
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.

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FAR EAST CONSORTIUM INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

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

(Stock Code: 35)

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,
GENERAL MANDATE TO REPURCHASE SHARES AND TO ISSUE SHARES,
AND
NOTICE OF ANNUAL GENERAL MEETING**

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 Friday, 19th August, 2005 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 Company's Share Registrar, Standard Registrars Limited at G/F., BEA Harbour View Centre, 56 Gloucester Road, Wanchai, 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.

27th July, 2005

CONTENTS

	<i>Page</i>
Letter from the Deputy Chairman and Chief Executive Officer	
1. Introduction	1
2. Re-election of Directors	1
3. General Mandate to Repurchase Shares	2
4. General Mandate to Issue Shares	2
5. Notice of Annual General Meeting	2
6. Procedures for Demanding a Poll	3
7. Recommendation	3
Appendix 1 Explanatory Statement	4
Appendix 2 Information on Retiring Directors proposed for Re-election	7
Appendix 3 Notice of Annual General Meeting	9



FAR EAST CONSORTIUM INTERNATIONAL LIMITED

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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

27th July, 2005

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,
GENERAL MANDATE TO REPURCHASE SHARES AND TO ISSUE SHARES,
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the annual general meeting of the Company to be held on Friday, 19th August, 2005 at 3:00 p.m. (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 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 Independent Non-executive Director Datuk Kee Leong Chee, Executive Director Mr. Craig Grenfell Williams and Non-executive Director Madam Ching Lan Ju Chiu. Mr. Craig Grenfell Williams and Madam Ching Lan Ju Chiu being eligible, offer themselves for re-election.

At the Annual General Meeting, ordinary resolutions will be proposed to re-elect Mr. Craig Grenfell Williams and Madam Ching Lan Ju Chiu as Executive Director and Non-executive Director respectively. 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 25th August, 2004, 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 25th August, 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.

NOTICE OF ANNUAL GENERAL MEETING

The notice convening the Annual General Meeting is set out on pages 9 to 11 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 Company's Share Registrar, Standard Registrars Limited, at G/F., BEA Harbour View Centre, 56 Gloucester Road, Wanchai, 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.

PROCEDURES FOR DEMANDING A POLL

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 21st July, 2005, being the latest practicable date prior to the printing of this document (the "Latest Practicable Date"), the issued share capital of the Company comprised 1,418,472,633 shares.

Subject to the passing of the resolutions granting the Issue Mandate and the Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the Annual General Meeting, the Company will be allowed to issue a maximum of 283,694,526 shares and to repurchase a maximum of 141,847,263 shares, being 20% and 10% respectively of the issued capital of the Company as at the date of passing of the relevant resolutions.

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, 2005 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>
2004		
July	1.68	1.35
August	1.84	1.50
September	2.00	1.78
October	2.25	1.87
November	3.55	2.08
December	3.50	2.65
2005		
January	3.55	2.53
February	3.65	2.83
March	3.88	3.30
April	3.67	3.12
May	3.47	3.00
June	3.50	3.05
July (up to Latest Practicable Date)	3.42	3.08

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 AND MINIMUM PUBLIC HOLDING

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 439,826,578 Shares (including David Chiu's lending of 70,000,000 Shares) representing approximately 31.01% 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 34.45% of the issued share capital of the Company. An obligation to make a general offer to shareholders under Rule 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%.

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.

EXECUTIVE DIRECTOR**Mr. Craig Grenfell Williams**

Mr. Craig Williams, aged 53, was appointed as a Director of the Company in 2000. He is responsible for all property development in Australia. He resides in Melbourne, Australia. He holds a degree of Bachelor of Civil Engineering from Melbourne University and before joining the Australian operations, was a Director of all development companies within Australia's largest property developer, the Lend Lease Group. Mr. Williams has extensive experience in all facets of property development and is the President of the St. Kilda Road Campaign Inc.

As far as the Directors are aware and save as disclosed above, Mr. Craig Williams did not hold any directorship in other public listed companies in the last 3 years. He does not have any relationship with any other Directors, senior management or substantial or controlling shareholders nor does he have any interest in shares of the Company within the meaning of part XV of the Securities and Futures Ordinance.

Mr. Craig Williams has a service contract as consultant with the Company and responsible for property development projects in Australia. As consultant, he is entitled to remuneration of approximately HK\$1,220,220 per annum according to his duties and responsibilities with the Company plus discretionary performance based bonus other than Director's fee for the financial year ended 31st March 2005.

However, there is no service contract between the Company and Mr. Craig Williams in relation to his appointment as an Executive Director. He is not appointed as Executive Director 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 Article of Association. Mr. Craig Williams was paid HK\$25,000 as director's fee for the year ended 31st March, 2005 and his annual emolument as Executive Director for 31st March 2006 will be determined by the Board according to his duties and responsibilities with the Company and prevailing market conditions.

NON-EXECUTIVE DIRECTOR**Madam Ching Lan Ju Chiu, J.P.**

Madam Chiu, aged 66, was appointed as a Director of Far East Consortium Limited, the predecessor of the Company, in 1972. She is now a Non-executive Director of the Company and Far East Hotels and Entertainment Limited. Since 1975, she is the Honorary Vice-President of Hong Kong Girl Guides Association. She has been active in social circles and was Lady Chairman of Yan Chai Hospital for 1977/78. Madam Chiu is the founder and Honorary Chairman of New Territories Women's and Juveniles Welfare Association. She is a committee member and Supervisor of Ju Ching Chu Secondary School and the Chairman of Kowloon

Women's Welfare Club. She is the member of Shanghai Standing Committee Chinese People's Political Consultative Conference since 1982. Since 1997, she is also the Honorary Vice-President of Hong Kong Federation of Women. She is the wife of Mr. Deacon Te Ken Chiu, the mother of Messrs. Dick Tat Sang Chiu, David Chiu, Dennis Chiu and Daniel Tat Jung Chiu.

As far as the Directors are aware and save as disclosed above, Madam Chiu did not hold any directorship in other public listed companies in the last 3 years. Save as disclosed above, she does not have any relationship with any other Directors, senior management or substantial or controlling Shareholders.

As at the Latest Practicable Date, Madam Chiu had a total interest in 124,782,756 ordinary shares (representing 8.8% of the issued share capital of the Company) of HK\$0.10 each of the Company, which comprised a personal interest in 1,280,627 Shares and a family interest in 123,502,129 Shares, within the meaning of Part XV of the Securities and Futures Ordinance.

There is no service contract between the Company and Madam Chiu in relation to her appointment as Non-executive Director. She 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 Article of Association. Madam Chiu was paid HK\$25,000 as director's fee for the year ended 31st March 2005. Other than director's fee, she has received salary and other contribution amounting to HK\$505,000 in connection with the management of the affairs of the Company and its subsidiaries for the year ended 31st March 2005. Madam Chiu was not entitled to any discretionary bonus and her annual emolument as Director for 31st March 2006 will be determined by the Board according to her duties and responsibilities with the Company and prevailing market conditions.

Save as disclosed above, the Directors are not aware of any matters in relation to the re-election of directors that should be brought to the attention of the Company's Shareholders.

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 Friday, 19th August, 2005 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, 2005.
2. To declare a final dividend.
3. To re-elect directors and to authorize the directors 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.”

By Order of the Board of
Far East Consortium International Limited
Byron Lee
Company Secretary

Hong Kong, 27th July, 2005

Notes:

1. The register of members of the Company will be closed from 15th August, 2005 to 19th August, 2005, 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 Registrar, 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 12th August, 2005.
2. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and 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 Company’s Share Registrar, Standard Registrars Limited of G/F., BEA Harbour View Centre, 56 Gloucester Road, Wanchai, 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.