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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)**

**OPEN OFFER OF 268,306,531 OFFER SHARES  
ON THE BASIS OF ONE (1) OFFER SHARE  
FOR EVERY TWO (2) EXISTING SHARES HELD ON THE RECORD DATE**

**Financial adviser to the Company**



**KINGSTON CORPORATE FINANCE LTD.**

**Underwriter of the Open Offer**



**KINGSTON SECURITIES LTD.**

**THE OPEN OFFER**

The Company proposes to raise approximately HK\$80.49 million by issuing 268,306,531 Offer Shares at the Subscription Price per Offer Share on the basis of one Offer Share for every two Shares held on the Record Date and payable in full upon application. No excess Offer Shares will be offered to the Qualifying Shareholders and any Untaken Shares will be underwritten by the Underwriter.

Assuming no new Shares being issued and no Shares being repurchased by the Company on or before the completion of the Open Offer, the 268,306,531 Offer Shares proposed to be allotted and issued represents 50% of the Company's issued share capital as at the date of this announcement and approximately 33.33% of the Company's issued share capital as enlarged by the issue of the 268,306,531 Offer Shares immediately after completion of the Open Offer.

The Open Offer is only available to the Qualifying Shareholders. To qualify for the Open Offer, all transfers of Shares must be lodged for registration with the Registrar by 4:30 p.m. on Wednesday, 14 January 2015.

The register of members of the Company will be closed from Thursday, 15 January 2015 to Wednesday, 21 January 2015, both days inclusive, to determine the eligibility of the Open Offer.

The Record Date is on Wednesday, 21 January 2015. The last day of dealings in the Shares on cum-entitlement basis of the Open Offer is on Monday, 12 January 2015. The Shares will be dealt in on ex-entitlement basis of the Open Offer from Tuesday, 13 January 2015. To qualify for the Open Offer, a Shareholder must be registered as a member of the Company on the Record Date and not being a Prohibited Shareholder.

## **GENERAL**

Since the Open Offer will not increase the issued share capital or the market capitalisation of the Company by more than 50% within the 12-month period immediately preceding this announcement and the Open Offer is fully underwritten by the Underwriter who is not a director, chief executive or substantial shareholder of the Company (or an associate of any of them), the Open Offer is not subject to Shareholders' approval under the Listing Rules.

The Prospectus Documents setting out details of the Open Offer will be despatched to the Qualifying Shareholders and the Prospectus (without the Application Form) will be despatched to the Prohibited Shareholders for their information only on Thursday, 22 January 2015.

## **WARNING OF THE RISK OF DEALINGS IN THE SHARES**

**Shareholders and potential investors should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof.**

**Accordingly, the Open Offer may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.**

## THE OPEN OFFER

The Company proposes to raise approximately HK\$80.49 million before expenses by way of open offer and details are set out as follows:

### Issue statistics

Basis of the Open Offer:	One (1) Offer Share for every two (2) existing Shares held on the Record Date
Subscription Price:	HK\$0.30 per Offer Share
Number of Shares in issue as at the date of this announcement:	536,613,062 Shares
Number of Offer Shares:	268,306,531 Offer Shares (assuming no new Shares being issued and no Shares being repurchased by the Company on or before the Record Date)
Number of Underwritten Shares:	All the Offer Shares, being 268,306,531 Offer Shares
Number of enlarged Shares in issue upon completion of the Open Offer:	804,919,593 Shares (assuming no new Shares being issued and no Shares being repurchased by the Company on or before the completion of the Open Offer)

The Open Offer is fully underwritten by the Underwriter pursuant to the Underwriting Agreement.

As at the date of this announcement, the Company does not have any outstanding derivatives, options, warrants or securities in issue which are convertible or exchangeable into Shares.

Assuming no new Shares being issued and no Shares being repurchased by the Company on or before the completion of the Open Offer, the 268,306,531 Offer Shares proposed to be allotted and issued, representing 50% of the Company's issued share capital as at the date of this announcement and approximately 33.33% of the Company's issued share capital as enlarged by the issue of the 268,306,531 Offer Shares immediately after completion of the Open Offer.

As at the date of this announcement, the Board has not received any information or irrevocable undertakings from any Shareholders of their intention to take up their assured entitlements under the Open Offer.

## **Subscription Price**

The Subscription Price is HK\$0.30 per Offer Share, payable in full upon application.

The Subscription Price represents:

- (a) a discount of approximately 58.90% to the closing price of HK\$0.73 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 58.45% to the average closing price of approximately HK\$0.722 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the Last Trading Day; and
- (c) a discount of approximately 48.89% to the theoretical ex-entitlement price of HK\$0.587 based on the closing price of HK\$0.73 per Share as quoted on the Stock Exchange on the Last Trading Day.

The Subscription Price was determined after arm's length negotiations between the Company and the Underwriter with reference to the prevailing market price of the Shares and the current financial market conditions. The Directors consider that each Qualifying Shareholder will be entitled to subscribe for the Offer Shares at the same Subscription Price in proportion to his/her/its shareholding held on the Record Date and the terms of the Open Offer, including the Subscription Price which has been set at a discount to the recent closing prices of the Shares with an objective of encouraging existing Shareholders to take up their entitlements so as to share in the potential growth of the Company, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole. The net price per Offer Share will be approximately HK\$0.287.

## **Qualifying Shareholders**

The Open Offer is only available to the Qualifying Shareholders. The Company will send (a) the Prospectus Documents to the Qualifying Shareholders; and (b) the Prospectus, for information only, to the Prohibited Shareholders.

To qualify for the Open Offer, the Shareholders must at the close of business on the Record Date (a) be registered on the register of members of the Company; and (b) not being the Prohibited Shareholders.

Shareholders whose Shares are held by nominee companies should note that the Board will regard a nominee company as a single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee companies are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

In order to be registered as members of the Company prior to the close of business on the Record Date, Shareholders must lodge any transfers of Shares (together with the relevant share certificates) for registration with the Registrar at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on Wednesday, 14 January 2015.

## **Closure of register of members**

The register of members of the Company will be closed from Thursday, 15 January 2015 to Wednesday, 21 January 2015, both days inclusive. No transfer of Shares will be registered during this book closure period.

## **Rights of Overseas Shareholders**

If, at the close of business on the Record Date, a Shareholder's address on the register of members of the Company is in a place outside of Hong Kong, that Shareholder may not be eligible to take part in the Open Offer. The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

Prior to the despatch of the Prospectus Documents, the Company will make enquiries to its legal advisers of the relevant jurisdictions as to whether the offer or issue of Offer Shares to the Overseas Shareholders may contravene the applicable securities legislation of the relevant overseas places or the requirements of the relevant regulatory bodies or stock exchanges pursuant to Rule 13.36(2)(a) of the Listing Rules.

If, after making such enquiries, the Board is of the opinion that it would be necessary or expedient, on account either of the legal restrictions under the laws of the relevant place or any requirement of the relevant regulatory body or stock exchange in that place, not to offer the Offer Shares to such Overseas Shareholders, the Open Offer will not be available to such Overseas Shareholder(s), the Open Offer will not be extended to such Overseas Shareholders who will become the Prohibited Shareholders. The results of the enquiries and the basis of any exclusion of the Overseas Shareholders will be included in the Prospectus. If they are excluded, the Company will send copies of the Prospectus to the Prohibited Shareholders for their information only, but without the Application Form to them.

**Those Qualifying Shareholders who do not take up the Offer Shares to which they are entitled and the Prohibited Shareholders should note that their shareholdings in the Company will be diluted upon completion of the Open Offer.**

## **Basis of entitlement**

The basis of the entitlement shall be one (1) Offer Share for every two (2) existing Shares held on the Record Date, being 268,306,531 Offer Shares at the Subscription Price (assuming no new Shares being issued and no Shares being repurchased by the Company on or before the Record Date). Acceptance for all or any part of a Qualifying Shareholder's entitlement should be made by completing the Application Form and lodging the same with a remittance for the Offer Shares being accepted for.

## **Status of the Offer Shares**

The Offer Shares, when allotted and fully-paid, will rank pari passu in all respects with the Shares then in issue. Holders of fully-paid Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Offer Shares in their fully-paid form.

## **No application for excess Offer Shares**

Considering that the Open Offer will give the Qualifying Shareholders an equal and fair opportunity to maintain their respective pro rata shareholding interests in the Company, if application for excess Offer Shares is arranged, the Company will be required to put in additional effort and costs to administer the excess application procedures. Accordingly, no excess Offer Shares will be offered to the Qualifying Shareholders and any Untaken Shares will be underwritten by the Underwriter.

## **Fractions of the Offer Shares**

Fractional entitlements to the Offer Shares will not be issued to the Qualifying Shareholders but will be aggregated and sold in the open market, if at premium, net of expenses can be obtained and the net proceeds, after deduction of related expenses arising from such sale, will be retained for the benefit of the Company.

## **Application for the Offer Shares**

The Application Form in respect of the entitlement of the Offer Shares will be enclosed with the Prospectus entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Offer Shares as shown therein by completing such form and lodging the same with a remittance for the Offer Shares being taken up with the Registrar by the Latest Time for Acceptance.

## **Application for listing**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of and permission to deal in, the Offer Shares. Dealings in the Offer Shares on the Stock Exchange will be subject to the payment of stamp duty (if any) in Hong Kong and any other applicable fees and charges in Hong Kong.

Subject to the granting of the approval for the listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement date of dealings in the Offer Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Dealings in the Offer Shares on the Stock Exchange may be settled through CCASS. Shareholders should seek advice from their stockbroker or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange.

## **Share certificates for Offer Shares**

Subject to the fulfilment of the conditions of the Open Offer, share certificates for all fully-paid Offer Shares are expected to be posted on or before Friday, 13 February 2015 to those who have accepted and paid for the Offer Shares, by ordinary post at their own risk.

## **UNDERWRITING ARRANGEMENT**

### **Underwriting Agreement**

Date:	18 December 2014 (after trading hours)
Underwriter:	Kingston Securities Limited
Number of Offer Shares:	268,306,531 Offer Shares (assuming no new Shares being issued and no Shares being repurchased by the Company on or before the Record Date)
Number of Underwritten Shares:	All the Offer Shares, being 268,306,531 Offer Shares

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Underwriter and its associates are Independent Third Parties. As at the date of the Underwriting Agreement, the Underwriter is not interested in any Shares.

Pursuant to the Underwriting Agreement, in the event of the Underwriter being called upon to subscribe for or procure subscription for the Untaken Shares, the Underwriter shall not subscribe, for its own account, for such number of Untaken Shares which will result in the shareholding of it and parties acting in concert with it to exceed 10.0% of the voting rights of the Company upon the completion of the Open Offer. The Underwriter shall use its best endeavours to ensure that each of the subscribers of the Untaken Shares procured by it (i) shall be an Independent Third Party and not acting in concert with the Directors or chief executive of the Company or substantial Shareholders of the Company or their respective associates; and (ii), none of such subscribers, together with any party acting in concert with it, will hold 19.9% or more of the voting rights of the Company upon completion of the Open Offer, such that the Company will be able to comply with the public float requirement under Rule 8.08 of the Listing Rules.

### **Underwriting commission**

The Company will pay the Underwriter an underwriting commission of 2.5% of the aggregate Subscription Price in respect of the maximum number of the Underwritten Shares. The Directors are of the view that the terms of the Underwriting Agreement, including the commission, are fair and reasonable.

The Board considers the terms of the Underwriting Agreement including the commission rate accord with the market practice and are fair and reasonable so far as the Company and the Shareholders are concerned.

## **Rescission and Termination of the Underwriting Agreement**

If, prior to the Latest Time for Termination (provided that for the purposes of the termination clause of the Underwriting Agreement, if the date of the Latest Time for Termination shall be a business day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is or remains in force in Hong Kong between 9:00 a.m. and 4:00 p.m. on that day, the date of the Latest Time for Termination shall be the next business day on which no tropical cyclone warning signal no. 8 or above or no black rainstorm warning signal is or remains in force in Hong Kong between 9:00 a.m. and 4:00 p.m. on that day):

- (1) in the absolute opinion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:
  - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or
  - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (2) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (3) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or



- (4) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out which would, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (5) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or
- (6) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the absolute opinion of the Underwriter, a material omission in the context of the Open Offer; or
- (7) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive business days, excluding any suspension in connection with the clearance of this announcement or the Prospectus Documents or other announcements or circulars in connection with the Open Offer; or
- (8) the Prospectus when published contains information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date hereof been publicly announced or published by the Company and which may in the absolute opinion of the Underwriter be material to the Group as a whole upon completion of the Open Offer and is likely to affect materially and adversely the success of the Open Offer,

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (1) any material breach of any of the representations, warranties or undertakings contained in Underwriting Agreement thereto comes to the knowledge of the Underwriter; or
- (2) any Specified Event comes to the knowledge of the Underwriter.

Any such notice shall be served by the Underwriter prior to the Latest Time for Termination.

Upon the giving of notice in accordance with the above, the Underwriting Agreement shall terminate and the obligations of the parties shall forthwith cease and be null and void and none of the parties shall, save in respect of any right or liability accrued before such termination, have any right against or liability towards any of the other parties arising out of or in connection with the Underwriting Agreement.

## Conditions of the Open Offer

The Open Offer is conditional upon:

- (1) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies Ordinance not later than the Prospectus Posting Date;
- (2) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus and a letter in the agreed form to the Prohibited Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Open Offer on or before the Prospectus Posting Date;
- (3) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked, listing of and permission to deal in the Offer Shares by no later than the first day of their dealings;
- (4) the obligations of the Underwriter becoming unconditional and the Underwriting Agreement is not terminated in accordance with its terms;
- (5) compliance with and performance of all undertakings and obligations of the Company under the Underwriting Agreement; and
- (6) compliance with the requirements under the applicable laws and regulations of Hong Kong.

All of the above conditions are incapable of being waived. If any of the conditions of the Open Offer is not satisfied in whole or in part by the Company by the Latest Time for Termination or such other date as the Company and the Underwriter may agree, the Underwriting Agreement shall terminate and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

## EXPECTED TIMETABLE

The expected timetable for the Open Offer is set out below:

<b>Event</b>	<b>(Hong Kong time)</b>
Last day of dealings in Shares on a cum-entitlement basis. . . . .	Monday, 12 January 2015
First day of dealings in Shares on an ex-entitlement basis . . . . .	Tuesday, 13 January 2015
Latest time for lodging transfer of Shares in order to be qualified for the Open Offer. . . . .	4:30 p.m. on Wednesday, 14 January 2015
Register of members of the Company closes . . . . .	Thursday, 15 January 2015 to Wednesday, 21 January 2015 (both dates inclusive)
Record Date . . . . .	Wednesday, 21 January 2015
Register of members of the Company re-opens . . . . .	Thursday, 22 January 2015
Despatch of the Prospectus Documents (in case of the Prohibited Shareholders, the Prospectus only) . . . . .	Thursday, 22 January 2015
Latest time for acceptance of, and payment of Offer Shares . . . . .	4:00 p.m. on Thursday, 5 February 2015
Latest time for the Open Offer to become unconditional . . . . .	4:00 p.m. on Wednesday, 11 February 2015
Announcement of results of acceptance of the Offer Shares . . . . .	Thursday, 12 February 2015
Despatch of share certificates for Offer Shares . . . . .	Friday, 13 February 2015
Dealings in Offer Shares commence . . . . .	9:00 a.m. on Monday, 16 February 2015

*All times and dates stated in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to Shareholders as and when appropriate.*

## SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company before and after the completion of the Open Offer (assuming no new Shares being issued and no Shares being repurchased by the Company on or before the completion of the Open Offer):

	As at the date of this announcement		Immediately after completion of the Open Offer			
			Assuming all Qualifying Shareholders take up their respective entitlements under the Open Offer		Assuming no Qualifying Shareholders take up their respective entitlements under the Open Offer	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
<b>Substantial Shareholder(s) and Directors</b>						
Mr. Duncan Chiu ( <i>Note 1</i> )	163,417,604	30.45	245,126,406	30.45	163,417,604	20.30
Mr. Desmond Chiu ( <i>Note 2</i> )	4,000	0.00	6,000	0.00	4,000	0.00
<b>Public Shareholders</b>						
Underwriter and/or sub-underwriters/ subscribers procured by the Underwriter	–	0.00	–	0.00	268,306,531	33.33
Other public Shareholders	373,191,458	69.55	559,787,187	69.55	373,191,458	46.36
<b>Total</b>	<b>536,613,062</b>	<b>100.00</b>	<b>804,919,593</b>	<b>100.00</b>	<b>804,919,593</b>	<b>100.00</b>

*Notes:*

- Mr. Duncan Chiu held 163,417,604 Shares as at the date of this announcement and is a substantial Shareholder.
- Mr. Desmond Chiu is the brother of Mr. Duncan Chiu and an non-executive Director.

## REASONS FOR THE OPEN OFFER AND USE OF PROCEEDS

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.

The gross proceeds from the Open Offer will be approximately HK\$80.49 million. The net proceeds from the Open Offer, after deducting all relevant expenses, are estimated to be approximately HK\$76.97 million and are intended to be used as to approximately HK\$62 million for short-term investments in securities and approximately HK\$14.97 million for working capital of the Group.

Having considered other fund raising alternatives for the Group, such as bank borrowings and placing of new Shares or other convertible securities, and taking into account the benefits and cost of each of the alternatives, the Open Offer allows the Group to strengthen its balance sheet without facing the increasing interest rates and enlarge the capital base of the Company, which may facilitate long-term development of the Group. The Board is of the view that it is in the interest of the Company and the Shareholders as a whole to raise the capital through the Open Offer since it offers the Qualifying Shareholders the opportunity to maintain their pro rata shareholding interests in the Company and continue to participate in the future growth and development of the Group should they wish to do so. In view of the above, the Directors (including the independent non-executive Directors) consider the Open Offer is in the interests of the Company and the Shareholders as a whole.

## **FUND RAISING ACTIVITIES OF THE COMPANY DURING THE PAST TWELVE MONTHS**

The Company has not conducted any equity fund raising activities in the past twelve months immediately preceding the date of this announcement.

## **WARNING OF THE RISK OF DEALINGS IN THE SHARES**

**Shareholders and potential investors should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof.**

**Accordingly, the Open Offer may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.**

**Shareholders should note that the Shares will be dealt in on an ex-entitlement basis commencing from Tuesday, 13 January 2015 and that dealing in Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled.**

**Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be on 4:00 p.m. on Wednesday, 11 February 2015), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.**

## GENERAL

Since the Open Offer will not increase the issued share capital or the market capitalisation of the Company by more than 50% within the 12-month period immediately preceding this announcement and the Open Offer is fully underwritten by the Underwriter who is not a director, chief executive or substantial shareholder of the Company (or an associate of any of them), the Open Offer is not subject to Shareholders' approval under the Listing Rules.

The Prospectus Documents setting out details of the Open Offer will be despatched to the Qualifying Shareholders and the Prospectus (without the Application Form) will be despatched to the Prohibited Shareholders for their information only on Thursday, 22 January 2015.

## DEFINITIONS

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

“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“Application Form(s)”	the form(s) of application to be used by the Qualifying Shareholders to apply for the Offer Shares in the form agreed by the Company and the Underwriter
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“business day”	any day (other than a Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong (as amended, supplemented or otherwise modified from time to time)
“Company”	Far East Holdings International Limited (Stock Code: 36), a company incorporated in Hong Kong with limited liability and the issued Shares are listed on the Stock Exchange
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) (as defined in the Listing Rules) of the Company and is/are independent of and not connected with the Company and directors, chief executive, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates
“Last Trading Day”	Thursday, 18 December 2015, the last day on which the Shares were traded on the Stock Exchange immediately preceding the publication of this announcement
“Latest Time for Acceptance”	4:00 p.m. on Thursday, 5 February 2015 or such later time or date as may be agreed between the Underwriter and the Company in writing, being the latest time for acceptance of, and payment for, the Offer Shares as described in the Prospectus Documents
“Latest Time for Termination”	4:00 p.m. on Wednesday, 11 February 2015, or such later time or date as may be agreed between the Underwriter and the Company in writing, being the latest time to terminate the Underwriting Agreement
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offer Share(s)”	268,306,531 new Shares (assuming no new Shares being issued and no Shares being repurchased by the Company on or before the Record Date) proposed to be provisionally allotted to the Qualifying Shareholders for subscription under the Open Offer
“Open Offer”	the proposed issue of the Offer Shares on the basis of one (1) Offer Share for every two (2) Shares held on the Record Date by way of open offer to the Qualifying Shareholders for subscription pursuant to the terms and conditions to be set out in the Underwriting Agreement
“Overseas Shareholders”	Shareholders with registered addresses (as shown in the register of members of the Company on the Record Date) which are outside Hong Kong

“PRC”	the People’s Republic of China
“Prohibited Shareholders”	those Overseas Shareholders to whom the Company considers it necessary or expedient not to offer the Open Offer to such Shareholders on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Prospectus”	the Open Offer prospectus in the agreed form expected to be despatched to the Shareholders on the Prospectus Posting Date
“Prospectus Documents”	the Prospectus and the Application Form
“Prospectus Posting Date”	Thursday, 22 January 2015 or such later date as may be agreed between the Underwriter and the Company for the despatch of the Prospectus Documents
“Qualifying Shareholders”	Shareholders whose names appear on the register of members of the Company on the Record Date, other than the Prohibited Shareholders
“Record Date”	Wednesday, 21 January 2015 or such other date as may be agreed between the Company and the Underwriter in writing for the determination of the entitlements under the Open Offer
“Registrar”	Computershare Hong Kong Investor Services Limited of Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, the Hong Kong branch share registrar and transfer office of the Company
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Specified Event”	an event occurring or matter arising on or after the date hereof and prior to the Latest Time for Termination which if it had occurred or arisen before the date hereof would have rendered any of the warranties contained in the Underwriting Agreement untrue or incorrect in any material respect
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the issue price of HK\$0.30 per Offer Share at which the Offer Shares are proposed to be offered for subscription



“Takeovers Code”	the Code on Takeovers and Mergers
“Underwriter”	Kingston Securities Limited, a licensed corporation to carry on business in type 1 regulated activity (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Underwriting Agreement”	the underwriting agreement dated 18 December 2014 in relation to the Open Offer entered into between the Company and the Underwriter as amended from time to time
“Underwritten Shares”	268,306,531 Offer Shares
“Untaken Shares”	those (if any) of the Underwritten Shares for which duly completed Application Forms (accompanied by cheques or banker’s cashier order for the full amount payable on application which are honoured on first or, at the option of the Company, subsequent presentation) have not been lodged for acceptance, or received, as the case may be, on or before Latest Time for Acceptance
“%” or “per cent”	percentage or per centum

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

Hong Kong, 18 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.*