
IMPORTANT

If you are 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.

If you have sold or transferred all your shares in Great Eagle Holdings Limited, you should at once hand this circular to the purchaser or the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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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 Ying Shek, *Chairman and Managing Director*
LO TO Lee Kwan
LO Ka Shui, *Deputy Chairman and Managing Director*
LO Kai Shui, *Deputy Managing Director*
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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Hong Kong

* *Independent Non-executive Directors*

14th June 2006

To the Shareholders

Dear Sir or Madam,

**Scrip Dividend Scheme
in relation to the Final Dividend
for the year ended 31st December 2005**

Introduction

On 20th April 2006, it was announced that the directors (“Directors”) of Great Eagle Holdings Limited (“Company”) recommended the payment of a final dividend (“Final

Dividend”) of HK20 cents per share of HK\$0.50 each in the capital of the Company (“Shares”) for the year ended 31st December 2005, to be satisfied by way of a scrip dividend of Shares (“Scrip Shares”) with a cash option (“Scrip Dividend Scheme”), payable to shareholders of the Company (“Shareholders”) whose names were recorded on the register of members on 5th June 2006.

At the annual general meeting for 2006 of the Company held on 5th June 2006, the recommended Final Dividend was approved, and the Scrip Dividend Scheme was confirmed by the Directors immediately thereafter.

Particulars of the Scrip Dividend Scheme

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

- (a) HK20 cents in cash for each Share held on 5th June 2006; or
- (b) an allotment of Scrip Shares credited as fully paid and having an aggregate market value (as determined below), save for adjustment for fractions, equal to the total amount of the Final Dividend which such Shareholder could elect to receive in cash; 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 Scheme was HK\$23.25 per share, which was the average of the closing prices of HK\$24.47 per share of the Company on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) for the 5 consecutive trading days ended 2nd June 2006 less a 5% discount. Accordingly, the number of Scrip Shares which Shareholders will receive in respect of their shareholdings on 5th June 2006 under the Scrip Dividend Scheme will be calculated as follows:

$$\begin{array}{rcccl} \text{Number of Scrip Shares} & & \text{Number of existing Shares} & & \text{HK\$0.20} \\ \text{to be allotted} & = & \text{held on 5th June 2006} & \times & \hline & & & & \text{HK\$23.25} \end{array}$$

If all Shareholders elect to receive their Final Dividend entitlements in Scrip Shares, based on 595,932,307 Shares in issue on 5th June 2006, not more than 5,126,299 Scrip Shares will be issued under the Scrip Dividend Scheme. 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 Scheme

The Scrip Dividend Scheme 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 Scheme will also be to the advantage of the Company because, to the extent that Shareholders do not elect to receive cash, in whole or in part, 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 (“Cash Election Form”) for Shareholders to elect to receive the Final Dividend in cash is enclosed with this circular.

Any Shareholder who wishes to receive only Shares in respect of his Final Dividend entitlement need not complete the Cash Election Form. Any Shareholder who wishes to elect to receive cash in lieu of Shares in respect of his Final Dividend entitlement, either in whole or in part, must complete the enclosed Cash Election Form and return it to the Company’s Registrars in Hong Kong, Computershare Hong Kong Investor Services Limited of 46th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:00 p.m. on Friday, 30th June 2006. No acknowledgement of receipt of the Cash Election Form will be issued. **If any Shareholder signs the Cash Election Form but does not specify the number of Shares in respect of which he wishes to receive his Final Dividend in cash or, if he elects to receive his Final Dividend in cash 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 cash in respect of all the Shares registered in his name.**

Shareholders in the United States of America, Canada, Malaysia and Singapore

The Directors are aware that Shareholders with registered addresses in the United States of America, Canada, Malaysia and Singapore will need to carry out local approval and/or registration or filing or other formalities in relation to the Scrip Dividend Scheme 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 Scheme. Accordingly, they will receive the Final Dividend wholly in cash. No Cash 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 Scheme 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 11th July 2006 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 cash in lieu of Scrip Shares 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
*Deputy Chairman
and Managing Director*