



Great Eagle Holdings Limited

鷹君集團有限公司

Incorporated in Bermuda with limited liability

Connected Transaction: Supplementary Agreement re Foundation Contract

Reference is made to an announcement issued by the Company on 11 August 1999 regarding the Foundation Contract. The directors of the Company announce that the Developer, a wholly-owned subsidiary of the Company, has on 31 October 2003, entered into a Supplementary Agreement with the Contractor whereby the final contract sum for the Foundation Contract was agreed at HK\$222.15 million, which is HK\$56.15 million above the original contract sum of HK\$166 million. The Supplementary Agreement constitutes a connected transaction for the Company under the Listing Rules. The Agreed Amount falls within the threshold under Rule 14.25(1) of the Listing Rules. Details of the connected transaction will be included in the Company's next published annual report and accounts in accordance with Rule 14.25(1)(A) to (D).

Foundation Contract: Reference is made to an announcement issued by the Company on 11 August 1999 regarding the Foundation Contract.

Parties:

Developer: Renaissance City Development Company Limited, a wholly-owned subsidiary of the Company

Contractor: Sun Fook Kong Holdings Limited

Contractor: The Contractor is a company engaged in the business of building and civil engineering construction, building maintenance and construction management services.

Connected Transaction: As at 15 October 2003, certain members of the Lo Ying Shek family and their related trusts and companies (the "LYS Group") are interested in shares representing in aggregate approximately 63.58% of the issued shares of the Company. The Contractor is owned as to 95.92% and controlled by certain members of the LYS Group. In view of the interest of the LYS Group in the Supplementary Agreement, the transaction contemplated by the Supplementary Agreement constitutes a connected transaction for the Company under the Listing Rules.

Supplementary Agreement: The increase in the contract sum for the Foundation Contract is attributable to unexpectedly difficult site conditions and the ancillary risk of settlement of the adjacent MTRC Entrance and major variations to the original contract including the advance provision for the special retail design for the Mongkok Project and the execution of certain advance construction works to avoid delay under the main contract for the Mongkok Project.

The decision to enter into the Supplementary Agreement with the Contractor was based upon the assessment and recommendation of the architect, quantity surveyor and the structural engineer of the Mongkok Project. The said architect, quantity surveyor and structural engineer are not connected persons (as defined under the Listing Rules) of the LYS Group or the Company. The directors, including the independent non-executive directors, of the Company consider that the Supplementary Agreement has been entered into on normal commercial terms, the Agreed Amount is fair and reasonable and the Supplementary Agreement is in the best interest of the Company.

The Agreed Amount of HK\$56.15 million and the final contract sum of the Foundation Contract represent approximately 0.40% and 1.57% respectively of the unaudited consolidated net tangible asset value of the Company as at 30 June 2003. Accordingly, the Supplementary Agreement does not require the approval of the independent shareholders of the Company, but details of the Supplementary Agreement will be included in the Company's next published annual report and accounts in accordance with Rule 14.25(1)(A) to (D).

The principal activities of the Company and its subsidiaries are property development, property investment, hotel and restaurant operations, trading of building materials and provision of property management and maintenance services.

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

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| "Agreed Amount" | HK\$56.15 million, being the difference between the final contract sum as agreed under the Supplementary Agreement and the original contract sum provided under the Foundation Contract |
| "Company" | Great Eagle Holdings Limited, a company incorporated in Bermuda with limited liability and whose securities are listed on the Stock Exchange |

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“Foundation Contract” the Foundation Contract dated 11 August 1999 whereby the Contractor was appointed to carry out certain parts of the foundation works for the Mongkok Project for a consideration of HK\$166 million and in respect of which an announcement was issued by the Company on 11 August 1999

“HK\$” Hong Kong Dollars

“Mongkok Project” a composite development project in Mongkok undertaken by the Company in joint venture with Urban Renewal Authority as part of an urban renewal scheme

“Listing Rules” the Rules Governing the Listing of Securities on the Stock Exchange

“Stock Exchange” The Stock Exchange of Hong Kong Limited

By Order of the Board
Great Eagle Holdings Limited
TSANG Yiu Wing, Peter
Company Secretary

Hong Kong, 31 October 2003

Please also refer to the published version of this announcement in China Daily dated on 3-11-2003.