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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**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.

**If you have sold or transferred** all your shares in Great Eagle Holdings Limited, you should at once hand this circular 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*  
(Stock Code: 41)

*Directors:*

LO Ka Shui, *Chairman and Managing Director*  
LO Kai Shui, *Deputy Managing Director*  
LO TO Lee Kwan  
CHENG Hoi Chuen, Vincent\*  
WONG Yue Chim, Richard\*  
LEE Pui Ling, Angelina\*  
LO Hong Sui, Antony  
LAW Wai Duen  
LO Hong Sui, Vincent  
LO Ying Sui, Archie  
KAN Tak Kwong

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Wanchai  
Hong Kong

3 June 2008

\* *Independent Non-executive Directors*

*To the Shareholders*

Dear Sir or Madam,

**Final Dividend for the year ended 31 December 2007**  
**payable in Cash with option to elect to receive Scrip Shares**

**Introduction**

On 2 April 2008, it was announced that the directors ("Directors") of Great Eagle Holdings Limited ("Company") recommended the payment of a final dividend ("Final

Dividend”) of HK35 cents per share of HK\$0.50 each in the capital of the Company (“Shares”) for the year ended 31 December 2007. The Final Dividend is payable in cash with option to elect to receive new Shares in lieu of cash dividend to shareholders of the Company (“Shareholders”) whose names were recorded on the register of members on 23 May 2008 (the “Scrip Dividend Arrangement”).

At the annual general meeting of the Company for 2008 held on 23 May 2008, the recommended Final Dividend was approved, and the Scrip Dividend Arrangement was confirmed by the Directors thereafter.

The purpose of this circular is to set out the procedures which apply in relation to the Scrip Dividend Arrangement.

### **Particulars of the Scrip Dividend Arrangement**

Under the Scrip Dividend Arrangement, **each Shareholder has the choice of receiving:**

- (a) HK35 cents in cash for each Share held on 23 May 2008; or
- (b) an allotment of new Shares (“Scrip Shares”) credited as fully paid; or
- (c) a combination of partly in (a) and partly in (b) above.

The market value for calculating the number of Scrip Shares to be allotted to Shareholders pursuant to the Scrip Dividend Arrangement was HK\$24.01 per share, which was the average of the closing prices of HK\$25.27 per Share of the Company on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) for the 5 consecutive trading days ended 22 May 2008 less a 5% discount. Accordingly, the number of Scrip Shares which Shareholders will receive in respect of their shareholdings on 23 May 2008 under the Scrip Dividend Arrangement will be calculated as follows:

$$\begin{array}{rcl} \text{Number of Scrip Shares} & & \\ \text{to be allotted} & = & \text{Number of existing Shares} \\ & & \text{held on 23 May 2008} \end{array} \quad \times \quad \frac{\text{HK\$0.35}}{\text{HK\$24.01}}$$

If all Shareholders elect to receive their Final Dividend entitlements in Scrip Shares, based on 604,693,870 Shares in issue on 23 May 2008, not more than 8,814,779 Scrip Shares will be issued. The number of Scrip Shares to be issued to each Shareholder will be rounded down to the nearest whole number. Fractional entitlements to Scrip Shares will not be allotted but will be aggregated and sold for the benefit of the Company.

The Scrip Shares will rank *pari passu* in all respects with the existing issued shares of the Company save that they will not be entitled to the Final Dividend.

## **Advantages of the Scrip Dividend Arrangement**

The Scrip Dividend Arrangement will give Shareholders the opportunity to increase their investment in the Company at market value without incurring brokerage fees, stamp duty and related dealing costs. The Scrip Dividend Arrangement will also be to the advantage of the Company because, to the extent that Shareholders elect to receive Scrip Shares in whole or in part in lieu of a cash dividend, such cash as would otherwise have been paid to Shareholders will be retained for use as working capital by the Company.

## **Form of Election**

A form of election ("Election Form") for Shareholders to elect to receive the Final Dividend in Scrip Shares is enclosed with this circular.

**Any Shareholder who wishes to receive only cash in respect of his Final Dividend entitlement need not complete the Election Form. Any Shareholder who wishes to elect to receive Scrip Shares in lieu of cash in respect of his Final Dividend entitlement, either in whole or in part, must complete the enclosed Election Form and return it to the Company's Registrars in Hong Kong, Computershare Hong Kong Investor Services Limited of Rooms 1806-7, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 16 June 2008. No acknowledgement of receipt of the Election Form will be issued. If any Shareholder signs the Election Form but does not specify the number of Shares in respect of which he wishes to receive his Final Dividend in Scrip Shares or, if he elects to receive his Final Dividend in Scrip Shares in respect of a greater number of Shares than his registered holding, then in either case he will be deemed to have exercised his election of Scrip Shares in respect of all the Shares registered in his name.**

## **Shareholders in the United States of America, Canada, Malaysia, the Philippines and Mainland China**

The Directors are aware that, after making legal enquiries by the Company, Shareholders with registered addresses in the United States of America, Canada, Malaysia, the Philippines and Mainland China will need to carry out local approval and/or registration or filing or other formalities in relation to the Scrip Dividend Arrangement so as to comply with the relevant securities legislation in those jurisdictions. As the Directors considered that it would not be cost-effective or expedient for the Company to comply with the registration requirements and/or other formalities under the laws of the relevant jurisdictions, they have decided to exclude Shareholders with registered addresses in these jurisdictions from the Scrip Dividend Arrangement. Accordingly, they will receive the Final Dividend wholly in cash. No Election Form is being sent to such Shareholders.

## **Stock Exchange Listing and Despatch of Dividend Warrants and/or Certificates for Scrip Shares**

The Scrip Dividend Arrangement is conditional upon listing approval being granted by the Stock Exchange in respect of the Scrip Shares to be issued pursuant thereto. Application has been made to the Listing Committee of the Stock Exchange for a listing of and permission to deal in the Scrip Shares.

The relevant dividend warrants and/or certificates for Scrip Shares are expected to be despatched at the risk of those entitled thereto on or about 26 June 2008 on which dealings of the Scrip Shares will commence.

The Shares of the Company are only listed on the Stock Exchange. No part of the share capital of the Company is listed or dealt in on any other stock exchange and the Company is not currently seeking to list its Shares on any other stock exchange.

Dealings in the Shares may be settled through the Central Clearing and Settlement System and you should seek the advice of your stockbroker or other professional adviser for details of these settlement arrangements and how such settlement arrangements will affect your rights and interests.

### **Recommendation and Advice**

Whether or not it is to your advantage to elect to receive Scrip Shares in lieu of cash will depend upon your own individual circumstances and the decision in this regard, and all effects resulting therefrom, must be solely the responsibility of each Shareholder.

If any Shareholder is in any doubt as to any aspect of this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

Yours faithfully,  
**LO Ka Shui**  
*Chairman  
and Managing Director*