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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)

**VERY SUBSTANTIAL DISPOSAL
IN RELATION TO
A MANDATE FOR FUTURE DISPOSAL
AND
RESUMPTION OF TRADING**

FUTURE DISPOSAL

As at the date of this announcement, the Company held 113,399,822 CIL Shares, representing approximately 6.06% of the total issued shares of CIL. The Board announces that, depending on prevailing market conditions, it may from time to time in the future dispose of the CIL Shares. The Future Disposal may constitute a very substantial disposal of the Company under Chapter 14 of the Listing Rules and requires Shareholders' approval in a general meeting of the Company.

Given the volatility of the stock market, disposing of shares at the best possible price requires prompt actions at the right timing and it is not practicable to seek prior Shareholders' approval for each disposal of such number of CIL Shares. To allow flexibility in effecting the Future Disposal of the CIL Shares at appropriate timing and manner, the Company proposes to seek from its Shareholders the Disposal Mandate subject to the parameters below.

IMPLICATIONS UNDER THE LISTING RULES

The applicable percentage ratios (as defined in the Listing Rules) for the Future Disposal are more than 75% and therefore the Future Disposal constitutes a very substantial disposal of the Company and is subject to the announcement, reporting and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Disposal Mandate and the grant of the Disposal Mandate. The aforesaid approvals shall be obtained by way of a poll.

A circular containing, among other things, further details of the Future Disposal and the grant of the Disposal Mandate, together with a notice convening the EGM will be dispatched to the Shareholders on or before 4 July 2014.

RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was halted at the request of the Company with effect from 9:00 a.m. on 12 June 2014 pending the release of this announcement. The Company has applied for a resumption of trading in the Shares with effect from 9:00 a.m. on 16 June 2014.

Shareholders and investors should note that there is no assurance that the Company will proceed with the Future Disposal after obtaining the Disposal Mandate. The timing and whether the Company will proceed with the Future Disposal depends on a number of factors including the then prevailing market prices and market conditions. As such, Shareholders and investors are urged to exercise caution when dealing in the Shares.

INTRODUCTION

As at the date of this announcement, the Company held 113,399,822 CIL Shares, representing approximately 6.06% of the total issued shares of CIL. The Board announces that, depending on prevailing market conditions, it may from time to time in the future dispose of the CIL Shares. The Future Disposal may constitute a very substantial disposal of the Company under Chapter 14 of the Listing Rules and requires Shareholders' approval in a general meeting of the Company.

Given the volatility of the stock market, disposing of shares at the best possible price requires prompt actions at the right timing and it is not practicable to seek prior Shareholders' approval for each disposal of such number of CIL Shares. To allow flexibility in effecting the Future Disposal of the CIL Shares at appropriate timing and manner, the Company proposes to seek from its Shareholders the Disposal Mandate subject to the parameters below.

DISPOSAL MANDATE

Mandate Period

12 months from the date of passing the resolutions approving the Disposal Mandate at the EGM.

Maximum number of CIL Shares to be Disposed

Up to 113,399,822 CIL Shares

Scope of Authority

The Board be authorized and empowered to determine, decide, execute and implement with full discretion all matters relating to the Future Disposal, including but not limited to (a) the timing; (b) the number of batches of disposals, the number of CIL Shares to be sold in each disposal; (c) the manner of disposal (subject to the parameters set out under the sub-heading “Manner of Disposal” below); (d) the target purchaser(s); and (e) the sale price (subject to the parameters set out under the sub-heading “Mechanism for Setting Sale Price” below).

It is expected that the purchaser(s) of the CIL Shares to be disposed of under the Disposal Mandate and their ultimate beneficial owner(s) will be third parties independent of and not connected with the Company and its connected persons. In the event that any purchaser of the Future Disposal is a connected person of the Company, the Company will strictly comply with the announcement, reporting and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Manner of Disposal

The Board be authorized and empowered to determine and decide with full discretion the manner of disposal, whether by way of sale in the open market or through block trade(s). If the Board decides to dispose the CIL Shares through placing agent, broker or otherwise, the Company may appoint reputable placing agent or broker to identify purchaser(s) for the CIL Shares and the terms and conditions of the placing or brokerage agreement shall be negotiated on an arms’ length basis. As at the date of this announcement, the Board has not appointed or identified any placing agent or broker.

Mechanism for Setting Sale Price

If the disposal of the CIL Shares is made in the open market, it shall be sold at the market price. If the disposal of the CIL Shares is made through block trade(s), it shall be sold at a price no more than 5% discount to the average closing price of the CIL Shares in the five (5) trading days immediately prior to the date of any definitive agreement.

The Board shall ensure that regardless of the manner of disposal, the sale price per CIL Shares shall in no event be lower than HK\$1.80, which represents the lowest closing price per CIL Shares as quoted on the Stock Exchange in the fifty-two (52) weeks prior to the date of this

announcement. In the event of capital restructuring of CIL as set out under the sub-heading “Capital Restructuring of CIL” below, the lowest sale price of HK\$1.80 will be adjusted accordingly.

The maximum 5% discount to the average closing price of the CIL Shares in the five (5) trading day period represents the maximum discount to referenced average closing price which the Company may consider in the exercise of the Disposal Mandate in the context of block trade(s), having regard to the then prevailing share price performance and market sentiment. The Company considers that the minimum sale price will allow flexibility for the Board to accommodate fluctuation in market conditions in the exercise of the Disposal Mandate and at the same time reflect the lowest acceptable price to dispose of the CIL Shares, and is thus fair and reasonable as far as the Company and the Shareholders are concerned.

Capital Restructuring of CIL

If and when there shall be (a) any alteration to the nominal value of CIL Shares as a result of consolidation, subdivision or reclassification, or issue of new CIL Shares to the Company by way of capitalization of profits or reserves or by way of a scrip dividend during the mandate period, or (b) an issue of new CIL Shares to the Company by way of a rights issue or open offer during the mandate period, the number of CIL Shares approved under the Disposal Mandate shall be adjusted accordingly to include such new CIL Shares issued.

INFORMATION ON THE COMPANY

The principal business activity of the Company is investment holding. The principal activities of its subsidiaries are manufacturing and sales of garment products, property investment and securities investment.

INFORMATION ON CIL

CIL is a company incorporated in the Cayman Islands with limited liability and the CIL Shares are listed on the Stock Exchange (Stock code: 354). The principal business activity of CIL is investment holding and its subsidiaries are engaged in the provision of information technology (IT) solutions, IT outsourcing, IT consulting services, software development, trading software and hardware products, the provision of IT training and educational software. Save for the Company holding of the 113,399,822 CIL Shares, CIL is a third party independent of and not connected with the Company and its connected persons.

Set out below is the audited financial information of CIL for the two years ended 31 December 2013 as extracted from its published financial reports, which are available on the website of the Stock Exchange:

	For the year ended	
	31 December	
	2012	2013
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	2,768,171	3,205,985
Net profit before taxation and extraordinary items	187,716	204,918
Net profit after taxation and extraordinary items ^{Note}	150,142	200,028

Note:

Net profit after taxation and extraordinary items do not include other comprehensive income

The audited consolidated net asset value of CIL as at 31 December 2013 is RMB2,441,201,000.

REASONS FOR FUTURE DISPOSAL AND SALE PROCEEDS

The Group's strategy has been to realize profits with cash inflow from realization of its investment in CIL and to capture return at opportune times, subject to favorable prevailing share prices and market sentiment.

The book value of the 113,399,822 CIL Shares as at 31 December 2013 is HK\$227,933,642. Based on the closing price of HK\$2.43 per CIL Share as quoted on the Stock Exchange one(1) trading day immediately prior to the date of this announcement, the aggregate market value of the 113,399,822 CIL Shares is approximately HK\$275,561,567 and the expected gain on the Future Disposal is approximately HK\$44,452,730 (calculated from the average CIL share price five(5) trading days immediately prior to the date of this announcement and before any advisory or placing expenses if all of the CIL Shares under the Disposal Mandate are sold). However, the actual amount of the proceeds, accounting gain or loss and the effects on the net assets and earnings of the Group in relation to the Future Disposal would depend on the actual sale price(s) of the relevant CIL Shares and the actual number of the CIL Shares to be disposed of by the Company. The proceeds from the Future Disposal will be utilized as general working capital of the Group and to fund other suitable investment opportunities. As at the date of this announcement, the Company has not identified any potential investment opportunity.

The Directors consider that the Future Disposal and the Disposal Mandate are fair and reasonable and in the interest of the Company and the Shareholders as a whole. The Board (including the independent non-executive Directors) considers that the Future Disposal represents a good opportunity to enhance the cash flow position of the Group. The Board is also of the view that the Disposal Mandate will give flexibility to the Directors to dispose of the CIL Shares at the appropriate times and prices in order to maximize the return to the Group.

LISTING RULES IMPLICATIONS

The applicable percentage ratios (as defined in the Listing Rules) for the Future Disposal are more than 75% and therefore the Future Disposal constitutes a very substantial disposal of the Company and is subject to the announcement, reporting and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Disposal Mandate and the grant of the Disposal Mandate. The aforesaid approvals shall be obtained by way of a poll.

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Shareholders and investors should note that there is no assurance that the Company will proceed with the Future Disposal after obtaining the Disposal Mandate. The timing and whether the Company will proceed with the Future Disposal depends on a number of factors including the then prevailing market prices and market conditions. As such, Shareholders and investors are urged to exercise caution when dealing in the Shares.

DEFINITIONS

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

“associates”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“CIL”	Chinasoft International Limited, a company incorporated in Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange
“CIL Shares”	the ordinary shares of CIL
“Company”	Far East Holdings International Limited, a company incorporated in Hong Kong with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (Stock code: 36)

“Director(s)”	the director(s) of the Company
“Disposal Mandate”	the specific mandate to be granted by the Shareholders to the Directors to effect the Future Disposal during the mandate period of such number of CIL Shares held by the Company, which will amount to a very substantial disposal of the Company under Chapter 14 of the Listing Rules
“EGM”	the extraordinary general meeting to be convened by the Company to consider and, if thought fit, to approve the Future Disposal and the grant of the Disposal Mandate
“Future Disposal”	the disposal of the CIL Shares by the Company from time to time
“Group”	the Company and its subsidiaries
“Hong Kong”	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
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholders”	has the meaning ascribed thereto under the Listing Rules
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“%”	per cent

Hong Kong, 13 June 2014

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

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.