

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



鷹君集團有限公司
Great Eagle
Holdings Limited

於百慕達註冊成立之有限公司
Incorporated in Bermuda with limited liability
(Stock Code: 41)

ANNOUNCEMENT

DISCLOSEABLE TRANSACTION IN RELATION TO PROPOSED SUBSCRIPTIONS UNDER THE PROPOSED RIGHTS ISSUE OF LANGHAM HOSPITALITY INVESTMENTS AND LANGHAM HOSPITALITY INVESTMENTS LIMITED

Reference is made to the announcement of Langham Hospitality Investments and Langham Hospitality Investments Limited dated 16 July 2020 in relation to the LHI Rights Issue.

The Company is indirectly interested (through its wholly-owned subsidiaries, namely the Relevant GE Subsidiaries) in 1,364,823,833 Share Stapled Units, representing approximately 63.61% of the Share Stapled Units in issue as at the date of this announcement. The Company supports the LHI Rights Issue and has irrevocably undertaken in the Irrevocable Undertaking, among other things, to subscribe for, and/or procure the Relevant GE Subsidiaries to subscribe for, an aggregate of not less than 682,411,916 LHI Rights Share Stapled Units to be provisionally allotted to the Relevant GE Subsidiaries pursuant to the terms of the LHI Rights Issue in respect of the 1,364,823,833 Share Stapled Units in which it is indirectly interested.

In addition to the committed subscription in accordance with the Irrevocable Undertaking, the Company, through the Relevant GE Subsidiaries, intends to apply, by way of excess application, for the maximum number of LHI Rights Share Stapled Units allowed to be applied for under Rule 7.21(3)(b) of the Listing Rules (i.e. the GE Excess Application). Such intention is, however, subject to the public float requirement under Rule 8.08 of the Listing Rules for the Trust Group. Taking into consideration the restriction on the maximum number of LHI Rights Share Stapled Units to be applied for under Rule 7.21(3)(b) of the Listing Rules and the public float requirement under Rule 8.08 of the Listing Rules for the Trust Group, the Company estimates that the maximum number of LHI Rights Share Stapled Units that the Company (through the Relevant GE Subsidiaries) could be allocated by way of excess application (i.e. the GE Excess Application) would be approximately 312 million Share Stapled Units.

As one of the applicable percentage ratios as defined under the Listing Rules in respect of the Company's irrevocable undertaking to subscribe for the LHI Rights Share Stapled Units under the Irrevocable Undertaking together with the Company's subscription under the GE Excess Application (if any) is more than 5% but less than 25%, the giving of the Irrevocable Undertaking and the making of the GE Excess Application together may constitute a discloseable transaction for the Company and is subject to the reporting and announcement requirements under the Listing Rules.

Reference is made to the announcement of the Trust and LHI dated 16 July 2020 in relation to the LHI Rights Issue.

The Company is indirectly interested (through its wholly-owned subsidiaries, namely the Relevant GE Subsidiaries) in 1,364,823,833 Share Stapled Units, representing approximately 63.61% of the Share Stapled Units in issue as at the date of this announcement. The Company supports the LHI Rights Issue and has irrevocably undertaken in the Irrevocable Undertaking, among other things, to subscribe for, and/or procure the Relevant GE Subsidiaries to subscribe for, an aggregate of not less than 682,411,916 LHI Rights Share Stapled Units to be provisionally allotted to the Relevant GE Subsidiaries pursuant to the terms of the LHI Rights Issue in respect of the 1,364,823,833 Share Stapled Units in which it is indirectly interested.

PRINCIPAL TERMS OF THE LHI RIGHTS ISSUE

Basis of the LHI Rights Issue	:	One (1) LHI Rights Share Stapled Unit for every two (2) Share Stapled Units in issue
Subscription Price	:	HK\$0.95 per LHI Rights Share Stapled Unit
Number of Share Stapled Units in issue as at the date of this announcement	:	2,145,487,833 Share Stapled Units
Number of LHI Rights Share Stapled Units	:	Up to 1,072,743,916 LHI Rights Share Stapled Units (assuming no change in the number of Share Stapled Units in issue on or before the Record Date)
Number of LHI Rights Share Stapled Units undertaken to be taken up by the Company	:	The Company has undertaken to take up and/or procure the Relevant GE Subsidiaries to take up an aggregate of not less than 682,411,916 LHI Rights Share Stapled Units under its assured entitlement (representing approximately 63.61% of the total LHI Rights Share Stapled Units proposed to be provisionally allotted by the Trust and LHI) (assuming no change in the number of Share Stapled Units held by the Company (through the Relevant GE Subsidiaries) on or before the Record Date)

The LHI Rights Issue is subject to a number of conditions, comprising (in summary) (a) the Stock Exchange having authorised the registration of, and the Companies Registry in Hong Kong having registered, respectively the prospectus documents relating to the LHI Rights Issue,

(b) the posting of the prospectus documents relating to the LHI Rights Issue, (c) the Listing Committee granting and not having revoked, listing of, and permission to deal in, the LHI Rights Share Stapled Units, (d) each condition to enable the LHI Rights Share Stapled Units in their nil-paid or fully-paid forms to be admitted as eligible securities for deposit, clearance and settlement in CCASS having been satisfied, and (e) compliance with and performance of all undertakings and obligations of the Company under the Irrevocable Undertaking in all material respects.

The Subscription Price was determined with reference to, among other things, the recent market prices of the Share Stapled Units, current market conditions, subscription prices of rights issues (in particular non-underwritten rights issues) in recent years in Hong Kong and the funding requirements of the Trust and LHI.

Upon completion of the LHI Rights Issue, the Company will continue to hold at least 63.61% of the total enlarged issued Share Stapled Units.

THE IRREVOCABLE UNDERTAKING

Date

16 July 2020

Parties

- (1) the Company
- (2) the Trustee-Manager and LHI

Pursuant to the Irrevocable Undertaking, the Company, which is indirectly interested (through its wholly-owned subsidiaries, namely the Relevant GE Subsidiaries) in 1,364,823,833 Share Stapled Units representing approximately 63.61% of the Share Stapled Units in issue as at the date of this announcement, has irrevocably undertaken to the Trust and LHI, among other things:

- (i) to subscribe for, and/or procure the Relevant GE Subsidiaries to subscribe for, by no later than 4:00 p.m. on the latest date for acceptance of, and payment for, LHI Rights Share Stapled Units, an aggregate of not less than 682,411,916 LHI Rights Share Stapled Units to be provisionally allotted to the Relevant GE Subsidiaries pursuant to the terms of the LHI Rights Issue in respect of the 1,364,823,833 Share Stapled Units in which the Company is indirectly interested;
- (ii) to remain indirectly interested in, and/or to procure the Relevant GE Subsidiaries to remain the registered and beneficial holder of, the 1,364,823,833 Share Stapled Units referred to in paragraph (i) above at 5:00 p.m. on the Record Date as they are on the date of this announcement;
- (iii) in the event that the Company and/or the Relevant GE Subsidiaries have acquired Additional Share Stapled Units on or before the Record Date, the Additional Share Stapled Units shall be subject to the same treatment and undertaking as set forth in paragraphs (i) and (ii) above by adding the Additional Share Stapled Units to the 1,364,823,833 Share Stapled Units indirectly held by the Company; and

- (iv) the undertakings in paragraphs (i) to (iii) above are conditional on such undertakings not resulting in non-compliance by the Trust and LHI with the public float requirement under Rule 8.08 of the Listing Rules. In the event that the Company and/or the Relevant GE Subsidiaries have acquired Additional Share Stapled Units, the Company will, and/or will procure the Relevant GE Subsidiaries to, waive the right to subscribe for the Waived Pro-Rata Entitlement Share Stapled Units, and the Trust and LHI shall be entitled to allot and issue the undertaken Share Stapled Units (being 682,411,916 LHI Rights Share Stapled Units together with the additional LHI Rights Share Stapled Units as a result of any acquisition of the Additional Share Stapled Units) less the Waived Pro-Rata Entitlement Share Stapled Units to the Company.

INTENTION OF THE COMPANY TO MAKE THE GE EXCESS APPLICATION

In addition to the committed subscription in accordance with the Irrevocable Undertaking, the Company, through the Relevant GE Subsidiaries, intends to apply, by way of excess application, for the maximum number of LHI Rights Share Stapled Units allowed to be applied for under Rule 7.21(3)(b) of the Listing Rules (i.e. the GE Excess Application). Such intention is, however, subject to the public float requirement under Rule 8.08 of the Listing Rules for the Trust Group.

The actual number of LHI Rights Share Stapled Units that will be able to be allocated under the GE Excess Application to the Company and/or the Relevant GE Subsidiaries will be subject to, among other things (i) the level of subscription for the LHI Rights Share Stapled Units, and the level of excess applications made, by other Unitholders and (ii) the public float requirement under Rule 8.08 of the Listing Rules for the Trust Group. Taking into consideration the restriction on the maximum number of LHI Rights Share Stapled Units allowed to be applied for under Rule 7.21(3)(b) of the Listing Rules and the public float requirement under Rule 8.08 of the Listing Rules for the Trust Group, the Company estimates that the maximum number of LHI Rights Share Stapled Units that the Company (through the Relevant GE Subsidiaries) could be allocated by way of excess application (i.e. the GE Excess Application) would be approximately 312 million Share Stapled Units.

The subscription price payable by the Company under the Irrevocable Undertaking and the GE Excess Application (assuming that the Company and/or the Relevant GE Subsidiaries will be allocated with a maximum of approximately 312 million Share Stapled Units under the GE Excess Application) in respect of its subscriptions for the LHI Rights Share Stapled Units is expected to be approximately HK\$648 million and HK\$296 million respectively, which the Company intends to fund from its internal resources.

FINANCIAL INFORMATION OF THE TRUST AND LHI

Based on the audited consolidated financial statements of the Trust and LHI: (i) as at 31 December 2019, the net asset value of the Trust and LHI was approximately HK\$9,990 million; (ii) for the year ended 31 December 2019, the loss before taxation of the Trust and LHI and loss after taxation attributable to Unitholders of the Trust and LHI were approximately HK\$2,586 million and HK\$2,635 million respectively, and (iii) for the year ended 31 December 2018, the profit before taxation of the Trust and LHI and profit after taxation attributable to Unitholders of the Trust and LHI were approximately HK\$970 million and HK\$896 million respectively.

REASONS FOR AND BENEFITS OF ENTERING INTO THE IRREVOCABLE UNDERTAKING AND SUBSCRIBING UNDER THE GE EXCESS APPLICATION

As disclosed in the announcement of the Trust and LHI today, the Hong Kong hotel sector has encountered significant headwind since the beginning of 2020 primarily due to the impact of the COVID-19 pandemic, and the operating performance of the Trust Group's hotels has declined significantly amid the COVID-19 pandemic. In light of the uncertainty resulting from the COVID-19 pandemic, the need to comply with the relevant financial covenants and the potential triggering of the LHI Mitigation Mechanism under the LHI Loan Agreements, the Trust Group is taking a number of steps to strengthen its financial position. The directors of the Trustee-Manager and LHI have therefore considered various fundraising alternatives in discussion with HSBC, the sole financial adviser to the Trust and LHI, and consider the LHI Rights Issue to be the most appropriate financing option considering the interests of the Trust Group and the Unitholders.

The Company supports the LHI Rights Issue and considers that it is in the best interests of the Company that the LHI Rights Issue should proceed and that the financial position of the Trust Group which is a significant investment of the Company should be strengthened. The subscription of the LHI Rights Share Stapled Units to be provisionally allotted to the Relevant GE Subsidiaries pursuant to the terms of the LHI Rights Issue will enable the Group to maintain its percentage stake of the Share Stapled Units in the Trust and LHI. Entering into the Irrevocable Undertaking and the intention to make the GE Excess Application demonstrates the Company's support of the LHI Rights Issue as well as providing funding certainty as to the minimum amount that will be raised under the LHI Rights Issue.

The Directors believe that the terms of the Irrevocable Undertaking and the GE Excess Application are fair and reasonable, and in the interest of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios as defined under the Listing Rules in respect of the Company's irrevocable undertaking to subscribe for the LHI Rights Share Stapled Units under the Irrevocable Undertaking together with the Company's subscription under the GE Excess Application (if any) is more than 5% but less than 25%, the giving of the Irrevocable Undertaking and the making of the GE Excess Application together may constitute a discloseable transaction for the Company and is subject to the reporting and announcement requirements under the Listing Rules.

Shareholders should note that subscriptions under the Irrevocable Undertaking and the GE Excess Application are subject to the satisfaction or waiver of various conditions under the LHI Rights Issue. Accordingly, the subscriptions under the Irrevocable Undertaking and the GE Excess Application may or may not be completed. Shareholders and potential investors should exercise caution when dealing in the Shares.

GENERAL INFORMATION

The principal activities of the Group include property development and investment, operations of hotel, restaurant operations and flexible workspace, manager of real estate investment trust, 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.

The Trustee-Manager is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company, being the trustee-manager of the Trust.

LHI is a company incorporated in the Cayman Islands as an exempted company with limited liability and it is principally engaged in the ownership of and investment in a portfolio of hotels located in Hong Kong. The Trust and LHI are listed on the Stock Exchange.

DEFINITIONS

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

“Additional Share Stapled Units”	any additional Share Stapled Units acquired by the Company and/or the Relevant GE Subsidiaries on or before the Record Date on top of the 1,364,823,833 Share Stapled Units which are indirectly held by the Company as at the date of this announcement
“Board”	the board of Directors
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
“Company”	Great Eagle Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange (stock code: 41)
“COVID-19”	the coronavirus disease 2019
“Director(s)”	the director(s) of the Company
“GE Excess Application”	the excess applications for LHI Rights Share Stapled Units intended to be made by the Company and/or the Relevant GE Subsidiaries in excess of their pro-rata entitlements under the LHI Rights Issue
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited, being the sole financial adviser to the Trustee-Manager and to LHI and sole global coordinator of the LHI Rights Issue, a registered institution under the SFO, registered to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO and a licensed bank under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)
“Irrevocable Undertaking”	a letter of irrevocable undertaking executed by the Company on 16 July 2020 in favour of the Trust and LHI, the principal terms of which are disclosed in the section headed “The Irrevocable Undertaking” in this announcement
“LHI”	Langham Hospitality Investments Limited(朗廷酒店投資有限公司), a company incorporated in the Cayman Islands as an exempted company with limited liability on 29 January 2013
“LHI Loan Agreements”	the facility agreement dated 29 November 2019 (as amended by a supplemental letter agreement dated 24 April 2020) entered into between, inter alia, the borrower therein, being an indirect wholly owned subsidiary of LHI and HSBC as security agent and agent and for and on behalf of the lenders therein and the sustainability coordinator therein in respect of certain term and revolving loan facilities of up to the aggregate principal amount of HK\$7,500 million
“LHI Mitigation Mechanism”	remedial measures required under the LHI Loan Agreements, including but not limited to depositing additional cash into an account to be charged to the security agent in order to restore the minimum interest coverage ratio and/or prepaying part of the outstanding loan in order to restore the maximum loan to valuation ratio
“LHI Rights Issue”	the proposed issue of the Trust and LHI by way of rights of one (1) LHI Rights Share Stapled Unit for every two (2) Share Stapled Units in issue on the Record Date at the Subscription Price

“LHI Rights Share Stapled Unit(s)”	up to 1,072,743,916 new Share Stapled Units (assuming no change in the number of Share Stapled Units in issue on or before the Record Date) proposed to be allotted and issued under the LHI Rights Issue
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Record Date”	Thursday, 20 August 2020 or such other date as the Trust and LHI may determine, being the date by reference to which the Unitholders’ entitlements to the LHI Rights Issue are to be determined
“Relevant GE Subsidiaries”	direct or indirect wholly owned subsidiaries of the Company, including The Great Eagle Company, Limited, LHIL Assets Holdings Limited, Fine Noble Limited and Great Eagle Nichemusic Limited
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shares”	the ordinary shares of HK\$0.50 each in the share capital of the Company
“Shareholders”	holders of Shares
“Share Stapled Unit(s)”	<p>share stapled unit(s) jointly issued by the Trust and LHI. A share stapled unit is the combination of the following securities or interests in securities which, subject to the provisions in the Trust Deed, can only be dealt with together and may not be dealt with individually or one without the others:</p> <ul style="list-style-type: none"> (a) a unit in the Trust; (b) the beneficial interest in a specifically identified ordinary share of LHI linked to the unit in the Trust and held by the Trustee-Manager; and (c) a specifically identified preference share of LHI stapled to the unit in the Trust
“Share Stapled Units Register”	the register of Unitholders
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subscription Price”	the subscription price of HK\$0.95 per LHI Rights Share Stapled Unit under the LHI Rights Issue
“Trust”	Langham Hospitality Investments(朗廷酒店投資), as constituted pursuant to the Trust Deed
“Trust Deed”	the trust deed dated 8 May 2013 constituting the Trust, entered into between the Trustee-Manager and LHI and as amended by a first supplemental deed dated 22 April 2016 and as further amended, supplemented, substituted or modified from time to time
“Trust Group”	the Trust, LHI and its subsidiaries
“Trustee-Manager”	LHIL Manager Limited(朗廷酒店管理人有限公司), a company incorporated in Hong Kong with limited liability on 25 January 2013 and an indirect wholly-owned subsidiary of the Company, being the trustee-manager of the Trust
“Unitholders”	persons registered at the relevant time in the Share Stapled Units Register as holders of Share Stapled Units, including persons so registered as joint holders of Share Stapled Units, except that where the registered holder of Share Stapled Units is HKSCC Nominees Limited on behalf of CCASS it shall also include, where the context so admits, the CCASS participants whose CCASS stock accounts are deposited with such Share Stapled Units
“Waived Pro-Rata Entitlement Share Stapled Units”	such number of the undertaken Share Stapled Units that the Company and/or the Relevant GE Subsidiaries have undertaken to subscribe for pursuant to the Irrevocable Undertaking that will result in the Company’s and/or the Relevant GE Subsidiaries’ holding (together with the holding of Share Stapled Units of other core connected persons of the Trust and LHI and persons that fall into the ambit of Rule 8.24 of the Listing Rules) more than 75% of all the issued Share Stapled Units for the time being, and the Trust and LHI failing to comply with the public float requirement under Rule 8.08 of the Listing Rules, where such waiver of the assured entitlement will only become applicable in the event that the Company and/or the Relevant GE Subsidiaries acquire Additional Share Stapled Units beyond a certain level
“%”	per cent

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

Hong Kong, 16 July 2020

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.