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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in doubt** as to any aspect of this circular, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your securities in Far East Holdings International Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

**RENEWAL OF GENERAL MANDATES  
TO REPURCHASE SHARES AND TO ISSUE SHARES  
REFRESHMENT OF THE SHARE OPTION SCHEME LIMIT  
BONUS ISSUE OF SHARES  
FINAL DIVIDEND  
RE-ELECTION OF DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening an annual general meeting of the Shareholders of Far East Holdings International Limited to be held at Function Room, Mezzanine Floor, Cosmopolitan Hotel, 387-397 Queen's Road East, Wan Chai, Hong Kong on Friday, 30 May, 2008 at 3:00 p.m. is set out on pages 18 to 22 of this circular. Whether or not you are able to attend the meeting in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Share Registrar, Computershare Hong Kong Investor Services Limited at Room 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting should you wish.

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## DEFINITIONS

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

|  |  |
|--|--|
| “AGM”                                    | the annual general meeting of the Company to be held at 3:00 p.m. on 30, May, 2008 at Function Room, Mezzanine Floor, Cosmopolitan Hotel, 387-397 Queen’s Road East, Wan Chai, Hong Kong                   |
| “Articles of Association”                | the existing articles of association of the Company  |
| “Board”                                  | the board of directors of the Company  |
| “Bonus Issue”                            | the proposed conditional issue of Bonus Shares on the basis of one Bonus Share for every one existing Shares held on the Record Date upon and subject to the terms and conditions set out in this circular |
| “Bonus Share(s)”                         | new Share(s) to be allotted and issue pursuant to the Bonus Issue  |
| “CCASS”                                  | the Central Clearing and Settlement System established and operated by HKSCC   |
| “Company”                                | Far East Holdings International Limited, a company incorporated in Hong Kong with limited liability under the Companies Ordinance, the shares of which are listed on the main board of the Stock Exchange  |
| “Companies Ordinance”                    | Companies Ordinance (Chapter 32 of Laws of Hong Kong)  |
| “connected person”                       | shall have the meaning as defined in the Listing Rules   |
| “Director(s)”                            | the director(s) of the Company for the time being  |
| “HKSCC”                                  | Hong Kong Securities Clearing Company Limited  |
| “Group”                                  | the Company and its Subsidiaries   |
| “Issue Mandate”                          | a general and unconditional mandate to allot, issue, and deal with Shares up to a maximum of 20% of the issued share capital of the Company as at the date of passing of the relevant resolution           |
| “Latest Practicable Date”                | 25 April, 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular   |
| “Listing Rules”                          | the Rules Governing the Listing of Securities on the Stock Exchange  |
| “Memorandum and Articles of Association” | the existing memorandum and articles of association of the Company   |

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## DEFINITIONS

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|                             |   |
|-----------------------------|---|
| “Mode Code”                 | the Model Code on Securities Transactions by Directors adopted by the Company   |
| “Ordinary Resolution(s)”    | the ordinary resolution(s) to be proposed and passed at the AGM for the matters as set out in the AGM Notice  |
| “Record Date”               | 30 May, 2008, being the record date by reference to which entitlements to the final dividend and Bonus Issue will be determined   |
| “Repurchase Mandate”        | a general and unconditional mandate to be granted to the Directors to exercise all powers of the Company to repurchase on the Stock Exchange, or any other stock exchange on which the Shares of the Company may be listed, Shares up to a maximum of 10% of the issued share capital of the Company as at the date of passing of the relevant resolution |
| “SFO”                       | Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong)   |
| “Share Option Scheme”       | the share option scheme adopted by the Company on 23 May, 2005  |
| “Share Option Scheme Limit” | the maximum number of Shares which may be issued upon the exercise of all share options granted or to be granted under the Share Option Scheme as permitted under the Listing Rules, being 10% of the issued share capital of the Company as at the date of the approval of the refreshment of such limit   |
| “Share(s)”                  | an ordinary share of HK\$0.01 in the capital of the Company   |
| “Shareholder(s)”            | the shareholder(s) of the Company   |
| “Stock Exchange”            | The Stock Exchange of Hong Kong Limited   |
| “Subsidiary”                | a company which is for the time being and from time to time a subsidiary of the Company including any body corporate which would be a subsidiary within the meaning of Section 2 of the Companies Ordinance, Chapter 32 of the laws of Hong Kong  |
| “Takeovers Code”            | The Hong Kong Code on Takeovers and Mergers   |
| “HK\$”                      | Hong Kong dollar(s), the lawful currency of The Hong Kong Special Administrative Region   |
| “%”                         | per cent.   |

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## EXPECTED TIMETABLE

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2008

|  |                                      |
|--|--------------------------------------|
| Last date of dealings in Shares cum-entitlements<br>to the final dividend and the Bonus Issue .....                            | Thursday, 22 May                     |
| First day of dealings in Shares ex-entitlements<br>to the final dividend and the the Bonus Issue .....                         | Friday, 23 May                       |
| Latest time for lodging transfers of Shares to qualify for<br>entitlements to the final dividend and the the Bonus Issue ..... | 4:30 p.m. on Monday, 26 May          |
| Closure of register of members (both days inclusive) .....   | Tuesday, 27 May<br>to Friday, 30 May |
| Latest time for lodging forms of proxy<br>for the AGM .....  | 3:00 p.m. on Wednesday, 28 May       |
| Record Date for determination of entitlements to<br>the final dividend and Bonus Issue .....                                   | Friday, 30 May                       |
| Date and time of the AGM .....   | 3:00 p.m. on Friday, 30 May          |
| Register of members reopens .....  | Monday, 2 June                       |
| Despatch of final dividend Cheques and certificates for the Bonus Shares .....   | Tuesday, 10 June                     |
| First day of dealings in the Bonus Shares on the Stock Exchange. ....  | Thursday, 12 June                    |

All times in this Circular refer to Hong Kong times.

Dates stated in this Circular for events mentioned in the timetable are indicative only and may be extended or varied. Any change to the expected timetable for the final dividend and bonus issue will be announced as appropriate.

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LETTER FROM THE BOARD

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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)

*Executive Directors:*

Deacon Te Ken Chiu, J.P. (*Chairman*)

Mr. Duncan Chiu

*(Managing Director and Chief Executive Officer)*

Mr. Dennis Chiu

*Registered office:*

16th Floor

Far East Consortium Building

121 Des Voeux Road Central

Hong Kong

*Non-executive Directors:*

Tan Sri Dato' David Chiu

Mr. Daniel Tat Jung Chiu

Mr. Derek Chiu

Mr. Desmond Chiu

Ms. Margaret Chiu

Ms. Min Tang

*Head office and Principal Place  
of Business:*

Room 1802-1804, 18th Floor

Far East Consortium Building

121 Des Voeux Road Central

Hong Kong

*Independent Non-executive Directors:*

Dr. Lee G. Lam

Mr. Eugene Yun Hang Wang

Mr. Hing Wah Yim

30 April, 2008

*To the Shareholders*

Dear Sir or Madam,

**RENEWALS FOR GENERAL MANDATES  
TO REPURCHASE SHARES AND TO ISSUE SHARES  
REFRESHMENT OF THE SHARE OPTION SCHEME LIMIT  
BONUS ISSUE OF SHARES  
FINAL DIVIDEND  
RE-ELECTION OF DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the AGM to be held on 30 May, 2008. These include (i) Ordinary Resolutions relating to the granting to the Directors general mandates for the issue of the Company's Shares of HK\$0.01 each and the repurchase of its Shares, (ii) the refreshment of Share Option Scheme Limit (iii) Ordinary Resolutions relating to the bonus issue of Shares (iv) payment of final dividend; and (v) Ordinary Resolutions relating to the re-election of Directors.

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## LETTER FROM THE BOARD

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### **RENEWED GRANTING OF GENERAL MANDATE TO REPURCHASE SHARES**

At the AGM, an ordinary resolution will be proposed that the Directors be granted a new general and unconditional mandate to exercise all powers of the Company to repurchase on the Stock Exchange, or on any other stock exchange on which the Shares of the Company may be listed, Shares up to a maximum of 10% of the issued share capital of the Company as at the date of passing of the relevant resolution.

As at the Latest Practicable Date, there were a total of 151,418,943 Shares in issue. Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to repurchase a maximum of 15,141,894 Shares.

### **RENEWED GRANTING OF GENERAL MANDATE TO ISSUE SHARES**

An ordinary resolution will also be proposed that the Directors be granted a new general and unconditional mandate to allot, issue, and deal with Shares up to a maximum of 20% of the issued share capital of the Company as at the date of passing of the relevant resolution.

As at the Latest Practicable Date, there was a total of 151,418,943 Shares in issue. Subject to the passing of the resolution granting the Issue Mandate and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to issue a maximum of 30,283,788 Shares.

In addition, an ordinary resolution will be proposed at the AGM adding any Shares repurchased under the Repurchase Mandate to the Issue Mandate. The Repurchase Mandate and the Issue Mandate will continue in force until the conclusion of the next annual general meeting of the Company unless it is renewed at such meeting or until revoked or varied by ordinary resolutions of the Shareholders in a general meeting held prior to the next AGM of the Company.

An explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the proposed general mandate to repurchase Shares is set out in Appendix I to this circular. The explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolutions at the AGM.

### **REFRESHMENT OF THE SHARE OPTION SCHEME LIMIT**

At the annual general meeting of the Company held on 23 May 2005, the Shareholders have adopted the Share Option Scheme so that the total number of Shares which may fall to be issued upon exercise of all share options to be granted under the Share Option Scheme shall not exceed 6,633,378 Shares, being 10% of the issued share capital of the Company as at 23 May 2005.

At the Latest Practicable Date, the total number of Shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised was 1,150,000, representing approximately 0.76% of the existing issued share capital of the Company.

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## LETTER FROM THE BOARD

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If the Share Option Scheme Limit is refreshed, on the basis of 151,418,943 Shares in issue at the Latest Practicable Date and assuming that no Shares are issued or repurchased by the Company prior to the AGM, the Company will be allowed to grant further share options to subscribe for up to 15,141,894 Shares, which do not include the share options that are outstanding, cancelled or lapsed as at the date of the AGM.

The purpose of the Share Option Scheme is to provide incentives or rewards to management and employees for their contribution to the Group and to enable the Group to retain high-calibre employees. The Directors consider that it is in the interests of the Company to refresh the Share Option Scheme Limit so as to provide incentives or rewards to encourage the eligible participants to contribute to the success of the Group. Therefore, the Directors propose the passing of an ordinary resolution at the AGM to refresh the Share Option Scheme Limit.

Subject to the approval of the Shareholders at the AGM and such other requirements prescribed under the Listing Rules, the Share Option Scheme Limit will be refreshed so that the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme. Under the Share Option Scheme Limit as refreshed, shall not exceed 10% of the Shares in issue as at the date of approval of such refreshment by the Shareholders at the AGM and, options previously granted under the Share Option Scheme (including without limitation those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme will not be counted for the purpose of calculating the Share Option Scheme Limit as refreshed.

Pursuant to the Listing Rules, the Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme at any time must not exceed 30% of the Shares in issue from time to time. No options shall be granted under the Share Option Scheme if this will result in the 30% limit being exceeded.

The refreshment of the Share Option Scheme Limit is conditional upon:

- (a) the Shareholders passing an ordinary resolution to approve the refreshment of the Share Option Scheme Limit at the AGM; and
- (b) the listing Committee of the Stock Exchange granting the approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of any options granted under the refreshed limit which shall not exceed 10% of the issued share capital of the Company as at the date of approval of the refreshment.

Application will be made to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Shares (representing a maximum of 10% of the Shares in issue as at the date of the AGM) which may fall to be issued upon the exercise of any options that may be granted under the Share Option Scheme.



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## LETTER FROM THE BOARD

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### THE PROPOSED BONUS ISSUE OF SHARES

#### (1) Introduction

The directors propose that the Bonus Issue will be made on the basis of one Bonus Share, credited as fully paid at par, for one existing issued Ordinary Share of HK\$0.01 held by the Shareholders whose names appear on the register of members of the Company on the Record Date. The Bonus Shares will rank pari passu in all respects with the existing issued Shares except to the extent that the holders of the Bonus Shares will not be entitled to participate in the proposed Bonus Issue.

On the assumptions that all outstanding share options, are exercised in full on or before the Record Date and that no further Shares will be allotted and issued or repurchased prior to the Record Date and based on 151,418,943 Shares in issue and taking into account 1,150,000 additional Shares that may fall to be allotted and issued pursuant to the exercise in full of all outstanding Share Options as at the Latest Practicable Date, there would be 152,568,943 Shares in issue on the Record Date. Accordingly, the total number of Bonus Shares to be issued may amount to 152,568,943.

It is proposed that the Directors be authorised to capitalize an amount of not less than HK\$1,525,690 standing to the credit of the share premium account of the Company and to apply such amounts in paying up in full the Bonus Shares.

#### (2) Conditions of the Bonus Issue

The Bonus Issue will be conditional upon:

- (a) the passing of an ordinary resolution to approve the Bonus Issue by the Shareholders at the AGM; and
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Bonus Shares.

#### (3) Reasons for the Bonus Issue

The Directors believe that the Bonus Issue will enhance the liquidity of the Shares in the market and the Bonus Issue will also provide the Shareholders with an opportunity to obtain further equity participation in the Company, thereby enlarging the Shareholders' base.

#### (4) Listing and dealings

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Bonus Shares. The issued Shares are listed and dealt in on the Stock Exchange. No part of the equity or debt securities of the Company is listed or dealt in on any other stock exchange, nor is listing or permission to deal in such securities on any other stock exchange being or proposed to be sought.

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## LETTER FROM THE BOARD

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Subject to the granting of the listing of, and permission to deal in, the Bonus Shares on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Bonus Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Bonus Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading date is required to take place in CCASS on the second trading date thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Dealings in the Bonus Shares on the Stock Exchange are expected to commence on 12th June, 2008 and will be subject to stamp duty in Hong Kong.

### **(5) Fractions of Bonus Shares**

The Company will not allot any fractions of the Bonus Shares. Bonus Shares representing fractional entitlement will not be issued by the Company.

### **(6) Share certificates**

Certificates for the Bonus Shares are expected to be despatched to the qualifying Shareholders by ordinary post on or about 10th June, 2008 to their respective addresses shown in the register of members on the Record Date or in the case of joint holders to the address of the joint holders whose name stands first in the register of members on the Record Date at their own risk.

### **(7) Overseas Shareholders**

Shareholders whose addresses as shown on the register of members on the Share Record Date are outside Hong Kong ("Overseas Shareholders") will be entitled to the proposed Bonus Share Issue.

## **FINAL DIVIDEND**

The Board has recommended a final dividend of 2 HK cents per Share subject to Shareholders' approval at the forthcoming AGM.

## **CLOSURE OF THE REGISTER OF MEMBERS**

The register of members will be closed from 27th May, 2008 to 30th May, 2008, both days inclusive, during which period no transfer of shares will be registered.

In order to qualify for the proposed final dividend, transfer forms accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 26th May, 2008.

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## LETTER FROM THE BOARD

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### NOTICE OF ANNUAL GENERAL MEETING

Notice of the AGM is set out in this circular. A proxy form for appointing proxy is despatched with this circular and published on the website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)). Whether or not you intend to attend the AGM, you are requested to complete the proxy form and return it to the Company's Share Registrar, Computershare Hong Kong Investor Services Limited at Room 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for the holding of the AGM or the adjourned meeting. Completion and return of a proxy form will not preclude you from attending and voting at the meeting and at any adjournment thereof if you so wish.

### RE-ELECTION OF DIRECTORS

As at the Latest Practicable Date, the board of directors of the Company comprises of executive directors namely Deacon Te Ken Chiu J.P. (Chairman), Mr. Duncan Chiu, Mr. Dennis Chiu; non-executive directors namely Tan Sri Dato' David Chiu, Mr. Daniel Tat Jung Chiu, Mr. Derek Chiu, Mr. Desmond Chiu, Ms. Margaret Chiu and Ms. Min Tang; and independent non-executive directors namely, Dr. Lee G. Lam, Mr. Hing Wah Yim and Mr. Eugene Yun Hang Wang.

In accordance with the Article 84 of the Company's Articles of Association, Mr. Eugene Yun Hang Wang was appointed as independent non-executive director of the Company on 1st December 2007, will hold office until the forthcoming AGM of the Company and, being eligible, have offered themselves for re-election.

In accordance with Articles 79 and 80 of the Company's Articles of Association, Mr. Duncan Chiu, Mr. Derek Chiu, Mr. Hing Wah Yim and Dr. Lee G. Lam will retire by rotation at the forthcoming AGM of the Company and, being eligible, have offered themselves for re-election.

Details of the above Directors that are required to be disclosed under the Listing Rules are set out in Appendix II of this circular.

### PROCEDURES FOR DEMANDING A POLL BY SHAREHOLDERS

Pursuant to Article 57, every question submitted to a General Meeting shall be determined in the first instance by a show of hands of the members present in person, but a poll may be demanded (before or upon the declaration of the result of the show of hands) by the Chairman or by:

- (i) not less than three members present in person or by proxy having the right to vote at the meeting; or
- (ii) a member or members present in person or by proxy representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (iii) a member or members present in person or by proxy holding shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

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## LETTER FROM THE BOARD

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Unless a poll is duly demanded in accordance with the foregoing provisions a declaration by the Chairman that a resolution has been carried or lost or has or has not been carried by any particular majority, and an entry to that effect in the minutes of the proceedings of the Company, shall be conclusive evidence of the fact without proof of the number, proportion or validity of the votes recorded in favour of or against such resolution.

### RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors jointly and severally accept responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable inquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement therein misleading.

### RECOMMENDATION

The Directors consider that the proposed granting of the renewal of general mandates to the Directors to issue Shares and to repurchase Shares, the refreshment of Share Option Scheme Limit, the issue of bonus Shares, payment of final dividend and the re-election of the Directors are in the best interests of the Company and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of each of the Ordinary Resolutions as set out in the notice of the AGM.

Yours faithfully,

For and on behalf of the Board

**Duncan Chiu**

*Managing Director and Chief Executive Officer*

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## **APPENDIX I      EXPLANATORY STATEMENT ON THE BUYBACK MANDATE**

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*This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide certain information to you for your consideration of the Repurchase Mandate.*

### **1.      SHARE CAPITAL**

As at the Latest Practicable Date, there was a total of 151,418,943 Shares in issue.

Subject to the passing of the resolutions granting the Issue Mandate and the Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to issue a maximum of 30,283,788 Shares and to repurchase a maximum of 15,141,894 Shares, being 20% and 10% respectively of the issued capital of the Company as at the date of passing of the relevant resolutions.

### **2.      REASONS FOR REPURCHASES**

The Directors believe that it is in the best interests of the Company and the Shareholders to seek a general authority from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and/or earnings per share of the Company and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

### **3.      FUNDING OF REPURCHASES**

Repurchases made pursuant to the Repurchase Mandate would be funded out of funds legally available for the purpose in accordance with the Company's Memorandum and Articles of Association and the Companies Ordinance. Such funds include distributable profits of the Company and/or the proceeds of a new issue of Shares made for the purposes of the repurchase.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited consolidated accounts contained in the annual report for the year ended 31st December, 2007) in the event that the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors will not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse impact on the working capital requirements of the Company or the gearing levels of the Company.

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**APPENDIX I EXPLANATORY STATEMENT ON THE BUYBACK MANDATE**

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**4. SHARE PRICES**

The following table shows the highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the twelve months preceding the Latest Practicable Date were as follows:

| <b>Month</b>  | <b>Share Prices<br/>Per Share</b> |                        |
|---|-----------------------------------|------------------------|
|   | <b>Highest<br/>HK\$</b>           | <b>Lowest<br/>HK\$</b> |
| <b>2007</b>   |                                   |                        |
| April   | 1.57                              | 1.29                   |
| May   | 1.96                              | 1.50                   |
| June  | 2.68                              | 1.88                   |
| July  | 2.40                              | 2.06                   |
| August  | 2.20                              | 1.75                   |
| September   | 2.08                              | 1.61                   |
| October   | 1.94                              | 1.71                   |
| November  | 1.86                              | 1.65                   |
| December  | 2.15                              | 1.70                   |
| <b>2008</b>   |                                   |                        |
| January   | 3.54                              | 2.17                   |
| February  | 3.30                              | 2.36                   |
| March   | 3.14                              | 2.40                   |
| April (up to and including the Latest Practicable Date) | 2.94                              | 2.36                   |

**5. UNDERTAKING AND DISCLOSURE OF INTERESTS**

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates, has any present intention to sell any Shares to the Company, if the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will only exercise the Repurchase Mandate in accordance with the Listing Rules and the Companies Ordinance, and in accordance with the regulations set out in the Memorandum and Articles of Association of the Company.

The Company has not been notified by any Connected Person that such a person has a present intention to sell, or has undertaken not to sell, any Shares to the Company, if the Repurchase Mandate is approved by the Shareholders.

**6. HONG KONG CODE ON TAKEOVERS AND MERGERS**

If, as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, Mr. Duncan Chiu holds 28,789,546 Shares representing approximately 19.01% of the issued share capital of the Company, is a substantial shareholder of the Company. In the event that the Repurchase Mandate is exercised, the interest of Mr. Duncan Chiu in the Company would be increased to approximately 21.13% of the issued share capital of the Company and such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. However, the Directors have no present intention to exercise the Repurchase Mandate to such an extent that would result in the public float of the Shares be less than 25%.

**7. SHARE REPURCHASE MADE BY THE COMPANY**

The Company had not purchased any of its Shares (whether on the Stock Exchange or otherwise) in the six months immediately preceding the Latest Practicable Date.

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## APPENDIX II      DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

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*The following are the particulars of the Directors proposed to be re-elected at the AGM:*

### **EXECUTIVE DIRECTOR**

**Mr. Duncan Chiu, B.Sc.** (*Managing Director and Chief Executive Officer*)

Mr. Chiu, aged 33, is the Managing Director and Chief Executive Officer of the Group. Mr. Chiu graduated with a bachelor's degree in business administration from Pepperdine University of California, USA in 1996. He serves as a Non-executive Director of Far East Hotels & Entertainment Limited (Stock Code: 37), Chinasoft International Limited (Stock Code: 8216) and Golife Concepts Holdings Limited (Stock Code: 8172). He currently serves as Vice Chairman and Treasurer of The Chamber of Hong Kong Listed Companies, Vice President of Innovation & Technology Association, Committee Member of All-China Youth Federation, Vice Chairman of Henan Provincial Youth Federation and Member of The Chinese People's Political Consultative Conference, Shanghai Committee. He is the son of Deacon Te Ken Chiu, J.P. and the brother of Messrs. David Chiu, Dennis Chiu, Daniel Tat Jung Chiu, Derek Chiu, Desmond Chiu and Ms. Margaret Chiu.

Mr. Duncan Chiu was paid HK\$1,462,011 as director's emoluments for the year ended 31 December 2007 and his emoluments for the year ending 31st December 2008 will be determined by the Board according to prevailing market conditions. There is no service contract between Mr. Dennis Chiu and the Company and he is subject to retirement by rotation and re-election at the AGM in accordance with the Company's articles of association. Mr. Duncan Chiu's interest in 28,788,878 shares of the Company defined under Part XV of the Securities and Futures Ordinance as of the date of this circular.

As far as the Board is aware and save as disclosed above, Mr. Duncan Chiu did not hold any directorship in other public listed companies in the last three years or any executive positions with the Company or other members of the Group, nor does he have other relationship with the Directors, senior management or substantial or controlling shareholders of the Company. Save as disclosed above, there are no other information relating to Mr. Duncan Chiu that need to be disclosed pursuant to Rule 13.51(2) of the Listing Rules or to be brought to the attention of the Shareholders.

### **NON-EXECUTIVE DIRECTOR**

**Mr. Derek Chiu, B.A.**

Mr. Chiu, aged 42, was appointed as a Director of the Company in 1989. He is also the Managing Director and Chief Executive of Far East Hotels and Entertainment Limited (Stock Code: 37). Mr. Chiu has extensive experience in the operation of amusement parks and entertainment business. He is the son of Deacon Te Ken Chiu, J.P. and the brother of Messrs. David Chiu, Dennis Chiu, Daniel Tat Jung Chiu, Desmond Chiu, Duncan Chiu and Ms. Margaret Chiu.



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## **APPENDIX II      DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED**

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Mr. Derek Chiu was paid HK\$15,000 as director's emoluments for the year ended 31st December 2007 and his emoluments for the year ending 31st December 2008 will be determined by the Board according to prevailing market conditions. There is no service contract between Mr. Derek Chiu and the Company and he is subject to retirement by rotation and re-election at the Company's Annual General Meeting in accordance with the Company's articles of association. Mr. Derek Chiu's interest in 44,220 shares of the Company as defined under Part XV of the Securities and Futures Ordinance as of the date of this circular.

As far as the Board is aware and save as disclosed above, Mr. Derek Chiu did not hold any directorship in other public listed companies in the last three years or any executive positions with the Company or other members of the Group, nor does he have other relationship with the Directors, senior management or substantial or controlling shareholders of the Company. Save as disclosed above, there are no other information relating to Mr. Derek Chiu that need to be disclosed pursuant to Rule 13.51(2) of the Listing Rules or to be brought to the attention of the Shareholders.

### **INDEPENDENT NON-EXECUTIVE DIRECTORS**

#### **Dr. Lee G. Lam**

Dr. Lam, aged 48, has been an Independent Non-executive Director of the Company since 30th September, 2004. He holds a Bachelor of Science in Mathematics and Sciences, a Master of Science in Systems Science, and a Master of Business Administration, all from the University of Ottawa in Canada, a Post-graduate Diploma in Public Administration from Carleton University in Canada, a Post-graduate Diploma in English and Hong Kong Law and a Bachelor of Law (Hons) from Manchester Metropolitan University in the UK, and a Doctor of Philosophy from the University of Hong Kong. Dr. Lam has over 25 years of multinational operation and general management, strategy consulting, corporate governance, investment banking, and direct investment experience in the telecommunications, media and technology (TMT), retail, property and financial services sectors. He is Chairman of Monte Jade Science and Technology Association of Hong Kong, and serves as a non-executive director of several publicly-listed companies in the Asia Pacific region. He is a Member of the Hong Kong Institute of Bankers, a Member of the Young Presidents' Organization, a Fellow of the Hong Kong Institute of Directors and the China Institute of Directors, a Member of the General Council of the Chamber of Hong Kong Listed Companies, and a Part-time Member of the Central Policy Unit of the Government of the Hong Kong Special Administrative Region.

As far as the Directors are aware and save as disclosed above, Dr. Lee G. Lam did not hold any directorship in other public listed companies in the last 3 years or any executive positions with the Company or other members of the Group. He does not have any relationship with any other Directors, senior management or substantial or controlling shareholders nor does he have any interest in shares of the Company within the meaning of part XV of the Securities and Futures Ordinance. There is no service

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## APPENDIX II      DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

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contract between the Company and Dr. Lam. He is not appointed for a specific term but is subject to retirement by rotation and re-election at the Company's annual general meeting in accordance with the Company's Article of Association. Dr. Lee G. Lam was paid HK\$120,000 as director's remuneration for the year ended 31st December, 2007 and his annual remuneration package for 31st December, 2008 will be determined by the Board.

Save as disclosed above, there are no other matters concerning Dr. Lam that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

**Mr. Hing Wah, Yim, CPA (Practising), FCCA, CPA**

Mr. Yim aged 44, was appointed as an Independent Non-executive Director of the Company on 1st April, 2006. He is an associate member of Hong Kong Institute of Certified Public Accountants, fellow member of the Chartered Association of Certified Accountants and a member of the Hong Kong Securities Institute. He graduated from Hong Kong Polytechnic University with an honorary bachelor's degree in Accountancy. Mr. Yim has over 16 years of experience in audit work, accounting, taxation and financial management. He had worked with Deloitte Touche Tohmatsu for over 8 years. Currently, he is an audit partner of Chan Yim Cheng & Co. He is an Independent Non-executive Director of other listed companies in The Stock Exchange of Hong Kong Limited namely Jiangsu NandaSoft Company Limited, Powerleader Science & Technology Co. Ltd., China Haisheng Juice Holdings Co. Ltd., Ever Fortune International Holdings Limited and Launch Tech Co, Ltd.

As far as the Directors are aware and save as disclosed above, Mr. Yim did not hold any directorship in other public listed companies in the last 3 years or any executive positions with the Company or other members of the Group. He does not have any relationship with any other Directors, senior management or substantial or controlling shareholders nor does he have any interest in shares of the Company within the meaning of part XV of the Securities and Futures Ordinance. There is no service contract between the Company and Mr. Yim. He is not appointed for a specific term but is subject to retirement by rotation and re-election at the Company's annual general meeting in accordance with the Company's Article of Association. Mr. Yim was paid HK\$80,000 as director's remuneration for the year ended 31st December, 2007 and his annual remuneration package for 31st December, 2008 will be determined by the Board.

Save as disclosed above, there are no other matters concerning Mr Yim that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

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## APPENDIX II      DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

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### **Mr. Eugene Yun Hang Wang, M.A.**

Mr. Wang, aged 34, has been appointed as an Independent Non-executive Director of the Company on 1st December 2007. He holds a Bachelor of Science in Business Administration from the University of Southern California in the United States and a Master of Business Administration from The Hong Kong University of Science and Technology in Hong Kong. He has over 10 years of experience in audit work, accounting and financial management and is currently the executive director of Sterling Products Limited, a garment and textile manufacturing company.

As far as the Directors are aware and save as disclosed above, Mr. Wang did not hold any directorship in other public listed companies in the last 3 years or any executive positions with the Company or other members of the Group. He does not have any relationship with any other Directors, senior management or substantial or controlling shareholders nor does he have any interest in shares of the Company within the meaning of part XV of the Securities and Futures Ordinance. There is no service contract between the Company and Mr. Wang. He is not appointed for a specific term but is subject to retirement by rotation and re-election at the Company's annual general meeting in accordance with the Company's Article of Association. Mr. Wang was paid HK\$10,000 as director's remuneration for the year ended 31st December, 2007 and his annual remuneration package for 31st December, 2008 will be determined by the Board.

Save as disclosed above, there are no other matters concerning Mr. Wang that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

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## NOTICE OF ANNUAL GENERAL MEETING

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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)

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting (the “AGM”) of Far East Holdings International Limited (the “Company”) will be held at Function Room, Mezzanine Floor, Cosmopolitan Hotel, 387-397 Queen’s Road East, Wan Chai, Hong Kong on 30 May, 2008 at 3:00 p.m. for the following purposes:

**As ordinary business:**

1. To adopt the audited consolidated financial statements and the reports of the Directors and of the auditors for the year ended 31st December, 2007;
2. To declare a final dividend of 2 HK cents per share in respect of the year ended 31st December 2007;
3. To re-elect Directors of the Company;
4. To authorize the Board of Directors to fix the remuneration of the Directors;
5. To re-appoint auditors and to authorize the Board of Directors to fix their remuneration;

**As special business:**

To consider and, if thought fit, pass the following resolutions, with or without amendments, as Ordinary Resolutions:

6. **“THAT**
  - (a) subject to paragraph (c) of this resolution and pursuant to section 57B of the Companies Ordinance, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which might require the exercise of such powers be and is hereby generally and unconditionally approved;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of the share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) any Share Option Scheme (as hereinafter defined) of the Company; (iii) the exercise of rights of conversion under the terms of any securities which are convertible into shares of the Company or warrants to subscribe for shares of the Company; or (iv) any scrip dividend or other similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company pursuant to the articles of association of the Company, shall not exceed 20% of the existing issued share capital of the Company as at the date of passing of this resolution and the approval in paragraph (a) of this resolution shall be limited accordingly; and
- (d) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws to be held;
  - (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company on the register of members on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange applicable to the Company); and

“Share Option Scheme” means a share option scheme or similar arrangement for the time being, as varied from time to time, adopted for the grant or issue of shares or rights to acquire shares of the Company.”

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## NOTICE OF ANNUAL GENERAL MEETING

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7. **“THAT**

- (a) subject to paragraph (b) of this resolution, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase its own shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and recognised by The Securities and Futures Commission of Hong Kong (“the Securities and Futures Commission”) and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the rules and regulations of the Securities and Futures Commission, the Stock Exchange or of other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the share capital of the Company to be repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution; and
- (c) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws to be held;
  - (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

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## NOTICE OF ANNUAL GENERAL MEETING

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8. “**THAT** conditional upon the passing of Ordinary Resolutions 5 and 6 as set out in the notice convening this Meeting, the general mandate granted to the Directors to allot, issue and deal with additional shares in the capital of the Company pursuant to Ordinary Resolution 6 set out in the notice convening this Meeting be and is hereby extended by the addition thereto the aggregate nominal amount of share capital of the Company repurchased by the Company under the authority granted pursuant to Ordinary Resolution 7 set out in the notice convening this AGM provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution.”
  
9. “**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the shares of HK\$0.01 each in the capital of the Company to be issued pursuant to the exercise of options which may be granted under the share option scheme adopted by the Company on 23 May 2005 (“Share Option Scheme”), the refreshment of the general limit in respect of the grant of options to subscribe for shares of the Company under the Share Option Scheme be and is hereby approved provided that (i) the total number of shares in respect of which options may be granted under the Share Option Scheme shall not exceed 10% of the total number of shares in issue as at the date of passing this resolution, and (ii) options previously granted under the Share Option Scheme (including those outstanding, cancelled, lapsed in accordance with the terms of the Share Option Scheme or exercised options) will not be counted for the purpose of calculating the 10% refreshed limit and that the Directors of the Company be and are hereby authorized to offer or grant options pursuant to the Share Option Scheme subject to the 10% refreshed limit and to exercise all powers of the Company to allot and issue shares upon the exercise of such options.”
  
10. “**THAT** conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “Listing Committee”) granting listing of and permission to deal in the new shares of HK\$0.01 each in the capital of the Company to be issued pursuant to this Resolution (“Bonus Shares”), and upon the recommendation of the Directors of the Company, an amount standing to the credit of the share premium account of the Company equal to one of the aggregate nominal amount of the share capital of the Company in issue on 30th May 2008 be capitalised and the Directors of the Company be and are hereby authorised to apply such sum in paying up in full at par such number of Bonus Shares in the capital of the Company which is equal to the number of shares in issue on 30th May 2008 to be allotted and credited as fully paid to and among the shareholders of the Company whose names are on the register of members on 30th May 2008 on the basis of one Bonus Share for every one Shares held by such shareholders on such date and that the Bonus Shares to be allotted and issued pursuant to this Resolution shall rank *pari passu* in all respects with the existing issued shares except that they will not be entitled to participate in any dividend declared or recommended by the Company in respect of the financial year ended 31st December 2007 and that the Directors of the Company be and are hereby authorised to deal with any fractions arising from the distribution by the sale of the Bonus Shares representing

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## NOTICE OF ANNUAL GENERAL MEETING

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such fractions and to retain the net proceeds for the benefit of the Company and further that the Directors of the Company be and are hereby authorised to do all acts and things as may be necessary and expedient in connection with the issue of the Bonus Shares.”

By order of the Board  
**Far East Holdings International Limited**  
**Duncan Chiu**  
*Managing Director and Chief Executive Officer*

Hong Kong, 30 April, 2008

*Notes:*

- (a) A member entitled to attend and vote at the AGM is entitled to appoint one or, under particular case, more proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
- (b) Where there are joint registered holders of any share, any one of such persons may vote at the AGM, either personally or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders is present at the AGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company shall, in respect of such share, be entitled alone to vote in respect thereof.
- (c) In order to be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed must be lodged at the Company's Share Registrar, Computershare Hong Kong Investor Services Limited at Room 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for the holding of the AGM (or the adjourned meeting as the case may be).
- (d) Completion and return of the form of proxy will not preclude a member from attending and voting in person at the AGM, if he so wishes. If such member attends the AGM, his form of proxy will be deemed to have been revoked.
- (e) Concerning Ordinary Resolution No. 2 above, Mr. Duncan Chiu, Mr. Derek Chiu, Mr. Hing Wah Yim, Dr. Lee G. Lam and Mr. Eugene Yun Hang Wang will retire by rotation and, being eligible, have offered themselves for re-election at the AGM. Details of the above Directors are set out in Appendix II to the circular dated 30th April, 2008.

As at the date of this circular, the Board of Directors of the Company comprises of executive directors namely Deacon Te Ken Chiu, J.P., Mr. Duncan Chiu and Mr. Dennis Chiu; non-executive directors namely Tan Sri Dato' David Chiu, Mr. Daniel Tat Jung Chiu, Mr. Derek Chiu, Mr. Desmond Chiu, Ms. Margaret Chiu and Ms. Min Tang and independent non-executive directors namely Dr. Lee G. Lam, Mr. Hing Wah Yim, and Mr. Eugene Yun Hang Wang.