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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
IN RELATION TO DISPOSAL OF
SHARES IN TARGET COMPANY**

DISCLOSEABLE TRANSACTION

The Board is pleased to announce that on 29 November 2011, Power Profit (being one of the Selling Shareholders), other Selling Shareholders, the Target Company, Covenantors, executive directors of the Target Company, Mr. Tse Young Lai, the Sponsor and the Lead Manager (for itself and on behalf of the Underwriters) have entered into the Underwriting Agreement pursuant to which Power Profit have agreed to offer an aggregate of 53,033,479 Sale Shares, representing approximately 6.63% of the issued share capital of the Target Company as at the date of the Underwriting Agreement, under the Placing subject to and on the conditions and terms of the Underwriting Agreement. The indicative range of the Placing Price will not be more than HK\$0.38 and not be less than HK\$0.30 per share of the Target Company but in any event will be subjected to the Price Determination Agreement to be entered into between, inter alia, the Target Company, the Lead Manager (for itself and on behalf of the Underwriters) and Power Profit.

GENERAL

As one or more of the applicable percentage ratios represented by the Proposed Disposal is or are more than 5% but less than 25%, the Proposed Disposal constitutes a discloseable transaction, which is notifiable by the Company under Rule 14.06(2) of the Listing Rules and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules. As the Placing Price will be fixed by entering into of the Price Determination Agreement between, inter alia, Power Profit, the Target Company and the Lead Manager (for itself and on behalf of the Underwriters), on or before 6 December 2011 (or such later date as may be agreed between the Target Company and the Lead Manager), further announcement will be made by the Company in relation to the determination of the Placing Price in accordance with the requirements of the Listing Rules as and when appropriate.

Shareholders and potential investors should note that the Proposed Disposal and the Placing, which are subject to a number of conditions, may or may not proceed. In particular, there is no assurance that approval from the Stock Exchange will be granted to the Target Company or that the Underwriters' obligations under the Underwriting Agreement will become unconditional or that the Underwriting Agreement will not be terminated. Accordingly, Shareholders and potential investors are urged to exercise extreme caution when dealing in the securities of the Company.

An application has been made by the Target Company to the Stock Exchange for the listing of, and the permission to deal in, the shares of the Target Company in issue and to be issued on GEM (the "**Listing**"). The Target Company has appointed the Sponsor to act as the sponsor for the Target Company in relation to the Listing and the Target Company, Power Profit and other Selling Shareholders have appointed the Lead Manager to act as the lead manager of the Placing. Dealings of the shares of the Target Company on the Stock Exchange is expected on or about 13 December 2011.

Set out below are the major terms of the Underwriting Agreement:

UNDERWRITING AGREEMENT

Date:

29 November 2011

Parties:

- (1) the Target Company;
- (2) Power Profit (one of the Selling Shareholders);
- (3) other Selling Shareholders;
- (4) Covenantors;
- (5) executive directors of the Target Company;
- (6) Mr. Tse Young Lai;
- (7) the Sponsor;
- (8) the Lead Manager; and
- (9) the Underwriters.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Target Company, the Sponsor, the Lead Manager, the Underwriters and other Selling Shareholders and their respective ultimate beneficial owners are Independent Third Parties.

Pursuant to the Underwriting Agreement, the Selling Shareholders have agreed to offer an aggregate of 100,000,000 Sale Shares under the Placing, in which Power Profit has agreed to offer 53,033,479 Sale Shares, representing approximately 6.63% of the issued share capital of the Target Company as at the date of the Underwriting Agreement, under the Placing subject to and on the conditions and terms of the Underwriting Agreement. In addition, the Target Company has agreed to issue 200,000,000 New Shares under the Placing, subject to and on the condition and terms of the Underwriting Agreement. The Lead Manager (for itself and on behalf of the Underwriters) has severally agreed to procure subscribers or purchasers for the Sale Shares and New Shares, subject to the terms and conditions of the Underwriting Agreement.

Placing Price

The indicative range of the Placing Price will not be more than HK\$0.38 and not be less than HK\$0.30 per share of the Target Company but in any event will be fixed by entering into of the Price Determination Agreement between, inter alia, the Target Company, the Lead Manager (for itself and on behalf of the Underwriters) and Power Profit. Further announcement(s) will be made by the Company in relation to the determination of the Placing Price in accordance with the requirements of the Listing Rules as and when appropriate.

Offer-Size Adjustment Option

The Target Company has granted option to the Underwriters, exercisable by the Lead Manager (on behalf of the Underwriters) in their discretion, to require the Target Company to allot and issue up to an aggregate of 30,000,000 New Shares, representing not more than 10% of the shares of the Target Company initially being offered under the Placing, to such person or persons as the Lead Manager shall direct at the Placing Price to cover over-allocations in connection with the Placing, if any. The Offer Size Adjustment Option will be exercisable no earlier than the date of the Underwriting Agreement and will expire on the date which is thirty (30) calendar days after the date on which shares of the Target Company are listed on GEM.

Conditions precedent to the Underwriting Agreement

The Underwriting Agreement is conditional on, amongst others:

- (i) the delivery to the Stock Exchange of two copies of the Prospectus duly signed in accordance with the Companies Ordinance and the Stock Exchange issuing a certificate pursuant to the Companies Ordinance certifying that it authorises registration of the prospectus of the Target Company;
- (ii) the registration with the Registrar of Companies in Hong Kong of one copy of the prospectus of the Target Company duly signed by all the directors of the Target Company;

- (iii) the listing of, and permission to deal in, all the shares of the Target Company in issue and to be issued pursuant to the Placing and the Capitalisation Issue, the exercise of the subscription rights attaching to the Offer Size Adjustment Option or to the options that may be granted under the share option scheme being granted by the Stock Exchange;
- (iv) the Placing Price having been duly determined on or before 6 December 2011 (or such later date as may be agreed between the Target Company and the Lead Manager) and the Price Determination Agreement having been executed by, inter alia, the Target Company, Power Profit and the Lead Manager (for itself and on behalf of the Underwriters);
- (v) the warranties given by the Target Company, each of the covenantors and each of the executive directors of the Target Company remaining true and not misleading at all times between the date of the Underwriting Agreement and the time when the above conditions have been fulfilled or waived in accordance with the Underwriting Agreement.

The Lead Manager, for itself and on behalf of the Underwriters, has the right to waive any or all of the above condition (other than those required by Law to be satisfied) or extend the deadline for the fulfillment of the above conditions (save as may be restricted by Law) by such number of days and/or in such manner as it may in its absolute discretion determine. In any event that any of the above conditions are not fulfilled or waived on or before the long stop date, the Underwriting Agreement shall terminate with immediate effect.

Termination of the Underwriting Agreement

If, at or prior to the latest time for termination, the Target Company commits any material breach of or omits to observe any of the obligations or undertakings expressed to be assumed by it under the Underwriting Agreement which breach or omission will have a material and adverse effect on its business, financial or trading position, the Lead Manager (for itself and on behalf of the Underwriters) shall be entitled (but not bound) by notice in writing to the Target Company to elect to tract such matter or event as releasing and discharging the Lead Manager (for itself and on behalf of the Underwriters) from its obligations under the Underwriting Agreement.

Commission

In connection with the Placing, the Underwriters will receive an underwriting commission at a rate of 3.0% of the aggregate Placing Price of the Sale Shares and the New Shares.

Force majeure

The Lead Manager (for itself and on behalf of the Underwriters) may, in its reasonable opinion, after consultation with the Target Company, terminate the Placing and the Underwriting Agreement by notice in writing to the Target Company at any time up to 8:00 a.m. on the date of completion of the Placing if, inter alia:

- (i) there is any significant change in national, international, financial, exchange control, political, economic conditions in Hong Kong which in the reasonable opinion of the Underwriters would be materially adverse in the consummation of the Placing; or
- (ii) there is any material breach of the warranties, representations and undertakings given by the Target Company in the Placing and such breach is considered by the Underwriter on reasonable grounds to be material in the context of the Placing; or
- (iii) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Underwriters would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed; or
- (iv) any statement contained in this announcement has become or been discovered to be untrue, incorrect or misleading in any material respect which in the opinion of the Underwriters would be materially adverse in the consummation of the Placing.

Upon termination of the Placing and the Underwriting Agreement pursuant to the above mentioned force majeure factors, all liabilities of the parties thereto shall cease and no party of the Placing and the Underwriting Agreement shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Placing and the Underwriting Agreement save of any antecedent breach of any obligation under the Placing and the Underwriting Agreement.

PRICE DETERMINATION AGREEMENT

The Placing Price is expected to be fixed by entering into of the Price Determination Agreement between the Target Company, Power Profit and the Lead Manager (for itself and on behalf of the Underwriters) on or before 6 December 2011 (or such later date as may be agreed between the Target Company and the Lead Manager). Further announcement(s) will be made by the Company in relation to the Price Determination Agreement in accordance with the requirements of the Listing Rules as and when appropriate.

INFORMATION ON THE TARGET GROUP

The Target Company is a company incorporated in the Cayman Islands which is principally engaged in money lending in Hong Kong through the provision of secured and unsecured loans since the commencement of business in 2007. The Target Company has made the application for Listing to the Stock Exchange. As at the date of the

Underwriting Agreement, the Target Company has an authorized share capital of HK\$5 billion divided into 500,000,000,000 shares of HK\$0.01 each, of which 800,000,000 shares have been issued and are fully paid or credited as fully paid as at the date of the Underwriting Agreement. Upon completion of the Placing and assuming the Offer Size Adjustment Option has not been exercised, the total issued share capital of the Target Company will be 1,000,000,000 shares. The Company, through Power Profit, currently owns 88,720,000 shares of the Target Company, representing approximately 11.09% of the issued share capital of the Target Company as at the date of the Underwriting Agreement.

According to the audited financial information of the Target Group, the turnover of the Target Group for each of the three years ended 31 December 2010 were approximately HK\$52,090,000, HK\$53,031,000 and HK\$40,446,000 respectively. The consolidated net profit of the Target Group for each of the three years ended 31 December 2010 were approximately HK\$16,335,000, HK\$17,618,000 and HK\$9,941,000 respectively and the consolidated net tangible assets attributable to equity holders of the Target Company as at 31 May 2011 was approximately HK\$202.0 million.

REASONS FOR AND BENEFITS OF THE PROPOSED DISPOSAL

The Company's principal business is to invest in potential businesses in the PRC. The Company keeps on identifying investment opportunities for growth in terms of market share and revenue through strategic alliances with selected partners, mergers and acquisitions.

The Company considers that the Proposed Disposal is an opportunity for the Company to realize its investment in the Target Company and to deploy the proceeds towards other appropriate investment opportunities for better return of the Shareholders.

The Directors are of the view that the Proposed Disposal is in the interest of the Company and the terms and conditions of the Underwriting Agreement are on normal commercial terms, which are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECT OF THE PROPOSED DISPOSAL

Upon completion of the Proposed Disposal and the Placing and assuming the Offer Size Adjustment Option has not been exercised, the shareholding of the Company, through Power Profit, which held a total of 88,720,000 shares of the Target Company as at the date of the Underwriting Agreement, will reduce to 35,686,521 shares of the Target Company, representing approximately 3.57% of the enlarged issued share capital of the Target Company. The Target Company will remain to be accounted for as an available-for-sale investment of the Company.

Assuming the Placing Price is HK\$0.38 per share of the Target Company, being the upper limit of the preliminary indicative range of the Placing Price, it is expected that the Group will record a gross profit of approximately HK\$7.87 million from the Proposed Disposal, being the difference between the consideration of HK\$20.15 million and the carrying value of 53,033,479 Sale Shares of approximately HK\$12.28 million. Assuming the Placing Price is HK\$0.30 per share of the Target Company, being the lower limit of the preliminary indicative range of the Placing Price, it is expected that the Group will record a gross profit of approximately HK\$3.63 million from the Proposed Disposal, being the difference between the consideration of HK\$15.91 million and the carrying value of 53,033,479 Sale Shares of approximately HK\$12.28 million.

USE OF PROCEEDS

Assuming the Placing Price is HK\$0.38 per share of the Target Company, the net proceeds (by best estimation only and subject to change) is approximately HK\$18.65 million, after deducting HK\$1.5 million expenses in relation to the Placing. Assuming the Placing Price is HK\$0.30 per share of the Target Company, the net proceeds (by best estimation only and subject to change) is approximately HK\$14.41 million after deducting HK\$1.5 million expenses in relation to the Placing. In any event, the net proceeds from the Proposed Disposal will be used as general working capital and, where appropriate, future expansion of existing businesses or investing in new businesses where suitable opportunities arise in future.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios represented by the Proposed Disposal is or are more than 5% but less than 25%, the Proposed Disposal constitutes a discloseable transaction, which is notifiable by the Company under Rule 14.06(2) of the Listing Rules and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules. As the Placing Price will be fixed by entering into of the Price Determination Agreement between, inter alia, Power Profit, the Target Company and the Lead Manager (for itself and on behalf of the Underwriters) further announcement(s) will be made by the Company in relation to the determination of the Placing Price in accordance with the requirements of the Listing Rules as and when appropriate.

Shareholders and potential investors should note that the Proposed Disposal and the Placing, which are subject to a number of conditions, may or may not proceed. In particular, there is no assurance that approval from the Stock Exchange will be granted to the Target Company or that the Underwriters' obligations under the Underwriting Agreement will become unconditional or that the Underwriting Agreement will not be terminated. Accordingly, Shareholders and potential investors are urged to exercise extreme caution when dealing in the securities of the Company.

GENERAL

Trading in the Shares has been suspended since 12:05 p.m. on 3 September 2010 and will remain suspended until further notice. The Company will update the Shareholders when and as appropriate by publishing further announcement(s).

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“Capitalisation Issue”	the issue of the shares of the Target Company to the holders of share whose name appear on the register of member of the Target Company at the close of business on 4 October 2011
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), as amend, supplemented or otherwise modified from time to time
“Company”	Far East Holdings International Limited, a company incorporated in Hong Kong with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“Covenantors”	collectively, Mr. Sin Kwok Lam, (being the executive director of the Target Company), Best Year Enterprises Limited and Enhance Pacific Limited, each of them is wholly-owned by Mr. Sin Kwok Lam
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the directors of the Company
“GEM”	The Growth Enterprise Market of the Stock Exchange
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	a person who is not a connected person of the Company and is independent of and not connected with the Company and its connected persons
“Laws”	all laws, rules, statutes, ordinances, regulations, guidelines, opinions, notices, circulars, order, judgments, decrees or rulings of any court or Governmental Authority and “Law” include any one of them

“Lead Manager”	Shenyin Wanguo Capital (H.K.) Limited, being the lead manager of the Placing and one of the Underwriters, a licensed corporation to carry on type 1 (dealing in securities), type 4 (advising on securities), and type 6 (advising on corporate finance) regulated activities under the SFO
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Shares”	the 200,000,000 new shares of HK\$0.01 each in the share capital of the Target Company being offered for subscription by the Target Company at the Placing Price pursuant to the Placing
“Offer Size Adjustment Option”	the option granted by the Target Company to the Underwriters (exercisable by the Lead Manager) under the Underwriting Agreement to require the Target Company to allot and issue up to 30,000,000 additional New Shares at the Placing Price to cover over-allocations in connection with the Placing, if any
“Placing”	the conditional placing of 100,000,000 Sale Shares and 200,000,000 New Shares (subject to the Offer Size Adjustment Option) by the Underwriters on behalf of the Selling Shareholders and the Target Company with professional and institutional investors for cash at the Placing Price
“Placing Price”	such price to be fixed on or before 6 December 2011 (or such later date as may be agreed between the Target Company and the Lead Manager)
“Power Profit”	Power Profit Far East Limited, a company incorporated in Hong Kong with limited liability, is a wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Price Determination Agreement”	on or before 6 December 2011 on which the Placing Price is determined for the purpose of the Placing

“Proposed Disposal”	proposed disposal of 53,033,479 Sale Shares by Power Profit subject to the terms and conditions of the Underwriting Agreement
“Sale Shares”	100,000,000 shares of HK\$0.01 each in the share capital of the Target Company being offered for sale by the Selling Shareholders at the Placing Price under the Placing
“Selling Shareholders”	Power Profit and three other existing shareholders of the Target Company whom will offer their shares for sale under the Placing
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	existing ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Sponsor”	Altus Capital Limited, being the sponsor to the listing of the shares of the Target Company on GEM, a licensed corporation to carry on type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	First Credit Holdings Limited, a company incorporated in the Cayman Islands with limited liability
“Target Group”	Target Company and its subsidiaries
“Underwriters”	the underwriters of the Placing
“Underwriting Agreement”	the Underwriting Agreement dated 29 November 2011 entered into among the Target Company, the Selling Shareholders, the Covenantors, the executive directors of the Target Company, the Lead Manager (for itself and on behalf of the Underwriters), Mr. Tse Young Lai, the Sponsor and the Underwriters
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“%”

per cent.

By order of the Board
Far East Holdings International Limited
Derek Chiu
Director

Hong Kong, 29 November 2011

As at the date of this announcement, the Board comprises eight Directors, of which four are executive Directors, namely Deacon Te Ken Chiu, J.P., Mr. Derek Chiu, Mr. Richard Yen and Dr. Ip Ngai Sang; one is non-executive Director, namely Mr. Desmond Chiu; and three are independent non-executive Directors, namely Dr. Lee G. Lam, Mr. Eugene Yun Hang Wang and Mr. Andrew Chun Wah Fan.