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遠東控股國際有限公司

Far East Holdings International Limited

(Incorporated in Hong Kong with limited liability)

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

(Stock Code: 36)

DISCLOSEABLE TRANSACTION

The Board is pleased to announce that on 27 April 2007, Power Profit, a wholly-owned subsidiary of the Company and First Holdings have entered into the Shareholders Agreement pursuant to which Power Profit irrevocably subscribes for and undertakes to fully pay up the Subscription Shares at the Subscription Price of HK\$15,000,000. The Subscription constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules. A circular containing, amongst other things, further details of the Shareholding Agreement will be dispatched to the shareholders of the Company as soon as practicable.

THE SHAREHOLDERS AGREEMENT

On 27 April, 2007, the Shareholders Agreement was entered into between First Holdings, Power Profit and Other Subscribers. Pursuant to the Shareholders Agreement, each of the subscribers irrevocably subscribes for and undertakes to fully pay up new First Holdings Shares. The Shareholders Agreement also sets out the terms governing the management of the Company and to regulate the respective rights and obligations of the shareholders in First Holdings.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, First Holdings and Other Subscribers and their ultimate beneficial owners (as the case may be) are third parties independent of the Company and connected persons (as defined under the Listing Rules) of the Company.

SUBSCRIPTION SHARES

On the Subscription Date, a total of 12,948,717 new First Holdings Shares were issued and allotted to Power Profit and Other Subscribers. The Subscription Shares represent approximately 14.85% of the enlarged issued share capital of First Holdings as at the Subscription Date after the Subscription together with the subscriptions by Other Subscribers.

The Subscription Shares will rank pari passu in all respects with the First Holdings Shares in issue, including the right to any dividends or distributions.

SUBSCRIPTION PRICE

The Subscription Price of HK\$15,000,000 is determined after arm's length negotiation between Power Profit and First Holdings. The Subscription Price is approximately at HK\$7.80 per share at par value of First Holdings.

The Subscription Price will be satisfied by the internal resources of the Group. Of the Subscription Price, HK\$1,500,000 was paid on the Subscription Date and the balance of HK\$13,500,000 is payable on call.

Pursuant to the Shareholders Agreement, no shareholder of First Holdings shall dispose of or permit or suffer a transfer of the whole or any part of its shares held by it or any interest therein without the approval in writing of the majority shareholders made by a majority vote over 50% of the shareholders in the shareholders' meeting of First Holdings.

FIRST HOLDINGS

First Holdings is a limited liability company organized under the law of British Virgin Islands with an authorized capital of US\$300,000,000 divided into 300,000,000 shares of US\$1 each and the existing share capital is US\$1 with one issued share.

First Holdings currently holds 100% shareholding in First Credit which is a limited liability company organized under the laws of Hong Kong and is engaged in the principal business of money lending and the provision of credit such as personal loans, mortgage loans, car loans and the provision of any other forms of credit. First Credit was incorporated in Hong Kong and has not yet commenced any business. It is now in the process of obtaining the licenses required for the business of money lending and the provision of credits and pending regulatory approval from the relevant departments such as Companies Registry, Police Licensing Office and Licensing Court.

First Holdings intends to use the proceeds from the subscription of the new First Holdings Shares pursuant to the Shareholders Agreement for the working capital of First Credit.

First Holdings and First Credit have not yet commenced any business and do not have any profit generated and no major assets and liabilities. Its existing net asset value is at US\$1.00.

REASON FOR THE TRANSACTION

The Company acts as an investment holding company. The principal activities of the Group are manufacturing and trading of garment, investment in properties for rental purpose, property development and investment in securities.

The Group has been looking for suitable investment opportunities in order to broaden its income source. The Directors consider the Subscription as an attractive investment opportunity because the Directors believe that the return of financing business will remain promising in the near future and is in the interest of the shareholders of the Company.

The Directors consider that the Subscription has been made on normal commercial terms and that such terms are fair and reasonable so far as the Company and the Shareholders are concerned and that the Subscription is in the interest of the Company and the Shareholders as a whole.

GENERAL

The Subscription constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules. A circular containing, amongst other things, further details on the Shareholders Agreement will be despatched to the shareholders of the Company as soon as practicable.

The investment of 14.85% of First Holdings will be treated as long term investment of the Company and will not be equity account for as an associate.

Mr. Sin Kwok Lam who is well experience in money lending and the provision of credit business, will be appointed as the managing director of First Holdings and First Credit.

Other Subscribers, their percentage of shareholdings and principal business activities are stated as follows:

Other Subscribers	Percentage shareholdings	Business Activities
Sin Kwok Lam	9.90%	Individual investor with money lending experience
Tam Yuk Ching, Jenny	4.95%	Individual investor
Choy Sze Chung, JoJo	4.95%	Individual investor
Tsang Kai Kin, Clinon	4.95%	Individual investor
Top Stanton Holdings Limited	4.95%	Investment Holding
Easy Finance Management Limited	4.95%	Investment Holding
Firstcorp Group Limited	1.98%	Investment Holding
Gainyear Holdings Limited	2.97%	Investment Holding
Union Nation Investments Limited	1.98%	Investment Holding
Capital Top Limited	3.96%	Investment Holding
Nutriplus Cosmetics International Limited	24.76%	Beauty services
Win Action Limited	14.85%	Investment Holding
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	85.15%	
Power Profit Far East Limited	14.85%	Investment Holding
	<hr/>	
	<u>100.00%</u>	

DEFINITIONS

In this announcement, the following expressions have the following meanings unless otherwise requires:

“Board”	the board of directors of the Company
“Company”	Far East Holdings International Limited a company incorporated in Hong Kong, whose shares are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“First Holdings”	First Holdings Consortium Ltd
“First Holdings Shares”	ordinary shares of US\$1 each in the share capital of First Holdings
“First Credit”	First Credit Limited, a private company incorporated in Hong Kong and is a wholly owned subsidiary of First Holdings

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Other Subscribers”	subscribers other than Power Profit, of the First Holdings Shares pursuant to the Shareholders Agreement
“Power Profit”	Power Profit Far East Limited, a company incorporated in Hong Kong and is a wholly owned subsidiary of the Company
“Shareholders Agreement”	The shareholders agreement dated 27 April 2007 entered into between First Holdings, Power Profit and the Other Subscribers
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	The subscription of the Subscription Shares by Power Profit
“Subscription Date”	27 April, 2007
“Subscription Price”	HK\$15,000,000 to be paid on the Subscription Shares
“Subscription Shares”	1,923,076 new ordinary shares in the issued share capital of First Holdings subscribed by Power Profit
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States Dollars, the lawful currency of the United States of America

By Order of the Board
Far East Holdings International Limited
Duncan Chiu
Managing Director and Chief Executive Officer

Hong Kong, 3rd May 2007

As at the date of this announcement, the executive directors are Deacon Te Ken Chiu, J.P., Mr. Duncan Chiu and Mr. Dennis Chiu, the non-executive directors are Tan Sri Dato' David Chiu, Mr. Daniel Tat Jung Chiu, Mr. Derek Chiu, Mr. Desmond Chiu, Ms. Margaret Chiu and Ms. Min Tang; and the independent non-executive directors are Dr. Lee G. Lam, Mr. Ryan Yen Hwung Fong and Mr. Hing Wah Yim.