
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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
於百慕達註冊成立之有限公司

(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^{*}

ZHU Qi^{*}

LO Hong Sui, Antony

LAW Wai Duen

LO Hong Sui, Vincent[#]

LO Ying Sui[#]

KAN Tak Kwong, *General Manager*

[#] *Non-executive Directors*

^{*} *Independent Non-executive Directors*

Registered Office:

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Principal Office:

33rd Floor, Great Eagle Centre
23 Harbour Road
Wanchai
Hong Kong

25 May 2012

To the Shareholders

Dear Sir or Madam,

**SCRIP DIVIDEND ARRANGEMENT IN RELATION TO
THE FINAL DIVIDEND FOR THE YEAR ENDED 31 DECEMBER 2011**

INTRODUCTION

On 27 February 2012, it was announced that, among other things, the board of directors (the “**Board**”) of Great Eagle Holdings Limited (the “**Company**”) recommended the payment of a final dividend of HK40 cents per share of HK\$0.50 each in the capital of the Company (“**Share(s)**”) for

the year ended 31 December 2011 (“**2011 Final Dividend**”) payable on 27 June 2012 to the shareholders of the Company (the “**Shareholders**”) whose names appear on the registers of members (“**Registers of Members**”) of the Company as at the close of business on Tuesday, 22 May 2012 (the “**Record Date**”). Shareholders are provided with an option to receive an allotment of new shares of HK\$0.50 each in the capital of the Company (“**Scrip Shares**”) in lieu of cash for the 2011 Final Dividend (the “**Scrip Dividend Arrangement**”). At the annual general meeting of the Company held on 10 May 2012, the 2011 Final Dividend was approved.

The purpose of this circular is to set out the procedures which apply in relation to the Scrip Dividend Arrangement and the action which should be taken by Shareholders in relation thereto.

PARTICULARS OF THE SCRIP DIVIDEND ARRANGEMENT

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

- (a) a cash dividend of HK40 cents for each Share held on the Record Date; or
- (b) a scrip dividend of new shares at an Issue Price (as defined below), subject to any fractional entitlement being disregarded as mentioned below; or
- (c) a combination of partly in (a) and partly in (b) above.

The Scrip Shares issued in respect of the 2011 Final Dividend will, when they are issued, rank pari passu in all respects with the existing issued Shares of the Company except that such Scrip Shares themselves will not rank for the 2011 Final Dividend. The right to receive Scrip Shares instead of whole or part of the cash dividend is non-transferable.

Based on 629,013,272 Shares in issue as at the Record Date, if no elections for the Scrip Shares were received, the total cash dividend payable by the Company in respect of the 2011 Final Dividend would be approximately HK\$251.61 million. If all Shareholders elect to receive their entitlement in the form of Scrip Shares, the maximum number of Scrip Shares to be issued would be 12,555,155 Shares, representing approximately 2.00% of the existing issued share capital of the Company and approximately 1.96% of the issued share capital of the Company as enlarged by the issue of the Scrip Shares.

BASIS OF ALLOTMENT OF THE SCRIP SHARES

For the purpose of calculating the number of Scrip Shares to be allotted to Shareholders pursuant to the Scrip Dividend Arrangement, the issue price of the Scrip Shares has been determined at HK\$20.04 per Share (“**Issue Price**”), which is the average closing prices of the Shares quoted on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) for the five consecutive trading days commencing from, and including, 15 May 2012, less a 5% discount. Accordingly, the number of Scrip Shares which each Shareholder will receive under the Scrip Dividend Arrangement will be calculated as follows:

$$\begin{array}{l} \text{Number of Scrip Shares to be} \\ \text{received (round down to the} \\ \text{nearest whole number)} \end{array} = \begin{array}{l} \text{Number of existing Shares held} \\ \text{on the Record Date for which} \\ \text{the election for Scrip} \\ \text{Shares is made} \end{array} \times \frac{\text{HK\$0.40}}{\text{HK\$20.04}}$$

The number of Scrip Shares to be received by each Shareholder pursuant to his/her election will be rounded down to the nearest whole number. No Shareholder will be entitled to be issued any fraction of a Share under the Scrip Dividend Arrangement. If you elect to receive the maximum number of Scrip Shares in lieu of your cash dividend, a residual dividend entitlement may arise, representing the difference between the total cash equivalent of the Scrip Shares based on the Issue Price to be issued to you and the maximum dividend available in respect of your shareholding. Fractional entitlements to Scrip Shares will be disregarded and the benefit thereof will accrue to the Company.

Scrip Shares issued to a Shareholder pursuant to an election to receive some or all of his/her 2011 Final Dividend in Scrip Shares may be allocated in odd lots (of fewer than a board lot of 1,000 Shares). No special dealing arrangements will be put in place by the Company to facilitate the trading or disposal of Scrip Shares issued in odd lots. Shareholders should be aware that odd lots usually trade at a discount to the price of board lots.

You may elect to receive Scrip Shares in respect of all or part of your holding of Shares. No fraction of a Share will be issued. If you choose to take only part of your dividend as Scrip Shares, you will receive the balance in cash.

ACTION TO BE TAKEN

An election form (“**Election Form(s)**”) is enclosed with this circular. Please read carefully the instructions below and the instructions printed on the Election Form.

If you wish to receive the whole of the 2011 Final Dividend in cash, you need not complete the Election Form.

If you wish to elect to receive an allotment of Scrip Shares, or partly in cash and partly in Scrip Shares in respect of the 2011 Final Dividend, you must COMPLETE, SIGN and RETURN the Election Form to the Company’s branch Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited (the “Share Registrar”) of 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Monday, 11 June 2012.

No acknowledgement of receipt of the Election Form will be issued.

The latest time for submission of the Election Forms will not be valid if there is a tropical cyclone warning signal no. 8 or above, or a “black” rainstorm warning:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on 11 June 2012. Instead the deadline for the submission of Election Forms will be 5:00 p.m. on the same business day;
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on 11 June 2012. Instead the deadline for the submission of Election Forms will be rescheduled to 4:00 p.m. on the next business day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

No elections in respect of the 2011 Final Dividend may, after the relevant Election Forms are signed and returned to the Share Registrar, be in any way withdrawn, revoked, superseded or altered.

If you sign the Election Form but do not specify the number of Shares in respect of which you wish to receive your 2011 Final Dividend in Scrip Shares or, if you elect to receive your 2011 Final Dividend in Scrip Shares in respect of a greater number of Shares than your registered holding as at the Record Date, then in either case you will be deemed to have exercised your election of Scrip Shares in respect of all the Shares registered in your name.

OVERSEAS SHAREHOLDERS

The Board is aware that, after making legal enquiries by the Company, for Shareholders with registered addresses in Australia, Canada, Mainland China, Malaysia, New Zealand, and the United States of America, local approval and/or registration or filing or other formalities in relation to the Scrip Dividend Arrangement will be needed to carry out so as to comply with the relevant securities legislation in those jurisdictions. As the Board 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, it has decided to exclude Shareholders with registered addresses in these jurisdictions (the “**Excluded Shareholders**”) from the Scrip Dividend Arrangement. Accordingly, they will receive the 2011 Final Dividend wholly in cash. While no Election Form is being sent to the Excluded Shareholders, this circular will be sent to all Shareholders of the Company as at the Record Date. Excluded Shareholders will be deemed to have received such circular for information only.

Save for the Excluded Shareholders, all Shareholders resident outside Hong Kong should consult their professional advisers as to whether any government or other consents are required or other formalities need to be observed to permit them to participate in the Scrip Dividend Arrangement.

No Shareholder receiving in any territory outside Hong Kong a copy of this circular and/or an Election Form may treat the same as an invitation to elect for Shares unless in the relevant territory such invitation could lawfully be made to such person without the Company being required to comply with any registration or other legal requirements, governmental or regulatory procedures or any similar formalities. It is the responsibility of any Shareholder resident outside Hong Kong who wishes to receive Scrip Shares under the Scrip Dividend Arrangement to comply with the laws of the relevant jurisdiction(s), including procedures or any other similar formalities. It is also the responsibility of any person who receives Scrip Shares in lieu of cash dividend to comply with any restrictions on the resale of the Scrip Shares which apply outside Hong Kong.

CONDITION OF THE SCRIP DIVIDEND ARRANGEMENT

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. If this condition is not satisfied, the Scrip Dividend Arrangement described in this circular will not become effective, the Election Forms will be void and the 2011 Final Dividend will then be paid wholly in cash.

STOCK EXCHANGE LISTING, CLEARING AND SETTLEMENT

Application has been made to the Listing Committee of the Stock Exchange for the grant of listing of, and permission to deal in, the Scrip Shares. Subject to the approval being granted by the Stock Exchange, it is expected that cheques for cash entitlements and/or share certificates for Scrip Shares will be despatched to Shareholders by ordinary mail at their own risk on 27 June 2012.

Dealings in the Scrip Shares on the Stock Exchange are expected to commence on 28 June 2012. 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.

ADVANTAGES OF THE SCRIP DIVIDEND ARRANGEMENT

The Scrip Dividend Arrangement will give Shareholders the opportunity to increase their investments in the Company at Issue Price 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 cash dividend, the cash which would otherwise have been paid to the Shareholders will be retained for use by the Company as general working capital.

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 licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

Yours faithfully,
By Order of the Board
Great Eagle Holdings Limited
LO Ka Shui
Chairman and Managing Director

TIMETABLE OF EVENTS

Events	Date
Date of Annual General Meeting	10 May 2012
Shares quoted ex-dividend	15 May 2012
Closure of Registers of Members for the purpose of ascertaining the Shareholders' entitlement to the 2011 Final Dividend	17 May 2012 to 22 May 2012 (both days inclusive)
Record Date	22 May 2012
Final Date for receipt by Share Registrar of Election Forms	11 June 2012 not later than 4:30 pm
Payment of 2011 Final Dividend of HK40 cents per share	27 June 2012
Despatch of share certificates for Scrip Shares	27 June 2012
Expected first day of dealings in Scrip Shares (subject to the granting of listing by the Stock Exchange)	28 June 2012