
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action you should take, 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 transfer all your shares in Far East Consortium International Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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

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



FAR EAST CONSORTIUM INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

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

(Stock Code: 35)

Executive Directors:

Mr. Deacon Te Ken Chiu (*Chairman*)
Tan Sri Dato' David Chiu (*Deputy 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 Directors:

Madam Ching Lan Ju Chiu
Mr. Daniel Tat Jung Chiu

Principal Office:

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

Independent Non-executive Directors:

Mr. Jian Yin Jiang
Mr. Kwok Wai Chan
Mr. Peter Man Kong Wong

23rd January, 2009

To the Shareholders,

Dear Sir or Madam,

INTERIM DIVIDEND FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2008

INTRODUCTION

On 10th December, 2008, it was announced that the board of directors (the "Board of Directors") of Far East Consortium International Limited (the "Company") resolved to declare an interim dividend of HK1 cent per ordinary share of HK\$0.10 each (the

“Share(s)”) for the six months ended 30th September, 2008 (the “Interim Dividend”) to shareholders of the Company (the “Shareholders”) whose names appear on the register of members of the Company on 12th January, 2009 (other than those residing outside Hong Kong as referred to 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”).

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 Interim 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 Interim Dividend which such Shareholder could elect to receive in cash; or
- (ii) cash of HK1 cent for each Share held on 12th January, 2009; or
- (iii) partly in form of the Scrip Shares and partly in cash.

For the purpose of calculating the number of the Scrip Shares to be allotted pursuant to the Scrip Dividend Scheme, the market value of the Scrip Shares has been fixed at HK\$0.98 per Share, which was the average of the closing prices per Share as quoted on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) for the five consecutive trading days up to and including 16th January, 2009 (“Average Closing Price”). Accordingly, the number of the Scrip Shares which the Shareholders will receive in respect of the existing Shares registered in their names as at 12th January, 2009 will be calculated as follows:

$$\begin{array}{l} \text{Number of the Scrip} \\ \text{Shares to be received} \end{array} = \begin{array}{l} \text{Number of existing Shares} \\ \text{held on 12th January, 2009 or} \\ \text{number of Shares elected for} \\ \text{the Scrip Shares (as} \\ \text{applicable)} \end{array} \times \frac{\text{HK\$0.01 (Interim Dividend per Share)}}{\text{HK\$0.98 (Average Closing Price)}}$$

The last day and time on which the Shareholders will be entitled to elect their desired form of the Interim Dividend is 4:00 p.m. on Thursday, 12th February, 2009. 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 of the Company except that they will not be entitled to the Interim Dividend.

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 Division 2 and 3 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 these provisions may affect them as a result of the 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 Interim 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 any future dividend in scrip form.

The Form of Election has not been sent to the Shareholders who have earlier made a permanent election to receive cash in respect of all future dividends. Please contact the Hong Kong branch registrar of the Company (the “Share Registrar”) (whose contact details are set out below) for a Form of Election if such Shareholders wish to change their permanent election.

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

If you elect to receive wholly in cash, or partly in cash and partly in the form of the Scrip Shares, you should use the enclosed Form of Election. 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 12th January, 2009, 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.

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

If you have earlier made a permanent election to receive all future dividends in cash or in scrip form, unless and until you cancel such election by 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 and 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 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 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 together with, if any, written notice regarding the cancellation of earlier made permanent election of all future dividends, so that they are received by Tricor Standard Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 4:00 p.m. on Thursday, 12th February, 2009. Failure to complete and return the Form of Election in accordance with the instructions printed thereon will result in the relevant Shareholder's dividend being paid wholly in the form of the Scrip Shares. No acknowledgement of receipt of the Form of Election will be issued.

SHAREHOLDERS RESIDENT 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 Malaysia

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 Malaysia. 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 Interim Dividend in scrip form, either absolutely or unless local approval, registration or other requirements or formalities are obtained or complied with.

In particular, the Company has been advised by lawyers in Malaysia that based on a conservative interpretation of the Malaysia Securities Commission Act 1993, the Scrip Dividend Scheme could fall within the provisions of section 32(2)(a) of the Malaysian Securities Commission Act 1993 and it would be prudent to comply with the requirements of section 32(2) of the Malaysian Securities Commission Act 1993 which necessitates the submission of a proposal to the Malaysian Securities Commission for its approval.

In the circumstances, the Board of Directors consider 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 Malaysia not to be permitted to receive the Interim Dividend in scrip form. Such Shareholders will receive the Interim Dividend wholly in cash. This circular will be sent to those Shareholders for information only.

(b) Canada

The Board of Directors have been advised by the relevant local legal advisors that in relation to the Shareholders who are resident in the provinces of British Columbia and Ontario, Canada (the “Canadian Shareholders”), securities obtained by Canadian Shareholders by way of scrip dividend will be restricted securities in Canada. Accordingly, Canadian Shareholders who intend to sell the Shares acquired through the distribution of the Interim Dividend in scrip form must effect the sale (i) through an exchange or a market outside of Canada or with a person or company outside of Canada or (ii) through an appropriately registered dealer or pursuant to an exemption from the dealer registration requirement under applicable provincial securities laws in Canada and pursuant to the prospectus filing requirement under local provincial securities laws in Canada or in reliance on an exemption from the same. Canadian Shareholders are advised to consult their own professional advisers as to whether to elect to receive the Interim Dividend in scrip form and in relation to future sale of any shares so acquired.

(c) General

Whether or not it is to your advantage to receive the Scrip Shares or cash, in whole or in part, depends upon 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. All Shareholders resident outside Hong Kong should consult their professional advisers as to whether or not they are permitted to receive the Interim 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 granting by the Listing Committee of the Stock Exchange of the listing of and permission to deal in the Scrip Shares to be allotted and issued pursuant to the Scrip Dividend Scheme, for which the Company will make application.

It is expected that the relevant dividend warrants and share certificates will be posted to the Shareholders at the risk of those entitled thereto on or about Friday, 27th February, 2009 on which dealings of the Scrip Shares will commence.

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 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.

The Shares and zero coupon convertible bonds due 2009 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 is listing or permission to deal on any other stock exchange being or proposed to be sought.

Yours faithfully,
For and on behalf of the Board of
Far East Consortium International Limited
Bill Kwai Pui Mok
Chief Financial Officer and Company Secretary