

Scrip Dividend Scheme in Relation to the Final Dividend for the Year Ended 31st December 1999

15 Jun 2000

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It was announced on 13th April 2000 that the 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 ("Share") for the year ended 31st December 1999 by way of a scrip dividend of Shares ("Scrip Shares") with a cash option, payable to shareholders of the Company ("Shareholders") whose names were recorded on the register of members as at 15th June 2000 ("Scrip Dividend Scheme").

The purpose of this announcement is to advise Shareholders as to (a) approval of the Final Dividend at the annual general meeting for 2000 held on 15th June 2000; (b) how the scrip dividend entitlements are arrived at; (c) further details with respect to the election for cash dividend; (d) the despatch to Shareholders of a circular containing details of the Scrip Dividend Scheme and the relevant cash election form on or about 21st June 2000; and (e) the despatch of dividend warrants and/or certificates for the Scrip Shares on or about 17th July 2000.

On 13th April 2000, Great Eagle Holdings Limited ("Company") announced that the directors ("Directors") of the 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 ("Share") for the year ended 31st December 1999 by way of a scrip dividend of Shares ("Scrip Shares") with a cash option, payable to shareholders of the Company ("Shareholders") whose names were recorded on the register of members as at 15th June 2000 ("Scrip Dividend Scheme").

The recommended Final Dividend has been approved at the annual general meeting for 2000 of the Company held on 15th June 2000 and the Scrip Dividend Scheme was confirmed by the Directors immediately thereafter. The Scrip Dividend Scheme is conditional upon listing approval being granted by the Listing Committee of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") in respect of the Scrip Shares to be issued pursuant thereto. Application will be made to the said Listing Committee for a listing of and permission to deal in the Scrip Shares.

The market value for calculating the number of Scrip Shares to be allotted to Shareholders pursuant to the Scrip Dividend Scheme was HK\$12.39 per share, which was arrived at by

calculating the weighted average of the traded prices (i.e. the daily turnover divided by the total number of shares traded) in respect of the Shares traded on the Stock Exchange for each of the 5 consecutive trading days ended 14th June 2000 and then further taking the average of the said 5 days' weighted average figures. Accordingly, the number of Scrip Shares which Shareholders will receive in respect of their shareholdings on 15th June 2000 under the Scrip Dividend Scheme will be calculated as follows :

$$\text{Number of Scrip Shares to be allotted} = \text{Number of existing Shares held on 15th June 2000} \times \text{HK\$0.20/ HK\$12.39}$$

The Scrip Shares to be issued will rank pari passu in all respects with the Shares, except that they will not rank for the abovementioned Final Dividend. The number of Scrip Shares to be allotted 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.

A circular ("Circular") containing details of the Scrip Dividend Scheme together with the relevant cash election form will be sent to Shareholders on or about 21st June 2000. Shareholders who wish to elect to receive cash in lieu of Scrip Shares in respect of the Final Dividend, either in whole or in part, should complete and sign the cash election form in accordance with the instructions printed thereon and return it to the Share Registrars of the Company in Hong Kong, Central Registration Hong Kong Limited, Rooms 1901-1905, 19th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:00 p.m. on Monday, 10th July 2000. It will be noticed from the Circular that certain overseas shareholders will not be permitted to participate in the Scrip Dividend Scheme and accordingly they will receive the Final Dividend wholly in cash. No cash election form will be sent to such shareholders. It is expected that the relevant dividend warrants and/or certificates for the Scrip Shares will be sent to Shareholders by post at the risk of those entitled thereto on or about 17th July 2000 on which dealings of the Scrip Shares will commence.

By Order of the Board

TSANG Yiu Wing, Peter

Company Secretary

Hong Kong, 15th June 2000