
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for independent advice.

If you have sold or transferred all your shares in Great Eagle Holdings Limited, you should at once hand this circular and the accompanying proxy form to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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Great Eagle
Holdings Limited
鷹君集團有限公司

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

(Stock Code: 41)

CONNECTED TRANSACTION

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**



CIMB-GK Securities (HK) Limited

A letter from the Independent Board Committee is set out on pages 9 to 10 of this circular.

A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders, is set out on pages 11 to 15 of this circular.

A notice convening the SGM to be held at Penthouse, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong on Tuesday, 14 April 2009 at 11:00 a.m. is set out on pages 22 to 23 of this circular. A form of proxy for use at the SGM is enclosed. Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

24 March 2009

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DEFINITIONS

In this circular, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Accrued Interest”	interest on such part of the Agreed Sum and any amount in the original contract sum payable under the Main Contract which remains outstanding as at the date of the Supplemental Agreement that represents the work done by the Contractor and the Connected NSCs accrued as from 1 January 2009 up to the date of payment at the rate of 3% per annum under the Supplemental Agreement;
“Agreed Sum”	approximately HK\$192 million, being the difference between the final contract sum for the Main Contract as agreed under the Supplemental Agreement of approximately HK\$3,302 million and the original contract sum of HK\$3,110 million under the Main Contract;
“Associate(s)”	has the meaning ascribed to it in Rule 1.01 of the Listing Rules (as extended by Rule 14A.11(4) of the Listing Rules);
“Board”	the board of directors of the Company;
“Company”	Great Eagle Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange;
“Connected NSCs”	the E&M NSC, the P&D NSC and the Roof NSC;
“Connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Contractor”	Sun Fook Kong Holdings Limited;
“Deed of Transfer”	a deed of transfer made as of 1 February 2008 between the Developer, the Contractor and Great Eagle in relation to the transfer of the Developer’s payment obligations under the Main Contract to Great Eagle;
“Developer”	Renaissance City Development Company Limited, formerly a wholly owned subsidiary of the Company;

DEFINITIONS

“Development Project”	composite development project in Mongkok (now known as “Langham Place”) comprising an office/retail/hotel complex and associated basement excavation for the retail portion undertaken by the Group in joint venture with Urban Renewal Authority as part of an urban renewal scheme. The retail, carpark and certain office portions of Langham Place were disposed of by the Group on 3 June 2008. Details of the disposal were contained in the shareholders’ circular of the Company dated 29 February 2008;
“Directors”	the directors of the Company;
“E&M NSC”	Sun Fook Kong E & M Management Limited, a wholly owned subsidiary of the Contractor, which is the sub-contractor for heating, ventilation & air-conditioning and electrical Installation for the Development Project. For details of the relevant sub-contract, please refer to the announcement of the Company dated 22 April 2002;
“Great Eagle”	The Great Eagle Company, Limited, a wholly owned subsidiary of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong Special Administrative Region of the People’s Republic of China;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors, namely, Mr. Cheng Hoi Chuen, Vincent, Professor Wong Yue Chim, Richard and Mrs. Lee Pui Ling, Angelina, who are appointed to advise the Independent Shareholders in respect of the Supplemental Agreement;
“Independent Financial Adviser” or “CIMB”	CIMB-GK Securities (HK) Limited, licensed to conduct type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders;

DEFINITIONS

“Independent Shareholders”	Shareholders who are not required to abstain from voting at a general meeting to approve the Supplemental Agreement;
“Latest Practicable Date”	18 March 2009, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular;
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Main Contract”	the Building Contract made as of 12 November 2001 between the Developer and the Contractor relating to the construction works in connection with the Development Project;
“P&D NSC”	Sun Fook Kong Engineering Limited, a wholly owned subsidiary of the Contractor, which is the sub-contractor for plumbing and drainage installation for the Development Project. For details of the relevant sub-contract, please refer to the announcement of the Company dated 22 April 2002;
“Roof NSC”	Profit Boat Development Limited, a fellow subsidiary of the Contractor, which is the sub-contractor for design, supply & installation of aluminium roofing system for the Development Project. For details of the relevant sub-contract, please refer to the announcement of the Company dated 23 April 2003;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“SGM”	the special general meeting of the Company to be held at Penthouse, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong on Tuesday, 14 April 2009 at 11:00 a.m. to consider and approve the Supplemental Agreement and the transactions contemplated thereunder;
“Shareholders”	holder(s) of the shares of HK\$0.50 each in the share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Supplemental Agreement”	the supplemental agreement dated 23 February 2009 entered into between Great Eagle and the Contractor, supplemental to the Main Contract; and

DEFINITIONS

“The Lo Family Trust”

a family trust established by the late Mr. Lo Ying Shek (the father of Mr. Lo Kai Shui and certain directors of the Company including Dr. Lo Ka Shui, Mr. Lo Hong Sui, Antony, Madam Law Wai Duen, Mr. Lo Hong Sui, Vincent, Dr. Lo Ying Sui, Archie and the husband of Madam Lo To Lee Kwan), as a discretionary trust for the benefit of certain family members of the late Mr. Lo Ying Shek.

LETTER FROM THE BOARD



Great Eagle Holdings Limited 鷹君集團有限公司

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

(Stock Code: 41)

Executive Directors:

Dr. LO Ka Shui, *Chairman and Managing Director*
Mr. LO Kai Shui, *Deputy Managing Director*
Mr. LO Hong Sui, Antony
Madam LAW Wai Duen
Mr. KAN Tak Kwong, *General Manager*

Non-executive Directors:

Madam LO TO Lee Kwan
Mr. LO Hong Sui, Vincent
Dr. LO Ying Sui, Archie

Independent Non-executive Directors:

Mr. CHENG Hoi Chuen, Vincent
Professor WONG Yue Chim, Richard
Mrs. LEE Pui Ling, Angelina

Registered office:

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

*Principal place of business
in Hong Kong:*

33rd Floor, Great Eagle Centre
23 Harbour Road
Wanchai
Hong Kong

24 March 2009

To the Shareholders,

Dear Sir or Madam,

CONNECTED TRANSACTION

INTRODUCTION

Reference is made to the announcement of the Company dated 23 February 2009 relating to the Supplemental Agreement entered into between Great Eagle, a wholly owned subsidiary of the Company, and the Contractor.

The purpose of this circular is to provide you with, among other things, further particulars of the Supplemental Agreement, the recommendation from the Independent Board Committee and the advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders.

LETTER FROM THE BOARD

BACKGROUND

Reference is made to an announcement of the Company dated 12 November 2001 regarding the Main Contract made between the Developer and the Contractor, pursuant to which the Contractor was engaged by the Developer to carry out works in connection with the construction of the superstructure of the Development Project for a contract sum of HK\$3,110 million. The Main Contract was approved by the independent shareholders of the Company when the Main Contract was entered into in 2001.

Pursuant to the Deed of Transfer, Great Eagle had assumed the outstanding payment obligations of the Developer under the Main Contract.

SUPPLEMENTAL AGREEMENT

On 23 February 2009, Great Eagle and the Contractor entered into the Supplemental Agreement pursuant to which the Contractor signed the final account for the Main Contract recording its agreement to, among other things, the final contract sum for the Main Contract at approximately HK\$3,302 million, on the condition that Great Eagle shall notify the Contractor as soon as practicable upon the Independent Shareholders' approval is obtained and shall, within 2 working days after such notification, deliver the final account for the Main Contract to the Contractor duly signed and dated by Great Eagle.

Accordingly, the Agreed Sum of approximately HK\$192 million, being the difference between the final contract sum for the Main Contract as agreed under the Supplemental Agreement and the original contract sum under the Main Contract, is payable by Great Eagle to the Contractor pursuant to the Supplemental Agreement. It has also been agreed between the parties that Great Eagle will pay the Accrued Interest.

Payment on the Agreed Sum and any outstanding amount in the original contract sum payable under the Main Contract (together with the Accrued Interest) will be made by Great Eagle to the Contractor within 14 days after the presentation by the Contractor of the final certificate to be issued by the Architect, Wong & Ouyang (HK) Ltd.

The Contractor has engaged sub-contractors (including the Connected NSCs and other independent third parties) to undertake certain works in connection with the Development Project. The final contract sum for the Main Contract includes the final contract sums for all the sub-contracts. The Contractor will, upon receipt of payment of the final contract sum for the Main Contract, pay all the sub-contractors in accordance with the relevant sub-contracts.

In the event that the Independent Shareholders' approval is not obtained within 180 days of the date of the Supplemental Agreement (or such other longer period as the parties may agree), the Supplemental Agreement will become null and void.

REASONS FOR ENTERING INTO THE SUPPLEMENTAL AGREEMENT

The Development Project was practically completed on 28 February 2005. However, due to variations to the works required for the Development Project, the final contract sum for the Main Contract has exceeded the original contract sum. The project quantity surveyor

LETTER FROM THE BOARD

appointed by the Developer had been working on the final account for the entire Development Project. Since there were some disputes on certain items for determining the final contract sum, through various meetings in 2008 between Great Eagle, the Contractor and various project consultants in the presence of a jointly-appointed independent mediator and based on such mediator's subsequent assessment on certain disputed items, Great Eagle and the Contractor reached a consensus on the final contract sum for the Main Contract and therefore entered into the Supplemental Agreement on 23 February 2009.

IMPLICATIONS UNDER THE LISTING RULES

Mr. Lo Kai Shui, the Deputy Managing Director of the Company, is the ultimate controlling shareholder of the Contractor and controls the exercise of more than 70% voting powers in the Contractor through his controlled companies. His related trust (i.e. The Lo Family Trust) also has an interest of more than 20% in the Contractor. Accordingly, the Contractor is a connected person of the Company. As the consideration ratio as defined in the Listing Rules calculated with reference to the Agreed Sum (together with the estimated amount of Accrued Interest) exceeds 2.5% but is less than 5%, the Supplemental Agreement constitutes a connected transaction for the Company and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The principal activities of the Group include property and hotel investment, hotel and restaurant operations, management of real estate investment trust, trading of building materials, share investment, provision of management and maintenance services, property management, insurance agency and fitness centre operation. Its investment in office properties extends to the U.S.A. and its hotel portfolio covers Hong Kong, North America, Europe, Australia and New Zealand.

The Contractor's principal activities are investment holding and building construction.

SGM

A notice of the SGM to be held at Penthouse, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong on Tuesday, 14 April 2009 at 11:00 a.m. is set out on pages 22 to 23 of this circular. At the SGM, an ordinary resolution will be proposed and, if thought fit, passed to approve the Supplemental Agreement.

A form of proxy for use at the SGM is enclosed. Whether or not you are able to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

LETTER FROM THE BOARD

Pursuant to Rules 13.39(4) and 14A.52 of the Listing Rules, voting at the SGM will be conducted by poll. By virtue of his interests in the Contractor described above and hence in the Supplemental Agreement, Mr. Lo Kai Shui and his associates (including The Lo Family Trust), who, so far as the Directors' are aware based on public information, were together interested in 341,879,768 shares of the Company (representing approximately 56% of the voting rights of the Company) as at the Latest Practicable Date, will abstain from voting at the SGM. Announcement on the results of which will be published on the websites of the Company and of the Stock Exchange following the SGM.

RECOMMENDATION

Your attention is drawn to (i) the letter from the Independent Board Committee which is set out on pages 9 to 10 of this circular containing the recommendation from the Independent Board Committee to the Independent Shareholders regarding the Supplemental Agreement; and (ii) the letter from the Independent Financial Adviser which is set out on pages 11 to 15 of this circular containing its advice to the Independent Board Committee and the Independent Shareholders regarding the Supplemental Agreement.

The Directors are of the view that the terms of the Supplemental Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Shareholders as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the ordinary resolution at the SGM in respect of the Supplemental Agreement.

Yours faithfully,
By order of the Board
Great Eagle Holdings Limited
LO Ka Shui
Chairman and Managing Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



Great Eagle Holdings Limited 鷹君集團有限公司

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

(Stock Code: 41)

24 March 2009

To the Independent Shareholders,

Dear Sir or Madam,

CONNECTED TRANSACTION

We refer to the circular dated 24 March 2009 of the Company (the “Circular”) of which this letter forms part. Terms defined in the Circular bear the same meanings herein unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to consider and to advise the Independent Shareholders whether, in our opinion, the terms of the Supplemental Agreement are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Shareholders as a whole. CIMB has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Supplemental Agreement.

We wish to draw your attention to the letter from the Board set out on pages 5 to 8 of the Circular which contains, *inter alia*, information about the Supplemental Agreement, and the letter from CIMB set out on pages 11 to 15 of the Circular which contains its advice in respect of the Supplemental Agreement.

Having considered the reasons for and benefits of the Supplemental Agreement and the advice of CIMB regarding the Supplemental Agreement as set out in the letter from CIMB on pages 11 to 15 of the Circular and the principal factors and reasons taken into account by CIMB in arriving at its advice, we consider that the terms of the Supplemental Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

whole. Accordingly, we recommend that the Independent Shareholders vote in favour of the ordinary resolution as set out in the notice of the SGM to be held on 14 April 2009 and thereby approve the Supplemental Agreement.

Yours faithfully,
For and on behalf of the
Independent Board Committee

Cheng Hoi Chuen, Vincent
*Independent Non-executive
Director*

Lee Pui Ling, Angelina
*Independent Non-executive
Director*

Wong Yue Chim, Richard
*Independent Non-executive
Director*

LETTER FROM CIMB

Set out below is the text of the letter from CIMB to the Independent Board Committee and the Independent Shareholders prepared for inclusion in this circular.



CIMB-GK Securities (HK) Limited

25/F., Central Tower
28 Queen's Road Central
Hong Kong

24 March 2009

*To the Independent Board Committee and the Independent Shareholders of
Great Eagle Holdings Limited*

Dear Sirs,

CONNECTED TRANSACTION

We refer to our engagement as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Supplemental Agreement, details of which are set out in the letter from the Board as contained in the circular of the Company to the Shareholders dated 24 March 2009 (the "Circular"), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

An independent board committee comprising Mr. Cheng Hoi Chuen, Vincent, Professor Wong Yue Chim, Richard and Mrs. Lee Pui Ling, Angelina being the independent non-executive Directors, has been formed to advise the Independent Shareholders in relation to the Supplemental Agreement. Mr. Lo Kai Shui and his associates (including The Lo Family Trust) will abstain from voting at the SGM.

In formulating our recommendation, we have relied on the information and facts contained or referred to in the Circular. We have also assumed that the information and representations contained or referred to in the Circular were true and accurate at the time they were made and continue to be so at the date of the dispatch of the Circular. We consider that we have reviewed sufficient information and documents to satisfy ourselves that we have a reasonable basis to assess the fairness and reasonableness of the Supplemental Agreement in order to reach an informed view, to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our recommendation.

We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors. We have also been advised by the Directors and believe that no material facts have been omitted from the Circular. We have

LETTER FROM CIMB

not, however, conducted an independent verification of the information nor have we conducted any form of in-depth investigation into the businesses and affairs or the prospects of the Company, the Contractor or any of its respective subsidiaries or associates.

PRINCIPAL FACTORS CONSIDERED

In arriving at our opinion on the Supplemental Agreement, we have considered the following principal factors and reasons:

Background and reasons

The principal activities of the Group include property and hotel investment, hotel and restaurant operations, management of real estate investment trust, trading of building materials, share investment, provision of management and maintenance services, property management, insurance agency and fitness centre operation. Its investment in office properties extends to the U.S.A. and its hotel portfolio covers Hong Kong, North America, Europe, Australia and New Zealand. The Contractor's principal activities are investment holding and building construction.

On 12 November 2001, the Developer and the Contractor entered into the Main Contract, pursuant to which the Contractor was engaged by the Developer to carry out works in connection with the construction of the superstructure of the Development Project for a contract sum of HK\$3,110 million. The Development Project comprises an office, retail and hotel complex known as "Langham Place". The Main Contract was approved by the independent shareholders of the Company when the Main Contract was entered into in 2001. The Development Project was practically completed on 28 February 2005. However, due to variations to the works required for the Development Project, the final contract sum for the Main Contract has exceeded the original contract sum. On 23 February 2009, Great Eagle and the Contractor entered into the Supplemental Agreement pursuant to which the Contractor signed the final account for the Main Contract ("Final Account") recording its agreement to, among other things, the final contract sum for the Main Contract at approximately HK\$3,302 million ("Final Contract Sum"), on the condition that Great Eagle shall notify the Contractor as soon as practicable upon the Independent Shareholders' approval is obtained and shall, within 2 working days after such notification, deliver the final account for the Main Contract to the Contractor duly signed and dated by Great Eagle. Accordingly, the Agreed Sum of approximately HK\$192 million, being the difference between the final contract sum for the Main Contract as agreed under the Supplemental Agreement and the original contract sum under the Main Contract, is payable by Great Eagle to the Contractor pursuant to the Supplemental Agreement. It has also been agreed between the parties that Great Eagle will pay the Accrued Interest. The Contractor has engaged sub-contractors (including the Connected NSCs and other independent third parties) to undertake certain works in connection with the Development Project. The final contract sum for the Main Contract includes the final contract sums for all the sub-contracts. The Contractor will, upon receipt of payment of the final contract sum for the Main Contract, pay all the sub-contractors in accordance with the relevant sub-contracts.

LETTER FROM CIMB

The project quantity surveyor appointed by the Developer had been working on the final account for the entire Development Project (“Independent Project QS”). Since there were some disputes on certain items for determining the final contract sum, through various meetings in 2008 between Great Eagle, the Contractor and various project consultants in the presence of a jointly-appointed independent mediator (“Independent Mediator”) and based on such mediator’s subsequent assessments on certain disputed items, Great Eagle and the Contractor reached a consensus on the Final Contract Sum and therefore entered into the Supplemental Agreement on 23 February 2009.

We consider that it is not uncommon for the Development Project with such a scale and a construction process that last through a few years to exceed the original contract sum. We note that the Agreed Sum and the Accrued Interest have been agreed between Great Eagle and the Contractor based on the advice of i) the Independent Project QS who has been working on the final account for the entire Development Project; and ii) the Independent Mediator in relation to certain disputed items (“Dispute Items”).

Based on information available in the public domain, we note that the Independent Project QS is a global professional practice with over 2000 people operating from more than 80 offices serving countries across Americas, Asia, Oceania, Europe, Middle East and Africa in the property and construction industry. The practice was founded in Hong Kong in 1962 and specializes in all aspects of quantity surveying and provides a range of professional services to its clients including cost estimating and cost management, production of bills of quantities and tender and contract documents, financial administration of building contracts, project management and dispute resolution.

The Independent Mediator is a Member of the Royal Institution of Chartered Surveyors, a Member of the Hong Kong Institute of Surveyors, an Associate of the Chartered Institute of Arbitrators, a Member of Chartered Institute of Building and an Accredited Mediator of Hong Kong International Arbitration Centre. He specializes in contract arrangement and settlement of contractual claims. Despite the fact that the Independent Mediator is a director of the Independent Project QS, he acted as an independent mediator on his personal capacity. We have no reason to doubt the fairness and reasonableness of the professional advice given by the Independent Project QS and the Independent Mediator.

Having taken into account the above factors, in particular, (a) it is not uncommon for the Development Project with such a scale and a construction process that last through a few years to exceed the original contract sum; and (b) the Agreed Sum and the Accrued Interest have been agreed between Great Eagle and the Contractor based on the professional advice given by the Independent Project QS and the Independent Mediator, which we consider is a fair process and basis to settle the Final Contract Sum and the disputes thereon, we consider that the Supplemental Agreement was entered into in the ordinary course of business of the Company and the entered into of the Supplemental Agreement is in the interest of the Company and the Shareholders as a whole.

LETTER FROM CIMB

The Agreed Sum and the Accrued Interest

The Final Contract Sum, including the amount assessed by the Independent Mediator, was HK\$192 million higher than the original contract sum, primarily due to three major scope changes after commencement of the Main Contract, which were i) major revision to the design of the retail centre; ii) upgrading of the hotel from 4-star to 5-star standard; and iii) increase in total gross floor area to maximize the gain from the Government of Hong Kong's relaxation on non-accountable gross floor areas, which took effect during the period after the contract was awarded. We have reviewed the reports issued by the Independent Mediator and noted that the Dispute Items mainly comprises of additional cost for builder's work, electrical and heating, ventilation and air conditioning installation, plumbing and drainage installation and financial charges.

The Agreed Sum of HK\$192 million represents approximately 6.17% increase to the original contract sum. We have reviewed the letter of advice from the Independent Project QS to Great Eagle and noted that based on their past experience on large scale multi-disciplinary projects, the Independent Project QS considered that the 6.17% increase in the contract sum is in a reasonable range.

In addition, the Independent Project QS also considered that the approximately three years duration between the practical completion date of the Main Contract in late February 2005 and the issue date of their draft final account excluding disputed items in March 2008 to be a normal duration for large scale projects involving multi-disciplinary contractors and numerous site instructions arising from complicated site co-ordinations, and that the 9 months mediation period between March 2008 and December 2008 for the Dispute Items is reasonable.

Pursuant to the Supplemental Agreement, the Accrued Interest on such part of the Agreed Sum and any amount in the original contract sum payable under the Main Contract which remains outstanding as at the date of the Supplemental Agreement that represents the work done by the Contractor and the Connected NSCs accrued as from 1 January 2009 up to the date of payment will be calculated at the rate of 3% per annum. In this connection, we note that the Independent Mediator suggested a rate by reference to the cost of capital of both the Developer and the Contractor which would amount to over 3% per annum. Therefore, we consider that the Accrued Interest at the rate of 3% per annum is in the interest of the Company and the Shareholders as a whole.

Having taken into account the aforesaid circumstances, we consider that the Agreed Sum and the Accrued Interest have been determined based on a fair process and basis after arm's length negotiation with the advice of the Independent Project QS and the Independent Mediator. We have no reason to doubt the fairness and reasonableness of the advice given by the Independent Project QS and the Independent Mediator and we consider that the Agreed Sum and the Accrued Interest to be fair and reasonable so far as the Company and the Independent Shareholders are concerned.

LETTER FROM CIMB

RECOMMENDATION

Having considered the principal factors and reasons referred to above, we consider that the Supplemental Agreement and the transactions contemplated thereunder are in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole. The terms thereof are on normal commercial terms and fair and reasonable so far as the Company and the Independent Shareholders are concerned. Accordingly, we advise the Independent Shareholders and the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Supplemental Agreement and the transactions contemplated thereunder.

Yours faithfully,

For and on behalf of

CIMB-GK Securities (HK) Limited

Alex Lau

Director

Head of Corporate Finance

Mabel Lam

Senior Vice President

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts with regard to the Company, the omission of which would make any statement in this circular misleading.

2. DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at the Latest Practicable Date, the interests and short position of the Directors of the Company in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (“**Model Code**”) set out in Appendix 10 of the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Long positions in shares and underlying shares of the Company

Name of Director	Number of ordinary shares				Total	Percentage of shareholding	Number of	Number of	Number of
	Personal interests	Family interests	Corporate interests	Other interests			outstanding share options granted on 17/03/2005 (Note 6)	outstanding share options granted on 04/01/2007 (Note 7)	outstanding share options granted on 08/01/2009 (Note 8)
Lo Ka Shui	25,846,186	–	–	271,905,098 ⁽¹⁾	297,751,284	48.83	300,000	600,000	609,000
Lo Kai Shui	–	–	613,113 ⁽²⁾	200,382,200 ⁽³⁾	200,995,313	32.96	200,000	200,000	125,000
Lo To Lee Kwan	958,624	–	4,405,584 ⁽⁴⁾	200,382,200 ⁽³⁾	205,746,408	33.74	–	–	–
Cheng Hoi Chuen, Vincent	–	10,000	–	–	10,000	–	–	–	–
Lo Hong Sui, Antony	2,984	–	–	200,382,200 ⁽³⁾	200,385,184	32.86	50,000	200,000	125,000
Law Wai Duen	1,019,744	–	–	200,382,200 ⁽³⁾	201,401,944	33.03	–	100,000	112,000
Lo Hong Sui, Vincent	293	–	–	200,382,200 ⁽³⁾	200,382,493	32.86	–	–	–
Lo Ying Sui, Archie	–	3,700	37,124,442 ⁽⁵⁾	200,382,200 ⁽³⁾	237,510,342	38.95	–	–	–
Kan Tak Kwong	860,431	–	–	–	860,431	0.14	120,000	300,000	250,000

Notes:

- (1) These 271,905,098 shares comprise:
 - (i) 200,382,200 shares which are owned by a discretionary trust of which Dr. Lo Ka Shui, Mr. Lo Kai Shui, Madam Lo To Lee Kwan, Mr. Lo Hong Sui, Antony, Madam Law Wai Duen, Mr. Lo Hong Sui, Vincent and Dr. Lo Ying Sui, Archie are beneficiaries; and
 - (ii) 71,522,898 shares which are owned by another discretionary trust of which Dr. Lo Ka Shui is the Founder.
- (2) These 613,113 shares comprise 513,113 shares held by companies wholly-owned by Mr. Lo Kai Shui and 100,000 shares held by a company controlled by him.
- (3) These shares are the same parcel of shares referred to in Note (1)(i) above.
- (4) These 4,405,584 shares are held by companies wholly-owned by Mrs. Lo To Lee Kwan.
- (5) These 37,124,442 shares are held by a company wholly-owned by Dr. Lo Ying Sui, Archie.
- (6) In respect of the share options granted on 17 March 2005: The subscription price per share is HK\$18.21. The vesting period is from 17 March 2005 to 17 March 2010 and the exercise period is from 18 March 2007 to 17 March 2010.
- (7) In respect of the share options granted on 4 January 2007: The subscription price per share is HK\$22.35. The vesting period is from 4 January 2007 to 4 January 2012 and the exercise period is from 5 January 2009 to 4 January 2012.
- (8) In respect of the share options granted on 8 January 2009: The subscription price per share is HK\$9.34. The vesting period is from 8 January 2009 to 8 January 2014 and the exercise period is from 9 January 2011 to 8 January 2014.

Long positions in shares of an associated corporation of the Company

As at the Latest Practicable Date, Dr. Lo Ka Shui beneficially owned 150,000 shares in the capital of Recruit Holdings Limited representing 0.048% of its issued share capital.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors of the Company were, under Divisions 7 and 8 of Part XV of the SFO, taken to be interested or deemed to have any other interests or short positions in shares or underlying shares of the Company and its associated corporations, that were required to be entered into the register kept by the Company under section 352 of the SFO or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

3. SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

Save as disclosed below, as at the Latest Practicable Date, so far as is known to the Directors, no persons (other than a Director or the chief executive of the Company) had interest or short position in the shares or underlying shares of the Company which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Shareholders	Number of shares	Percentage of issued share capital
HSBC International Trustee Limited	274,494,364 ⁽¹⁾	45.02
Powermax Agents Limited ⁽²⁾	143,082,768	23.46
Surewit Finance Limited ⁽³⁾	42,019,491	6.89
Adscan Holdings Limited ⁽⁴⁾	33,269,396	5.45

Notes:

- (1) These 274,494,364 shares comprise:
 - (i) 200,382,200 shares which are held by HSBC International Trustee Limited ("HITL") as a trustee of a discretionary trust, of which Dr. Lo Ka Shui, Mr. Lo Kai Shui, Mrs. Lo To Lee Kwan, Mr. Lo Hong Sui, Antony, Madam Law Wai Duen, Mr. Lo Hong Sui, Vincent and Dr. Lo Ying Sui, Archie are the beneficiaries;
 - (ii) 71,522,898 shares which are held by HITL as a trustee of another discretionary trust, of which Dr. Lo Ka Shui is the Founder; and
 - (iii) 2,589,266 shares which are held by HITL in the capacity of trustee (other than a bare trustee).
- (2) Powermax Agents Limited, a wholly-owned subsidiary of HITL, holds 143,082,768 shares in the Company. The said 143,082,768 shares are among the shares referred to Note (1)(i).
- (3) Surewit Finance Limited, a wholly-owned subsidiary of HITL, holds 42,019,491 shares in the Company. The said 42,019,491 shares are among the shares referred to Note (1)(ii). Dr. Lo Ka Shui is a director of the said company.
- (4) Adscan Holdings Limited is a company wholly-owned by Dr. Lo Ying Sui, Archie and Dr. Lo is a director of the said company.

Save as disclosed above, none of the Directors or proposed Directors is a director or employee of a company which has an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of the SFO.

4. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had a service contract or a proposed service contract with any member of the Group which is not expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation).

5. DIRECTORS' INTERESTS IN ASSETS AND CONTRACTS

As of the Latest Practicable Date:

- (a) save as disclosed in the Company's circular dated 29 February 2008 in relation to, among other things, the sale of the retail, carpark and certain office portions of Langham Place, none of the Directors had any direct or indirect interest in any assets which have been, since the date to which the latest published audited accounts of the Group were made up, acquired or disposed of by, or leased to the Company or any of its subsidiaries, or are proposed to be acquired or disposed of by, or leased to, the Company or any of its subsidiaries; and
- (b) save for the interests of Mr. Lo Kai Shui (and his associates who are Directors) in the Supplemental Agreement as disclosed in the "Letter from the Board" in this circular, none of the Directors was materially interested in any contract or arrangement entered into by the Company or any of its subsidiaries which contract or arrangement is subsisting at the date of this circular and which is significant in relation to the business of the Group.

6. COMPETING BUSINESS INTERESTS OF DIRECTORS

As far as the Directors are aware:

- (a) Mr. Lo Hong Sui, Vincent is the founder and Chairman of the Shui On Group which was established in 1971. He also leads the key positions in the following subsidiaries of the Shui On Group:
 - Chairman of Shui On Land Limited (SOL), the Shui On Group's flagship property development company in the Chinese Mainland specialising in city-core large-scale re-development projects. The company was listed on the Hong Kong Stock Exchange in 2006.
 - Chairman of Shui On Construction And Materials Limited (SOCAM), which is engaged in construction, cement production, property development and management and venture capital in Hong Kong, Macau, and the Chinese Mainland. The company was listed on the Hong Kong Stock Exchange in 1997.
 - Chairman of China Central Properties Limited (CCP), focusing primarily on medium to large size partially-completed property projects in the Chinese Mainland. The company was listed on the AIM of the London Stock Exchange in 2007.
- (b) Mr. Lo Kai Shui, apart from his interest in the Contractor as disclosed in this circular, is also the Chairman of Sun Fook Kong Group Limited, the controlling shareholder of the Contractor, which engages in, among other things, property development in Mainland China.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and their respective associates had any interest in a business apart from the Group's business, which competes or is likely to compete directly or indirectly, with the Group's business and would require disclosure under Rule 8.10 of the Listing Rules.

7. QUALIFICATION AND CONSENT OF EXPERT

The qualification of the expert who has provided its advice which is contained in this circular is set out as follows:

Name	Qualification
CIMB	A corporation licensed to conduct type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO.

CIMB has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and reference to its name in the form and context in which the appear.

As at the Latest Practicable Date, CIMB did not have (i) any shareholding interest in any member of the Group or any right to subscribe for or to nominate persons to subscribe for securities in any member of the Group; nor (ii) any direct or indirect interest in any assets which have been, since 31 December 2007, being the date to which latest published audited accounts of the Group were made up, acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to the Group.

8. MATERIAL CHANGES

On 23 March 2009, the Company published its announcement on its consolidated financial statements for the year ended 31 December 2008, which reflected the financial and trading position of the Group for the year ended 31 December 2008. Due to the unfavourable market conditions during the few months since 31 December 2008, the Group's hotel operations and the carrying values of the listed securities held by the Group have continuously been materially and adversely affected; and despite that no updated valuation has been done, the Directors consider that the carrying values of the Group's properties may have also been adversely affected.

As at 23 March 2009, save as disclosed above, and other than the Company's entering into of the Supplemental Agreement as described in this circular, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2007, being the date to which the latest published audited financial statements of the Group were made up.

9. GENERAL

- (a) The secretary of the Company is Ms. Wong Mei Ling, Marina, who is a Fellow of both The Institute of Chartered Secretaries and Administrators in the United Kingdom and The Hong Kong Institute of Chartered Secretaries.
- (b) The principal share registrar and the transfer office of the Company is Butterfield Fulcrum Group (Bermuda) Limited at Rosebank Centre, 11 Bermudiana Road, Pembroke HM08, Bermuda.
- (c) The branch share registrar and transfer office is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (d) The English text of this circular shall prevail over the Chinese text.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at the office of the Company at 33rd Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong from the date of this circular up to and including 14 April 2009:

- (a) the Main Contract;
- (b) the Supplemental Agreement;
- (c) the letter from the Independent Board Committee, the text of which is set out in the section headed "Letter from the Independent Board Committee" of this circular;
- (d) the letter from CIMB, the text of which is set out in the section headed "Letter from CIMB" of this circular; and
- (e) the written consents referred to in paragraph 7 in this Appendix.

NOTICE OF SPECIAL GENERAL MEETING



Great Eagle Holdings Limited 鷹君集團有限公司

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

(Stock Code: 41)

NOTICE IS HEREBY GIVEN that a special general meeting of the shareholders of Great Eagle Holdings Limited (the “Company”) will be held at Penthouse, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong on Tuesday, 14 April 2009 at 11:00 a.m. for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution:–

ORDINARY RESOLUTION

“THAT

- (a) the Supplemental Agreement (as defined and described in the circular of the Company dated 24 March 2009 and a copy of which has been produced to this meeting marked “A” and signed by the Chairman of this meeting for the purpose of identification) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (b) any one of the directors of the Company be and is hereby authorised to do all such further acts and things and execute such further documents and take all steps which in his opinion may be necessary, desirable or expedient to implement and/or give effect to the Supplemental Agreement with any changes as such director may consider necessary, desirable or expedient.”

By Order of the Board
Great Eagle Holdings Limited
Wong Mei Ling, Marina
Company Secretary

Hong Kong, 24 March 2009

Notes:

- 1. A member entitled to attend and vote at the abovementioned meeting is entitled to appoint one or more proxies to attend and vote on his/her behalf. A proxy need not be a member of the Company.
- 2. To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be deposited at the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible, and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting or any adjournment thereof should they so wish.

NOTICE OF SPECIAL GENERAL MEETING

3. The register of members of the Company will be closed from Tuesday, 7 April 2009 to Tuesday, 14 April 2009, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending the abovementioned meeting, all share certificates with completed transfer forms must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 6 April 2009.
4. The votes at the abovementioned meeting will be taken by poll.