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遠東控股國際有限公司
Far East Holdings International Limited

FAR EAST HOLDINGS INTERNATIONAL LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 36)

DISCLOSEABLE TRANSACTION
DISPOSAL OF PROPERTY

On 8 May 2009, the Vendor, a wholly-owned subsidiary of the Company, entered into a Provisional Agreement with the Purchaser, pursuant to which the Vendor agreed to dispose of the Property at a total consideration HK\$9,210,000.

The Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules as the Consideration ratio exceeds 5% but less than 25%.

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THE PROVISIONAL AGREEMENT

Date of the Provisional Agreement : 8 May 2009

Vendor : Far East Art and Cultural Corporation Limited

Purchaser : Loyal Wealth Properties Limited, an Independent Third Party

Property : cinema (including part of G/F to 3/F), Tung Fai Court, 2 Shui Che Kwun Street, Yuen Long, New Territories

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 25 May 2009 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 Provisional Agreement.

INFORMATION OF THE PROPERTY

The Property is located at G/F to 3/F, Tung Fai Court, 2 Shui Che Kwun Street, Yuen Long, New Territories, Hong Kong. The Property is a commercial property with a gross floor area of 8,487 sq. ft. The property was the subject of one tenancy which attracted rental of HK\$706,933 and HK\$726,000 for the two financial years ended 31 December 2007 and 31 December 2008 respectively. The latest tenancy will expire on 14 April 2010. The Property is not the subject of any mortgage. The existing tenant is an Independent Third Party.

CONSIDERATION AND PAYMENT TERMS

The consideration for the Disposal of HK\$9,210,000 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.

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\$300,000 has been paid by the Purchaser upon

signing of the Provisional Agreement on 8 May 2009;

- (b) a further deposit of HK\$621,000 shall be paid by the Purchaser upon signing of the formal agreement for sale and purchase on or before 25 May 2009; and
- (c) the balance of purchase price shall be paid by Purchaser upon completion on or before 29 October 2009 as the Vendor's solicitors in the sum of HK\$8,289,000.

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 25 May 2009. Completion of the sale and purchase of the Property shall take place on or before 29 October 2009.

REASONS FOR THE DISPOSAL

The Company's principal business is to invest in potential businesses in PRC. Its subsidiaries and associates are engaged in information technology, provision of background music and music licensing service related business, maintenance and manufacture of aviation components, money lending, securities and property investment and manufacturing and sales of garment products. 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 realize the value of the Property 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\$2.23 million and HK\$2.23 million respectively for the year ended 31 December 2007. It included an increase in fair value of investment property amounting to HK\$2.2 million. The audited net loss both before and after taxation and extraordinary items attributable to the Property was approximately HK\$0.44 million and HK\$0.44 million respectively for the year ended 31 December 2008. According to the audited consolidated financial statements of the Company for the year ended 31 December 2008, the fair value of the Property as at 31 December 2008 was HK\$10,500,000. The Disposal would enable the Company to recognize a loss of HK\$1,290,000 (before selling expenses).

USE OF PROCEEDS FROM THE DISPOSAL

The estimated net proceeds from the Disposal of approximately HK\$9,160,000 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 as the Consideration ratio exceeds 5% but less than 25%.

DEFINITIONS

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

“Company”	Far East Holdings International Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of 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
“Independent Third Party (ies)”	(an) independent third party(ies) not connected with the Directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their respective associates as defined in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	cinema (including part of G/F to 3/F), Tung Fai Court, 2 Shui

Che Kwun Street, Yuen Long, New Territories

“Provisional Agreement”	the provisional agreement dated 8 May 2009 entered into between the Vendor and Purchaser in relation to the Disposal
“Purchaser”	Loyal Wealth Properties Limited, a private company incorporated under the laws of Hong Kong and the ultimate beneficial owners of which are Independent Third Party(ies)
“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
“Vendor”	Far East Art and Cultural Corporation 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, 13 May 2009

As at the date of this announcement, the Board of the Company comprises eleven directors, of which three are executive Directors, namely Deacon Te Ken Chiu, J.P., Mr. Duncan Chiu and Mr. Dennis Chiu, five are non-executive Directors, namely Tan Sri Dato' David Chiu, Mr. Daniel Tat Jung Chiu, Mr. Derek Chiu, Mr. Desmond Chiu and Ms. Margaret Chiu; three are independent non-executive Directors, namely Dr. Lee G. Lam, Mr. Hing Wah Yim and Mr. Eugene Yun Hang Wang.