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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 ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF COAST HOLDINGS LIMITED

On 15 June 2015 (after trading hours), the Purchaser entered into the Agreement with the Vendor pursuant to which the Purchaser has agreed to acquire the entire issued capital of the Target at the consideration of HK\$70,000,000, which shall be payable in cash upon completion of the Acquisition.

As one or more of the relevant percentage ratios exceeds 5% but less than 25%, the Acquisition constitutes a discloseable transaction on the part of the Company and is subject to the reporting and announcement requirements under the Listing Rules.

PRINCIPAL TERMS OF THE AGREEMENT

Date: 15 June 2015 (after trading hours)

Parties:

1. The Purchaser as the purchaser; and
2. The Vendor as the seller.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendor and the Vendor's Parent are third parties independent of the Company and its connected persons.

ASSETS TO BE ACQUIRED

The Company will acquire the Sale Shares, being 100% equity interests of the Target.

CONDITIONS PRECEDENT

Completion of the Acquisition is conditional upon the satisfaction of the following conditions precedent on or before Long Stop Date:

- (a) the Purchaser being satisfied with the results of the business, financial and legal due diligence review to be conducted on the Target including but not limited to satisfactory results as to the legal title to the Properties;
- (b) the compliance by the Vendor's Parent of the applicable requirements of the Listing Rules in relation to the transactions contemplated under the Agreement, including where necessary the obtaining of shareholders' approval with respect to the transaction;
- (c) the compliance by the Company of the applicable requirements of the Listing Rules in relation to the transactions contemplated under the Agreement;
- (d) the Vendor procuring the Target and delivering to the Purchaser the 2014 Audited Accounts, and the financial results of the Target to be set out under the 2014 Audited Accounts shall be materially consistent with the unaudited financial results as shown in the 2014 Management Accounts;
- (e) the warranties made by the Vendor in the Agreement remaining true and accurate in all material respects; and
- (f) the warranties made by the Purchaser in the Agreement remaining true and accurate in all material respects.

The Purchaser may at any time by notice in writing to the Vendor waive part or all of the conditions (a), (d) and (e), whereas the Vendor may at any time by notice in writing to the Purchaser waive the condition (f). If any of the conditions set out above has not been satisfied (or waived) on or before 12:00 noon on the Long Stop Date, the Agreement shall cease and determine and neither party shall have any obligations and liabilities save for any antecedent breaches.

WAIVER ON REPAYMENT OF THE INTERGROUP BALANCES

As at 31 December 2014, the Target is owed the Intergroup Balances, comprising a net amount of HK\$21,175,802 to several members of the Vendor's Parent group of companies, in which an aggregate amount of HK\$22,175,802 is due to several members of the Vendor's Parent group of companies and HK\$1,000,000 is due from a member of the Vendor's Parent group of companies, and these amounts were unsecured, interest free, repayable on demand and remain outstanding.

It is a condition at Completion that the relevant members of the Vendor's Parent group and the Target shall execute a deed of waiver waiving their respective obligations and liabilities to repay the Intergroup Balances effective on the Completion Date.

CONSIDERATION

The total consideration for the acquisition of the entire issued share capital of the Target is HK\$70,000,000.

The total consideration was determined after arm's length negotiations between the Vendor and the Purchaser with reference to the prevailing market price of comparable commercial properties in the vicinity.

The consideration shall be payable in cash upon completion of the Acquisition.

The Directors consider that the consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The consideration will be funded by the internal resources of the Company and/or the net proceeds to be raised by the Company from its placing exercise as announced on 4 June 2015 which completion is expected to take place on or before 18 June 2015.

COMPLETION

Completion shall take place within five Business Days following the day on which all the conditions precedent of the Agreement are satisfied.

Upon completion of the Acquisition, the Target will become an indirect wholly owned subsidiary of the Company whose financial results and position will be consolidated into the consolidated financial statements of the Company.

INFORMATION OF THE VENDOR

The Vendor is a company incorporated in the British Virgin Islands with limited liability and its principal activity is investment holding. The Vendor is wholly owned by the Vendor's Parent and it is principally engaged in the investment in and operation of photovoltaic power plants, properties investment, manufacturing and sale of life-like plants.

INFORMATION OF THE TARGET

The Target is a company incorporated in Hong Kong with limited liability and its principal activity is investment in and holding of the Properties.

The Properties comprise the whole 9th Floor of Wings Building situated on 110-116 Queen's Road Central and 53-61 Stanley Street, Central, Hong Kong with gross area of approximately 3,390 square feet. The Properties are currently divided into five rental units and a conference room. The conference room is shared among tenants of the Properties.

As at the date of this announcement, three out of the five rental units of the Properties are currently being rented out to different tenants, one of which is rented to the Group's subsidiary and the other two are rented to third parties independent of the Company and its connected persons. The remaining two units are currently vacant.

Set out below is the financial information of the Target for the two years ended 31 December 2013 and 2014:

| | For the year ended | |
|------------------------------|---------------------------|-----------------|
| | 31 December | |
| | 2013 | 2014 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| | (audited) | (unaudited) |
| Turnover | 557 | 700 |
| Net (loss)/profit before tax | (919) | 960 |
| Net (loss)/profit after tax | (919) | 960 |
| | | |
| | As at 31 December | |
| | 2013 | 2014 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| | (audited) | (unaudited) |
| Total assets | 9,212 | 48,755 |
| Net (liabilities)/assets | (12,798) | 26,167 |

REASONS FOR ENTERING INTO THE AGREEMENT

The Group is principally engaged in manufacturing and sales of garment products, property investment and securities investment.

On 1 June 2015, the Company, via a wholly-owned subsidiary, entered into a tenancy agreement with the Target for renting a unit of the Properties for office use. Since moving into the unit, the Company has become aware that the Vendor's Parent was exploring the possibility of selling the Properties. The Board, having considering the location and the size of the Properties, were of the view that it would be a suitable office unit to consolidate our Group's offices and for possible future extension, and with the flexibility to let portions of the Properties for rental income. Further, the Board also noted that the possible purchase price were comparable to similar commercial properties in the vicinity. Therefore, the Board decided to proceed with the Acquisition subject to satisfactory due diligence results.

The Directors are of the view that the terms and conditions of the Agreement are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the relevant percentage ratios exceeds 5% but less than 25%, the Acquisition constitutes a discloseable transaction on the part of the Company and is subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

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

| | |
|----------------------------|---|
| “2014 Audited Accounts” | the audited statement of financial position of the Target as at 31 December 2014 and the audited statement of profit or loss and other comprehensive income of the Target for the year ended 31 December 2014 to be prepared and finalized by the Target |
| “2014 Management Accounts” | the unaudited statement of financial position of the Target as at the 31 December 2014 and the unaudited statement of profit or loss and other comprehensive income of the Target for the year ended 31 December 2014 |
| “Acquisition” | the purchase of the Sale Shares pursuant to the terms and conditions of the Agreement |
| “Agreement” | the sale and purchase agreement dated 15 June 2015 and entered into between the Purchaser and the Vendor regarding the sale and purchase of the Sale Shares |
| “Business Day” | a day (other than a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours |
| “Company” | Far East Holdings International Limited, a company incorporated in Hong Kong with limited liability, the issued Shares of which are listed on the Stock Exchange |
| “connected person” | has the meaning ascribed to it under Chapter 14A of the Listing Rules |
| “Directors” | directors of the Company |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Intergroup Balances” | a net amount of HK\$21,175,802 comprising an aggregate amount of HK\$22,175,802 due to, and HK\$1,000,000 due from, several members of the Vendor’s Parent group by the Target which were unsecured, interest free, and repayable on demand and remain outstanding as at 31 December 2014 |

| | |
|--------------------|---|
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Long Stop Date” | 15 July 2015 or such other date to be mutually agreed in writing between the Purchaser and the Vendor |
| “percentage ratio” | has the meaning ascribed to it under Chapter 14 of the Listing Rules |
| “Properties” | the whole 9th Floor of Wings Building situated on 110-116 Queen’s Road Central and 53-61 Stanley Street, Central, Hong Kong with gross area of approximately 3,390 square feet |
| “Purchaser” | Marvel Star Group Limited, a company incorporated in the British Virgin Islands with limited liability, and a wholly owned subsidiary of the Company |
| “Sale Shares” | all the shares of the Target in issue, representing 100% of the equity interests in the Target |
| “Shareholders” | holders of Shares |
| “Shares” | ordinary shares of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Target” | Coast Holdings Limited (海岸集團有限公司), a company incorporated in Hong Kong with limited liability |
| “Vendor” | Lead Power Investments Limited, a company incorporated in the British Virgin Islands with limited liability, is wholly owned by the Vendor’s Parent |
| “Vendor’s Parent” | Kong Sun Holdings 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 295) |

By Order of the Board
Far East Holdings International Limited
Yu Pak Yan, Peter
Executive Director

Hong Kong, 15 June 2015

As at the date of this announcement, the Board comprises six Directors, of which three are executive Directors, namely, Mr. Derek Chiu, Mr. Yu Pak Yan, Peter and Mr. Fok Chi Tak; and three are independent non-executive Directors, namely, Mr. Chan Ming Sun, Jonathan, Dr. Wong Yun Kuen and Ms. Kwan Shan.