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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)

**SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO
PLACING OF NEW SHARES UNDER GENERAL MANDATE
AND
CONNECTED TRANSACTION AT THE SUBSIDIARY LEVEL**

Reference is made to the announcement of Far East Holdings International Limited (the “**Company**”) dated 17 June 2025 (the “**Announcement**”) in relation to, among other things, the placing of new shares under the general mandate and the connected transaction at the subsidiary level. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Board would like to supplement the information in relation to the use of proceeds of the Placing and the rights issue announced in 11 November 2024 (the “**Previous Rights Issue**”, which was a fundraising activity in the past twelve months immediately prior to the date of the Announcement), and the relevant disclosure for the connected transaction as required under Rules 14.58, 14.60 and 14A.68 of the Listing Rules.

USE OF PROCEEDS

Use of proceeds from the Placing

As set out in the Announcement, the net proceeds from the Placing (the “**Placing Proceeds**”) will be approximately HK\$21.62 million and the Company intends to use the Placing Proceeds for the general working capital of the Group, including repayment of loans. Set out below is the breakdown of and the expected timeline for the use of Placing Proceeds:

Use of Placing Proceeds	Allocation of the Placing Proceeds <i>HK\$'million</i> <i>(approximate)</i>	Percentage of the Placing Proceeds %	Expected timeline on utilisation
Repayment of bank borrowing for the mortgage loan	20.00	92.51	By January 2026
Other working capital and general corporate purposes (including but not limited to payment of interest expenses, payroll-related expenses, building management fees and other corporate expenses)	<u>1.62</u>	<u>7.49</u>	By March 2026
	<u><u>21.62</u></u>	<u><u>100.00</u></u>	

Notes:

- As set out in the Announcement, there were other loans of approximately HK\$212 million, which comprise (i) a unsecured loan (including interest payables) of approximately HK\$199 million arising from the acquisition of 51% interest in Silver Fortune Plaza, one of the Company's investment properties, in April 2019, with a fixed interest rate of 10% per annum; and (ii) other unsecured loans of approximately HK\$13 million for the general working capital of the Group with a fixed interest rate of 15% per annum. The Company proposes to settle these loans when they come due by using operating cash flows and/or other fundraising activities, if applicable.
- Save for the repayment of the bank borrowing, other loans and their respectively interest expenses, the Group is expected to incur approximately HK\$4.5 million for other working capital, including but not limited to payroll-related expenses, professional fees, government rent and rate, building management fee, annual listing fee and other corporate expenses for the coming year. The Board considers that it is essential for the Group to maintain a sustainable level of cash and bank balance to support its working capital needs and the cash and bank balance was approximately HK\$5 million (which represented the Remaining Rights Issue Proceeds (as defined below)) as at the date of the Announcement.

Use of proceeds from the Previous Rights Issue

As set out in the announcement of the Previous Rights Issue dated 11 November 2024, the net proceeds from the Previous Rights Issue were proposed for use as general working capital of the Group, including repayment of loans. Regarding the net proceeds of approximately HK\$69.55 million from the Previous Rights Issue, approximately HK\$64.55 million were fully utilised as intended, while approximately HK\$5 million (the “**Remaining Rights Issue Proceeds**”) remains unutilised as at the date of the Announcement. Set out below is the breakdown of the use of proceeds from the Previous Rights Issue and the expected timeline for the use of the Remaining Rights Issue Proceeds:

Use of proceeds	Allocation of net proceeds (HK\$'million) (approximate)	Percentage of net proceeds %	Amount utilised as at the date of the Announcement (HK\$'million) (approximate)	Remaining Rights Issue Proceeds (HK\$'million) (approximate)	Expected timeline for the use of the Remaining Rights Issue Proceeds
Repayment of other loans	44.00	63.26	44.00	—	N/A
Repayment of bank borrowing for the mortgage loan	16.42	23.61	13.80	2.62	By August 2025
Interest expenses	8.33	11.98	6.40	1.93	
Other working capital and general corporate purposes	0.8	1.15	0.35	0.45	
	<u>69.55</u>	<u>100.00</u>	<u>64.55</u>	<u>5.00</u>	

CONNECTED TRANSACTION AT THE SUBSIDIARY LEVEL

The Placing Agent is a licensed corporation to carry out type 1 (dealing in securities) regulated activities within the meaning of the SFO. It is primarily engaged in the provision of dealing and advising in securities and margin financing. The ultimately beneficial owner of the Placing Agent is the substantial shareholder of a subsidiary of the Company. Therefore, the Placing Agreement constitutes a connected transaction with a connected person at the subsidiary level under Chapter 14A of the Listing Rules.

The maximum placing commission payable by the Company to the Placing Agent under the Placing will be approximately HK\$560,000. When aggregated with placing commission of approximately HK\$690,000 paid by the Company to the Placing Agent under the Previous Rights Issue for placing of 82,204,791 unsubscribed rights shares at HK\$0.334, the total placing commission payable by the Company to the Placing Agent aggregated in the past 12 months will be approximately HK\$1,250,000. It is calculated as a placing commission of 2.5% multiplied by (i) the placing price of HK\$0.344 multiplied by the number of

65,346,000 Placing Shares placed by the Placing Agent (assuming all the Placing Shares have been placed by the Placing Agent); and (ii) the subscription price of HK\$0.334 multiplied by the number of 82,204,791 unsubscribed rights shares.

The placing commission has been arrived at after arm's length negotiations between the Company and the Placing Agent under normal commercial terms and with reference to the market comparables, the existing financial position of the Group, the size of the Placing, and the prevailing and expected market conditions. The Directors are of the view that the 2.5% placing commission rate is fair and reasonable based on current market conditions.

The Placing Agent has been engaged by the Company for the fundraising activities in the past years. The Placing Agent is familiar with the Company's business development. In addition, the placing commission charged by the Placing Agent is in line with prevailing market rates. By engaging the Placing Agent for the Placing, the Company can save time and costs associated with selecting a suitable agent, as well as the extra communication required for pre-engagement. The Board believes that selecting a placing agent who understands the Company's business development, along with reasonable charges, is in the interests of the Company and the Shareholders as a whole.

None of the Directors has a material interest in the Placing Agreement and hence no Director is required to abstain from voting on the relevant resolution(s) of the Board approving the Placing Agreement and the transactions contemplated thereunder.

Completion of the Placing is subject to fulfillment of a number of conditions, the Placing may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

By order of the Board
Far East Holdings International Limited
Mr. Cheung Sze Ming
Executive Director & Company Secretary

Hong Kong, 25 June 2025

As at the date of this announcement, the Board comprises Mr. Cheung Sze Ming and Ms. Li Kai Lai Miranda as executive Directors; Mr. Zhu Weiwen as non-executive Director; and Mr. Mak Ka Wing, Patrick, Mr. Lam Wai Hung and Mr. Lam Cheung Shing, Richard as independent non-executive Directors.