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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)
(Stock Code: 36)

DISCLOSEABLE TRANSACTION
DISPOSAL OF PROPERTY

On 19th July 2007, the Vendor, a wholly-owned subsidiary of the Company, entered into the Provisional Agreement with the Purchaser, pursuant to which the Vendor agreed to disposal of the Property at a total consideration of HK\$27,600,000.

The Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. A circular in connection with the Disposal will be dispatched to the shareholders of the Company as soon as practicable.

THE PROVISIONAL AGREEMENT

Date of the Provisional Agreement: 19th July, 2007

Vendor: Peterfame Company Limited

Purchaser: Star Way Properties Limited

Property: Lower Ground Floor to 3rd Floor, Kwai Chung Fa Yuen, Nos. 50-56 Wo Yi Hop Road, Kwai Chung, New Territories, Hong Kong

To the best of Directors' knowledge, information and belief having made all reasonable enquiry, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company. As far as the Directors are aware, the Purchaser is an investment holding company.

Pursuant to the Provisional Agreement, the Vendor will sell and the Purchaser will purchase the Property upon the terms contained therein, The Vendor and the Purchaser will enter into the Formal Agreement on or before 30 July 2007 which will set out the terms of the Disposal in more detail, is consistent with the Provisional Agreement. Further announcement will be published, if there are material deviation between the Formal Agreement and the Provisional Agreement.

INFORMATION OF THE PROPERTY

The Property is located at Lower Ground Floor to 3rd Floor, Kwai Chung Fa Yuen, Nos. 50-56 Wo Yi Hop Road, Kwai Chung, New Territories, Hong Kong. The Property is a commercial property with a gross floor area of 11,279 sq.ft.. The Property was purchased on 3rd June 1983. The Vendor shall sell and the Purchaser shall acquire the Property on an “as is” basis.

The property was the subject of three tenancy which attracted rental of HK\$204,733 and HK\$373,189 for the two financial years ended 31 December 2005 and 31 December 2006 respectively. The latest tenancy will expire on 14 October 2009. The Property is not the subject of any mortgage.

CONSIDERATION AND PAYMENT TERMS

The consideration for the Disposal of HK\$27,600,000 has been determined after arm’s length negotiations between the Vendor and the Purchaser by reference of nearby properties. On the above basis, the Directors consider the terms of the Disposal to be fair and reasonable and in the interests of the Shareholders as a whole.

According to the audited consolidated financial statements of the Company for the year ended 31 December 2006, the fair value of the Property as at 31 December 2006 was HK\$20,300,000. The Disposal would enable the Company to recognize a gain of HK\$7,300,000 (before selling expenses).

The consideration for the Disposal shall be payable to the Vendor in cash in the following manner:

- (a) an initial deposit in the sum of HK\$1,000,000 has been paid by the Purchaser upon signing of the Provisional Agreement;
- (b) a further deposit of HK\$1,760,000 shall be paid by the Purchaser upon signing of the formal agreement for sale and purchase on or before 30 July 2007; and
- (c) the balance of purchase price shall be paid by Purchaser upon completion on or before 31 August 2007 as the Vendor ‘s solicitors in the sum of HK\$24,840,000.

COMPLETION

Pursuant to the Provisional Agreement, the parties are required to enter into a formal agreement for the sale and purchase of the Property on or before 30 July 2007. Completion of the sale and purchase of the Property shall take place on or before 31 August 2007. Upon completion, the Purchaser agrees to purchase the Property subject to the existing tenancy.

REASONS FOR THE DISPOSAL

The Company is an investment holding company. The principal activities of its subsidiaries are manufacturing and trading of garment, investment in properties for rental

purpose, property development and investment in securities. With the recent upturn property market conditions, the Directors consider that it is now a good opportunity for the Group to dispose of the Property and recognize the profits arising therefrom to provide working capital for the Group in view of the present property market in Hong Kong. The Directors are of the view that Disposal is on normal commercial terms which are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

The audited net profit both before and after taxation and extraordinary items attributable to the Property was approximately HK\$2,735,000 and HK\$2,257,000 respectively for the year ended 31 December 2005. It included an increase in fair value of investment property amounting to HK\$2,900,000.

The audited net profit both before and after taxation and extraordinary items attributable to the Property was approximately HK\$189,000 and HK\$133,000 respectively for the year ended 31 December 2006.

USE OF PROCEEDS FROM THE DISPOSAL

The estimated net proceeds from the Disposal of approximately HK\$27,200,000 is intended for working capital purpose of the Company.

GENERAL

The Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. A circular in connection with the Disposal will be dispatched to the Shareholders of the Company as soon as possible.

DEFINITIONS

In this announcement, the following terms have the following meanings:

“Company”	Far East Holdings International Limited, a company incorporated in Hong Kong and the shares of which are listed on the Stock Exchange
“Completion”	completion of the sale and purchase of the Property
“Disposal”	the disposal of the Property by the Vendor pursuant to the Provisional Agreement
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the

Stock Exchange

“Property”	Lower Ground Floor to 3rd Floor, Kwai Chung Fa Yuen, Nos. 50-56 Wo Yi Hop Road, Kwai Chung, New Territories, Hong Kong
“Provisional Agreement”	the provisional agreement dated 19th July, 2007 entered into between the Vendor and Purchaser in relation to the Disposal
“Purchaser”	Star Way Properties Limited, a company incorporated in Hong Kong with limited liability
“Shareholder(s)”	holders of ordinary shares of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Vendor”	Peterfame Company Limited, a company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of the Company

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

Hong Kong, 24 July 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.