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Far East Holdings International Limited

(Incorporated in Hong Kong with limited liability) (Stock Code: 36)

INSIDE INFORMATION

This announcement is made pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO").

The board (the "**Board**") of directors (the "**Directors**") of Far East Holdings International Limited (the "**Company**"), together with its subsidiaries (collectively the "**Group**"), noted the increase in both the price and trading volume of the shares of the Company (the "**Shares**") today. Saved as disclosed below and the Company's announcement dated 12 August 2013 concerning the unaudited interim results of the Group for the period ended 30 June 2013, the Board is not aware of any reasons for such movements.

The Board would like to inform the shareholders of the Company (the "Shareholders") and potential investors that the Company has a preliminary intention to dispose of its entire equity interest in Beijing Kailan Aviation Technology Co., Ltd. ("Beijing Kailan"), a joint venture engaging in aviation related business in the People's Republic of China, to a third party independent of the Company and its connected person (the "Proposed Disposal"). The Company currently holds 20.02% of the entire equity interest of Beijing Kailan.

The Company is in discussion and negotiation with other party in respect of the Proposed Disposal. Up to the date of this announcement, no agreement in relation to the Proposed Disposal has been reached yet. However, it is likely that any agreement reached in this respect may constitute a notifiable transaction under Chapter 14 of the Listing Rules. Further announcement(s) will be made as and when necessary in accordance with the Listing Rules and the applicable laws and regulations.

Having made enquiry with respect to the Company as is reasonable in the circumstances, the Board confirms that, save for the above, it is not aware of any other reasons that may have caused the increase in the price and trading volume of the Shares or of any information which must be announced to avoid a false market in the Company's securities or of any inside information that needs to be disclosed under Part XIVA of the SFO.

The Proposed Disposal may or may not be materialised. Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

This announcement is made by the order of the Company. The Board collectively and individually accepts responsibility for the accuracy of this announcement.

By order of the Board Far East Holdings International Limited Richard Yen Managing Director

Hong Kong, 22 August 2013

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 Mr. Ip Ngai Sang, one is non-executive Director, namely, Mr. Desmond Chiu; and three are independent non-executive Directors, namely, Dr. Lam Lee G., Mr. Eugene Yun Hang Wang and Mr. Lee Kwan Hung.