

---

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

---

**If you are in 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 Far East Consortium International Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

---



**FAR EAST CONSORTIUM INTERNATIONAL LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

*Website: <http://www.fareastconsortium.com.hk>*

**(Stock Code: 35)**

**GENERAL MANDATE TO REPURCHASE SHARES AND TO ISSUE SHARES  
NOTICE OF ANNUAL GENERAL MEETING  
RE-ELECTION OF DIRECTORS  
AND  
AMENDMENTS TO ARTICLES OF ASSOCIATION OF THE COMPANY**

---

A notice convening the annual general meeting of Far East Consortium International Limited (the "Company") to be held at the Penthouse, Far East Consortium Building, 121 Des Voeux Road, Central, Hong Kong on 25th August, 2004 at 3:00 p.m. is set out on Appendix 3 of this circular. Whether or not you are able to attend the meeting, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon and return it to the principal office of the Company in Hong Kong at 16th Floor, Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so desire.

30th July, 2004



**FAR EAST CONSORTIUM INTERNATIONAL LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

*Website: <http://www.fareastconsortium.com.hk>*

**(Stock Code: 35)**

*Executive Directors:*

Mr. Deacon Te Ken Chiu (*Chairman*)  
Dato' David Chiu (*Deputy Chairman and  
Chief Executive Officer*)  
Mr. Craig Grenfell Williams  
Mr. Dennis Chiu

*Registered Office:*

P.O. Box 1043, Ground Floor  
Caledonian House, Mary Street  
George Town  
Grand Cayman, Cayman Islands  
British West Indies

*Non-executive Directors:*

Madam Ching Lan Ju Chiu  
Mr. Dick Tat Sang Chiu  
Mr. Daniel Tat Jung Chiu

*Principal Office:*

16/F., Far East Consortium Building  
121 Des Voeux Road Central  
Hong Kong

*Independent Non-executive Directors:*

Datuk Kee Leong Chee  
Mr. David Kwok Kwei Lo  
Mr. Jian Yin Jiang

30th July, 2004

*To the Shareholders*

Dear Sir or Madam,

**GENERAL MANDATE TO REPURCHASE SHARES AND TO ISSUE SHARES  
NOTICE OF ANNUAL GENERAL MEETING  
RE-ELECTION OF DIRECTORS  
AND  
AMENDMENTS TO ARTICLES OF ASSOCIATION OF THE COMPANY**

**INTRODUCTION**

The purpose of this circular is to provide you with information regarding the resolutions to be proposed as special business at the annual general meeting of the Company to be held on 25th August, 2004 (the "Annual General Meeting"). These include resolutions relating to re-election of directors, general mandates for the repurchase by the Company of its shares and for the issue of shares and amendments to the articles of association of the Company.

**RE-ELECTION OF DIRECTORS**

In accordance with Articles 106, 107, 112 and 115(B) of the Company's Articles of Association, the Directors retiring by rotation at the Annual General Meeting are Dato' David Chiu, Mr. Dennis Chiu, Mr. David Kwok Kwei Lo and Mr. Jian Yin Jiang who, being eligible, offer themselves for re-election.

At the Annual General Meeting, ordinary resolutions will be proposed to re-elect Dato' David Chiu, Mr. Dennis Chiu, Mr. David Kwok Kwei Lo and Mr. Jian Yin Jiang as Directors. Details of the above Directors as required to be disclosed by the Listing Rules are set out in Appendix 2 to the circular.

#### **GENERAL MANDATE TO REPURCHASE SHARES**

At the annual general meeting of the Company held on 29th August, 2003, a general mandate was given to the Directors to exercise the power of the Company to repurchase shares of the Company up to a maximum of 10% of the Company's issued share capital at the date of the relevant resolution. Under the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), such mandate will lapse at the conclusion of the forthcoming Annual General Meeting.

An ordinary resolution will therefore be proposed at the Annual General Meeting to give a general mandate to the Directors to exercise the powers of the Company to repurchase at any time until the next annual general meeting of the Company or such earlier period as stated in the ordinary resolution, shares of HK\$0.10 each of the Company ("Shares") up to a maximum of 10% of the issued share capital of the Company as at the date of the passing of the resolution (the "Repurchase Mandate"). The Directors have no present intention to exercise the Repurchase Mandate.

An explanatory statement as required under the Listing Rules to provide the requisite information is set out in Appendix 1 hereto.

#### **GENERAL MANDATE TO ISSUE SHARES**

At the annual general meeting of the Company held on 29th August, 2003 and at the extraordinary general meeting of the Company held on 10 February 2004, a general mandate was given to the Directors to allot, issue and deal with the Shares not exceeding 20% of the issued share capital of the Company at the date of the relevant resolution. Under the Listing Rules, such mandate will lapse at the conclusion of the forthcoming Annual General Meeting.

It will therefore be proposed at the Annual General Meeting an ordinary resolution granting to the Directors a general mandate to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company at the date of the passing of the resolution and adding to such general mandate so granted to the Directors any Shares representing the aggregate nominal amount of the Shares repurchased by the Company under the Repurchase Mandate. The Directors have no present intention to exercise the general mandate.

#### **AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

The Stock Exchange has recently announced amendments to the Listing Rules relating to, among other things, the articles of association or equivalent constitutional documents of listed issuers. The amendments to the Listing Rules have come into effect on 31st March, 2004. Accordingly, the Directors propose to seek the approval of the Shareholders for the amendments to the Articles of Association to ensure its compliance with the amendments made to the Listing Rules.

The details of the proposed amendments to the Articles of Association of the Company are set out in item 6 in the notice convening the Annual General Meeting.

## NOTICE OF ANNUAL GENERAL MEETING

The notice convening the Annual General Meeting is set out on pages 10 to 16 of this circular.

A proxy form for use at the Annual General Meeting is enclosed herein. Whether or not you intend to attend the Annual General Meeting, you are requested to complete the proxy form and return it to the principal office of the Company in Hong Kong at 16th Floor, Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the Annual General Meeting. Completion and return of the proxy form will not prevent shareholders from attending and voting at the Annual General Meeting in person if they so wish.

Pursuant to Article 71, every question submitted to a general meeting shall be determined in the first instance by a show of hands of the members present in person, but a poll may be demanded (before or upon the declaration of the result of the show of hands) by the Chairman or by:–

- (i) not less than three members present in person or by proxy having the right to vote at the meeting; or
- (ii) a member or members present in person or by proxy representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (iii) a member or members present in person or by proxy holding shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Unless a poll is duly demanded, a declaration by the Chairman that a resolution has been carried or lost and an entry to that effect in the minutes book of the Company shall be conclusive evidence of the result of such resolution.

## RECOMMENDATION

The Directors believe that all the above-mentioned resolutions are in the best interests of the Company and its shareholders. Accordingly, the Directors recommend you to vote in favour of the resolutions to be proposed at the Annual General Meeting.

Yours faithfully,  
For and behalf of the Board of  
**Far East Consortium International Limited**  
**David Chiu**  
*Deputy Chairman and Chief Executive Officer*

This appendix serves as explanatory statement, as required by the Listing Rules, to provide requisite information to you for your consideration of the Repurchase Mandate.

## **1. LISTING RULES**

The Listing Rules permit companies whose primary listing are on the Stock Exchange to repurchase their fully paid up shares on the Stock Exchange or on another stock exchange on which the shares of the companies may be listed and recognized by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to certain restriction, the most important of which are summarized below:

### **(a) Shareholders' Approval**

The Listing Rules provide that all on-market repurchases of shares by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of a specific approval in relation to specific transactions or by a general mandate to the directors of the company to make such repurchase.

### **(b) Source of Funds**

Repurchases must be made out of funds which are legally available for the purpose and in accordance with the company's constitutive documents and the laws of the jurisdiction in which the company is incorporated or otherwise established.

### **(c) Maximum Number of Securities to be Repurchased**

The shares proposed to be repurchased must be fully-paid up. A maximum of 10% of the existing issued share capital of the company at the date of passing the relevant resolution may be repurchased on the Stock Exchange.

## **2. SHARE CAPITAL**

As at 27th July, 2004, being the latest practicable date prior to the printing of this document (the "Latest Practicable Date"), the issued share capital of the Company comprised 1,168,457,601 Shares.

Subject to the approval of the Repurchase Mandate and on the basis that no further Shares are issued prior to the Annual General Meeting, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 116,845,760 shares representing not more than 10% of the issued share capital of the Company as at the date of passing the resolution.

## **3. REASONS FOR REPURCHASES**

The Directors believe that the Repurchase Mandate is in the best interests in the Company and its shareholders. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and/or earnings per Share of the Company and will only be made when the Directors believe that such a repurchase will benefit the Company and its shareholders.

#### 4. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum and Articles of Association, the Companies Law of the Cayman Islands, which provide that Shares may be repurchased out of the profits of the Company, and/or out of the proceeds of a fresh issue of Shares made for this purpose and/or even out of the capital paid up on the repurchased Shares, and all other applicable laws.

There might be an adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited accounts contained in the annual report for the year ended 31st March, 2004 in the event that the Repurchase Mandate were to be carried out in full at any time during the proposed repurchased period. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstance, have a material adverse effect on the working capital requirement of the Company or gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

#### 5. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous twelve months preceding the Latest Practicable Date were as follows:

	Shares	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2003</b>		
July	0.4150	0.2950
August	1.2700	0.3750
September	1.3300	0.9700
October	1.2400	0.9600
November	1.1200	0.9600
December	1.6800	1.0300
<b>2004</b>		
January	1.9900	1.5500
February	2.0750	1.7400
March	1.8900	1.5300
April	1.7000	1.2000
May	1.4100	0.8900
June	1.4700	1.1800

#### 6. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and all applicable laws.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates presently intend to sell any Shares to the Company or its subsidiaries in the event that the Repurchase Mandate is approved by Shareholders.

The Company has not been notified by any connected persons (as defined in the Listing Rules) either that they have a present intention to sell any Shares, or that they have undertaken not to sell any Shares held by them to the Company in the event that the Repurchase Mandate is approved by Shareholders.

## **7. TAKEOVER CODE**

If as a result of a repurchase of Shares a shareholder's proportionate interest in the voting rights of the Company increase, such increase will be treated as an acquisition for the purposes of the Hong Kong Code on Takeovers and Mergers (the "Takeover Code"). Accordingly, when a shareholder, or a group of shareholders acting in concert, could then obtain or consolidate control of the Company, he/they shall become obliged to make a mandatory offer in accordance with Rule 26 of the Takeover Code.

As at the Latest Practicable Date, Messrs. Deacon Te Ken Chiu, David Chiu, Dick Tat Sang Chiu, Dennis Chiu, Daniel Tat Jung Chiu and Madam Ching Lan Ju Chiu, ("the said Directors") together with their respective associates held 427,497,669 Shares (including David Chiu's lending of 70,000,000 Shares) representing approximately 36.58% of the issued share capital of the Company. In the event that the Directors exercise in full the power to repurchase Shares in accordance with the Repurchase Mandate, the shareholding of the said Directors, together with their respective associates, in the Company would be increased to approximately 40.65% of the issued share capital of the Company. An obligation to make a general offer to shareholders under Rules 26 of the Takeover Code may arise. The Directors have no present intention to exercise the power of repurchase pursuant to the Repurchase Mandate to such an extent as to result in takeover obligations. In the event that the Repurchase Mandate is exercised in full, the number of Shares held by the public would not fall below 25%.

To the best of the knowledge and belief of the Company, no other person, together with his/her associates, was beneficially interested in Shares representing 10% or more of the issued share capital of the Company.

## **8. SHARES REPURCHASE MADE BY THE COMPANY**

The Company had not purchased any of its own Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

The following is the information, as required to be disclosed by the Listing Rules as recently amended by the Stock Exchange, on the retiring Directors proposed to be re-elected at the Annual General Meeting.

**Y. Bhg Dato' David Chiu, B.Sc.**

Dato' Chiu, aged 50, joined the Group in 1973. He had been the Managing Director of Far East Consortium Limited, the predecessor of the Company, since 1978 and was appointed Deputy Chairman and Chief Executive Officer of the Company on 8th December, 1994 and 8th October, 1997 respectively. He is also a Director of Far East Technology International Limited and a Non-executive Director of Far East Hotels and Entertainment Limited and Chinasoft International Limited. He holds a double degree of Bachelor of Science in Business Administration and Economics at Sophia University, Japan.

Dato' Chiu is the Vice-Chairman and a substantial shareholder of Malaysia Land Holdings Berhad, Malaysia. He is also the Chairman of Tokai Kanko Ltd., which is listed on the Tokyo Stock Exchange. Presently, Dato' Chiu is a member of the Guangxi Chinese People's Political and Consultative Conference in China and the Honorary Chairman of the Food, Biscuit and Beverage Association in Hong Kong. He has also been conferred an honorary award in Malaysia which carries the title "Dato" by His Majesty, the King of Malaysia, in July 1997. He is the son of Mr. Deacon Te Ken Chiu and Madam Ching Lan Ju Chiu, the brother of Messrs. Dick Tat Sang Chiu, Dennis Chiu and Daniel Tat Jung Chiu. As at 27 July 2004 being the latest practical date before the publication of this circular, Dato' David Chiu is interested in 330,567,457 shares of the Company (including 229,960,209 shares registered in the name of Sumptuous Assets Limited and 70,000,000 shares on lending) and 250,000 shares in Oi Tak Enterprises Limited, a subsidiary of the Company. Save as disclosed above, Dato' Chiu does not have any relationship with any other Directors, senior management, substantial or controlling shareholders of the Company. There is no service agreement between the Company and Dato' Chiu. He is not appointed for a specific term but is subject to retirement by rotation and re-election at the Company's annual general meeting in accordance with the Company's Articles of Association. His director's fee is HK\$25,000 per annum and his emolument will be determined by the Board from time to time with reference to prevailing market conditions.

**Mr. Dennis Chiu, B.A.**

Mr. Chiu, aged 45, joined Far East Consortium Limited, the predecessor of the Company, in 1978. He is now an Executive Director of the Company and also a Director of Far East Technology International Limited and a Non-executive Director of Far East Hotels and Entertainment Limited. He is also a Non-executive Director of London-listing Fortune Oil Plc and is actively involved in the business development in China, Singapore and Malaysia. Mr. Chiu is the son of Mr. Deacon Te Ken Chiu and Madam Ching Lan Ju Chiu, the brother of Messrs. Dick Tat Sang Chiu, David Chiu and Daniel Tat Jung Chiu. As at 27 July 2004 being the latest practicable date before the publication of this circular, Mr. Dennis Chiu is interested in 4,997,362 shares of the Company (including 3,877,218 share registered in the name of First Level Holdings Limited, a company jointly owned with Mr. Daniel Tat Jung Chiu). Save as disclosed above, Mr. Chiu does not have any relationship with any other Directors, senior management, substantial or controlling shareholders of the Company. There is no service agreement between the Company and Mr. Chiu. He is not appointed for a specific term but is

subject to retirement by rotation and re-election at the Company's annual general meeting in accordance with the Company's Articles of Association. His director's fee is HK\$25,000 per annum and his emolument will be determined by the Board from time to time with reference to prevailing market conditions.

**Mr. David Kwok Kwei Lo**

Mr. Lo, aged 45, holds the degrees of bachelor of laws and bachelor of jurisprudence from University of New South Wales, Australia. He was admitted as a solicitor of the Supreme Court of New South Wales, Australia in 1984. He has been a member of The Law Society of Hong Kong since 1987. He has been practising as a solicitor in Hong Kong for over 13 years and is a partner in David Lo & Partners. He joined the Board of Directors of the Company in 2000. As far as the Directors are aware, Mr. Lo is also director of Nority International Limited and Man Yue International Holdings Limited. As at 27 July 2004 being the latest practicable date before the publication of this circular, Mr. Lo does not have any interest in the Company's shares within the meaning of Part XV of the Securities and Futures Ordinance ("SFO") nor has any relationship with any Directors, senior management, substantial or controlling shareholders of the Company. There is no service agreement between the Company and Mr. Lo. He is not appointed for a specific term but is subject to retirement by rotation and re-election at the Company's annual general meeting in accordance with the Company's Articles of Association. His director's fee is HK\$25,000 per annum and his emolument will be determined by the Board from time to time with reference to prevailing market conditions.

**Mr. Jian Yin Jiang**

Mr. Jiang, age 75, was appointed as an independent non-executive director of the Company in July 2004. As far as the Directors are aware, he is not a director of any other listed companies in Hong Kong. Mr. Jiang graduated from the Law Faculty of Shanghai Zhengdan University (上海震旦大學法學院). He is a professor and was experienced in supervisory management. He was the secretary and principal of various colleges and universities. He is currently a committee member and vice president of Shanghai Fuktao Natural Disaster Prevention Foundation (上海福島自然災害減災基金會).

So far as the Directors are aware, Mr. Jiang does not have any relationship with any other Directors, senior management or substantial or controlling shareholders nor has any interest in shares of the Company within the meaning of Part XV of the SFO. There is no service agreement between the Company and Mr. Jiang. He is not appointed for a specific term but is subject to retirement by rotation and re-election at the Company's annual general meeting in accordance with the Company's Articles of Association. His director's fee and emolument will be determined by the Board after the forthcoming annual general meeting with reference to prevailing market conditions.

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the members of Far East Consortium International Limited (the “Company”) will be held at the Penthouse, Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong on 25th August, 2004 at 3:00 p.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and auditors for the year ended 31st March, 2004.
2. To declare a final dividend.
3. To re-elect directors and to fix the directors’ fees.
4. To re-appoint auditors and to authorize the directors to fix their remuneration.
5. As special business, to consider and, if thought fit, pass with or without modification, the following resolutions as Ordinary Resolutions:

**ORDINARY RESOLUTIONS**

A. **“THAT:**

- (i) subject to paragraph (iii) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.10 each in the capital of the Company and to make or grant offers, agreements and options (including bonds and debentures convertible into shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) above shall authorise the Directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds and debentures convertible into shares of the Company) which would or might require the exercise of such power after the end of the Relevant Period;
- (iii) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors of the Company pursuant to the approval in paragraph (i) above, otherwise than pursuant to (a) a Rights Issue (as hereinafter defined); (b) an issue of shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into shares of the Company; (c) an issue of shares as scrip dividends pursuant to the Articles of Association of the Company from time to time; or (d) an issue of shares under any option scheme or similar arrangement for the grant or issue to employees and/or other eligible persons of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution, and the said approval shall be limited accordingly; and

(iv) For the purpose of this Resolution,

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and
- (c) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to the holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).”

**B. “THAT:**

- (i) subject to paragraph (ii) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of HK\$0.10 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (ii) the aggregate nominal amount of shares of the Company to be repurchased by the Company pursuant to the approval in paragraph (i) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution and the said approval shall be limited accordingly; and
- (iii) for the purposes of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:
  - (a) the conclusion of the next annual general meeting of the Company;
  - (b) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and
  - (c) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

- C. “**THAT** subject to the passing of the Resolution Nos. 5A and 5B set out in the notice convening this meeting, the general mandate granted to the Directors of the Company to allot and deal with additional shares pursuant to Resolution No. 5A set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares in the capital of the Company repurchased by the Company under the authority granted pursuant to Resolution No. 5B set out in the notice convening this meeting, provided that such amount of shares so repurchased shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing the said Resolution.”
6. To consider and, if thought fit, pass with or without modification, the following resolution as a special resolution of the Company:

#### **SPECIAL RESOLUTION**

“**THAT** the Articles of Association of the Company be and are hereby amended in the following manner:

(I) Article 2:

- (i) by adding the following definition after the definition of “Board”:

“associate” shall have the meaning ascribed to it under the rules of the stock exchange on which the share capital of the Company is listed.

- (ii) by adding the following definition after the definition of “Register”:

“clearing house” shall mean a recognized clearing house as defined under Schedule 1 to the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)” as amended from time to time.

- (II) Article 12(C): by deleting the words “twenty-one days after” and substituting therefor the words “such period as permitted by the rules of the stock exchange on which the share capital of the Company is listed”.

- (III) Article 13: by deleting the words “not exceeding” on line three and “two Hong Kong dollars or” and “greater” on line four of Article 13.

- (IV) Article 15(C): by deleting the words “not exceeding two Hong Kong dollars of” on line two and “higher” on line four of Article 15(C).

- (V) Article 37(A): by adding the words “or in such other form as may be prescribed by the stock exchange on which the share capital of the Company is listed” after the words “any usual or common form” in the second line of Article 37(A).

- (VI) Article 39(A): (i) by deleting the full stop “.” at the end of Article 39(A)(iii) and substituting therefor a semi-colon “; and”,

- (ii) by adding the following new paragraph after Article 39(A)(iii):

“(iv) the shares concerned are free of any lien”.

(VII) Article 39(C): by deleting the words “not exceeding” on line four and “two Hong Kong dollars of such greater sum” on line five of Article 39(C).

(VIII) Article 71:

- (i) by adding the words “unless a poll is taken as may from time to time be required under the rules of the stock exchange on which the share capital of the Company is listed” before the words “but a poll” in the second line of Article 71.
- (ii) by adding the words “a poll is taken as may from time to time be required under the rules of the stock exchange on which the share capital of the Company is listed” immediately after the word “Unless” in the second paragraph of Article 71.

(IX) By adding the following Article as Article 71A after the existing Article 71. New Article 71(A) – “Where the Company has knowledge that any member is, under the Statutes or the rules of the stock exchange on which the share capital of the Company is listed, required to abstain from voting on any particular resolution or restricted to voting only for or against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted”.

(X) Article 79 (A):

by deleting existing Article 79A in its entirety and substituting therefor the following:

“79A If a clearing house or a nominee of clearing house is a member of the Company, it may authorise such person or persons as it thinks fit to act as its representative or representatives at any meeting of the Company or at any meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person so authorised under the provision of these Articles shall be entitled to exercise the same powers on behalf of the clearing house (or its nominee) which he represents as the clearing house (or its nominee) could exercise if it were an individual member of the Company.”

(XI) Article 99 (B):

by deleting Article 99(B) in its entirety and substituting therefor the following:

“(B) A Director shall not vote on any board resolution approving any contract or arrangement or any other proposal in which he or any of his associates has a material interest nor shall he be counted in the quorum present at the meeting, but this prohibition shall not apply to:

- (i) the giving of any security or indemnity either:
  - (a) to the Director or his associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;
  - or

- (b) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has/have himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (ii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (iii) any proposal concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director or his associate(s) is/are beneficially interested in shares of that company, provided that the Director and any of his associates are not in aggregate beneficially interested in 5 per cent. or more of the issued shares of any class of such company (or of any third company through which his interest or that of his associates is derived) or of the voting rights;
- (iv) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:
  - (a) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the Director or his associate(s) may benefit; or
  - (b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to Directors, his associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his associate(s) as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
- (v) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.”

A company shall be deemed to be a company in which a Director and/or his associate(s) own 5 per cent. or more if and so long as (but only if and so long as) he and/or his associate(s) is/are (either directly or indirectly) the holder(s) of or beneficially interested in 5 per cent. or more of any class of the equity share capital of such company (or of any third company through which his interest or that of his associate(s) is derived) or of the voting rights available to members of such company. For the purpose of this paragraph there shall be disregarded any shares held by a Director or his associate(s) as bare or custodian trustee and in which he or his associate(s) has/have no beneficial interest, any shares comprised in a trust in which the Director's or his associates' interest is in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director or his associate(s) is/are interested only as a unit holder.

Where a company in which a Director and/or his associate(s) hold 5 per cent. or more is materially interested in a transaction, then that Director and/or his associate(s) shall also be deemed materially interested in such transaction.

(XII) Article 99(C): by deleting the existing Article 99(C) in its entirety.

(XIII) Article 99 (E):

by deleting the existing Article 99(E) in its entirety and substituting therefor the following:

“(E) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the Chairman of meeting) and/ or his associate(s) or as to the entitlement of any Director (other than such Chairman) to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not be counted in the quorum, such question shall be referred to the Chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director and/or his associate(s) concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the Chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such Chairman shall not be counted in the quorum and shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such Chairman as known to such Chairman has not been fairly disclosed to the Board.”;

(XIV) Article 105 (A):

by deleting the words “Unified” and “established under section 27 of the Stock Exchange Unification Ordinance of Hong Kong (Chapter 361 of the Laws of Hong Kong)” on lines 5 and 6 of Article 105(A)(ii)(b).

(XV) Article 109:

by deleting Article 109 in its entirety and substituting therefor the following:

“No person, other than a retiring Director, shall, unless recommended by the Director for election, be eligible for election to the office of Director at any general meeting, unless notice signed by a member (other than the person to be proposed) duly qualified to attend and vote at the general meeting for which such notice is given of his intention to propose such person for election as a Director and also a notice signed by the person to be proposed of his willingness to be elected shall have been given to the Company or lodged at the Office or Company’s principal place of business in Hong Kong provided that the minimum length of the period, during which such notices are given, shall be at least seven (7) days. The period for lodgment of such notices will commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.”

(XVI) Article 156:

by adding the following sentence to the end of existing Article 156:

“Where the registered address of a member is outside Hong Kong, any notice or document to be given or issued under these Articles or the rules of the stock exchange on which the share capital of the Company is listed shall be sent, where applicable, by prepaid airmail or an equivalent service that is no slower as determined by the Directors.”

By Order of the Board of  
**Far East Consortium International Limited**  
**Kwok Wor Chow**  
*Company Secretary*

Hong Kong, 30th July, 2004

**Notes:**

1. The register of members of the Company will be closed from 23rd August, 2004 to 25th August, 2004, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrars, Standard Registrars Limited of G/F., BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration not later than 4.00 p.m. on 20th August, 2004.
2. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, in the event of a poll, vote in his stead. A proxy need not be a member of the Company.
3. In order to be valid, a form of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be deposited at the principal office of the Company at 16th Floor, Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
4. Where there are joint registered holders of any share, any one of such joint holders may vote, either in person, or by proxy, in respect of such Share as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the meeting, the most senior shall alone be entitled to vote, whether in person or by proxy. For this purpose, seniority shall be determined by the order in which the names stand first in the register of members of the Company in respect of the joint holding.