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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 TRANSACTIONS ON-MARKET DISPOSAL OF LISTED SECURITIES

THE DISPOSALS

On 29 June 2021 and 12 November 2021, the Group disposed of an aggregate 8,070,000 shares of Listco A on market for a total consideration of approximately HK\$30.6 million (exclusive of transaction costs).

On 28 December 2021, the Group disposed of an aggregate 30,000,000 shares of Listco B on market for a total consideration of approximately HK\$7.5 million (exclusive of transaction costs).

LISTING RULES IMPLICATIONS

As one or more of the applicable ratio(s) (as defined under the Listing Rules) of the Disposal of Listco A Shares and the Disposal of Listco B Shares, on a standalone or aggregated basis, is/are more 5% but less than 25%, the Disposal of Listco A Shares and the Disposal of Listco B Shares constitute discloseable transactions of the Company and are thus subject to the reporting and announcements under Chapter 14 of the Listing Rules.

THE DISPOSALS

I. The Disposal of Listco A Shares

On 29 June 2021, the Group disposed of 36,000 shares of Listco A at an average price between HK\$28.10 to HK\$28.20 for the consideration of approximately HK\$1.0 million and, on 12 November 2021, the Group disposed of 8,034,000 shares of Listco A at an average price between HK\$3.59 to HK\$3.81 for the consideration of approximately HK\$29.6 million.

II. The Disposal of Listco B Shares

On 28 December 2021, the Group disposed of 30,000,000 shares of Listco B at an average price at HK\$0.25 for the consideration of approximately HK\$7.5 million.

As both the Disposal of Listco A Shares and the Disposal of Listco B Shares were made through the Company's security broker and conducted on open market, the identities of the counterparties to each of the disposals could not be ascertained. To the best of Directors' knowledge, information and belief having made all reasonable enquiry, the purchasers of the Listco A Shares, the purchasers of the Listco B Shares and their respective beneficial owners are Independent Third Parties.

The aggregate gross sales proceeds from the Disposal of Listco A Shares and the Disposal of Listco B Shares amount to approximately HK\$38.1 million (exclusive of transaction costs) in cash.

INFORMATION OF THE RELEVANT SECURITIES INVESTMENT

Listco A

Listco A is a company with limited liability incorporated in Hong Kong, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 708). Listco A Group is engaged in technology research and development, production and sales of new energy vehicles in the PRC and in other countries, as well as the "Internet+" community health management, international hospitals, and elderly care and rehabilitation in the PRC.

The following financial information is extracted from the 2020 annual report of Listco A:

	Year ended 31 December	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	15,486,625	5,635,559
Loss before tax	(7,395,263)	(4,526,336)
Loss after tax	(7,664,907)	(4,947,478)
Total deficit	(5,838,522)	(1,295,567)

Listco B

Listco B is a company incorporated as an exempted company with limited liability in Cayman Islands on 11 June 2001 and continued in Bermuda on 16 March 2009, the shares of which are listed on the GEM Board of the Stock Exchange (stock code: 8172). The Listco B Group is engaged in the provision of artiste management service, new media e-commerce business and movies, TV programmes and internet contents services in the PRC.

The following financial information is extracted from the 2021 annual report of Listco B:

	Year ended 31 December	
	2021	2020
	HK\$'000	HK\$'000
Revenue	68,340	20,660
Loss before tax	(140,130)	(131,221)
Loss after tax	(140,133)	(131,226)
Net assets	274,697	404,769

FINANCIAL EFFECTS OF THE DISPOSALS

The Group recorded (i) an audited loss of approximately HK\$213.1 million from the Disposal of Listco A Shares, being the difference between the aggregate consideration of approximately HK\$30.6 million (exclusive of transaction costs) and the aggregate carrying amount of approximately HK\$243.7 million; and (ii) an audited gain of approximately HK\$5.4 million from the Disposal of the Listco B Shares, being the difference between the aggregate consideration of approximately HK\$7.5 million (exclusive of transaction costs) and the aggregate carrying amount of approximately HK\$2.1 million, respectively.

REASONS FOR AND BENEFITS OF THE DISPOSALS AND USE OF PROCEEDS

The principal business activity of the Company is investment holding. The principal activities of its subsidiaries are property investment and securities investment. The Group purchased the Listco A Shares and the Listco B Shares for short term investment purpose.

Having reviewed and assessed the prevailing market condition and the performance of Listco A and Listco B respectively, the Directors decided to proceed with the disposal of Listco A Shares and the Listco B Shares. The Directors consider that the terms of the disposals are fair and reasonable and in the interests of the Company and its shareholders as a whole.

The Directors expect that the net proceeds of approximately HK\$37.9 from the disposals will be used for the general working capital of the Group and for future investment opportunities when opportunities arise.

LISTING RULES IMPLICATIONS

As one or more of the applicable ratio(s) (as defined under the Listing Rules) of the Disposal of Listco A Shares and the Disposal of Listco B Shares, on a standalone or aggregated basis, is/are more 5% but less than 25%, the Disposal of Listco A Shares and the Disposal of Listco B Shares constitute discloseable transactions of the Company and are thus subject to the reporting and announcements under Chapter 14 of the Listing Rules.

REMEDIAL MEASURES

The Company assessed the financial impact of the Disposal of Listco A Shares to the Group's operating performance and financial position and made a profit warning announcement on 22 November 2021 after ten (10) days from the date of such a disposal, and the profit warning announcement set out such disposal and the resulted significant loss of HK\$213.1 million.

The Company is aware that the announcement of aforesaid disposals constituted a late announcement under the Listing Rules. The Company regrets that the delay and omission of such disclosures is resulted from an inadvertent oversight due to the manpower insufficiency in the position responsible for preparation of the daily investment report for the circulation to the Directors for the purpose of closely monitoring the Group's investment portfolio.

The management of the Company will continue to uphold the Company's internal procedures of its investment and pay extra attention on its disclosure in a timely manner to ensure full compliance with the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings when used herein:

“Board”	the board of Directors
“Company”	Far East Holdings International Limited (遠東控股國際有限公司), 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: 36)
“Director(s)”	director(s) of the Company
“Disposal of Listco A Shares”	the disposal of the Listco A Shares
“Disposal of Listco B Shares”	the disposal of the Listco B Shares
“GEM”	the Growth Enterprise market of the Stock Exchange
“Group”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong
“Independent Third Party(ies)”	third party(ies) independent of the Company and connected persons of the Company

“Listco A”	China Evergrande New Energy Vehicle Group Limited (中國恒大新能源汽車集團有限公司), a company with limited liability incorporated in Hong Kong, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 708)
“Listco A Group”	Listco A and its subsidiaries
“Listco A Shares”	the 8,070,000 shares of Listco A held by the Group
“Listco B”	Lajin Entertainment Network Group Limited (拉近網娛集團有限公司), a company incorporated as an exempted company with limited liability in Cayman Islands on 11 June 2001 and continued in Bermuda on 16 March 2009, the shares of which are listed on the GEM Board of the Stock Exchange (stock code: 8172)
“Listco B Group”	Listco B and its subsidiaries
“Listco B Shares”	the 30,000,000 shares of Listco B held by the Group
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board
Far East Holdings International Limited
Mr. Eric Todd
Chairman & Executive Director

Hong Kong, 19 April 2022

As at the date of this announcement, the Board comprises five Directors, of which two are executive Directors, namely, Mr. Eric Todd (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.