



## **Reporting and Monitoring Policy on Connected Transactions**

Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited sets out a number of requirements in respect of connected transactions. Among other things, the Listing Rules require certain continuing connected transactions be approved by independent shareholders, reviewed by independent non-executive directors, and subject to reporting and announcement requirements.

The purpose of this Reporting and Monitoring Policy on Connected Transactions (the “Policy”) is to set out the internal control systems and monitoring procedures of Great Eagle Holdings Limited (the “Company”) in respect of executing, recording and reporting of all connected transactions and continuing connected transactions no matter they are exempted transactions or otherwise. This Policy applies to the Company and all its subsidiaries (as defined under the Listing Rules) (collectively the “Group”) and will be reviewed and updated regularly.

### **I. CT Officer**

Each of the fellow subsidiaries of the Company shall nominate a senior staff to be the “CT Officer” who shall be responsible to report all Connected Transactions and Continuing Connected Transactions to CSD in accordance with this Policy. The CT Officer is expected to be someone who is familiar with the finance and business operations of the particular subsidiary.

### **II. Reporting Scope**

All Connected Transactions and Continuing Connected Transactions within the meaning of the Listing Rules shall be in the form of written agreement and monthly reports in the prescribed format are required to be submitted by the following Department / Business Units to the Company Secretarial Division in accordance with this Policy:

1. Engineering
2. Estate Agents
3. Hotels
4. Project Management
5. Property Management
6. Trading

The Connected Transactions and Continuing Connected Transactions entered into by all other Departments / Business Units shall be monitored by the Finance and Accounts Department of the Corporate Head Office.

## **1. Definition of Connected Transactions**

- 1.1 Any Transaction between the Group with Connected Persons;
- 1.2 Any Transaction between the Group with Third Parties that may confer benefits to Connected Persons through their interests in the entities involved in the Transaction; and
- 1.3 Financial assistance provided to/from commonly held entities which are held by listed company level connected person as to more than 10% interest.

“**Transactions**” include the following types of transactions both capital and revenue nature. They may be one-off transactions or continuing transactions:

- acquisition or disposal of assets including a deemed disposal;
- accepting or transferring or exercising an option to acquire or dispose of assets;
- entering into or terminating finance leases;
- entering into or terminating operating leases or sub-leases;
- granting an indemnity or a guarantee or providing financial assistance;
- formation of a joint venture;
- provision of or receipt of services;
- sharing of services;
- providing or acquiring raw materials, intermediate products and finished goods.

## **2. Definition of Continuing Connected Transactions**

Continuing Connected Transactions are Connected Transactions involving the provision of goods or services or financial assistance, which are carried out on a continuing or recurring business and are expected to extend over a period of time.

When we refer to “Connected Transaction(s)” in this Policy, we mean and it includes also “Continuing Connected Transaction(s)”.

## **3. Definition of Connected Persons**

- 3.1 a director, chief executive or substantial shareholders of the Company or its subsidiaries
- 3.2 any person who was a director of the Company or its subsidiaries within the preceding 12 months;
- 3.3 any associate of a person referred to in paragraph 3.1 or 3.2 above including:
  - 3.3.1 (a) any person cohabiting as a spouse, any child, step-child, parent, step-parent, brother, sister, step-brother and step-sister;
  - (b) a father-in-law, mother-in-law, son-in-law, daughter-in-law, grandparent, grandchild, uncle, aunt, cousin, brother-in-law, sister-in-law, nephew and niece of a person referred to in paragraph 3.1 and 3.2 above;

- (c) a company which the party referred to in paragraph 3.3.1(a) and (b) can exercise more than 50% of the voting power at shareholders' meeting or control the composition of a majority of the board of directors; and
- (d) any person or entity with whom a person referred to in paragraphs 3.1 or 3.2 has entered into any agreement or arrangement or whatever manner, with respect to the transaction which is such that, in the opinion of the Exchange, that person or entity should be considered a connected person.

3.4 any non wholly-owned subsidiary of the Company where any connected persons of the listed Company level is/are (individually or together) entitled to exercise, or control the exercise of, 10% or more of shares of such non-wholly-owned subsidiary.

3.5 any subsidiary of a non wholly-owned subsidiary referred to in paragraph 3.4 above.

### **(III) Compliance Requirements for Connected Transactions**

When the Company or its subsidiary enters into a non-exempt Connected Transaction, the Company must comply with all or any of the following requirements subject to the results of the applicable size tests:

- (i) Written Agreement for the transaction;
- (ii) Announcement;
- (iii) Circular;
- (iv) Shareholders' Approval (advices and recommendations from Independent Board Committee and Independent Financial Adviser are required);
- (v) Annual Reporting; and
- (vi) Annual Review.

Exemptions or waivers from all or some of the requirements are available for certain type of Connected Transactions.

### **(III) Monitoring Procedures**

The CT Officer shall submit a prescribed Monthly Report (Appendix B) containing the following information to the Company Secretarial Division with 5 business days after each month end:

- a. Particulars of Connected Transactions that are expected to be finalized within the next reporting month;
- b. Finalised details of Connected Transactions entered into during the month; and
- c. Transaction amount of Connected Transactions previously reported during the month.

**(IV) Review Procedures**

Company Secretarial Division shall consolidate all information received and compile a consolidated worksheet within 8 business days after each month end. A quarterly consolidated report shall be provided to the CT Officer for verification within 10 business days after the end of each quarter. Upon verification, the same shall be provided to Finance and Accounts Department for record.

The workflow of the Monitoring and Review Procedures are set out in Appendix A.

**(V) Training**

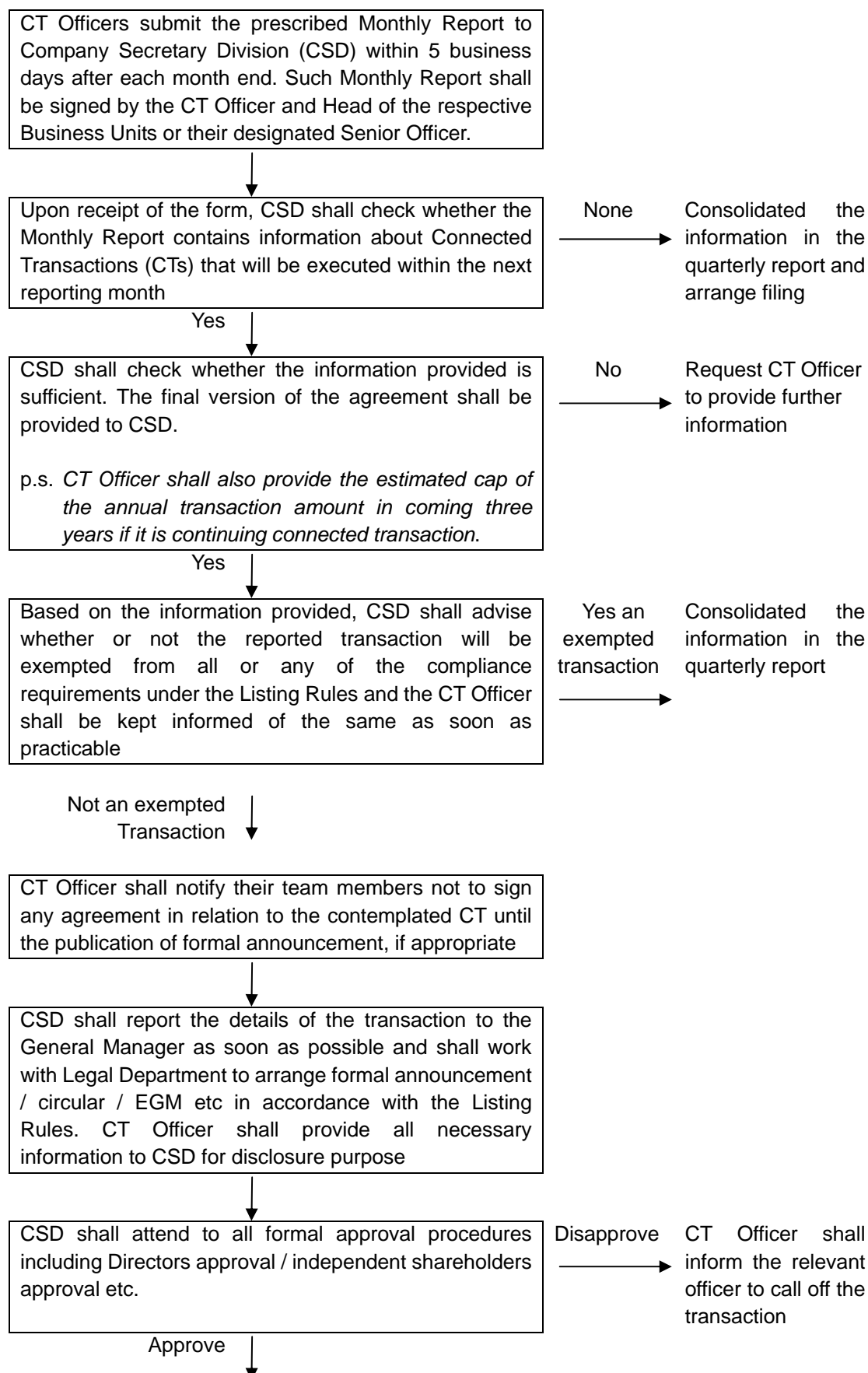
In-house training to the CT Officers will be arranged by Company Secretarial Division to ensure the CT Officers have the practical knowledge to identify Connected Transactions and are well acquainted with the workflow and procedures of this Policy.

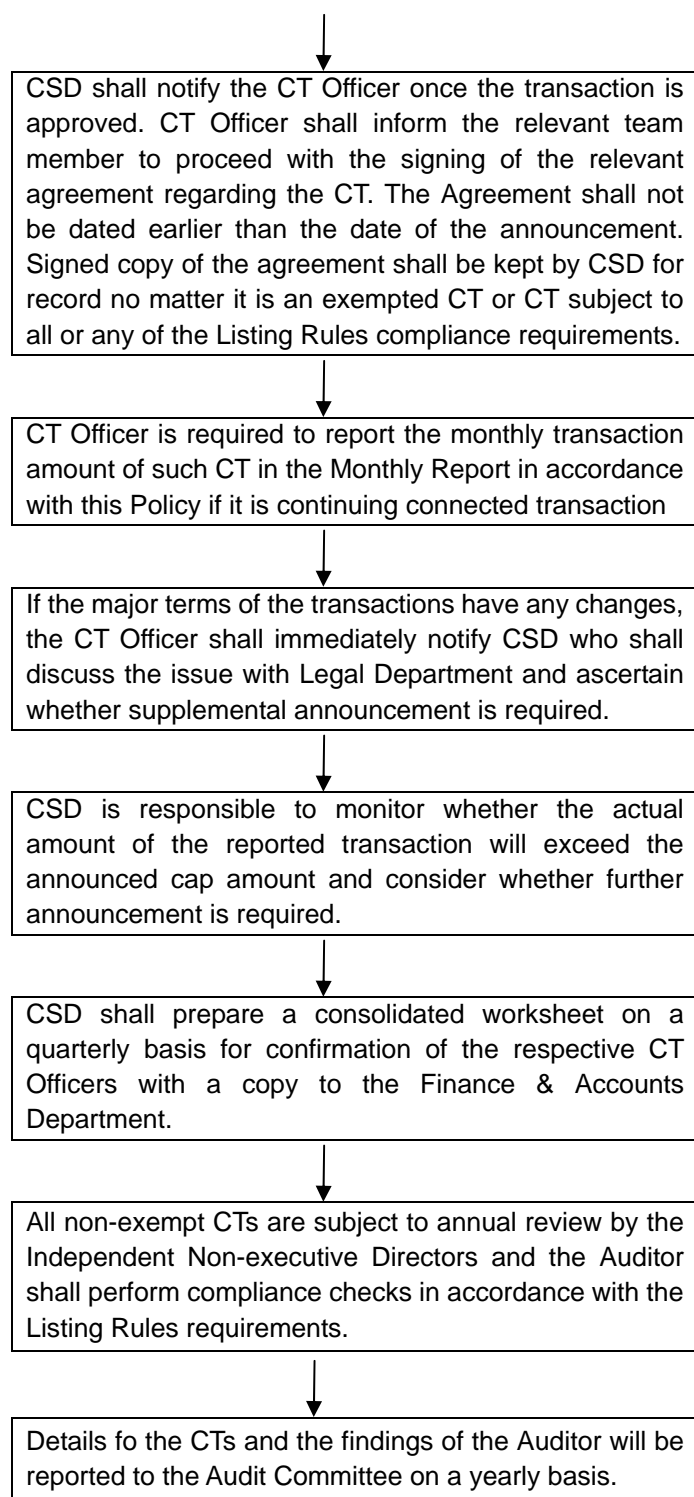
**(VI) Follow Up**

This Policy will be reviewed regularly from time to time by the Company Secretarial Division to ensure its operability and up-to-date.

Company Secretarial Division  
June 2012

## Workflow of the monitoring and review Procedures under the Reporting and Monitoring Policy on Connected Transactions





**Connected Transactions and Continuing Connected Transactions  
Monthly Report**

Reporting Subsidiary / Business Unit:

For the month ended:

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**Part I: Connected Transactions and Continuing Connected Transactions entered into during the Reporting Month**

1. Are there any Connected Transactions or Continuing Connected Transactions entered into during the month ? (If there are more than one transaction, please use separate sheet for reporting.)

Yes. If so , please classify the transaction:

Connected Transaction

Continuing Connected Transaction

No (Please go to Part II)

2. Please provide information about the Connected Transaction / Continuing Connected Transaction as follows (If there are more than one transaction, please make a photocopy of this page for filling in the particulars for the other transactions):

- Parties to the agreement:

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- Relationship with the Great Eagle Group:

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- Particulars of the Transaction\*:

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- If it is a Connected Transaction, please provide the total transaction amount under the contract:

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- If it is Continuing Connected Transaction, please provide the total transaction amount during the reporting month:

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- Please provide the latest draft of the agreement and documents and any other information:

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*\* no need to provide if you have submitted in previous Monthly Report under Part II*

3. Please advise if the reported transaction is on normal commercial terms?

Yes

No. If not on normal commercial terms, please provide the basis of considerations:

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**Part II Contemplated Connected Transactions / Continuing Connected Transactions that is/are likely to be executed in the coming reporting month**

1. Do you expect there will have Connected Transactions / Continuing Connected Transactions within your Division in the coming reporting month?

Yes. If so , please classify the transaction(s):

Connected Transaction(s)

Continuing Connected Transaction(s)

No (Please go to Part III)

2. Please provide information about the contemplated Connected Transaction(s) / Continuing Connected Transaction(s) as follows (If they are Continuing Connected Transactions previously reported under Part I, you are not required to provide the details again in Part II):

- Name of the counterparty:

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- Relationship with the Great Eagle Group:

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- Particulars of the Transaction\*:

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- If it is a Connected Transaction, please provide the total transaction amount under the contract:

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- If it is Continuing Connected Transaction, please provide the transaction amount during the reporting month:

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- Provide the latest draft of the agreement and documents and any other information:

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*\* no need to provide if you have submitted in previous Monthly Report under Part II*

3. Will these transaction(s) be on normal commercial terms?

Yes

No. If not on normal commercial terms, please provide the basis of considerations:

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**Part III Signature**

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CT Officer  
Name:  
Date:

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Department/Division Head or designated officer  
Name:  
Date:

All completed and signed Monthly Report shall be submitted to the Company Secretarial Division by email to [dorothy.lam@greateagle.com.hk](mailto:dorothy.lam@greateagle.com.hk).