPV	27%
(iii) Wing Tai (or through its wholly-owned subsidiary)	21%
(iv) Sparkle Delight (or through its wholly-owned subsidiary)	21%
Total	100%

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, other than Wing Tai, each of Top Paramount and Sparkle Delight and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

Purpose : The JV Company is a single purpose vehicle with the sole purpose of acquiring the Property (through the Acquisition).

Board composition : The JV Company shall have four directors. Each JV Party shall be entitled to appoint one director to the board of directors of the JV Company for every whole 20% of the shareholding interest held by it. Based on the Shareholding Proportion, each JV Party will have the right to appoint one director.

Shareholder loan contributions : Each JV Party has contributed its *pro rata* share of the Acquisition Deposit of £20 million (approximately HK\$219.3 million based on the Indicative Exchange Rate) by way of shareholder loan based on its Shareholding Proportion.

The JV Company shall issue a notice to the JV Parties, which shall specify the further shareholder loan contribution required from each JV Party, being their respective *pro rata* share of the Initial Acquisition Consideration (and, if necessary, the post-completion adjustment payment under the Sale and Purchase Agreement) based on the Shareholding Proportion (the “**Further Contribution**”), and the date by which the Further Contribution shall be paid. Each JV Party shall make its Further Contribution by way of shareholder loan to the JV Company by such date.

Financing : The JV Company shall obtain separate approvals from the respective boards of each JV Party prior to obtaining external loans from any banks or financial institutions. If such banks or financial institutions require guarantees, indemnities or securities, the JV Parties shall only provide the same on a several and *pro rata* basis based on their respective Shareholding Proportion.

In the event external loans are insufficient and additional financing is required, this shall be satisfied by shareholder loans on a *pro rata* basis based on the JV Parties’ respective Shareholding Proportion, unless the JV Parties unanimously agree to other arrangements.

Capital commitment of Champion REIT in respect of the Joint Venture : The aggregate capital commitment of Champion REIT in respect of the Joint Venture is expected to be £69.7 million (approximately HK\$764.3 million based on the Indicative Exchange Rate), after taking into account the Champion SPV’s *pro rata* share, based on its Shareholding Proportion, of the consideration payable for the Acquisition (including the Acquisition Deposit paid by Champion REIT), stamp duty, transaction costs and expenses and the ongoing working capital needs of the JV Company and the Target Company.

For further information on the formation of the Joint Venture and the capital commitment of Champion REIT in respect of the Joint Venture, please refer to the aforesaid announcement made by Champion REIT on 28 February 2021.

3. SALE AND PURCHASE AGREEMENT

Key terms of the Sale and Purchase Agreement are set out below:

Date : 26 February 2021

Parties : (1) HPREF Athene Holding S.à r.l. and Henderson Park Real Estate Fund I Finance Master Ltd (as the Sellers)

(2) Athene Investment (BVI) Limited (as the JV Company and also as purchaser)

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Sellers and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

- Subject of the Acquisition : 100% of the issued share capital of HPREF Athene Investment S.à r.l. as the Target Company, being the legal and beneficial owner of the Property
- Consideration : The NAV of the Target Company as at the Acquisition Completion Date (which will be calculated based on the accounting principles set out in the Sale and Purchase Agreement), less the Sellers' contribution to the cost of the JV Company's warranties and indemnities insurance policy (subject to a cap of £150,000).
- For the purposes of determining the NAV, the value of the Property has been fixed at the Agreed Property Value of £255 million (approximately HK\$2,796.4 million based on the Indicative Exchange Rate).
- The amount of the Initial Acquisition Consideration shall be determined based on the estimated NAV and subject to customary completion accounts adjustments.
- Acquisition Deposit : £20 million (approximately HK\$219.3 million based on the Indicative Exchange Rate), which shall be held by the Sellers' Solicitors as stakeholders pending the Acquisition Completion.
- Expected Acquisition Completion Date : 9 April 2021

Key information on the Property is set out below:

- General description : The Property is an 11-storey (including one lower ground floor) building situated at 66 Shoe Lane, London EC4A 3BQ (formerly known as Athene Place), with approximately 153,462 square feet of office and ancillary space and approximately 4,196 square feet of retail space.
- Value of the Property held by the Target Company (as appraised by the JV Valuer) : £260 million (approximately HK\$2,851.2 million based on the Indicative Exchange Rate) as at 15 December 2020.

For further information on the Acquisition and the Property, please refer to the aforesaid announcement made by Champion REIT on 28 February 2021.

4. REASONS FOR AND BENEFITS OF ENTERING INTO THE JOINT VENTURE

The Joint Venture will allow the Group through Champion REIT to further diversify the Group's existing portfolio of properties outside Hong Kong with a lower investment outlay than that required for 100% ownership and the Directors considers the Joint Venture to be a valuable opportunity for the Group through Champion REIT to expand overseas in a prudent and measured manner.

The Directors (including the INEDs) consider that the terms of the Transaction are fair and reasonable, the Transaction is on normal commercial terms, in the ordinary and usual course of business of the Group, and in the interests of the Company and the Shareholders as a whole.

5. INFORMATION OF THE GROUP AND THE JV PARTIES

The Group

The principal activities of the Group include investment holding, property development and investment, operations of hotel, restaurant and flexible workspace, manager of Champion REIT, trading of building materials, securities investment, provision of property management, maintenance and property agency services, property leasing and asset management. Its hotel portfolio covers Asia, Australia, Europe, New Zealand and North America.

Champion REIT is a non wholly-owned subsidiary of the Company, being a collective investment scheme constituted as a unit trust and authorised by the SFC under section 104 of the SFO, whose Units are listed on the Main Board of the Stock Exchange. The principal business activities of Champion REIT are to invest in and own income-producing office and retail properties with the objective of providing Unitholders with stable and sustainable distributions and to achieve long-term capital growth through proactive management of the properties in Champion REIT's portfolio and the selective acquisition of properties.

The Champion SPV is a special purpose vehicle of Champion REIT established in the British Virgin Islands for the purpose of holding Champion REIT's interest in the JV Company which will, upon the Acquisition Completion, hold the Property through the Target Company.

Top Paramount

The principal business of Top Paramount is investment holding. The ultimate beneficial owner of Top Paramount is Mr. Chee Chen Tung.

Wing Tai

Wing Tai is an investment holding company. The principal subsidiaries of Wing Tai are engaged in property development, property investment and management and hospitality investment and management.

Sparkle Delight

The principal business of Sparkle Delight is investment holding. The ultimate beneficial owner of Sparkle Delight is Mr. Lui, Francis Yiu-tung.

6. IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Mr. Christopher Cheng is a director of the REIT Manager, a wholly-owned subsidiary of Company and Wing Tai is an associate of Mr. Christopher Cheng. Each of Mr. Christopher Cheng and Wing Tai is therefore a connected person of the Company at the subsidiary level and the Transaction constitutes a connected transaction of the Company at the subsidiary level under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Transaction exceeds 1% but less than 5%, pursuant to Rule 14A.76 of the Listing Rules, the Transaction constitutes a de minimis transaction of the Company and is subject to the announcement and reporting requirements, but exempted from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

No Director has a material interest in the Transaction and none of them was required to abstain from voting on the Board resolutions approving the Transaction.

Completion under the Sale and Purchase Agreement (i.e. the Acquisition Completion) is expected to take place on or around 9 April 2021. Upon the later of (i) the Acquisition Completion; and (ii) the JV Parties agreeing to the final form of the JVA, the JV Parties will enter into the JVA, which will supersede the MOA, to govern the relationship between the JV Parties as shareholders of the JV Company.

Further announcement will be made in relation to the entering into of the JVA in accordance with all applicable requirements of the Listing Rules as and when required and appropriate.

7. DEFINITIONS

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

“Acquisition” means the proposed acquisition by the JV Company of the Property through the acquisition of the Target Company

“Acquisition Completion” means the completion of the Acquisition under the Sale and Purchase Agreement

“Acquisition Completion Date” means the date on which the Acquisition Completion takes place in accordance with the Sale and Purchase Agreement

“Acquisition Deposit” means the deposit in the amount of £20 million (approximately HK\$219.3 million based on the Indicative Exchange Rate), which has been paid to and shall be held by the Sellers’ Solicitors as stakeholders pending the Acquisition Completion

“Agreed Property Value” means the value attributable to the Property as agreed between the JV Company and the Sellers, being £255 million (approximately HK\$2,796.4 million based on the Indicative Exchange Rate)

“Airspace Leasehold Interest” means the leasehold estate in the Property (forming an area of airspace) for a term of 50 years from 31 October 2000 up to 12:00pm on 31 October 2050 with an option to renew (subject to payment of a premium based on the open market value as determined in accordance with the terms of the lease) for a further term of 50 years from 12:00pm on 31 October 2050 up to 12:00pm on 31 October 2100 as granted by The Queen’s Most Excellent Majesty and as registered at HM Land Registry under title number NGL794153

The head rent is fixed at a peppercorn for the term of the lease.

“associate”	bears the meaning as defined in the Listing Rules
“Board”	means the board of Directors
“Champion REIT”	means Champion Real Estate Investment Trust, a non wholly-owned subsidiary of the Company held as to 67.22% by the Company and a collective investment scheme constituted as a unit trust and authorised by the SFC under section 104 of the SFO subject to applicable conditions from time to time (stock code: 2778)
“Champion SPV”	means CP Investments (UK) Limited, a special purpose vehicle of Champion REIT established in the British Virgin Islands for the purpose of holding Champion REIT’s interest in the JV Company
“Company”	means Great Eagle Holdings Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 41)
“connected person(s)”	bears the meaning ascribed to it under the Listing Rules
“Director(s)”	means the director(s) of the Company
“Further Contribution”	has the meaning ascribed to it under the sub-heading of “Shareholder loan contributions” in section 2 of this announcement
“HK\$”	means Hong Kong dollar, the lawful currency of Hong Kong
“Group”	means the Company and its subsidiaries
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China
“Indicative Exchange Rate”	means the exchange rate of £1 to HK\$10.9661 quoted by Bloomberg as at 24 February 2021
“INEDs”	means the independent non-executive Directors
“Initial Acquisition Consideration”	means the amount payable by the JV Company to the Sellers on the Acquisition Completion Date
“Joint Venture”	means the joint venture established by the JV Parties for the purpose of acquiring and owning the Property (through the JV Company acquiring the Target Company)

“JV Company”	means Athene Investment (BVI) Limited, being the purchaser of the Target Company
“JV Parties”	means Top Paramount, the Champion SPV, Wing Tai and Sparkle Delight
“JV Valuer”	means Knight Frank LLP
“JVA”	means the joint venture agreement to be entered into by and between the JV Parties to govern their relationship as shareholders of the JV Company
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Main Leasehold Interest”	means the leasehold estate in the Property (excluding the area demised under the Airspace Leasehold Interest) for a term of 99 years from 1 October 2002 up to 30 September 2101 with an option to renew (at nil cost) for a further term of 51 years from 1 October 2101 up to 30 September 2152 as granted by The Mayor and Commonalty and Citizens of The City of London and as registered at HM Land Registry under title number NGL824031 The head rent is fixed at a peppercorn for the term of the lease.
“MOA”	means the binding memorandum of agreement dated 26 February 2021 entered into by and between the JV Parties which sets out the principal terms of the Joint Venture
“Mr. Christopher Cheng”	means Mr. Cheng Wai Chee, Christopher
“NAV”	means net asset value
“Other JV Parties”	means Top Paramount, Wing Tai and Sparkle Delight
“Property”	means the property situated at 66 Shoe Lane, London EC4A 3BQ and comprising the Main Leasehold Interest and the Airspace Leasehold Interest
“REIT Code”	means the Code on Real Estate Investment Trusts issued by SFC, as amended, supplemented or otherwise modified from time to time
“REIT Manager”	means Eagle Asset Management (CP) Limited, in its capacity as manager of Champion REIT and a wholly-owned subsidiary of the Company

“Sale and Purchase Agreement”	means the sale and purchase agreement dated 26 February 2021 in relation to the Acquisition
“Sellers”	means HPREF Athene Holding S.à r.l. and Henderson Park Real Estate Fund I Finance Master Ltd
“Sellers’ Solicitors”	means Bryan Cave Leighton Paisner LLP, being the legal advisers to the Sellers in the Acquisition
“Shares”	means the ordinary shares of HK\$0.50 each in the share capital of the Company
“Shareholders”	means holders of the Shares
“SFC”	means the Securities and Futures Commission as stated in section 3 of the SFO
“SFO”	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shareholding Proportion”	means the shares of the JV Company held by each JV Party expressed as a percentage of the total number of issued shares of the JV Company. The Shareholding Proportion as at the date hereof is set out under the sub-heading of “Parties” in section 2 of this announcement
“Sparkle Delight”	means Sparkle Delight Limited
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	bears the meaning ascribed thereto in the Listing Rules
“Target Company”	means HPREF Athene Investment S.à r.l., being the legal and beneficial owner of the Property as at the date hereof
“Top Paramount”	means Top Paramount Limited
“Transaction”	means the formation of the Joint Venture as contemplated under the MOA and, subsequently, the JVA
“UK”	means the United Kingdom of Great Britain and Northern Ireland
“Unit”	means one undivided unit in Champion REIT
“Unitholder”	means any person registered as holding a Unit

“Wing Tai”	means Wing Tai Properties Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 369)
“%”	means percent or percentage
“£”	means pound sterling, the lawful currency of the UK

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

Hong Kong, 28 February 2021

As at the date of this announcement, the Board comprises Dr. LO Ka Shui (Chairman and Managing Director), Mr. LO Hong Sui, Antony, Madam LAW Wai Duen, Mr. LO Chun Him, Alexander, Mr. KAN Tak Kwong (General Manager) and Mr. CHU Shik Pui being the Executive Directors; Madam LO TO Lee Kwan, Mr. LO Hong Sui, Vincent and Dr. LO Ying Sui being the Non-executive Directors; and Mr. CHENG Hoi Chuen, Vincent, Professor WONG Yue Chim, Richard, Mrs. LEE Pui Ling, Angelina, Mr. LEE Siu Kwong, Ambrose and Professor POON Ka Yeung, Larry being the Independent Non-executive Directors.