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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)

VOLUNTARY ANNOUNCEMENT BUSINESS UPDATE

This announcement is made by Far East Holdings International Limited (the “**Company**”) on a voluntary basis to provide the shareholders and the potential investors of the Company with updates in relation to the business operation of the Company and its subsidiaries (the “**Group**”).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders and the potential investors of the Company that due to the regulatory detailed planning of Haimen City approved by the Jiangsu Provincial People’s Government of the People’s Republic of China (“**Jiangsu Government**”), upon receiving the notification from the Jiangsu Government, Jiangsu BangBang-Silky Fashion Manufacturer Company Limited (“**Jiangsu BangBang**”), a 51% owned subsidiary of the Company, entered into an agreement on 14 October 2019 with the Haimen People’s Government in relation to the recovery of the state-owned land use right of a parcel of land owned by Jiangsu BangBang located at No. 380 Renmin Middle Road, Haimen, the People’s Republic of China, with a total site area of 9,368.9 square meters.

For the two years ended 31 December 2017 and 2018, Jiangsu BangBang, principally engaged in the business of manufacturing and export of garment products, has recorded revenue of approximately HK\$6.6 million and HK\$5.3 million, respectively, representing a year-on-year decrease of approximately 19.7%, and net adjusted loss of approximately HK\$5.7 million and HK\$3.5 million, respectively, representing a year-on-year decrease of approximately 38.6%. For the six months ended 30 June 2019, Jiangsu BangBang has recorded revenue of approximately HK\$2.2 million and net adjusted loss of approximately HK\$1.0 million. As disclosed in the interim report of the Group for the six months ended 30 June 2019, the garment manufacturing industry business is facing challenges in terms of increasing material and labour costs and falling per unit sales prices, and taking into account the Chinese economy grew at its slowest rate since 1990, the Group is not optimistic for its garment manufacturing business in the second half 2019. Given the significant drop in its business and revenue and the segmental loss of the garment manufacturing industry segment, upon receiving the notification from the Jiangsu Government, the Board has decided to cease the business of Jiangsu BangBang and the garment manufacturing industry business.

Given the low operation level of the garment manufacturing industry business in the past few years, the Board considers that the cessation of garment manufacturing industry business shall have no material adverse impact on the Group's other existing business operations and financial position. The Board considers that the cessation of garment manufacturing industry business is in the interests of the Company and its shareholders as a whole.

By Order of the Board
Far East Holdings International Limited
Wong Yun Kuen
Chairman

Hong Kong, 14 October 2019

As at the date of this announcement, the Board comprises five Directors, of which two are executive Directors, namely, Dr. Wong Yun Kuen (Chairman), Mr. Sheung Kwong Cho; and three are independent non-executive Directors, namely, Ms. Kwan Shan, Mr. Wong Kui Shing, Danny and Mr. Mak Ka Wing, Patrick.