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If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or other registered institution 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 with the accompanying form of proxy 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 the transfer was effected for onward transmission to the purchaser(s) or transferee(s).

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FAR EAST CONSORTIUM INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

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

(Stock Code: 35)

**PROPOSALS FOR
RE-ELECTION OF DIRECTORS,
GRANTING OF GENERAL MANDATES TO
REPURCHASE SHARES AND ISSUE SHARES,
ADOPTION OF NEW SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of Far East Consortium International Limited (the "Company") to be held at Xinhua Room, Mezzanine Floor, Cosmopolitan Hotel, 387-397 Queen's Road East, Wanchai, Hong Kong on Friday, 31 August 2012 at 11:00 a.m. (the "Meeting") is set out on pages 23 to 28 of this circular. Whether or not you are able to attend the Meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Meeting or any adjournment thereof if you so wish.

31 July 2012

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RESPONSIBILITY STATEMENT

This circular, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

DEFINITIONS

In this circular (other than in AGM notice), unless the context otherwise requires, the following expressions shall have the following meanings:

“AGM”	the annual general meeting of the Company to be held at Xinhua Room, Mezzanine Floor, Cosmopolitan Hotel, 387–397 Queen’s Road East, Wanchai, Hong Kong on Friday, 31 August 2012 at 11:00 a.m.;
“AGM Notice”	the notice dated 31 July 2012 for convening the AGM as set out on pages 23 to 28 of this circular;
“Articles”	the articles of association of the Company as may be amended from time to time;
“Board”	the board of Directors for the time being;
“Business Day(s)”	day(s) (other than Saturday and day on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks are open in Hong Kong for general banking business;
“Company”	Far East Consortium International Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange;
“Connected Person(s)”	has the meaning as ascribed thereto in the Listing Rules;
“Director(s)”	the director(s) of the Company for the time being;
“Eligible Employee”	employee (whether full time or part time employee, including any executive director but not any non-executive director) of the Company, its Subsidiaries or any Invested Entity;
“Existing Share Option Scheme”	the existing share option scheme of the Company which was adopted by the Company on 28 August 2002;
“Grantee(s)”	Participant(s) who accepted the Offer in accordance with the terms of the New Share Option Scheme or (where the context so permits) a person entitled to any such Option in consequence of the death of the original Grantee;

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“Group”	the Company and its Subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Invested Entity”	any entity in which the Group holds any equity interest;
“Latest Practicable Date”	27 July 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“New Share Option Scheme”	the share option scheme proposed to be adopted by the Company at the AGM, a summary of principal terms of which is set out in Appendix 3 to this circular;
“Offer”	the offer of the grant of an Option made in accordance with the New Share Option Scheme;
“Offer Date”	the date on which the Board makes an Offer to any Participant;
“Option(s)”	option(s) to subscribe for Shares granted pursuant to the New Share Option Scheme;
“Participant(s)”	any person belonging to any of the following classes of persons: <ul style="list-style-type: none">(a) any Eligible Employee;(b) any non-executive director (including independent non-executive directors) of the Company, any of its Subsidiaries or any Invested Entity;(c) any supplier of goods or services to any member of the Group or any Invested Entity;(d) any customer of the Group or any Invested Entity;(e) any person or entity that provides research, development or other technological support or any advisory, consultancy, professional or other services to the Group or any Invested Entity;(f) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;

DEFINITIONS

	(g) any joint venture partner, business or strategic alliance partner, in each case, of any member of the Group or any Invested Entity; and
	(h) any discretionary trust whose discretionary objects may be any person belonging to any of the above classes (a) to (g);
“Re-election of Directors”	the re-election of Mr. Daniel Tat Jung CHIU as an Non-executive Director and Mr. Kwok Wai CHAN and Mr. Kwong Siu LAM as the Independent Non-executive Directors immediately following their retirement at the AGM;
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company (or of such other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time);
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option as described in the provisions of the New Share Option Scheme, subject to adjustment in accordance with the New Share Option Scheme;
“Subsidiary(ies)”	company(ies) which is/are for the time being subsidiary(ies) (within the meaning of Section 2 of the Companies Ordinance) of the Company, whether incorporated in Hong Kong or elsewhere;
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers;
“Trading Day(s)”	day(s) on which the Stock Exchange is open for the trading of securities; and
“%”	per cent.

LETTER FROM THE BOARD



FAR EAST CONSORTIUM INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

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

(Stock Code: 35)

Executive Directors:

Tan Sri Dato' David CHIU
(Chairman and Chief Executive Officer)
Mr. Dennis CHIU
Mr. Craig Grenfell WILLIAMS

Registered Office:

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

Non-executive Director:

Mr. Daniel Tat Jung CHIU

Principal Office:

16th Floor
Far East Consortium Building
121 Des Voeux Road Central
Hong Kong

Independent Non-executive Directors:

Mr. Kwok Wai CHAN
Mr. Peter Man Kong WONG
Mr. Kwong Siu LAM

31 July 2012

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
RE-ELECTION OF DIRECTORS,
GRANTING OF GENERAL MANDATES TO
REPURCHASE SHARES AND ISSUE SHARES,
ADOPTION OF NEW SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is (1) to provide you with information regarding the resolutions to be proposed at the AGM relating to (among other things) (i) the Re-election of Directors; (ii) the granting of general mandates to repurchase and issue Shares by the Company and (iii) the adoption of the New Share Option Scheme; and (2) to give you the AGM Notice.

LETTER FROM THE BOARD

2. RE-ELECTION OF DIRECTORS

In accordance with clauses 106 and 107 of the Articles, Mr. Daniel Tat Jung CHIU (Non-Executive Director of the Company) and Mr. Kwok Wai CHAN (Independent Non-executive Director of the Company) shall retire by rotation at the AGM; whereas according to clause 112 of the Articles, Mr. Kwong Siu LAM, who was appointed by the Board as an Independent Non-executive Director on 8 September 2011, shall hold office until the AGM. All of the above retiring Directors, being eligible, will offer themselves for re-election at the AGM.

Accordingly, an ordinary resolution on the Re-election of Directors will be proposed at the AGM. Pursuant to Rule 13.74 of the Listing Rules, a listed issuer shall disclose the details required under Rule 13.51(2) of the Listing Rules of any director proposed to be re-elected or proposed new director in the notice or accompanying circular to its shareholders of the relevant general meeting, if such re-election or appointment is subject to shareholders' approval at that relevant general meeting. The requisite details of Mr. Daniel Tat Jung CHIU, Mr. Kwok Wai CHAN and Mr. Kwong Siu LAM are set out in Appendix 1 to this circular.

3. GENERAL MANDATE TO REPURCHASE SHARES

At the last annual general meeting of the Company held on 8 September 2011, an ordinary resolution was passed to grant a general mandate authorizing the Directors to exercise the power of the Company to repurchase Shares up to 10% of the issued share capital of the Company as at that date. Pursuant to the Listing Rules, such mandate, to the extent not utilized, will expire at the conclusion of the AGM.

An ordinary resolution will therefore be proposed at the AGM to grant to the Directors a new general and unconditional mandate to exercise the power of the Company to repurchase Shares, on the Stock Exchange or on any other stock exchange recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange, up to 10% of the issued share capital of the Company as at the date of passing of the relevant resolution ("Repurchase Mandate").

Subject to the passing of ordinary resolution no. 9 granting the Repurchase Mandate and assuming that the existing issued share capital of the Company remains at 1,729,757,076 Shares as at the date of the AGM, the Company will be allowed to repurchase a maximum of 172,975,707 Shares. The Repurchase Mandate will continue in force until the conclusion of the next annual general meeting of the Company held after the AGM or any earlier date as referred to in the ordinary resolution no. 9.

In accordance with the requirements of the Listing Rules, the Company is required to send to Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against ordinary resolution no. 9 to be proposed at the AGM in relation to the granting of the Repurchase Mandate. Such explanatory statement is set out in Appendix 2 to this circular.

4. GENERAL MANDATE TO ISSUE SHARES

At the last annual general meeting of the Company held on 8 September 2011, an ordinary resolution was also passed to grant a general mandate authorizing Directors to allot, issue and deal with Shares up to 20% of the issued share capital of the Company as at that date. Pursuant to the Listing Rules, such mandate, to the extent not utilized, will expire at the conclusion of the AGM.

LETTER FROM THE BOARD

An ordinary resolution will therefore be proposed at the AGM to grant to the Directors a new general and unconditional mandate to allot, issue and deal with Shares up to 20% of the issued share capital of the Company as at the date of passing of the relevant resolution (“Issue Mandate”).

Subject to the passing of ordinary resolution no. 8 granting the Issue Mandate and assuming that the existing issued share capital of the Company remains at 1,729,757,076 Shares as at the date of the AGM, the Company will be allowed to issue a maximum of 345,951,415 Shares. The Issue Mandate will continue in force until the conclusion of the next annual general meeting of the Company held after the AGM or any earlier date as referred to in the ordinary resolution no. 8.

In addition, ordinary resolution no. 10 will be proposed at the AGM for extending the Issue Mandate by the addition of an amount representing the aggregate nominal amount of the Shares repurchased by the Company pursuant to the Repurchase Mandate.

5. PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME

The Existing Share Option Scheme allowing the Company to grant share options to the Participants for the purpose of providing incentives or rewards to the Participants for their contribution to the Group, is valid and effective for a period of 10 years commencing on 28 August 2002. Accordingly, the Existing Share Option Scheme shall expire on 28 August 2012. The Directors therefore consider to adopt the New Share Option Scheme so that the Company can continue to provide incentives and/or rewards to the Participants, by way of granting options, after the expiry of the Existing Share Option Scheme. An ordinary resolution will be proposed at the AGM to approve the adoption of the New Share Option Scheme.

As at the Latest Practicable Date, there were a total of 24,650,000 outstanding share options granted under the Existing Share Option Scheme, representing approximately 1.4% of the existing issued share capital of the Company. Such outstanding share options will continue to be valid and exercisable upon the expiry of the Existing Share Option Scheme.

The terms of the New Share Option Scheme provide that in granting Options under the New Share Option Scheme, the Board may offer to grant any Options subject to such terms and conditions in relation to the minimum period of the Options to be held and/or the performance criteria to be satisfied before such Options can be exercised and/or any other terms as the Board may determine in its absolute discretion. The Board will also have discretion in determining the Subscription Price in respect of any Option. The Board is of the view that the flexibility given to the Directors to impose the minimum period for which the Options have to be held and performance targets and other conditions that have to be achieved before the Options can be exercised, will place the Group in a better position to attract and retain human resources that are valuable to the growth and development of the Group as a whole. There will not be any trustees of the New Share Option Scheme.

A summary of the terms of the New Share Option Scheme, which is proposed to be approved and adopted by the Company at the AGM, is set out in Appendix 3 to this circular. A copy of the terms of the New Share Option Scheme is available for inspection at the Company’s principal place of business in Hong Kong at 16th Floor, Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong during normal business hours from the date hereof up to and including the date of AGM.

LETTER FROM THE BOARD

The Directors consider that it is not appropriate to state the value of all the Options that can be granted under the New Share Option Scheme as if they had been granted at the Latest Practicable Date as a number of variables which are crucial for the calculation of the value of the Options have not been determined. Such variables include the exercise price, exercise period, any lock up period and other conditions, if any, that an Option is subject to. Accordingly, the Directors believe that any calculation of value of the Options as at the Latest Practicable Date based on a large number of speculative assumptions would not be meaningful and may be misleading to the Shareholders.

The New Share Option Scheme constitutes a share option scheme governed by Chapter 17 of the Listing Rules. The New Share Option Scheme is conditional upon:

- (i) the passing of an ordinary resolution at the AGM approving the adoption of the New Share Option Scheme and the allotment and issuance of the Shares, which may be allotted and issued upon the exercise of the Option(s); and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in any new Shares which may fall to be allotted and issued upon exercise of the subscription rights attaching to the Options that may be granted under the New Share Option Scheme, being 10% of the issued share capital of the Company as at the date of passing of the relevant ordinary resolution.

Subject to the passing of the ordinary resolution no. 11 to be proposed at the AGM in relation to the adoption of the New Share Option Scheme and assuming that the existing issued share capital of the Company remains at 1,729,757,076 Shares as at the date of the AGM, the Company can grant Options to the Participants to subscribe for up to 172,975,707 Shares, representing 10% of the issued share capital of the Company as at the date of AGM. To the best knowledge of the Directors having made all responsible enquiries, none of the Shareholders has a material interest in the proposed adoption of the New Share Option Scheme and, therefore, no Shareholder is required to abstain from voting the said resolution.

An application will be made to the Stock Exchange for granting approval of the listing of, and permission to deal in, the Shares which may be issued and allotted pursuant to the New Share Option Scheme.

6. AGM AND PROXY ARRANGEMENT

The AGM Notice is set out on pages 23 to 28 of this circular.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, all the resolutions to be proposed at the AGM shall be voted by poll. An announcement on the results of the poll will be made by the Company after the conclusion of the AGM in accordance with Rule 13.39(5) of the Listing Rules.

A form of proxy for the AGM is enclosed with this circular. Whether or not you are able to attend the AGM, you are requested to complete and sign the form of proxy in accordance with the instructions printed thereon and return it, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, to the Company's branch share registrar in Hong Kong, Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the AGM or any adjournment if they so wish.

LETTER FROM THE BOARD

7. RECOMMENDATION

The Directors consider that the proposed ordinary resolutions for approval of the Re-election of Directors, the granting of the Repurchase Mandate, the granting/extension of the Issue Mandate and the adoption of the New Share Option Scheme are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend Shareholders to vote in favour of the resolutions to be proposed at the AGM.

8. GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular. The English text of this circular shall prevail over the Chinese text.

Yours faithfully,
For and on behalf of the Board of
Far East Consortium International Limited
David CHIU
Chairman and Chief Executive Officer

The information as required to be disclosed by the Listing Rules on the retiring Directors proposed to be re-elected at the AGM is set out as follows:

NON-EXECUTIVE DIRECTOR**Mr. Daniel Tat Jung CHIU (“Mr. Daniel CHIU”)**

Mr. Daniel CHIU, aged 51, was appointed as a Director of Far East Consortium Limited (the predecessor of the Company) in 1984. He is a Non-executive Director of the Company. Mr. Daniel CHIU has extensive experience in Mainland China trade, petroleum trading and infrastructure investments. He also takes an active part in several kinds of projects in Hong Kong and Mainland China. Mr. Daniel CHIU is the major shareholder and vice chairman of Fortune Oil PLC. He is the founder of Harrow International School. He is the brother of Tan Sri Dato’ David CHIU (Executive Director of the Company) and Mr. Dennis CHIU (Executive Director of the Company).

During the last three years, Mr. Daniel CHIU had been a non-executive director of Far East Holdings International Limited (a company listed on the Stock Exchange, stock code: 36). As far as the Directors are aware and save as disclosed above, as at the Latest Practicable Date, Mr. Daniel CHIU has not held any directorships in other public listed companies in the last 3 years and he does not have any relationship with any other Directors, senior management or substantial or controlling shareholders (as defined in the Listing Rules) of the Company nor does he have any interests in the Shares within the meaning of Part XV of the SFO.

As at the Latest Practicable Date, Mr. Daniel CHIU has a total interest in 3,921,779 Shares (representing approximately 0.2% of the issued share capital of the Company) which comprise a personal interest of 44,561 Shares and a corporate interest of 3,877,218 Shares, within the meaning of Part XV of the SFO.

There is no service contract between the Company and Mr. Daniel CHIU in relation to his appointment as a Non-executive Director of the Company. 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 Articles.

Mr. Daniel CHIU was paid HK\$25,000.00 as Director’s fee for the year ended 31 March 2012. Mr. Daniel CHIU was not entitled to any discretionary bonus during the year ended 31 March 2012 and his annual emolument as Director for the year ended 31 March 2013 will be determined by the Board according to his duties and responsibilities with the Company and the prevailing market conditions.

As far as the Directors are aware, there is no other information of Mr. Daniel CHIU to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Mr. Daniel CHIU that need to be brought to the attention of the Shareholders.

INDEPENDENT NON-EXECUTIVE DIRECTORS**Mr. Kwok Wai CHAN (“Mr. CHAN”)**

Mr. CHAN, aged 53, was appointed as an Independent Non-Executive Director of the Company in November 2005. He is also the Chairman of both the Audit Committee and Remuneration Committee and a member of the Nomination Committee of the Company. He is a member of The Hong Kong Securities Institute and an associate member of CPA Australia. Mr. CHAN is a director of High Progress Consultants Limited and also an Independent Non-Executive Director of Chinese Estates Holdings Limited (stock code: 127), Junefield Department Store Group Limited (stock code: 758), China Investments Holdings Limited (stock code: 132), Tern Properties Company Limited (stock code: 277) and National Electronics Holdings Limited (stock code: 213).

As far as the Directors are aware and save as disclosed above, as at the Latest Practicable Date, Mr. CHAN has not held any directorships in other public listed companies in the last 3 years and he does not have any relationship with any other Directors, senior management or substantial or controlling shareholders (as defined in the Listing Rules) of the Company nor does he have any interests in the Shares within the meaning of Part XV of the SFO.

There is no service contract between the Company and Mr. CHAN in relation to his appointment as an Independent Non-executive Director of the Company. 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 Articles.

Mr. CHAN was paid HK\$200,000.00 as Director’s fee for the year ended 31 March 2012. Mr. CHAN was not entitled to any discretionary bonus during the year ended 31 March 2012 and his annual emolument as Director for the year ended 31 March 2013 will be determined by the Board according to his duties and responsibilities with the Company and the prevailing market conditions.

As far as the Directors are aware, there is no other information of Mr. CHAN to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Mr. CHAN that need to be brought to the attention of the Shareholders.

Mr. Kwong Siu LAM (“Mr. LAM”)

Mr. LAM, aged 78, was appointed as an Independent Non-Executive Director of the Company in September 2011. He is also a member of both the Audit Committee and the Nomination Committee of the Company. He was a delegate of the 10th National People’s Congress. He currently serves as the vice chairman of BOC International Holdings Limited, the Honorary Chairman of Hong Kong Federation of Fujian Association, the Life Honorary Chairman of Hong Kong Fukien Chamber of Commerce, the Vice Chairman of Fujian Hong Kong Economic Co-operation, the Life Honorary Chairman of the Chinese General Chamber of Commerce, Adviser of the Hong Kong Chinese Enterprises Association and the Honorary President of the Chinese Bankers Club of Hong Kong. In addition, Mr. LAM has been a non-executive director of Bank of China International Limited (formerly known as “BOCI Capital Limited”) since July 2002, CITIC International Financial Holdings Limited since September 1996, and CITIC Bank International Limited (formerly known as “CITIC Ka Wah Bank Limited”) since January 2002. He has also been an independent non-executive director of the following four companies listed on the main board of the Stock Exchange: China Overseas Land & Investment Limited (stock code: 688) since September 2003, Fujian Holdings Limited (stock code: 181) since December 2003, Xinyi Glass Holdings Limited (stock

code: 868) since August 2004 and Yuzhou Properties Company Limited (stock code: 1628) since October 2009. Mr. LAM was awarded the HKSAR Silver Bauhinia Star in 2003. He has more than 50 years of banking experience.

As far as the Directors are aware and save as disclosed above, as at the Latest Practicable Date, Mr. LAM has not held any directorships in other public listed companies in the last 3 years and he does not have any relationship with any other Directors, senior management or substantial or controlling shareholders (as defined in the Listing Rules) of the Company nor does he have any interests in the Shares within the meaning of Part XV of the SFO.

Pursuant to the letter of appointment issued by the Company to Mr. LAM, his initial term of office is 3 years. He is also subject to retirement and re-election at the Company's annual general meeting in accordance with the Articles.

Mr. LAM was paid HK\$112,876.71 as Director's fee for the year ended 31 March 2012. Mr. LAM was not entitled to any discretionary bonus during the year ended 31 March 2012 and his annual emolument as Director for the year ended 31 March 2013 will be determined by the Board according to his duties and responsibilities with the Company and the prevailing market conditions.

As far as the Directors are aware, there is no other information of Mr. LAM to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Mr. LAM that need to be brought to the attention of the Shareholders.

The following is an explanatory statement required by the Listing Rules to be sent to Shareholders to enable them to make an informed decision on whether to vote for or against ordinary resolution no. 9 to be proposed at the AGM in relation to the granting of the Repurchase Mandate.

1. LISTING RULES

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their fully paid up shares on the Stock Exchange, subject to certain restrictions, 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 repurchases.

(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 as at the date of passing of the relevant resolution may be repurchased on the Stock Exchange.

2. SHARE CAPITAL

As at the Latest Practicable Date, the existing issued share capital of the Company was HK\$172,975,707.60 divided into 1,729,757,076 Shares.

Subject to the passing of ordinary resolution no. 9 granting the Repurchase Mandate and assuming that the existing issued share capital of the Company remains at 1,729,757,076 Shares as at the date of the AGM, the Company will be allowed to repurchase a maximum of 172,975,707 Shares, being 10% of the issued capital of the Company as at the date of passing of the resolution.

3. REASONS FOR REPURCHASES

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the 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 and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

4. FUNDING OF REPURCHASES

Repurchases of Shares will be funded from the Company's internal resources, which shall be funds legally available for such purposes in accordance with the Company's Memorandum and Articles of Association, the laws of Cayman Islands and/or any other applicable laws, as the case may be.

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 Company's annual report for the year ended 31 March 2012 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 circumstances, 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 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>
2011		
July	1.79	1.66
August	1.74	1.38
September	1.58	1.17
October	1.38	1.11
November	1.44	1.02
December	1.15	1.03
2012		
January	1.26	1.04
February	1.52	1.18
March	1.51	1.33
April	1.42	1.30
May	1.45	1.30
June	1.49	1.29
July (up to the Latest Practicable Date)	1.47	1.38

6. UNDERTAKING

The Directors have undertaken to the Stock Exchange that they will exercise the power of the Company to make repurchases pursuant to the Repurchase Mandate and 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 the Shareholders.

The Company has not been notified by any Connected Persons 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 the Shareholders.

7. TAKEOVERS 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 increases, such increase will be treated as an acquisition for the purposes of the Takeovers 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 Takeovers Code.

As at the Latest Practicable Date, Tan Sri Dato' David CHIU, Mr. Dennis CHIU and Mr. Daniel Tat Jung CHIU (collectively the "said Directors"), together with their respective associates, held 863,425,908 Shares, representing approximately 49.9% of the existing 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 increase to approximately 55.5% of the issued share capital of the Company. An obligation to make a general offer to Shareholders under Rule 26 of the Takeovers Code may then arise. The Directors have no present intention to exercise the power of repurchase pursuant to the Repurchase Mandate to such an extent as would result in such a takeover obligation.

The Listing Rules prohibit a company from making repurchase of shares on the Stock Exchange if the result of the repurchase would be that less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the Company's issued share capital would be in public hands. The Directors do not propose to repurchase Shares, which would result in less than the prescribed minimum percentage of Shares in public hands.

8. SHARES REPURCHASES MADE BY THE COMPANY

During the six months preceding the Latest Practicable Date, the Company has repurchased its 230,000,000 Shares on 25 July 2012 at the price of HK\$1.23 per Share.

The following is a summary of principal terms of the New Share Option Scheme to be approved at the AGM. It does not form part of, nor is it intended to be part of, the rules of the New Share Option Scheme and it should not be taken as affecting the interpretation of the rules of the New Share Option Scheme required to be included in the New Share Option Scheme as required by the Listing Rules.

1. PURPOSE OF THE NEW SHARE OPTION SCHEME

The purpose of the New Share Option Scheme is to provide incentives or rewards to the Participants thereunder for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any Invested Entity.

2. PARTICIPANTS

The Directors may, at their absolute discretion, invite any person belonging to any of the following classes of Participants, to take up Options to subscribe for Shares:

- (a) any Eligible Employee;
- (b) any non-executive director (including independent non-executive directors) of the Company, any of its Subsidiaries or any Invested Entity;
- (c) any supplier of goods or services to any member of the Group or any Invested Entity;
- (d) any customer of the Group or any Invested Entity;
- (e) any person or entity that provides research, development or other technological support or any advisory, consultancy, professional or other services to the Group or any Invested Entity;
- (f) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;
- (g) any joint venture partner, business or strategic alliance partner, in each case, of any member of the Group or any Invested Entity; and
- (h) any discretionary trust whose discretionary objects may be any person belonging to any of the above classes (a) to (g).

The basis of eligibility of any of the above classes of Participants to the grant of any Options shall be determined by the Directors from time to time on the basis of their contribution to the development and growth of the Group and the Invested Entity.

3. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- (3.1) The maximum number of Shares to be issued upon exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 30% of the issued share capital of the Company from time to time.

- (3.2) The total number of Shares which may be issued upon exercise of all Options (excluding, for this purpose, Options which have lapsed in accordance with the terms of the New Share Option Scheme and any other share option schemes of the Company) to be granted under the New Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the Shares in issue as at the date of passing of the ordinary resolution (the “General Scheme Limit”).
- (3.3) Subject to sub-paragraph (3.1) above and without prejudice to sub-paragraph (3.4) below, the Company may seek approval of the Shareholders in general meeting to refresh the General Scheme Limit provided that the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option schemes of the Company under the limit as “refreshed” must not exceed 10% of the Shares in issue as at the date of approval of such limit and for the purpose of calculating the limit as “refreshed”, Options (including those outstanding, cancelled, lapsed or exercised in accordance with the terms of New Share Option Scheme and any other share option schemes of the Company) previously granted under the New Share Option Scheme and any other share option schemes of the Company will not be counted.
- (3.4) Subject to sub-paragraph (3.1) above and without prejudice to sub-paragraph (3.3) above, the Company may seek separate Shareholders’ approval in general meeting to grant Options beyond the General Scheme Limit or, if applicable, the limit referred to in (3.3) above to Participants specifically identified by the Company before such approval is sought.

4. MAXIMUM ENTITLEMENT OF EACH PARTICIPANT

The total number of Shares issued and which may fall to be issued upon exercise of the Options granted under the New Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding Options) to each Participant in any 12-month period must not exceed 1% of the issued share capital of the Company for the time being (the “Individual Limit”). Any further grant of Options to a Participant in excess of the Individual Limit (including exercised, cancelled and outstanding Options) in any 12-month period up to and including the date of such further grant must be subject to the Shareholders’ approval in general meeting of the Company with such Participant and his or her associates abstaining from voting. The number and terms (including the Subscription Price) of the Options to be granted to such Participant must be fixed before Shareholders’ approval and the date of the meeting of the Board for proposing such further grant of Options should be taken as the date of Offer for the purpose of calculating the Subscription Price.

5. GRANT OF OPTIONS TO CONNECTED PERSONS

- (5.1) Any grant of Options under the New Share Option Scheme to a Director, chief executive (other than a proposed Director or a proposed chief executive of the Company) or substantial Shareholder of the Company or any of their respective associates must be approved by independent non-executive Directors (excluding any independent non-executive Director who is the Grantee of the Options).

(5.2) Where any grant of Options to a substantial Shareholder or an independent non-executive Director of the Company, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (a) representing in aggregate over 0.1% of the relevant class of Shares in issue; and
- (b) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5,000,000,

such further grant of Options must be approved by the Shareholders. All Connected Persons of the Company must abstain from voting at such general meeting, except that any Connected Person may vote against the relevant resolution at the general meeting provided that his or her intention to do so has been stated in the relevant circular.

For the purpose of seeking Shareholders' approval in general meeting under subparagraphs (3.3) and (3.4), paragraph 4 and sub-paragraph (5.2) above, the Company must send a circular to the Shareholders containing the information required under the Listing Rules.

6. TIME OF ACCEPTANCE AND EXERCISE OF AN OPTION

An Offer may be accepted by a Participant within 30 days from the Offer Date. A consideration of HK\$1 is payable on acceptance of the Offer. An Option may be exercised in accordance with the terms of the New Share Option Scheme at any time during a period to be determined and notified by the Directors to each Grantee, which period may commence on the day on which the Offer is made but shall end in any event not later than 10 years from the Offer Date subject to the provisions for early termination thereof (the "Option Period").

Unless the Directors otherwise determined and stated in the Offer to a Participant, there is no minimum period for which an Option granted under the New Share Option Scheme must be held before it can be exercised.

7. PERFORMANCE TARGETS

Unless the Directors otherwise determined and stated in the Offer to a Participant, a Participant is not required to achieve any performance targets before any Options granted under the New Share Option Scheme can be exercised.

8. SUBSCRIPTION PRICE FOR SHARES

The Subscription Price in respect of any particular Option shall be such price as determined by the Board in its absolute discretion at the time of the making of the Offer (which shall be stated in the letter containing the Offer) but in any case the Subscription Price shall not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Offer Date, which must be a Trading Day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 Trading Days immediately preceding the Offer Date; and (iii) the nominal value of a Share. Without prejudice to the generality of the foregoing, the Board may grant Options in

respect of which the Subscription Price is fixed at different prices for different periods during the Option Period provided that the Subscription Price for each of the different periods shall not be less than the Subscription Price determined in the manner set out herein.

9. LIFE OF THE NEW SHARE OPTION SCHEME

Subject to paragraph 16, the New Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the New Share Option Scheme is conditionally adopted by the Company at a general meeting of the Shareholders.

10. RANKING OF SHARES

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Articles of Association of the Company for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue as from the day when the name of the Grantee is registered on the register of members of the Company and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date when the name of the Grantee is registered on the register of members of the Company other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the date when the name of the Grantee is registered on the register of members of the Company, provided always that when the date of exercise of the Option falls on a day upon which the register of members of the Company is closed then the exercise of the Option shall become effective on the first Business Day on which the register of members of the Company is re-opened. A Share allotted upon the exercise of an Option shall not carry voting rights until the completion of the registration of the Grantee as the holder thereof.

11. TRANSFERABILITY OF OPTIONS

An Option is personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option. Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or part thereof granted to such Grantee.

12. RIGHTS ATTACHING TO OPTIONS

(12.1) Rights on ceasing employment

If the Grantee of an Option is an Eligible Employee and ceases to be an Eligible Employee for any reason other than death or termination of employment on one or more grounds referred to in subparagraph (12.3) below before exercising his or her Option in full, the Grantee shall be entitled to exercise his or her Option up to his or her entitlement at the date of cessation of being an Eligible Employee (to the extent not already exercised) in whole or in part within the period of 6 months following the date of such cessation, which date shall be the last actual working day on which the Grantee was at work with the Group or the Invested Entity on which salary is paid whether in lieu of notice or not, or such longer period as the Board may in its absolute discretion determine.

(12.2) Rights on death

If the Grantee of an Option ceases to be a Participant by reason of death before exercising the Option in full (provided that none of the events which would be a ground for termination of his or her employment under sub-paragraph (12.3) below arises prior to his or her death), the legal personal representative(s) of this Grantee shall be entitled within a period of 12 months from the date of death (or such longer period as the Board may determine) to exercise the Option (to the extent which has become exercisable and not already exercised).

(12.3) Rights on dismissal

If the Grantee of an Option is an Eligible Employee and ceases to be an Eligible Employee by reason that he or she has been guilty of serious misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangements or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his or her employment at common law or pursuant to any applicable laws or under the Eligible Employee's service contract with the Company or the relevant Subsidiary or the relevant Invested Entity, his or her Option will lapse automatically on the date the Grantee ceases to be an Eligible Employee.

(12.4) Rights on breach of contract

If the Directors at their absolute discretion determine that the Grantee (other than an Eligible Employee) or his or her associate has committed any breach of any contract entered into between the Grantee or his or her associate on the one part and the Group or any Invested Entity on the other part or that the Grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his or her creditors generally, the Directors shall determine that the outstanding Options granted to the Grantee shall lapse. In such event, his or her Options will lapse automatically and will not in any event be exercisable on or after the date on which the Directors have so determined.

(12.5) Rights on a general offer

If a general or partial offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall use all reasonable endeavours to procure that such offer is extended to all the Grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the Options granted to them, Shareholders. If such offer becomes or is declared unconditional, a Grantee shall be entitled to exercise his or her Option (to the extent not already exercised) to its full extent or to the extent specified in the Grantee's notice to the Company in exercise of his or her Option at any time before the close of such offer (or any revised offer). Subject to the above, an Option will lapse automatically (to the extent not exercised) on the date on which such offer (or, as the case may be, revised offer) closes.

(12.6) Rights on winding up

In the event of an effective resolution being proposed for the voluntary winding-up of the Company during the Option Period, the Grantee (or where permitted under sub-paragraph (12.2), his or her legal personal representative(s)) may, subject to the provisions of all applicable laws, by notice in writing to the Company at any time no later than two Business Days prior to the date on which such resolution is to be passed, exercise his or her Option (to the extent which has become exercisable and not already exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of the New Share Option Scheme and shall accordingly be entitled, in respect of the Shares falling to be allotted and issued upon the exercise of his or her Option, to participate in the distribution of the assets of the Company available in liquidation *pari passu* with the Shares in issue on the date prior to the date of the passing of the resolution to wind-up the Company. Subject to the above, an Option will lapse automatically (to the extent not exercised) on the date of the commencement of the winding-up of the Company.

(12.7) Rights on compromise or arrangement between the Company and its members and/or creditors

In the event of a compromise or arrangement between the Company and its members and/or creditors is proposed for the purpose of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to all Grantees (together with a notice of the existence of the provision of this paragraph) on the same day as it despatches to members and/or creditors of the Company a notice summoning the meeting to consider such a compromise or arrangement, and thereupon each Grantee (or where permitted under sub-paragraph (12.2), his or her legal personal representative(s)) shall be entitled to exercise all or any of his/her Option in whole or in part at any time prior to 12:00 noon (Hong Kong time) on the Business Day immediately preceding the date of the meeting directed to be convened by the relevant court for the purposes of considering such compromise or arrangement and if there are more than one meeting for such purpose, the date of the first meeting. With effect from the date of such meeting, the rights of all Grantees to exercise their respective Option shall forthwith be suspended. Upon such compromise or arrangement become effective, all Options shall, to the extent that they have not been exercised, lapse and determined. The Board shall endeavour to procure that the Shares issued as a result of the exercise of Option in such circumstances shall for the purposes of such compromise or arrangement form part of the issued share capital of the Company on the effective date thereof and that such Shares shall in all respects be subject to such compromise or arrangement. If for any reason such compromise or arrangement is not approved by the relevant court (whether upon the terms presented to the relevant court or upon any other terms as may be approved by such court) the rights of the Grantees to exercise their respective Option shall with effect from the date of the making of the order by the relevant court be restored in full as if such compromise or arrangement had not been proposed by the Company and no claim shall be lie against the Company, the Directors or any of its officers for any loss or damage sustained by any Grantee as a result of the aforesaid suspension.

13. LAPSE OF OPTION

An Option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (a) the expiry of the periods or dates referred to in paragraphs 6 and 12; and
- (b) the date on which a breach of the provision of restriction on transfer and assignment of an Option referred to in paragraph 11 is committed.

14. REORGANIZATION OF CAPITAL STRUCTURE

In the event of a capitalization issue of profits or reserves, rights issue, consolidation, subdivision or reduction of capital of the Company (other than an issue of Shares as consideration in respect of a transaction to which the Company is a party), such corresponding adjustments (if any) shall be made in:

- (a) the number of Shares subject to the Options so far as unexercised; and/or
- (b) the Subscription Price; and/or
- (c) the maximum number of Shares referred to in paragraphs 3 and 4,

as an independent financial adviser or the auditors of the Company shall certify in writing to the Board to be in their opinion fair and reasonable, provided that any adjustments shall be made on the basis that the proportion of the issued share capital of the Company to which a Grantee is entitled after such adjustments shall remain the same as that to which he or she was entitled before such adjustments and no such adjustments shall be made the effect of which would be to enable any Share to be issued at less than its nominal value and no such adjustments will be required in circumstances where there is an issue of Shares or other securities of the Group as consideration in a transaction. In addition, in respect of any such adjustments as provided in this paragraph 14, other than any made on a capitalization issue, the independent financial adviser or auditors of the Company must confirm in writing to the Directors that the adjustments satisfy the requirements of the relevant provision of the Listing Rules.

15. CANCELLATION OF OPTIONS

Any cancellation of Options granted but not exercised shall require approval of the Board. Cancelled Options may be re-issued after such cancellation has been approved, provided that re-issued Options shall only be granted in compliance with the terms of the New Share Option Scheme and the Listing Rules. Where the Company cancels Options and issues new ones to the same Grantee, the issue of such new Options may only be made under a scheme with available unissued Options (excluding the cancelled Options) within the limit approved by Shareholders as mentioned in paragraph 3. For the avoidance of doubt, Options which have been exercised shall not be included as cancelled Options.

16. TERMINATION OF THE NEW SHARE OPTION SCHEME

The Company may by resolution in general meeting at any time terminate the operation of the New Share Option Scheme and in such event no further Options will be offered but the provisions of the New Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Options (to the extent not already exercised) granted prior to the termination or otherwise as may be required in accordance with the provisions of the New Share Option Scheme. Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the New Share Option Scheme.

17. ALTERATION OF THE NEW SHARE OPTION SCHEME

(17.1) The New Share Option Scheme may be altered in any respect by resolution of the Board except that:

- (a) the terms and conditions of the New Share Option Scheme relating to the matters set out in Rule 17.03 of the Listing Rules shall not be altered to the advantage of Grantees of the Options except with the prior approval of the Shareholders in general meeting;
- (b) any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature or any change to the terms of Options granted must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the New Share Option Scheme; and
- (c) any change to the authority of the Directors in relation to any alteration to the terms of the New Share Option Scheme must be approved by the Shareholders in general meeting.

(17.2) The amended terms of the New Share Option Scheme or the Options must still comply with the relevant requirements of Chapter 17 of the Listing Rules.



FAR EAST CONSORTIUM INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

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

(Stock Code: 35)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting (the “Meeting”) of Far East Consortium International Limited (the “Company”) will be held at Xinhua Room, Mezzanine Floor, Cosmopolitan Hotel, 387–397 Queen’s Road East, Wanchai, Hong Kong on Friday, 31 August 2012 at 11:00 a.m. for the following purposes:

1. To receive and adopt the Company’s audited financial statements and the reports of the Company’s directors (the “Directors”) and auditor for the year ended 31 March 2012.
2. To declare a final dividend of HK\$0.05 per share for the year ended 31 March 2012 (the “Proposed Final Dividend”).
3. To re-elect Mr. Daniel Tat Jung CHIU as a Non-Executive Director.
4. To re-elect Mr. Kwok Wai CHAN as an Independent Non-Executive Director.
5. To re-elect Mr. Kwong Siu LAM as an Independent Non-Executive Director.
6. To authorize the board of Directors (the “Board”) to fix the respective Directors’ remuneration.
7. To re-appoint Deloitte Touche Tohmatsu as auditor of the Company and to authorize the Board to fix their remuneration.
8. To consider as special business and, if thought fit, pass with or without modification, the following resolution as an ordinary resolution:

“THAT:

- (i) subject to paragraph (iii) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of the Company (the “Shares”) or securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares, and to make or grant offers, agreements and options (including bonds and debentures convertible into Shares) which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;

- (ii) the approval in paragraph (i) of this resolution shall authorize the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds and debentures convertible into Shares) which would or might require the exercise of such powers 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 pursuant to the approval in paragraph (i) of this resolution, 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 issued by the Company or any securities which are convertible into Shares;
 - (c) an issue of Shares as scrip dividends or similar arrangement providing for the allotment of Shares in lieu if the whole or part of a dividend on Shares pursuant to the Articles of Association of the Company from time to time; or
 - (d) an issue of Shares upon the exercise of any options granted under any option scheme or similar arrangement for the time being adopted for the granting or issue to employees and/or other eligible persons of the Company and/or any of its subsidiaries of any options to subscribe for, or rights to acquire Shares;

shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution, and the said approval shall be limited accordingly;

- (iv) subject to the passing of each of the paragraphs (i), (ii) and (iii) of this resolution, any prior approvals of the kind referred to in paragraphs (i), (ii) and (iii) of this resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and
- (v) 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 the Articles of Association of the Company or any applicable laws 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 of the Company in general meeting.

“Rights Issue” means the allotment, issue or grant of Shares pursuant to an offer of Shares open for a period fixed by the Directors to the holders of Shares whose name appear, on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares as at that date (subject to such exclusion or other arrangements as the Directors 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 recognized regulatory body or any stock exchange in, any territory applicable to the Company).”

9. To consider as special business and, if thought fit, pass with or without modification, the following resolution as an ordinary resolution:

“THAT:

- (i) subject to paragraph (ii) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase Shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange, subject to and in accordance with all applicable laws and the regulations of the Rules Governing the Listing of Securities on the Stock Exchange be and is hereby generally and unconditionally approved;
- (ii) the aggregate nominal amount of Shares which may be repurchased by the Company pursuant to the approval in paragraph (i) of this resolution during the Relevant Period (as hereinafter defined) shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution and the said approval shall be limited accordingly;
- (iii) subject to the passing of each of the paragraphs (i) and (ii) of this resolution, any prior approvals of the kind referred to in paragraphs (i) and (ii) of this resolution, which had been granted to the Directors and which are still in effect be and are hereby revoked; and
- (iv) 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 the Articles of Association of the Company or any applicable laws 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 of the Company in general meeting.”

10. To consider as special business and, if thought fit, pass with or without modification, the following resolution as an ordinary resolution:

“THAT subject to the passing of the resolutions nos. 8 and 9 set out in the notice convening the Meeting (the “Notice”), the general mandate granted to the Directors to exercise the powers of the Company to allot, issue or otherwise deal with additional Shares pursuant to resolution no. 8 set out in the Notice be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of Shares repurchased by the Company under the authority granted pursuant to resolution no. 9 set out in the Notice, provided that such amount of Shares so repurchased shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution.”

11. To consider as special business and, if thought fit, pass with or without modification, the following resolution as an ordinary resolution:

“THAT subject to and conditional upon the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Shares to be issued pursuant to the exercise of any options granted under the new share option scheme of the Company (the “New Share Option Scheme”, a copy of which marked “A” is produced to the meeting and for the purposes of identification signed by the Chairman thereof), the New Share Option Scheme be and is hereby approved and adopted and the Board be and is hereby authorized to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Share Option Scheme, including but without limitation:

- (a) to administer the New Share Option Scheme under which options will be granted to participants eligible under the New Share Option Scheme to subscribe for Shares;
- (b) to modify and/or amend the New Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the New Share Option Scheme relating to modification and/or amendment;
- (c) to issue and allot from time to time such number of Shares in the capital of the Company which may fall to be issued and allotted pursuant to the exercise of the options granted under the New Share Option Scheme, provided always that the total number of Shares which may be issued upon exercise of all options to be granted under the New Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed 10% of the issued share capital of the Company as at the date of passing of this resolution, but the Company may seek approval of its shareholders in general meeting for refreshing the 10% limit under the New Share Option Scheme, and provided also that the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company shall not exceed 30% of the issued share capital of the Company from time to time;

- (d) to make applications at the appropriate time or times to the Stock Exchange and any other stock exchanges upon which the issued Shares may for the time being be listed, for listing of and permission to deal in any Shares which may hereafter from time to time be issued and allotted pursuant to the exercise of the options under the New Share Option Scheme; and
- (e) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the New Share Option Scheme.”

By Order of the Board of
Far East Consortium International Limited
Boswell Wai Hung CHEUNG
Company Secretary

Hong Kong, 31 July 2012

Notes:

- a. For determining the entitlement to attend and vote at the Meeting, the Register of Members of the Company will be closed from Wednesday, 29 August 2012 to Friday, 31 August 2012, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the Meeting, unregistered holders of Shares should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 28 August 2012.

For determining the entitlement to the Proposed Final Dividend, the Register of Members of the Company will also be closed from Friday, 7 September 2012 to Tuesday, 11 September 2012, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for entitlement to the Proposed Final Dividend, unregistered holders of Shares should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 6 September 2012.

- b. A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote in his/her stead. A proxy need not be a member of the Company but must be present in person to represent the member.
- c. 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, shall be deposited at the Company’s branch share registrar in Hong Kong, Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the Meeting or any adjournment thereof if you so wish.

- d. 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 or any adjournment thereof, 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 name stands first in the Register of Members of the Company in respect of such joint holding.

- e. Pursuant to Rule 13.39(4) of the Rules Governing the Listing of Securities on the Stock Exchange, all resolutions set out in the Notice will be decided by poll at the Meeting.