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BUSINESS UPDATE

The board (the "**Board**") of directors (the "**Directors**") of Far East holdings International Limited (the "**Company**", together with its subsidiaries, the "**Group**") wishes to announce that the Company has decided to include short term securities investment as one of its principal business activities from the date of this announcement.

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

In respect of the securities investment business, the Company has previously adopted a longer term perspective in terms of its investment strategy. As stated in the Company's interim report for the six months ended 30 June 2014, although volatility in financial markets hindered the Company's ability to identify good investment opportunities, some of the information technology related investments were still able to generate healthy returns for the Group as a result of the boom of information technology related stocks.

Given the positive current market environment, the Directors are in the view that it is a suitable time for the Company to take a more active and opportunistic approach in gaining short term investment profits. The Group intends to concurrently continue its existing business while developing the new short term securities investment business as one of its principal business activities. The Group anticipates that the short term securities investment business will bring more short term return to the Company and increase shareholders' value, and will therefore be in the interest of the Company and its shareholders as a whole.

Shareholders and potential investors of the shares of the Company should note that the above mentioned updates contain certain business development, plans and intents which may or may not materialize. Shareholders and potential investors of the shares of the Company should exercise caution when dealing in the shares of the Company.

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

Hong Kong, 12 December 2014

As at the date of this announcement, the Board comprises nine Directors, of which five are executive Directors, namely, Mr. Derek Chiu, Mr. Richard Yen, Mr. Yu Pak Yan, Peter, Mr. Fok Chi Tak and Mr. Ip Ngai Sang and; one is non-executive Director, namely, Mr. Desmond Chiu; and three are independent non-executive Directors, namely, Mr. Chan Ming Sun, Jonathan, Dr. Wong Yun Kuen and Ms. Kwan Shan.