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If you are in any doubt as to any aspect of this circular or as to the action should be taken, 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, together with the enclosed Form of Election (if applicable), 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 the transferee.

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This circular is for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.



FAR EAST CONSORTIUM INTERNATIONAL LIMITED
遠東發展有限公司*

(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. Cheong Thard HOONG
Mr. Dennis CHIU
Mr. Craig Grenfell WILLIAMS
Ms. Wing Kwan Winnie CHIU
Ms. Jennifer Wendy CHIU

Independent Non-executive Directors:

Mr. Kwong Siu LAM
Mr. Wai Hon Ambrose LAM
Mr. Lai Him Abraham SHEK

Registered Office:

JTC (Cayman) Limited
P.O. Box 30745
94 Solaris Avenue
2nd Floor, Camana Bay
Grand Cayman KY1-1203
Cayman Islands

Principal Office:

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

17 September 2024

To the Shareholders,

Dear Sir or Madam,

**SCRIP DIVIDEND SCHEME IN RELATION TO
THE FINAL DIVIDEND FOR THE YEAR ENDED
31 MARCH 2024**

INTRODUCTION

On 27 June 2024, it was announced that the board of directors (the "Board") of Far East Consortium International Limited (the "Company") has resolved to recommend a

* For identification purposes only

final dividend of HK10.0 cents per ordinary share of HK\$0.10 each (the “Share”) for the year ended 31 March 2024 (the “Final Dividend”) to shareholders of the Company (the “Shareholders”) whose names appear on the register of members of the Company on 9 September 2024 (the “Record Date”) (other than those residing outside the Hong Kong Special Administrative Region of the People’s Republic of China (“Hong Kong”) as set out below) in the form of new fully paid Shares (the “Scrip Shares”) with the Shareholders being given the option to receive cash in lieu of all or part of their scrip dividend entitlements (the “Scrip Dividend Scheme”). At the annual general meeting of the Company held on 23 August 2024, the Final Dividend was approved by the Shareholders.

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

PARTICULARS OF THE SCRIP DIVIDEND SCHEME

Pursuant to the Scrip Dividend Scheme, the Shareholders have the following choices, subject to conditions imposed on the Shareholders residing outside Hong Kong as set out below, in respect of the Final Dividend:

- (i) an allotment of the Scrip Shares credited as fully paid Shares and having an aggregate market value (as defined below) equal to, save for adjustment for fractions, the total amount of the Final Dividend which such Shareholder could elect to receive in cash; or
- (ii) cash of HK10.0 cents for each Share held on the Record Date; or
- (iii) partly in form of the Scrip Shares and partly in cash.

As disclosed in the results announcement of the Company for the financial year ended 31 March 2024 dated 27 June 2024, for the purpose of determining the number of Scrip Shares to be allotted, the market value of the Scrip Shares will be calculated as the average of the closing prices of the existing Shares as quoted on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) for the five trading days prior to and including 9 September 2024.

As a tropical cyclone signal number 8 was in force in Hong Kong between 9:00 a.m. and 12:40 p.m. on Friday, 6 September 2024 and Hong Kong Exchanges and Clearing Limited announced that all trading sessions were cancelled on that date, the number of the Scrip Shares to be allotted to the Shareholders pursuant to the Scrip Dividend Scheme is now calculated by reference to the average of the closing prices per Share (the “Average Closing Price”) as quoted on the Stock Exchange for the four trading days up to and including 9 September 2024 (all being ex-dividend trading). And the market value per Scrip Share is HK\$1.0525.

Accordingly, the number of the Scrip Shares which the Shareholders are entitled to receive in respect of the existing Shares registered under their names as at the Record Date will be calculated as follows:

$$\begin{array}{l} \text{Number of the Scrip} \\ \text{Shares that Shareholders are} \\ \text{entitled to receive} \end{array} = \begin{array}{l} \text{Number of existing Shares} \\ \text{held on the Record Date or} \\ \text{number of Shares elected for} \\ \text{the Scrip Shares (as applicable)} \end{array} \times \frac{\text{HK\$0.10 (Final Dividend per Share)}}{\text{HK\$1.0525 (Average Closing Price)}}$$

The Register of Members of the Company was closed from Thursday, 5 September 2024 to Monday, 9 September 2024, both days inclusive, for the purpose of determining Shareholders who are entitled to receive the Final Dividend.

The last day and time on which transfers were accepted for registration for participation in the Scrip Dividend Scheme was Wednesday, 4 September 2024 at 4:30 p.m.. The number of the Scrip Shares to be issued to each Shareholder will be rounded down to the nearest whole number. Fractional entitlements to the Scrip Shares in respect of alternatives (i) and (iii) above will be disregarded and the benefit thereof will accrue to the Company. The Scrip Shares to be issued pursuant to the Scrip Dividend Scheme will rank *pari passu* in all respects with the existing Shares except that they will not be entitled to the Final Dividend.

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

The Scrip Shares will be allotted by way of capitalisation of the Company's reserves or profits and are not renounceable. The right to receive the Scrip Shares instead of whole or part of the cash dividend is non-transferable.

As at 10 September 2024 (being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular), the Board has not received any information from the controlling shareholder of its intention to receive the Final Dividend wholly in cash, or partly in cash and partly in the form of Scrip Shares; and the Company has no outstanding share options, warrants, securities which are convertible into the Company's ordinary shares.

Based on 2,817,604,206 Shares in issue on the Record Date, if all the Shareholders choose to receive Scrip Shares instead of cash in respect of the Final Dividend, the Company will issue approximately 267,705,862 Scrip Shares, an increase of approximately 9.50% of the existing issued Shares.

ADVANTAGES OF THE SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme will give the Shareholders the opportunity to increase their investment in the Company at the market value without incurring brokerage fees, stamp duty and related dealing costs. The Scrip Dividend Scheme will also be to the advantage of the Company because, to the extent that the Shareholders do not elect to receive cash in lieu of the Scrip Shares, such cash as would otherwise have been paid to the Shareholders will be retained for use by the Company.

EFFECT OF THE SCRIP DIVIDEND SCHEME

The Shareholders should note that the Scrip Shares to be issued pursuant to the Scrip Dividend Scheme may give rise to discloseable requirements under the provisions of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). The Shareholders, who are in any doubt as to whether these provisions would affect them as a result of their election of receiving the Final Dividend in the form of Scrip Shares, are recommended to seek their own professional advice.

FORM OF ELECTION

A form of election in relation to the Scrip Dividend Scheme (the "Form of Election") is enclosed for use by the Shareholders who wish to receive the Final Dividend wholly in cash or partly in cash and partly in the form of the Scrip Shares, or to make a permanent election to receive cash in lieu of Scrip Shares in respect of all future dividends for the whole of the Shareholders' registered shareholding.

The Form of Election shall not be sent to the Shareholders who have earlier made a permanent election on all future dividends. A written notice should be sent to the Hong Kong share registrar of the Company, Tricor Standard Limited (the "Share Registrar") (whose contact details are set out below) no later than 4:30 p.m. on Friday, 4 October 2024 if such Shareholders wish to change or revoke their permanent election so made.

If you elect to receive the Final Dividend wholly in the form of the Scrip Shares, you do not need to take any action.

If you elect to receive the Final Dividend wholly in cash, or partly in cash and partly in the form of the Scrip Shares, you should complete and return the enclosed Form of Election in accordance with the instructions printed thereon.

If you complete the Form of Election but do not specify the number of Shares in respect of which you wish to receive cash under the Scrip Dividend Scheme, or if you elect to receive cash in respect of a greater number of Shares than your registered shareholding on the Record Date, in either case, you will be deemed to have exercised your election to receive cash in respect of all the Shares of which you were then registered as the holder on the Record Date.

The Shareholders who elect to receive the Final Dividend wholly in cash may also elect to receive all future dividends entitled by them in cash by completing Box D on the Form of Election. Such election may be revoked at any time by giving a written notice to the Share Registrar. The Form of Election will not in the future be sent to the Shareholders who have made such election unless they notify the Share Registrar of their wish to revoke such election.

If you have earlier made a permanent election to receive all future dividends entitled by you in cash or in scrip form, unless and until you had cancelled such election by a written notice to the Share Registrar, you will continue to receive all dividends in cash or in scrip form (as applicable) for all the Shares for the time being registered in your name, without the need to complete any Form of Election in the future for such election.

If you have earlier made a permanent election to receive cash in respect of all future dividends entitled by you but now wish to receive your dividends wholly in the form of the Scrip Shares or partly in form of the Scrip Shares and partly in cash, or if you have earlier made a permanent election to receive all future dividends entitled by you in scrip form and now wish to receive wholly in cash or partly in form of the Scrip Shares and partly in cash, you are required to cancel your permanent election by a written notice and return the Form of Election indicating your choice to the Share Registrar.

The Form of Election should be completed in accordance with the instructions printed thereon and returned to Tricor Standard Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Friday, 4 October 2024. Failure to complete and return the Form of Election in accordance with the instructions printed thereon will result in the relevant Shareholder's Final Dividend being paid wholly in the form of the Scrip Shares. No acknowledgement of receipt of the Form of Election will be issued.

If there is a tropical cyclone warning signal number 8 or above, or "extreme conditions" caused by super typhoon, or a "black" rainstorm warning (either one of the warnings is referred to as the "Warning") in force, the above deadline for submission of the Forms of Election will be changed as follows:

- (a) If the Warning is in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Friday, 4 October 2024: the deadline for submission of the Forms of Election will be 5:00 p.m. on Friday, 4 October 2024.
- (b) If the Warning is in force in Hong Kong at any local time between 12:00 noon and 4:30 p.m. on Friday, 4 October 2024: the deadline for submission of the Forms of Election will be rescheduled to 4:30 p.m. on the next business day which does not have any Warning in force at any time between 9:00 a.m. and 4:30 p.m..

SHAREHOLDERS RESIDING OUTSIDE HONG KONG

No person receiving a copy of this circular or a Form of Election in any jurisdiction outside Hong Kong may treat the same as offering a right to elect to receive the Scrip Shares unless such offer could lawfully be made to such person without the Company being required to comply with any governmental or regulatory procedures or any similar formalities. It is the responsibilities of any person, residing outside Hong Kong who wishes to receive the Scrip Shares under the Scrip Dividend Scheme to comply with the laws of the relevant jurisdiction(s), including the obtaining of any governmental or other consents and compliance with all other formalities. It is also the responsibilities of any person who receives the Scrip Shares in lieu of a cash dividend to comply with any restrictions on the transfer or sale of the Shares which may apply outside Hong Kong.

(a) United States of America and Brunei

The Form of Election has not been sent to Shareholders with a registered address in the United States of America or any of its territories or possessions or Brunei. After making enquiries with legal advisers in relevant jurisdictions regarding legal restrictions and regulatory requirements, the Company understands that there are restrictions from inviting the Shareholders in those jurisdictions to receive the Final Dividend in scrip form, either absolutely or unless local approval, registration or other requirements or formalities are obtained or complied with.

In the circumstances, the Board considers that it would be necessary or expedient for the Shareholders with a registered address in the United States of America or any of its territories or possessions or Brunei not to be permitted to receive the Final Dividend in scrip form. Such Shareholders will receive the Final Dividend wholly in cash. This circular will be sent to those Shareholders for information only.

(b) Canada

The Company has been advised by the relevant local legal advisers that in relation to the Shareholders who are resident in the provinces of British Columbia, Ontario and Quebec, Canada (the "Canadian Shareholders"), securities obtained by the Canadian Shareholders by way of scrip dividend will be restricted securities in Canada. Accordingly, the Canadian Shareholders who intend to sell the Shares acquired through the distribution of the Final Dividend in scrip form must effect the sale: (i) through an exchange or a market outside of Canada; or (ii) to a person or company outside of Canada. The Canadian Shareholders must seek their own professional advice about the legal requirements relating to future sale of any Shares so acquired.

(c) Singapore

The Scrip Shares are issued to the Shareholders in Singapore (the "Singaporean Shareholders") not with a view of these shares being on-sold in Singapore, and no documents issued by or on behalf of the Company (including this

circular and the Form of Election) are permitted to be used in any subsequent sale by the Singaporean Shareholders. The Singaporean Shareholders must seek their own professional advice as to whether to elect to receive the Final Dividend in scrip form and if they do elect to receive the Final Dividend in scrip form, they must seek their own professional advice about the legal requirements relating to the future sale of any Shares so acquired.

(d) Malaysia

The Scrip Shares are issued to the Shareholders in Malaysia (the “Malaysian Shareholders”) not with a view of these shares being on-sold in Malaysia, and no documents issued by or on behalf of the Company (including this circular and the Form of Election) are permitted to be used in any subsequent sale by the Malaysian Shareholders. The Malaysian Shareholders must seek their own professional advice as to whether to elect to receive the Final Dividend in scrip form and if they do elect to receive the Final Dividend in scrip form, they must seek their own professional advice about the legal requirements relating to the future sale of any Shares so acquired.

(e) People’s Republic of China

As at the Record Date, there were 3 Shareholders (the “PRC Shareholders”, excluding PRC Southbound Trading Investors as defined below) with registered address in the People’s Republic of China (“PRC” which, for the purposes of this circular, excludes Hong Kong, the Macau Special Administrative Region and Taiwan) who held an aggregate of 11,853 Shares, representing approximately 0.0004% of the existing issued Shares.

The Board has made legal enquiries with its legal advisers on the laws of the PRC in relation to the extension of the Scrip Dividend Scheme to the PRC Shareholders. Based on the advice of the legal advisers in the PRC, there is no explicit regulatory restrictions or prohibitions with respect to despatching a copy of this circular or a Form of Election to the PRC Shareholders. It is the responsibility of the PRC Shareholders to comply with any filing, registration or other legal requirements, governmental or regulatory procedures or any other similar formalities in the PRC.

In addition, there are investors from the PRC holding shares of the Company through China Securities Depository and Clearing Corporation Limited (“ChinaClear”) as nominee under Shanghai Connect and Shenzhen Connect (the “PRC Southbound Trading Investors”). As at the Record Date, 501,843 Shares of the Company, representing approximately 0.02% of the existing issued Shares, were held by ChinaClear.

Pursuant to the Stock Exchange’s Frequently Asked Questions Series 29 effective on 17 November 2014 and updated on 4 November 2016 and 13 July 2018 on the interpretation of the Rules Governing the Listing of Securities on the Stock Exchange, PRC Southbound Trading Investors can participate in the Scrip Dividend

Scheme through ChinaClear. ChinaClear will provide nominee services for the PRC Southbound Trading Investors to elect to receive the Final Dividend pursuant to the Scrip Dividend Scheme in accordance with the relevant laws and regulations. The PRC Southbound Trading Investors should seek advice from their intermediary (including broker, custodian, nominee or ChinaClear participants) and/or other professional advisers for details of the logistical arrangements as required by ChinaClear, and provide instructions with such intermediary in relation to the election to receive the Final Dividend pursuant to the Scrip Dividend Scheme.

(f) General

Shareholders have a right to receive a copy of the Company's latest annual report which encloses the Company's latest audited financial statements, free of charge. A copy of such annual report is also available electronically on the Company's website at www.fecil.com.hk and the Stock Exchange's website at www.hkexnews.hk.

Whether it is to your advantage to receive the Scrip Shares or cash, in whole or in part, shall depend on your own individual circumstances, and the decision in this regard and all effects resulting therefrom are the responsibility of each Shareholder. Shareholders who are trustees are recommended to take professional advice as to whether the choice of the Scrip Shares is within their powers and as to its effect having regard to the terms of the relevant trust instrument. Apart from the Shareholders in the United States of America and Brunei, according to the register of members of the Company as at the Record Date, there are some other Shareholders whose registered addresses are outside Hong Kong. Such Shareholders are allowed to participate in the Scrip Dividend Scheme. All the Shareholders residing outside Hong Kong should consult their professional advisers as to whether they are permitted to receive the Final Dividend in scrip form or whether any government or other consents are required or other formalities need to be observed.

LISTING AND DEALINGS

The issue of the Scrip Shares pursuant to the Scrip Dividend Scheme is conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in the Scrip Shares to be allotted and issued pursuant to the Scrip Dividend Scheme. The Company will make the said listing application to the Stock Exchange.

It is expected that the relevant dividend warrants and share certificates will be sent by ordinary post to the Shareholders at their postal risks on Thursday, 24 October 2024. Dealings in the Scrip Shares on the Stock Exchange are expected to commence on Friday, 25 October 2024.

Subject to the granting of the listing of, and permission to deal in the Scrip Shares to be allotted and issued pursuant to the Scrip Dividend Scheme on the Stock Exchange, such Scrip Shares will be accepted as eligible securities by Hong Kong Securities Clearing Company Limited for deposit, clearance and settlement in the Central Clearing and Settlement System ("CCASS"). All activities under CCASS are subject to the General Rules

of CCASS and CCASS Operational Procedures in effect from time to time. Dealings in the Scrip Shares may be settled through CCASS and you should seek the advice of your stockbroker or other professional adviser for details of these settlement arrangements and how such settlement arrangements will affect your rights and interests.

As at 10 September 2024 (being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular), the Shares and 7.375 per cent. USD senior guaranteed perpetual capital notes issued by FEC Finance Limited, an indirect wholly-owned subsidiary of the Company are listed and dealt on the Stock Exchange. No other equity or debt securities of the Company are listed or dealt on any other stock exchange nor listing or permission to deal on any other stock exchange is being or proposed to be sought.

TIMETABLE

Set out below is a summary of the events in relation to the Scrip Dividend Scheme:

Event	Date
Record Date	Monday, 9 September 2024
Last date for return of the Form of Election	4:30 p.m. on Friday, 4 October 2024
Despatch of dividend warrants and share certificates to the Shareholders	Thursday, 24 October 2024
Commencement of dealings in the Scrip Shares on the Stock Exchange	9:00 a.m. on Friday, 25 October 2024

Yours faithfully,
For and on behalf of the Board of
Far East Consortium International Limited
Wai Hung Boswell CHEUNG
Company Secretary

Shareholders who have elected to receive the corporate communications of the Company (the “Corporate Communications”) in printed form (either in English or Chinese) will receive both English and Chinese versions of this circular since both languages are bound together into one booklet.

This circular, in both English and Chinese, is available on the Company’s website at www.fecil.com.hk and on the website of the Stock Exchange at www.hkexnews.hk. If, for any reason, Shareholders who have elected (or are deemed to have consented) to receive the Corporate Communications through the Company’s website have difficulty in accessing the circular, the Company or the Company’s share registrar in Hong Kong (Tricor Standard Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong) will, upon receipt of a written request, promptly send to them a printed copy of the circular free of charge by mail.

Shareholders may at any time change their choice of language of all future Corporate Communications, or choose to receive all future Corporate Communications either in printed form or through the Company’s website, by providing reasonable notice (of not less than 7 days) in writing to the Company’s share registrar in Hong Kong, Tricor Standard Limited, by post at the above address or by email to 35_fecil_ecom@hk.tricorglobal.com.