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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)

DECISION OF THE STOCK EXCHANGE ON LISTING RULE 13.24

This announcement is made by Far East Holdings International Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities, The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

On 31 July 2025, the Company received a letter from the Stock Exchange (the “**Letter**”) notifying the Company of its decision that the Company has failed to maintain a sufficient level of operations as required under Rule 13.24 of the Listing Rules to warrant the continued listing of its shares and that trading in the Company’s shares will be suspended under Rule 6.01(3) of the Listing Rules (the “**Decision**”). In arriving at the Decision, the Stock Exchange has considered the followings:

1. The property investment business is operated on a small scale with property units scattered across three buildings for earning rental income. The Company provides no value-added service to the tenants nor any property management services. Since the acquisition of the Silver Fortune property and the associated leases in 2019, the investment portfolio (the “**IP Portfolio**”) has not been further expanded. With the scattered IP Portfolio units, the Company exhibits no leasing strategy but passively generates rental income. The Company’s workforce has also been limited to a minimal scale. As a result of the small operation scale and passive operation model, the revenue of this business has been at a minimal level in recent years.
2. The Company reiterated that its weakened performance was caused by socio-economic changes and pandemic situation, and its performance has been recovering following the easing of the pandemic situation. Nonetheless, despite such recovery, the Company’s operation scale remained small with minimal revenue and continued loss. In 2024, while most of the IP Portfolio units were leased, the revenue remained at a minimal level. Coupled with the increasing finance costs and fair value loss of the IP Portfolio, the segment loss has continued to widen over the years. The situation does not appear to be a temporary downturn.

3. Based on the Company's projections, assuming full occupancy of the entire IP Portfolio, the estimated revenue for 2025 would still be at a minimal level. Taking into account the partial repayments of the outstanding loans using the rights issue proceeds, the revenue would still be insufficient to cover the finance costs, rendering this business not sustainable in itself.
4. The plans to develop the property investment business including the potential disposals and the potential acquisitions are preliminary and devoid of concrete details. With limited resources, the proposed acquisitions could only materialise if the proposed disposals could be completed in advance or future fundings could be obtained. Furthermore, there is no information on when and how these plans would improve the Company's performance.
5. As at 31 December 2024, the Company's total assets mainly consisting of the IP Portfolio. The Company had a small amount of cash and bank balances. The Company recently raised net proceeds from a rights issue for partial loan repayment and for working capital. After the partial loan repayment, the Company still has a loan maturing on 30 April 2026 for which the Company does not appear to have sufficient financial resources to settle.
6. Despite the fact that it has an IP Portfolio of a significant amount, coupled with the observations above, the Company does not appear to have sufficient assets to support the operation of a viable and sustainable business.

Potential hotel acquisition and potential service provider acquisition to address Rule 13.24 concern

7. The Company proposed to address the Rule 13.24 concern through the potential hotel acquisition and the potential service provider acquisition. However, these acquisition plans are at preliminary stage and are subject to due diligence and signing of definitive agreements. There are no concrete details on the transaction terms and timeline. It is uncertain whether and when these acquisitions would materialise, particularly in view of the Company's limited financial resources.
8. Furthermore, the hotel target company is engaged in hotel business and the service provider target company is engaged in the provision of real estate security services, facility management services and safe box services. The nature of these businesses are different from the Company's property investment business for passive rental income. The revenue of the hotel target company is substantially larger than the Company's revenue (being six times). In view that the Company is a listed shell, these potential acquisitions may constitute reverse takeovers under Rule 14.06B.

Pursuant to the Letter, the Company must re-comply with Rule 13.24 of the Listing Rules, fulfill any resumption guidance that may be set by the Stock Exchange and be in full compliance with the Listing Rules to the Stock Exchange's satisfaction before the trading of the Company's shares is allowed to resume. Under Rule 6.01A(1) of the Listing Rules, the Stock Exchange may cancel the listing of the Company's shares if trading remains suspended for a continuous period of 18 months.

RIGHT TO REVIEW

Under Chapter 2B of the Listing Rules, the Company has the right to have the Decision referred to the Listing Committee for review. Any request for review must be served on the Secretary of the Listing Committee within seven business days from the date of the Decision (i.e. on or before 11 August 2025). Trading in the Company's shares will be suspended after the expiry of seven business days from the date of the Decision (i.e. 12 August 2025), unless the Company applies for a review of the Decision.

The Company is in the process of reviewing the Letter and is discussing the same internally and with its professional advisers, and will consider whether to lodge a request for the Decision to be referred to the Listing Committee for review.

Shareholders and potential investors of the Company are reminded that the outcome of the review of the Decision by the Listing Committee is uncertain.

Shareholders who have any queries about the implication of the Decision are advised to obtain appropriate professional advice.

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

Hong Kong, 31 July 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.