

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 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.

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 of 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:

Tan Sri Dato' David CHIU
(Chairman and Chief Executive Officer)
Mr. Cheong Thard HOONG
Mr. Chi Hing CHAN
Mr. Dennis CHIU
Mr. Craig Grenfell WILLIAMS

Independent Non-executive Directors:

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

Registered Office:

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

Principal Office:

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

15 January 2015

To the Shareholders,

Dear Sir or Madam,

**SCRIP DIVIDEND SCHEME IN RELATION TO
THE INTERIM DIVIDEND FOR THE SIX MONTHS ENDED
30 SEPTEMBER 2014**

INTRODUCTION

On 26 November 2014, it was announced that the board of directors (the "Board") of Far East Consortium International Limited (the "Company") resolved to declare an

interim dividend of HK3 cents per ordinary share of HK\$0.10 each (the “Share”) for the six months ended 30 September 2014 (the “Interim Dividend”) to shareholders of the Company (the “Shareholders”) whose names appear on the register of members of the Company on 5 January 2015 (the “Record Date”) (other than those residing outside 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”).

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 HK3 cents for each Share held on the Record Date; or
- (iii) partly in form of the Scrip Shares and partly in cash.

The number of the Scrip Shares to be allotted pursuant to the Scrip Dividend Scheme was calculated by reference to the market value of HK\$3.018 per Share which was the average of the closing prices per Share (the “Average Closing Price”) as quoted on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) for the five consecutive trading days up to and including 5 January 2015. 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:

$$\begin{array}{l} \text{Number of the Scrip} \\ \text{Shares that Shareholders are} \\ \text{entitled to receive} \end{array} = \begin{array}{l} \text{Number of existing Shares held} \\ \text{on the Record Date or number of} \\ \text{Shares elected for the Scrip} \\ \text{Shares (as applicable)} \end{array} \times \frac{\text{HK\$0.03 (Interim Dividend per Share)}}{\text{HK\$3.018 (Average Closing Price)}}$$

The Register of Members of the Company was closed from Monday, 29 December 2014 to Monday, 5 January 2015, both days inclusive, for the purpose of determining Shareholders who are entitled to receive the Interim Dividend.

The last day and time on which transfers were accepted for registration for participation in the Scrip Dividend Scheme was Wednesday, 24 December 2014 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 Interim Dividend.

Scrip Shares issued to the Shareholders pursuant to an election to receive some or all of their Interim 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.

Based on 1,900,607,607 Shares in issue on the Record Date, if all the Shareholders choose to receive Scrip Shares instead of cash in respect of the Interim Dividend, the Company will issue approximately 18,892,719 Scrip Shares, an increase of approximately 0.99% of the existing issued share capital of the Company.

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 Interim 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 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 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) if such Shareholders wish to change or revoke their permanent election so made.

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 the Interim 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 Interim 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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Friday, 30 January 2015. Failure to complete and return the Form of Election in accordance with the instructions printed thereon will result in the relevant Shareholder's Interim 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 a “black” rainstorm warning (either one of the warnings is referred to as the “Warning”), 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, 30 January 2015: the deadline for submission of the Forms of Election will be 5:00 p.m. on Friday, 30 January 2015.
- (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, 30 January 2015: 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 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 Capital Markets and Services Act 2007 (“CMSA”), the Scrip Dividend Scheme could fall within the provisions of relevant sections of CMSA and it would be prudent to comply with the requirements of such sections of CMSA which necessitates the submission of a proposal to the Securities Commission of Malaysia for its approval.

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 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 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 Interim 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 Interim Dividend in scrip form and if they do elect to receive the Interim 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) General

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 Malaysia, 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 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 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 27 February 2015. Dealing of the Scrip Shares on the Stock Exchange is expected to commence on Monday, 2 March 2015.

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. Dealing 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.

The Shares, the 3.625 per cent. convertible bonds due 2015 and the 5.875 per cent. CNY bonds due 2016 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.

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