

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

If you are in doubt as to any aspect of this Prospectus or as to the action you should take, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisor.

If you have sold or transferred all your Shares in Far East Holdings International Limited, you should at once hand the Prospectus Documents to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

Subject to the granting of the listing of, and permission to deal in, the Offer Shares on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Offer 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 Offer 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 day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. You should seek advice from your licensed securities dealer or other professional adviser for details of those settlement arrangements and how such arrangements will affect your rights and interests.

A copy of the Prospectus Documents, together with the other documents specified in the paragraph headed "Documents delivered to the Registrar of Companies" in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong pursuant to Section 38D of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong and the SFC take no responsibility as to the contents of any of these documents.

Hong Kong Exchanges and Clearing Limited, the Stock Exchange and HKSCC take no responsibility for the contents of the Prospectus Documents, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Prospectus Documents.



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)

**PROPOSED OPEN OFFER ON THE BASIS OF ONE OFFER SHARE  
FOR EVERY TWO SHARES HELD ON THE RECORD DATE**

**Financial Adviser to the Company**



**ASIAN CAPITAL**  
(CORPORATE FINANCE) LIMITED

卓亞(企業融資)有限公司

**Underwriter to the Open Offer**



**新鴻基金融集團**

**SUN HUNG KAI FINANCIAL**

**Sun Hung Kai International Limited**

Terms used in this cover page shall have the same meanings as those defined in this Prospectus.

The latest time for acceptance of and payment for the Offer Shares is 4:00 p.m. on Wednesday, 23 January 2013. The procedures for application and payment for the Offer Shares are set out on page 16 to 17 in this Prospectus.

The Open Offer is conditional, inter alia, upon the fulfillment of the conditions set out under the section headed "Conditions Precedent of the Open Offer" in this Prospectus and the Underwriting Agreement contains provisions which entitle the Underwriter by notice in writing, to terminate the Underwriting Agreement prior to the Latest Time for Termination of the Underwriting Agreement on the occurrence of certain events as set out under the section headed "Termination of the Underwriting Agreement" in this Prospectus. If the Underwriter terminates the Underwriting Agreement or if the conditions to the Underwriting Agreement have not been fulfilled in accordance therewith, the Open Offer will not proceed. Shareholders and potential investors are advised to exercise due caution when dealing in the Shares.

9 January 2013

<b>CONTENTS</b>
-----------------

	<i>Page</i>
<b>Definitions</b> .....	1
<b>Expected timetable</b> .....	6
<b>Termination of the Underwriting Agreement</b> .....	7
<b>Letter from the Board</b> .....	9
<b>Appendix I — Financial information of the Group</b> .....	I-1
<b>Appendix II — Unaudited pro forma financial information of the Group</b> .....	II-1
<b>Appendix III — General information</b> .....	III-1
<b>Appendix IV — Notice to Overseas Shareholders</b> .....	IV-1

## DEFINITIONS

*In this Prospectus, unless the context otherwise requires, the following terms shall have the respective meanings set out opposite to them:*

“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“Announcement”	the announcement of the Company dated 14 December 2012 in relation to the Open Offer
“associates”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“business day”	a day (other than a Saturday, Sunday or public holiday or a day on which a typhoon signal no. 8 or above or black rainstorm signal is hoisted in Hong Kong between 9:00 a.m. to 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Chiu Family”	members of the Chiu Family, namely Deacon Te Ken Chiu, J.P., Madam Chiu Ju Ching Lan, the Undertaking Shareholder, Mr. David Chiu, Ms. Margaret Chiu, Mr. Dennis Chiu, Mr. Daniel Tat Jung Chiu, Mr. Derek Chiu and Mr. Desmond Chiu
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong (as amended from time to time)
“Company”	Far East Holdings International Limited, 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)”	the director(s) of the Company
“Excess Application Form(s)”	the application form(s) for use by the Qualifying Shareholders who wish to apply for excess Offer Shares over and above their assured allotments under the Open Offer

## DEFINITIONS

“Excluded Shareholder(s)”	those Overseas Shareholder(s) at the Record Date, to whom the Directors, based on legal opinions provided by the Company’s legal advisers and on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or the stock exchange in that place, consider it necessary or expedient not to offer the Offer Shares
“Executive”	Executive Director of the Corporate Finance Division of the SFC or any of his delegate(s)
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Irrevocable Undertaking”	irrevocable undertaking given by the Undertaking Shareholder in favour of the Company pursuant to the Letter of Undertaking
“Last Acceptance Date”	Wednesday, 23 January 2013, being the latest date for acceptance of, and payment for, the Offer Shares
“Last Trading Day”	14 December 2012, being the last trading day for the Shares of the Company immediately prior to the date of the Announcement
“Latest Practicable Date”	4 January 2013, being the latest practicable date prior to the printing of the Prospectus for ascertaining certain information herein
“Latest Time for Acceptance”	4:00 p.m. on Wednesday, 23 January 2013 or such other time or date as may be agreed between the Underwriter and the Company, being the latest time for acceptance of, and payment for, the Offer Shares as described in the Prospectus. If there is a black rainstorm warning signal or a tropical cyclone warnings signal no. 8 or above in force in Hong Kong on such day at any time between 12:00 noon and 4:00 p.m., the latest time for acceptance will be postponed to the next business day which does not have either of those warnings in force in Hong Kong at any time between 12:00 noon and 4:00 p.m.

## DEFINITIONS

“Latest Time for Termination”	4:00 p.m. on the third business day following (but excluding) the Latest Time for Acceptance or such other time or date as may be agreed between the Underwriter and the Company, being the latest time to terminate the Underwriting Agreement
“Letter of Undertaking”	the letter of undertaking dated 14 December 2012 given by the Undertaking Shareholder to the Company, undertaking among other things, to accept the Offer Shares
“Listing Committee”	the listing sub-committee of the board of the Stock Exchange
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Offer Share(s)”	151,418,943 new Shares to be allotted and issued pursuant to the Open Offer
“Open Offer”	the proposed issue of Offer Shares on the basis of one (1) Offer Share for every two (2) Shares to Qualifying Shareholders on the Record Date at the Subscription Price payable in full on acceptance, pursuant to the terms and conditions set out in the Underwriting Agreement and the Prospectus Documents
“Overseas Letter”	a letter from the Company to the Excluded Shareholders explaining the circumstances in which the Excluded Shareholders are not permitted to participate in the Open Offer
“Overseas Shareholder(s)”	the Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date and whose registered address(es) as shown on such register is (are) outside Hong Kong
“PRC”	The People’s Republic of China
“Prospectus”	this prospectus despatched by the Company in relation to the Open Offer
“Prospectus Documents”	the Prospectus, the Provisional Allotment Letter(s) and the Excess Application Form(s)
“Prospectus Posting Date”	9 January 2013 or such other date as may be agreed between the Underwriter and the Company for the despatch of the Prospectus Documents

## DEFINITIONS

“Provisional Allotment Letter(s)”	the provisional allotment letter(s) which entitles the Qualifying Shareholders to accept the subscription of the Offer Shares
“Qualifying Shareholder(s)”	the Shareholder(s), other than the Excluded Shareholder(s), whose name(s) appear(s) on the register of members of the Company as at the Record Date
“Record Date”	7 January 2013, the date for the determination of the entitlements under the Open Offer
“Registrar”	Computershare Hong Kong Investor Services Limited, Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Ruling”	the grant of a ruling or waiver by the Executive to the Undertaking Shareholder to the effect that the Undertaking Shareholder and parties acting in concert with him are not required to make a mandatory general offer under Rule 26 of the Takeovers Code as a result of the application for excess Offer Shares under Excess Application Form by the Undertaking Shareholder pursuant to the Irrevocable Undertaking
“SFC”	the Securities and Futures Commission of Hong Kong
“Share Option Scheme”	the share option scheme adopted by the Company on 23 May 2005
“Share Options”	the share options to subscribe for Shares granted under the Share Option Scheme
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Specified Event”	an event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date thereof would have rendered any of the warranties contained in the Underwriting Agreement untrue or incorrect in any material respect
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	subscription price of HK\$0.20 per Offer Share

## DEFINITIONS

“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Undertaking Shareholder”	Mr. Duncan Chiu, a substantial Shareholder who is beneficially interested in approximately 20.21% of the issued share capital of the Company as at the Latest Practicable Date
“Underwriter”	Sun Hung Kai International Limited, a licensed corporation to carry out Type 1 (dealings in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Underwriting Agreement”	the underwriting agreement dated 14 December 2012 entered into between the Company and the Underwriter in relation to the Open Offer
“Underwritten Shares”	the total number of Offer Shares less number of Offer Shares agreed to be taken up or procured to be taken up by the Undertaking Shareholder
“Untaken Shares”	those (if any) of the Offer Shares for which duly completed Provisional Allotment Letters have not been lodged for acceptance or received and duly completed Excess Application Forms have not been lodged for application on or before the Latest Time for Acceptance
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“%”	per cent.

## EXPECTED TIMETABLE

The expected timetable for the Open Offer as set out below is for indicative purposes only and has been prepared on the assumption that all the conditions of the Open Offer will be fulfilled. The expected timetable is subject to change, and any changes will be announced in a separate announcement by the Company as and when appropriate.

Latest time for acceptance of and payment for the Offer Shares . . . . .	4:00 p.m. Wednesday, 23 January 2013
Latest time for the Open Offer to become unconditional (being the next business day following the Last Acceptance Date). . . . .	Thursday, 24 January 2013
Announcement of results of the Open Offer . . . . .	Wednesday, 30 January 2013
Despatch of share certificates for the Offer Shares . . . . .	Thursday, 31 January 2013
Despatch of refund cheques, if any, if the Open Offer is terminated . . . . .	Thursday, 31 January 2013
Dealings in the Offer Shares commence . . . . .	Friday, 1 February 2013

All times stated in this Prospectus refer to Hong Kong times. Dates stated in this Prospectus for events in the timetable are indicative only and may be extended or varied. Any changes to the anticipated timetable for the Open Offer will be announced as appropriate.

### **EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE OFFER SHARES**

If there is:

- a tropical cyclone warning signal no. 8 or above, or
  - a “black” rainstorm warning
- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Last Acceptance Date, the Latest Time for Acceptance will not take place at 4:00 p.m. on the Last Acceptance Date, but will be extended to 5:00 p.m. on the same day instead; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Last Acceptance Date, the Latest Time for Acceptance will not take place on the Last Acceptance Date, but will be rescheduled to 4:00 p.m. on the following business day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m..

If the Latest Time for Acceptance does not take place at 4:00 p.m. on Wednesday, 23 January 2013, the dates mentioned in the expected timetable may be affected. An announcement will be made by the Company in such event.



## TERMINATION OF THE UNDERWRITING AGREEMENT

If, prior to the Latest Time for Termination (provided that for the purposes if the date of the Latest Time for Termination shall be a business day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is or remains in force in Hong Kong between 9:00 a.m. and 4:00 p.m. on that day, the date of the Latest Time for Termination shall be the next business day on which no tropical cyclone warning signal no. 8 or above or no black rainstorm warning signal is or remains in force in Hong Kong between 9:00 a.m. and 4:00 p.m. on that day):

- (1) in the absolute opinion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:
  - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinions of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or
  - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date thereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (2) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the reasonable opinion of the Underwriter are likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (3) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of members of the Group or the destruction of any material assets of the Group; or
- (4) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or

## TERMINATION OF THE UNDERWRITING AGREEMENT

- (5) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or
- (6) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the reasonable opinion of the Underwriter, a material omission in the context of the Open Offer; or
- (7) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive business days, excluding any suspension in connection with the clearance of the Announcement or the Prospectus Documents or other announcements or circulars in connection with the Open Offer,

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (1) any material breach of any of the representations, warranties or undertakings thereof comes to the knowledge of the Underwriter; or
- (2) any Specified Event comes to the knowledge of the Underwriter.

Any such notice shall be served by the Underwriter prior to the Latest Time for Termination.

LETTER FROM THE BOARD



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. Derek Chiu

Mr. Richard Yen

*(Managing Director and Chief Executive Officer)*

Mr. Ip Ngai Sang

*Non-executive Director:*

Mr. Desmond Chiu

*Independent Non-executive Directors:*

Dr. Lam Lee G.

Mr. Eugene Yun Hang Wang

Mr. Lee Kwan Hung

*Registered Office:*

16th Floor

Far East Consortium Building

121 Des Voeux Road Central

Hong Kong

*Principal Office:*

Room 2101–2102, 21st Floor

Far East Consortium Building

121 Des Voeux Road Central

Hong Kong

9 January 2013

*To the Qualifying Shareholders, and, for information only, the Excluded Shareholders*

Dear Sir or Madam,

**PROPOSED OPEN OFFER ON THE BASIS OF ONE OFFER SHARE  
FOR EVERY TWO SHARES HELD ON THE RECORD DATE**

**INTRODUCTION**

Reference is made to the Announcement of the Company dated 14 December 2012, the Company entered into the Underwriting Agreement with the Underwriter, whereby the Board proposed to raise approximately HK\$30.3 million before expenses by way of the Open Offer of 151,418,943 Offer Shares at the Subscription Price of HK\$0.2 per Offer Share on the basis of one (1) Offer Share for every two (2) Shares held by the Qualifying Shareholders on the Record Date and payable in full on acceptance. Subject to the terms and conditions set out in the Underwriting Agreement and the Offer Shares that the Undertaking Shareholder has undertaken to subscribe, the Open Offer is fully underwritten by the Underwriter.

The purpose of this Prospectus is to provide you with further information in relation to the Open Offer, including procedures for application and payment for the Open Offer and certain financial information and other information in respect of the Company.

## LETTER FROM THE BOARD

### OPEN OFFER

#### Issue statistics

Basis of the Open Offer	:	One (1) Offer Share for every two (2) Shares held on the Record Date
Number of Shares in issue on the Record Date	:	302,837,886 Shares
Number of Offer Shares to be issued	:	151,418,943 Offer Shares
Number of Offer Shares to be entitled to and undertaken to be subscribed by the Undertaking Shareholder	:	30,605,466 Offer Shares
Subscription Price	:	HK\$0.2 per Offer Share

The Undertaking Shareholder is a substantial Shareholder, who is beneficially interested in approximately 20.21% of the issued share capital of the Company as at the Latest Practicable Date.

#### Basis of provisional allotment

The basis of the provisional allotment shall be one (1) Offer Share for every two (2) Shares held on the Record Date, being 151,418,943 Offer Shares. Acceptance for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the Provisional Allotment Letter and lodging the same with a remittance for the Offer Shares being accepted for.

#### Subscription Price

The Subscription Price represents:

- (i) a discount of approximately 39.39% to the closing price of HK\$0.330 per Share as quoted on the Stock Exchange on 14 December 2012, being the Last Trading Day;
- (ii) a discount of approximately 30.24% to the theoretical ex-entitlements price of approximately HK\$0.2867 per Share based on the closing price of HK\$0.330 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 40.30% to the average closing price of approximately HK\$0.335 per Share as quoted on the Stock Exchange for both the five consecutive trading days and ten consecutive days up to and including the Last Trading Day; and

## LETTER FROM THE BOARD

- (iv) a discount of approximately 36.51% to the closing price of HK\$0.315 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriter with reference to, among other things, the prevailing market price and trading liquidity of the Shares and the financial positions of the Group. After taking into consideration of the theoretical price per Share prior to the Last Trading Day, in order to increase the attractiveness of the Open Offer to the Qualifying Shareholders, the Directors consider that the discount offered by the Subscription Price would encourage the Shareholders to take up their entitlements so as to maintain their shareholdings in the Company and participate in the potential growth of the Group. The Directors consider the Subscription Price is fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

### **Qualifying Shareholders**

The Open Offer is only available to the Qualifying Shareholders. To qualify for the Open Offer, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and not be an Excluded Shareholder.

The invitation to subscribe for the Offer Shares to be made to the Qualifying Shareholders is not transferable.

### **Rights of the Overseas Shareholders**

The Prospectus Documents will not be registered or filed under the applicable securities or equivalent legislation of any jurisdiction other than Hong Kong. Overseas Shareholders whose names appear on the register of members of the Company at the close of business on the Record Date may not be eligible to take part in the Open Offer. Based on the register of members of the Company as at the Record Date, there are 26 Overseas Shareholders situated in Australia, Canada, the Macau Special Administrative Region of the PRC, the Philippines, the PRC, the United Kingdom and the United States of America respectively.

The Company has complied with all necessary requirements specified in Rule 13.36(2)(a) of the Listing Rules (including notes 1 and 2 thereto) and has made enquiry with its legal advisers regarding the feasibility of extending the Open Offer to the Overseas Shareholders under the laws of the relevant places and the requirements of the relevant regulatory body or the stock exchange.

Based on the advice and replies provided by the relevant foreign legal advisers, the Directors are of the view (i) that it is inexpedient to extend the Open Offer to the Overseas Shareholders in Australia, Canada, the Philippines and the United States of America, due to the time and costs involved in the registration of this Prospectus and/or compliance with the applicable legal or regulatory requirements or special formalities in these jurisdictions if the Open Offer were to be lawfully made to such Overseas Shareholders; and (ii) that it is expedient to extend the Open Offer to the Overseas Shareholders in the Macau Special

## **LETTER FROM THE BOARD**

Administrative Region of the PRC, the PRC and the United Kingdom as there are no legal restrictions prohibiting the making of Open Offer in these jurisdictions and no local legal or regulatory compliance is required to be made in these jurisdictions.

Accordingly, other than the Overseas Shareholders with registered addresses in Australia, Canada, the Philippines and the United States of America, there are no Excluded Shareholders. The Company will send the Overseas Letter together with this Prospectus, for information only, to the Excluded Shareholders.

It is the responsibility of the Shareholders, including the Overseas Shareholders, to observe the local legal and regulatory requirements applicable to them for taking up and onward sale (if applicable) of the Offer Shares.

### **Fractions of entitlement to the Offer Shares**

Fractions of Offer Shares will not be allotted to the Qualifying Shareholders and fractional entitlements will be rounded down to the nearest whole number of the Offer Shares. Any Offer Shares created from the aggregation of fractions of the Offer Shares will be taken up by the Underwriter.

### **Applications for excess Offer Shares**

Qualifying Shareholders shall be entitled to apply for any entitlements of the Offer Shares of the Excluded Shareholders and for any Offer Shares provisionally allotted but not accepted by the Qualifying Shareholders. Application may be made by the Qualifying Shareholders by completing the Excess Application Form and lodging the same with a separate remittance for the excess Offer Shares being applied for. The Directors will allocate the excess Offer Shares at their discretion on a fair and equitable basis in proportion to the number of excess Offer Shares being applied for under each application.

However, no preference will be given to topping-up odd lots to whole board lots. Shareholders who have been offered odd lots of the Offer Shares should note that there is no guarantee that such odd lots of the Offer Shares will be topped-up to create whole board lots pursuant to applications for excess Offer Shares. Any Offer Shares not applied for by the Qualifying Shareholders will be taken up by the Undertaking Shareholder and/or the Underwriter.

Subject to the granting of the Ruling by the Executive to the Undertaking Shareholder, the Undertaking Shareholder has irrevocably undertaken to lodge application for 49,000,000 excess Offer Shares under Excess Application Form with the Registrar or the Company as long as the aggregate shareholding of the Undertaking Shareholder and parties acting in concert with him shall not be increased by more than 2% of the issued share capital of the Company after completion of the Open Offer. The Executive has already granted the Ruling to the Undertaking Shareholder as of the Latest Practicable Date.

## LETTER FROM THE BOARD

### Status of the Offer Shares

The Offer Shares, when allotted and fully-paid, will rank pari passu in all respects with the then Shares in issue on the date of allotment and issue of the Offer Shares. Holders of the Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment of the Offer Shares.

### Share Certificates of the Open Offer

Subject to the fulfillment of the conditions of the Open Offer, share certificates for all Offer Shares are expected to be posted to the Qualifying Shareholders who have accepted and applied for (where appropriate), and paid for the Offer Shares on or before Thursday, 31 January 2013 by ordinary post at their own risk.

### Application for listing

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Offer Shares. The Offer Shares shall have the board lot size of 3,000 Shares. Dealings in the Offer Shares on the Stock Exchange will be subject to the payment of stamp duty (if any) in Hong Kong and any other applicable fees and charges in Hong Kong.

Subject to the granting of the listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer 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 Offer 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 day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

The first day of dealings in the Offer Shares is expected to commence on Friday, 1 February 2013.

## UNDERWRITING AGREEMENT

### Underwriting Arrangement

Date	:	14 December 2012 (after trading hours)
Parties	:	Sun Hung Kai International Limited
Number of Offer Shares underwritten by the Underwriter	:	71,813,477 Underwritten Shares

## LETTER FROM THE BOARD

Pursuant to the Underwriting Agreement, the Underwriter has agreed to underwrite 71,813,477 Underwritten Shares if the Executive grants the Ruling to the Undertaking Shareholder and the following being satisfied:

- (i) all conditions (if any) attached to the Ruling granted are satisfied;
- (ii) the Undertaking Shareholder complies with and performs all of his undertakings and obligations to apply for 49,000,000 excess Offer Shares under the Excess Application Form in accordance with the terms of the Prospectus Documents; and
- (iii) the aggregate shareholding of the Undertaking Shareholder and parties acting in concert with him shall not be increased by more than 2.00% of the issued share capital of the Company after completion of the Open Offer.

As at the Latest Practicable Date, the Underwriter does not own any Shares. The Underwriter and its ultimate beneficial owners are third parties independent of the Company and its connected person.

A commission of 4.5% of the aggregate Subscription Price in respect of the number of Offer Shares committed to be underwritten by the Underwriter under the Open Offer will be payable to the Underwriter and the Company will reimburse the Underwriter for reasonable out-of-pocket expenses incurred by the Underwriter in connection with the Open Offer under the Underwriting Agreement. The Directors consider that the amount and the basis of the underwriting commission are fair and reasonable and the commission rate is comparable to the current market rate.

In the event of the Underwriter is being called upon to subscribe for or procure subscriptions and purchases for the Untaken Shares:

- (1) the Underwriter shall not subscribe, for its own account, for such number of Untaken Shares which will result in the shareholding of it and parties acting in concert with it in the Company to exceed 29.9% of the voting rights of the Company upon completion of the Open Offer; and
- (2) the Underwriter shall use all reasonable endeavours to ensure that (i) each of the subscribers or purchasers of the Untaken Shares procured by it or by the sub-underwriters shall be third party independent of, not acting in concert with and not connected with, the Company, any of the Directors, chief executive of the Company or substantial Shareholders or their respective associates or parties acting in concert with them; and (ii) the public float requirements under Rule 8.08(1)(a) of the Listing Rules be fulfilled by the Company upon completion of the Open Offer.



## LETTER FROM THE BOARD

### Conditions Precedent of the Open Offer

The Open Offer is conditional upon the following being fulfilled (or waived, if applicable):

- (a) the Executive granting the Ruling to the Undertaking Shareholder and satisfaction of all conditions (if any) attached to the Ruling granted;
- (b) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong in accordance with the Companies Ordinance respectively one copy of each of the Prospectus Documents duly signed by the Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies Ordinance not later than the Prospectus Posting Date;
- (c) the posting of the Prospectus Documents to the Qualifying Shareholders on or before the Prospectus Posting Date;
- (d) the Listing Committee granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and permission to deal in, the Offer Shares by no later than the first day of their dealings;
- (e) the obligations of the Underwriter becoming unconditional and that the Underwriting Agreement not being terminated or rescinded by the Underwriter pursuant to the terms thereof on or before the Latest Time for Termination;
- (f) there being no Specified Event occurred prior to the Latest Time for Termination;
- (g) the Undertaking Shareholder having delivered the original executed Letter of Undertaking to the Company on the date of the Underwriting Agreement and compliance with and performance of the undertaking and obligations of the Undertaking Shareholder under the Underwriting Agreement and the Irrevocable Undertaking; and
- (h) compliance with and performance of all the undertakings and obligations of the Company under the Underwriting Agreement.

Condition (a) has already been fulfilled as of the Latest Practicable Date. All other conditions precedent are not waivable by either party to the Underwriting Agreement. If the conditions precedent are not satisfied in whole or in part by the Latest Time for Termination or such other date as the Company and the Underwriter may agree, the Underwriting Agreement shall terminate and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

## **LETTER FROM THE BOARD**

### **Irrevocable Undertaking**

Pursuant to the Letter of Undertaking, the Undertaking Shareholder has irrevocably undertaken to the Company, among others:

- (a) to subscribe for or procure subscriptions of 30,605,466 Offer Shares to which the Undertaking Shareholder is entitled to pursuant to the terms of the Open Offer;
- (b) that he will not dispose of or transfer, or agree to dispose of or transfer, the Shares held by him from the date thereof to the close of business on the Record Date;
- (c) to lodge acceptances under Provisional Allotment Letter in respect of the aforesaid 30,605,466 Offer Shares with the Registrar or the Company, with payment in full therefore in cash, by no later than the Latest Time for Acceptance;
- (d) subject to the granting of the Ruling by the Executive to the Undertaking Shareholder, to lodge application for 49,000,000 excess Offer Shares under Excess Application Form with the Registrar or the Company, in payment in full therefore in cash, by no later than the Latest Time for Acceptance; and
- (e) that aggregate shareholding interests of the Chiu Family and companies controlled by it will not be increased by more than 2.00% of the issued share capital of the Company after completion of the Open Offer from the aggregate shareholding of the Chiu Family and companies controlled by it of 141,234,338 Shares representing approximately 46.64% of the existing issued share capital of the Company.

### **Termination of the Underwriting Agreement**

Details of the terms of the termination of the Underwriting Agreement are set out in the section headed “Termination of the Underwriting Agreement” in this Prospectus.

### **PROCEDURES FOR ACCEPTANCE AND PAYMENT FOR THE OFFER SHARES**

The Provisional Allotment Letter is enclosed with this Prospectus which entitles a Qualifying Shareholder to apply for the number of Offer Shares available to the Qualifying Shareholder on an assured basis subject to payment in full on acceptance by not later than 4:00 p.m. on Wednesday, 23 January 2013. Qualifying Shareholders should note that they may apply for the number of Offer Shares equal to or less than the number set out in the Provisional Allotment Letter. The Qualifying Shareholder except for nominee holders should take up the full entitlement under the Provisional Allotment Letter before applying for excess Offer Shares. If you are a Qualifying Shareholder and you wish to apply for any number of Offer Shares in your assured allotment of Offer Shares to which you are entitled as specified in the Provisional Allotment Letter, you must complete, sign and lodge the Provisional Allotment Letter in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance in respect of such number of Offer Shares you have applied for with the Registrar, Computershare Hong Kong Investor Services Limited, Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong by not later than 4:00 p.m. on Wednesday, 23 January 2013. All remittances must be made by cheque or cashier’s

## **LETTER FROM THE BOARD**

order in Hong Kong dollars. Cheque(s) must be drawn on an account with, or banker's cashier order(s) must be issued by, a licensed bank in Hong Kong and made payable to "FAR EAST HOLDINGS INTERNATIONAL LIMITED — PROVISIONAL ALLOTMENT ACCOUNT" and crossed "ACCOUNT PAYEE ONLY".

It should be noted that unless the duly completed and signed Provisional Allotment Letter, together with the appropriate remittance, have been lodged with the Registrar by not later than 4:00 p.m. on Wednesday, 23 January 2013, that assured entitlement and all rights thereunder will be deemed to have been declined and will be cancelled.

The Provisional Allotment Letter contains full information regarding the procedures to be followed if you wish to apply for a number of Offer Shares different from your assured entitlement.

All cheques or banker's cashier orders will be presented for payment upon receipt and all interests earned on such monies (if any) will be retained for the benefit of the Company. Any application in respect of which the cheque or banker's cashier order is dishonoured on first presentation is liable to be rejected, and in that event the assured entitlement and all rights thereunder will be deemed to have been declined and will be cancelled.

If the conditions of the Open Offer are not fulfilled and/or the Underwriting Agreement is terminated in accordance with its terms by the Latest Time for Termination, the application monies will be refunded, without interests, by sending a cheque made out to the applicant (or in the case of joint applicants, to the first named applicant) and crossed "ACCOUNT PAYEE ONLY", through ordinary post at the risk of the applicant(s) to the address specified in the register of members of the Company as soon as practicable and in any event on or before Thursday, 31 January 2013.

The Provisional Allotment Letter is for use only by the person(s) named therein and is not transferable.

No receipt will be issued in respect of any application monies received.

### **PROCEDURES FOR APPLICATION OF EXCESS OFFER SHARES**

Application for excess Offer Shares may be made by completing and signing the enclosed Excess Application Form in accordance with the instructions printed thereon and lodging it, together with a separate remittance for the full amount payable on application in respect of the excess Offer Shares applied for, with the Registrar by not later than 4:00 p.m. on Wednesday, 23 January 2013. All remittances must be made by cheque or cashier's order in Hong Kong dollars and cheques must be drawn on a bank account with, or cashier orders must be issued by, a licensed bank in Hong Kong and made payable to "FAR EAST HOLDINGS INTERNATIONAL LIMITED — EXCESS APPLICATION ACCOUNT" and crossed "ACCOUNT PAYEE ONLY".

If no excess Offer Shares are allotted to the Qualifying Shareholders, the amount tendered on application is expected to be refunded to such Qualifying Shareholders in full by ordinary post at their own risk to their registered addresses on or before Thursday, 31 January 2013. If

## **LETTER FROM THE BOARD**

the number of excess Offer Shares allotted to the Qualifying Shareholders is less than that applied for, the surplus application money is also expected to be refunded to such Qualifying Shareholders by ordinary post at their own risk to their registered addresses on or before Thursday, 31 January 2013. All cheques or cashier orders will be presented for payment immediately upon receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and return of the Excess Application Form together with a cheque or cashier order in payment for the excess Offer Shares applied for will constitute a warranty by the applicant that the cheque or cashier order will be honoured on first presentation. If any cheque or cashier order is dishonoured on first presentation, the application for excess Offer Shares is liable to be rejected.

The Excess Application Form is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including cheques or cashier orders for amounts due, will be sent at the risk of the persons entitled thereto to their registered addresses by the Registrar. If any of the conditions of the Open offer mentioned in the paragraph headed “Conditions Precedent of the Open Offer” is not fulfilled, the Open Offer will not proceed and the application monies received in respect of application for excess Offer Shares will be refunded to the applicants by means of cheques to be despatched by ordinary post to their registered addresses at their own risk on or before Thursday, 31 January 2013.

In relation to the excess application arrangement under the proposed Open Offer, investors with their Shares held by a nominee (or which are held in CCASS) should note that the Directors will regard the nominee (including HKSCC) as a single shareholder according to the register of members of the Company.

### **REASONS FOR THE OPEN OFFER AND THE USE OF PROCEEDS**

The Company is an investment holding company. The principal activities of the Group are engaged in aviation maintenance services and manufacturing and sales of garment products in the PRC and Japan. The Group has recorded profit of approximately HK\$1.1 million for the financial year ended 31 December 2011. The Group then suffered a loss of approximately HK\$2.4 million for the period ended 30 June 2012.

Recent market condition has posed various challenges to some of the legacy business of the Group. The garment business of the Company continues to be pressured by increasing material and labor costs. Market demand for garment products in Japan is also decreasing due to deflationary economy and low birth rates. At the same time, although the demand for the aviation maintenance services is expected to grow steadily in the PRC, the investment of the Company in aviation maintenance business is still affected by higher costs and competition which lead to lower profit margin. The management of both businesses are actively talking to their business partners and clients to improve the financial performance of the Group in both industries. At the Latest Practicable Date, the Group has no intention to change its existing businesses. Nevertheless, the Group will continue to review the performance of the aviation maintenance business regularly and may consider adjustment of business portfolio, including but not limited to further investment and/or disposal, when opportunity arises.

## LETTER FROM THE BOARD

In order to turnaround the financial performance of the Group following the resumption of trading in the Shares on 17 July 2012, the Group will look for potential merger and acquisition opportunities in the PRC. The Open Offer is intended to strengthen the financial position of the Group. The gross proceeds from the Open Offer are approximately HK\$30.3 million. The net proceeds from the Open Offer after deducting the underwriting commission and the relevant expenses are estimated to be approximately HK\$28.2 million. The fund to be raised from the Open Offer would broaden the capacity of the Group in selecting potential industries and targets that offer solid potential when opportunity arises. It is the view of the Company that the Open Offer will enlarge the capital base of the Company, which may facilitate long-term development of the Group. As at the Latest Practicable Date, the Company has not identified any investment opportunities and/or has commenced negotiation for any such opportunities.

After considering alternative fund raising methods such as rights issues and placing of new Shares, the Directors believe that it would be in the interests of the Company and the Shareholders as a whole to raise long-term equity capital through the Open Offer to strengthen its financial positions. The Directors have considered, among other things, that:

- (i) rights issue, if compared to open offer, will increase administrative costs and expenses of the Company in arranging for trading of the nil-paid rights; and
- (ii) placing of new Shares will preclude existing Shareholders from participating in the capital raising exercise which inevitably will result in dilution to the equity interest of the existing Shareholders.

The Open Offer, on the other hand, will not only strengthen the financial positions of the Company, but also provides an equal opportunity to all the Qualifying Shareholders to participate in this fund raising activity. The Open offer will have the entitlement of the Offer Shares firmly attached to the Shares held, thus it ensures stability of the Company's shareholders base and would allow existing Shareholders, who decide to take up in full their provisional allotment of Offer Shares, to participate in and share the growth of the Company without diluting their shareholdings. In addition, the Open Offer is available to all the Qualifying Shareholders, each of them can enjoy the discount offered by the Subscription Price.

Based on the aforementioned, the Directors take the view that the Open Offer is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

However, those Qualifying Shareholders who do not take up the Offer Shares to which they are entitled should note that their shareholdings in the Company will be diluted.

### **ADJUSTMENTS TO THE EXERCISE PRICE OF THE SHARE OPTIONS**

As at the Latest Practicable Date, there are 1,320,000 outstanding Share Options which in aggregate entitle holders thereof to subscribe for 1,320,000 Shares. Adjustments to the exercise prices and number of the outstanding Share Options may be required under the relevant terms of the Share Option Scheme. The auditors of the Company will be appointed to certify the necessary adjustments, if any, to the exercise prices and numbers of the outstanding Share Options. Further announcement will be made by the Company in this regard.

## LETTER FROM THE BOARD

### CHANGES IN SHAREHOLDING STRUCTURE

The following is the shareholding structure of the Company immediately before and after completion of the Open Offer:

	As at the Latest Practicable Date		Immediately after completion of the Open Offer (assuming all the Shareholders accept the Open Offer)		Immediately after completion of the Open Offer (assuming only the Undertaking Shareholder accepts the Open Offer and obtains 49,000,000 excess Offer Shares)	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
<i><b>The Undertaking Shareholder and parties acting in concert with him</b></i>						
Undertaking Shareholder and companies controlled by him	61,210,932	20.21%	91,816,398	20.21%	140,816,398	31.00%
Chiu Family and companies controlled by it (other than the Undertaking Shareholder and companies controlled by him)	<u>80,023,406</u>	<u>26.43%</u>	<u>120,035,109</u>	<u>26.43%</u>	<u>80,023,406</u>	<u>17.62%</u>
Sub-Total	<u>141,234,338</u>	<u>46.64%</u>	<u>211,851,507</u>	<u>46.64%</u>	<u>220,839,804</u>	<u>48.62%</u>
<i><b>The Underwriter (Note 1)</b></i>	-	-	-	-	71,813,477	15.81%
<i><b>Public Shareholders</b></i>						
Mr. Chan Wai Ki (Note 2)	15,528,480	5.13%	23,292,720	5.13%	15,528,480	3.41%
Other public Shareholders	<u>146,075,068</u>	<u>48.23%</u>	<u>219,112,602</u>	<u>48.23%</u>	<u>146,075,068</u>	<u>32.16%</u>
Total	<u><u>302,837,886</u></u>	<u><u>100.00%</u></u>	<u><u>454,256,829</u></u>	<u><u>100.00%</u></u>	<u><u>454,256,829</u></u>	<u><u>100.00%</u></u>

*Notes:*

1. As informed by the Underwriter, all of the Offer Shares underwritten by the Underwriter has been sub-underwritten by a fellow subsidiary of the Underwriter, namely Sun Hung Kai Investment Services Limited, as of the Latest Practicable Date.
2. Pursuant to provisions of Divisions 2 and 3 of Part XV of the SFO, Mr. Chan Wai Ki is the substantial Shareholder.

As set out above, assuming only the Undertaking Shareholder accepts the Open Offer, the interest of the Undertaking Shareholder and parties acting in concert with him in the Company will not increase by more than 2% from their lowest percentage shareholding in the Company within the last twelve months.

### FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any fund raising activities in the past twelve months before the Latest Practicable Date.

## LETTER FROM THE BOARD

### WARNING OF THE RISK OF DEALINGS IN THE SHARES

Shareholders and potential investors should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Open Offer may or may not proceed.

Shareholders and potential investors should exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Shareholders should note that the Shares have been dealt in on an ex-entitlement basis commencing from Friday, 28 December 2012 and that dealing in Offer Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled. Any Shareholder or other person dealing in the Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Prospectus.

By order of the Board  
**Far East Holdings International Limited**  
**Richard Yen**  
*Managing Director*

**FINANCIAL INFORMATION**

Financial information of the Group for the three years ended 31 December 2009, 31 December 2010, 31 December 2011 and the six months ended 30 June 2012 are disclosed in the annual report of the Company for the year ended 31 December 2009 (pages 24 to 101), the annual report of the Company for the year ended 31 December 2010 (pages 24 to 96) and the annual report of the Company for the year ended 31 December 2011 (pages 24 to 92), as well as the interim report for the period ended 30 June 2012 (pages 12 to 28), respectively, of the Company, which are published on both the Stock Exchange website ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's designated website (<http://www.feholdings.com.hk/>).

**FINANCIAL AND TRADING PROSPECTS**

The Group was principally engaged in aviation maintenance and manufacturing and sales of garment products in the PRC.

For the six months period ended 30 June, 2012, the Group recorded a loss of HK\$2.4 million.

During the period, the garment products business of the Group recorded revenue of approximately HK\$8.09 million, representing 27.4% decrease comparing to the same period in 2011 and loss before tax of HK\$1.98 million. The garment industry continues to be challenging due to increasing costs and low demand. Japan's economic recovery is not clear and birth rate is still at low levels, putting pressure on the children clothing business.

Profit attributable to the aviation maintenance business was approximately RMB1.2 million, representing an increase of 26.3% over that of last period. The aviation industry is expected to grow steadily in the PRC. The Group believed that the demand for the aviation maintenance services will grow gradually. However, higher costs and competition are increasing the pricing pressure and threatening the profit margin.

Although current market conditions poses varies challenges to some of the legacy business, the Group will continue to identifying new potential merger and acquisition opportunities in the PRC market. The Group has the capability to leverage its strength and expertise in a wide range of industries that offer solid potential when opportunity arises.

**INDEBTEDNESS STATEMENT**

At the close of business on 30 November 2012, being the latest practicable date for the purpose of preparing this statement of indebtedness prior to the printing of this Prospectus, the Group had outstanding at that date obligations under finance leases of approximately HK\$287,298 which was secured by the Group's motor vehicle.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, the Group did not have outstanding at the close of business on 30 November 2012 any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other material contingent liabilities.



**WORKING CAPITAL SUFFICIENCY**

The Directors, after due and careful consideration, are of the opinion that, after taking into account the present financial resources available to the Group, the estimated net proceeds to be raised from the Open Offer and in the absence of unforeseen circumstances, the Group will have sufficient working capital for at least twelve months from the date of this Prospectus.

**NO MATERIAL CHANGE**

As disclosed in the interim report of the Company for the period ended 30 June 2012, the Group has suffered a loss of approximately HK\$2.4 million. The Company resumed the trading of the Shares on 17 July 2012.

As disclosed in the announcement of the Company dated 13 July 2012, the Company entered into the sale and purchase agreement with the Far East Consortium Limited, a wholly-owned subsidiary of Far East Consortium International Limited which are listed on the Main Board of the Stock Exchange (stock code: 35), pursuant to which the Company has conditionally agreed to dispose of the entire issued share capital of Cathay Motion Picture Studios Limited (“Cathay Motion”), a wholly-owned subsidiary of the Company, and assign its debt, being HK\$9,351,306 due to the Company by Cathay Motion at an aggregate consideration of HK\$8,500,000, which consists of HK\$1 being the sale shares consideration and HK\$8,499,999 being the debt consideration. The disposal of Cathay Motion was completed on 18 July 2012.

Save for aforesaid, as at the Latest Practicable Date, the Directors confirm that there is no material change in the financial or trading position or outlook of the Group since 31 December 2011, being the date to which the latest published audited consolidated financial statements of the Group were made up.

**I. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP ATTRIBUTABLE TO OWNERS OF THE COMPANY**

The unaudited pro forma statement of adjusted consolidated net tangible assets attributable to owners of the Company has been prepared in accordance with paragraph 29 of Chapter 4 of the Listing Rules set out below to illustrate the effect of the Open Offer on the unaudited consolidated net tangible assets of the Group as if it had taken place on 30 June 2012.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company has been prepared for illustrative purposes only, and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company had the Open Offer been completed as at 30 June 2012 or at any future date.

The following unaudited pro forma statement of the adjusted consolidated net tangible assets of the Group attributable to owners of the Company is prepared based on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2012, extracted from the published interim report of the Group for the six months ended 30 June 2012, with adjustment described below:

	Unaudited consolidated net tangible assets attributable to owners of the Company as at 30.06.2012 <i>HK\$'000</i> <i>(Note 1)</i>	Unaudited estimated net proceeds from the Open Offer <i>HK\$'000</i> <i>(Note 2)</i>	Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company as at 30.06.2012 <i>HK\$'000</i>	Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company per Share immediately after completion of the Open Offer <i>HK\$</i> <i>(Note 3)</i>
Based on 151,418,943 Open Offer at subscription price of HK\$0.2 per Offer Share	<u>393,503</u>	<u>28,164</u>	<u>421,667</u>	<u>0.93</u>

*Notes:*

- 1 The unaudited consolidated net tangible assets attributable to owners of the Company as at 30 June 2012 is extracted from the published interim report of the Company for the six months ended 30 June 2012. The consolidated net tangible assets attributable to owners of the Company per Share as at 30 June 2012 before the completion of the Open Offer is approximately HK\$1.30 which is based on the unaudited consolidated net tangible assets attributable to owners of the Company as at 30 June 2012 of approximately HK\$393,503,000 divided by 302,837,886 Shares which represents Company's Shares in issue as at 30 June 2012.
- 2 The estimated net proceeds from the Open Offer of approximately HK\$28,164,000 is based on 151,418,943 Offer Shares to be issued (based on 302,837,886 Shares in issue as at 30 June 2012 and assuming no Share Options would be exercised) at the Subscription Price of HK\$0.2 per Offer Share of the Company and after deduction of estimated related expenses of approximately HK\$2,120,000.
- 3 The calculation of the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share immediately after completion of the Open Offer is based on 454,256,829 Shares which comprise 302,837,886 Shares in issue as at 30 June 2012 and 151,418,943 Offer Shares to be issued under the Open Offer (based on 302,837,886 Shares in issue as at 30 June 2012 and assuming no Share Options would be exercised) as if the Open Offer had been completed on 30 June 2012.
- 4 The unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company is prepared on the assumption that none of the outstanding Share Options was exercised on or before the Record Date. However, assuming all the vested Share Options outstanding as at the Record Date were exercised in full, an additional 660,000 Offer Shares may be issued, and a maximum number of 152,078,943 Offer Shares may fall to be issued.
- 5 No adjustment has been made to reflect any trading results or other transactions of the Group subsequent to 30 June 2012.

**II. ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA FINANCIAL  
INFORMATION****TO THE DIRECTORS OF FAR EAST HOLDINGS INTERNATIONAL LIMITED**

We report on the unaudited pro forma financial information of Far East Holdings International Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”), which has been prepared by the directors of the Company for illustrative purposes only, to provide information about how the proposed open offer on the basis of one offer share for every two shares held on the record date as defined in an announcement dated 14 December 2012 might have affected the financial information presented, for inclusion in Appendix II of the prospectus dated 9 January 2013 (the “Prospectus”). The basis of preparation of the unaudited pro forma financial information is set out in Appendix II to the Prospectus.

**Respective responsibilities of directors of the Company and reporting accountants**

It is the responsibility solely of the directors of the Company to prepare the unaudited pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants.

It is our responsibility to form an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

**Basis of opinion**

We conducted our engagement in accordance with Hong Kong Standard on Investment Circulars Reporting Engagements 300 “Accountants’ Reports on Pro Forma Financial Information in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the unaudited pro forma financial information with the directors of the Company. This engagement did not involve independent examination of any of the underlying financial information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purpose of the unaudited pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

The unaudited pro forma financial information is for illustrative purpose only, based on the judgements and assumptions of the directors of the Company, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in future and may not be indicative of the financial position of the Group as at 30 June 2012 or any future date.

### **Opinion**

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

**Deloitte Touche Tohmatsu**  
*Certified Public Accountants*  
Hong Kong  
9 January 2013

**RESPONSIBILITY STATEMENT**

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in the compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would made any statement herein misleading.

**SHARE CAPITAL**

The authorised and issued share capital of the Company as at the Latest Practicable Date and following completion of the Open Offer was as follows:

<i>Authorised:</i>	<i>HK\$</i>
<u>70,000,000,000</u> Shares (of HK\$0.01 each)	<u>700,000,000</u>
 <i>Issued and fully paid or credited as fully paid:</i>	
302,837,886 Shares in issue as at the Latest Practicable Date	3,028,378.86
<u>151,418,943</u> Offer Shares to be issued upon completion of the Open Offer	<u>1,514,189.43</u>
 <u>454,256,829</u>	 <u>4,542,568.29</u>

The certificates of the Offer Shares, if issued, will be definitive document of title. All of the Shares in issue and the Offer Shares to be issued rank pari passu in all respects with each other, including in particular as to dividends, voting rights and capital.

As at the Latest Practicable Date, the Company had 1,320,000 outstanding Share Options entitling holders thereof to subscribe for 1,320,000 Shares. Save as disclosed above, the Company does not have any other outstanding derivatives, options, warrants and conversion rights or similar rights or securities in issue which are convertible or exchangeable into Shares or Offer Shares.

The Shares in issue are listed on the Main Board of the Stock Exchange. No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange and no application is being made or is currently proposed or sought for the Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

There is no arrangement under which future dividends are waived or agreed to be waived.

## DISCLOSURE OF DIRECTORS' INTERESTS AND SHORT POSITIONS IN THE COMPANY

As at the Latest Practicable Date, the interests and short positions of the Directors or chief executive of the Company and their associates in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Listing Rules to be notified to the Company and the Stock Exchange were as follows:

### Long positions

#### (a) Ordinary shares of HK\$0.01 each of the Company

Name of Director	Number of issued ordinary shares held			Total number of Shares and underlying Shares held	Approximate percentage of the issued share capital of the Company
	Personal interests	Family interests	Corporate interests		
Deacon Te Ken Chiu, <i>J.P.</i>	20,848,664	4,175,160 <i>(Note 1)</i>	1,869,366 <i>(Note 2)</i>	26,893,190	8.88%
Mr. Derek Chiu	88,440	–	–	88,440	0.03%
Mr. Desmond Chiu	4,000	–	–	4,000	0.001%

#### Notes:

- These Shares were held by Madam Chiu Ju Ching Lan, spouse of Deacon Te Ken Chiu, *J.P.*. By virtue of the SFO, Deacon Te Ken Chiu, *J.P.* was deemed to be interested in the Shares held by Madam Chiu Ju Ching Lan.
- These Shares were held by the various companies which were wholly and beneficially owned by Deacon Te Ken Chiu, *J.P.*. By virtue of the SFO, Deacon Te Ken Chiu, *J.P.* was deemed to be interested in the Shares held by the various companies.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code to be notified to the Company and the Stock Exchange.

## INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, the register of substantial Shareholders maintained by the Company pursuant to Section 336 of the SFO showed that, other than the interests disclosed above in respect of certain Directors under the section headed “Disclosure of Directors’ interests and short positions in the Company”, the following Shareholders had notified the Company of their interests, directly or indirectly, in 5% or more of the issued share capital of the Company:

Name of substantial Shareholder	Capacity	Number of Shares held	Approximate percentage of issued share capital of the Company
Mr. Duncan Chiu	Beneficial owner	140,816,398	31.00%
Mr. Daniel Tat Jung Chiu ( <i>Note 1</i> )	Beneficial owner and interest of controlled corporation	27,720,088	9.15%
Gorich Holdings Limited (“Gorich”) ( <i>Notes 1 &amp; 2</i> )	Beneficial owner	18,480,088	6.10%
Madam Chiu Ju Ching Lan ( <i>Note 3</i> )	Beneficial owner and spouse interest	26,893,190	8.88%
Tan Sri Dato’ David Chiu ( <i>Note 4</i> )	Beneficial owner and interest of controlled corporation	16,077,600	5.31%
Max Point Holdings Limited (“Max Point”) ( <i>Note 5</i> )	Beneficial owner	15,528,480	5.13%
Mr. Chan Wai Ki ( <i>Note 5</i> )	Interest of controlled corporation	15,528,480	5.13%
The Underwriter ( <i>Note 6</i> )	Beneficial owner	121,473,477	26.70%

*Notes:*

- (1) Of the 27,720,088 Shares, 4,840,000 Shares were held by Mr. Daniel Tat Jung Chiu, 4,400,000 Shares were held by Cape York Investments Limited, 50% of which was owned by Mr. Daniel Tat Jung Chiu, and the remaining 18,480,088 Shares were held by Gorich. By virtue of the SFO, Mr. Daniel Tat Jung Chiu was deemed to be interested in the Shares held by Cape York Investments Limited and Gorich.
- (2) Gorich was wholly-owned by Mr. Daniel Tat Jung Chiu.



- (3) Of the 26,893,190 Shares, 22,718,030 Shares were held by Deacon Te Ken Chiu, *J.P.*, spouse of Madam Chiu Ju Ching Lan. By virtue of the SFO, Madam Chiu Ju Ching Lan was deemed to be interested in the Shares held by Deacon Te Ken Chiu, *J.P.*. The interests of Deacon Te Ken Chiu, *J.P.* in the Company was stated under the section headed “Disclosure of Directors’ interests and short positions in the Company” above.
- (4) Of the 16,077,600 Shares, 3,740,000 Shares were held by Tan Sri Dato’ David Chiu, 12,337,600 Shares were held by Rocket High Investments Limited, a company wholly-owned by Tan Sri Dato’ David Chiu. By virtue of the SFO, Tan Sri Dato’ David Chiu was deemed to be interested in the Shares held by Rocket High Investments Limited.
- (5) The entire share capital of Max Point was beneficially owned by Mr. Chan Wai Ki.
- (6) The Underwriter and the Company entered into the Underwriting Agreement on 14 December 2012 pursuant to which the Underwriter has undertaken to underwrite a maximum of 121,473,477 Offer Shares subject to the terms and conditions of the Underwriting Agreement. All of the Offer Shares underwritten by the Underwriter have been sub-underwritten by a fellow subsidiary of the Underwriter, namely Sun Hung Kai Investment Services Limited (“**SHKIS**”). Based on the disclosure of interests on the Stock Exchange’s website, both the Underwriter and SHKIS are wholly-owned subsidiaries of Sun Hung Kai Financial Limited (“**SHKF**”). SHKF is a wholly-owned subsidiary of Sun Hung Kai Financial Group Limited, which in turn is a wholly-owned subsidiary of Sun Hung Kai & Co. Limited (“**SHK**”). SHK is a non wholly-owned subsidiary of AP Emerald Limited (“**APE**”). APE is a wholly-owned subsidiary of AP Jade Limited which in turn is also a wholly-owned subsidiary of Allied Properties (H.K.) Limited (“**APL**”). APL is a non wholly-owned subsidiary of Allied Group Limited (“**AGL**”) in which the trustees of Lee & Lee Trust, namely Mr. Lee Seng Huang, Mr. Lee Seng Hui and Ms. Lee Su Hwei (“**Trustees**”), have 65.00% interest. Accordingly, Trustees are deemed to be interested in the Shares held by the Underwriter and SHKIS under the SFO.

\* *All interests disclosed above represent long positions in the ordinary Shares.*

Save as disclosed above, the Company had not been notified by any other person who have interests or short positions in the Shares and underlying Shares or any of its associated corporations which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register of substantial Shareholders under Section 336 of the SFO, or, were directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company as at the Latest Practicable Date.

### **DIRECTORS’ INTEREST IN ASSETS AND/OR ARRANGEMENTS**

As at the Latest Practicable Date, none of the Directors directly or indirectly, had any interest in any assets which had since 31 December 2011 (being the date to which the latest published audited consolidated financial statements of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

As at the date of this Prospectus, there is no contract or arrangement subsisting in which any Director is materially interested and which is significant in relation to the business of the Group.

**COMPETING BUSINESS INTERESTS OF DIRECTORS**

As at the Latest Practicable Date, none of the Directors nor their respective associates had any businesses or interests that competes or might compete with the business of the Group or any other conflict of interests with the Group.

**SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Company or any member of the Group which does not expire or is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

**LITIGATIONS**

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, arbitration or claims of material importance and, so far as the Directors were aware, no litigation or claim of material importance was pending or threatened by or against any member of the Group.

**THE EXPERT AND CONSENT**

The following is the qualification of the expert who has given opinion and advice, which is contained in this Prospectus:

<b>Name</b>	<b>Qualification</b>
Deloitte Touche Tohmatsu	Certified Public Accountants

Deloitte Touche Tohmatsu has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion of its report and references to its name in the form and context in which it appears. As at the Latest Practicable Date, Deloitte Touche Tohmatsu:

- (1) did not have any shareholding in any member of the Group and did not have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and
- (2) did not have any direct or indirect interest in any assets which have been, since 31 December 2011 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

**PARTIES INVOLVED IN THE OPEN OFFER AND CORPORATE INFORMATION**

<b>Registered Office</b>	16th Floor Far East Consortium Building 121 Des Voeux Road Central Hong Kong
<b>Principal Office</b>	Room 2101–2102, 21st Floor Far East Consortium Building 121 Des Voeux Road Central Hong Kong
<b>Company Secretary</b>	Ms. Man Tsz Sai Lavender, <i>ACIS, ACS</i>
<b>Authorised Representatives</b>	Mr. Derek Chiu Ms. Man Tsz Sai Lavender
<b>Auditor</b>	Deloitte Touche Tohmatsu 35/F., One Pacific Place 88 Queensway Hong Kong China
<b>Underwriter</b>	Sun Hung Kai International Limited 42/F., The Lee Gardens 33 Hysan Avenue Causeway Bay Hong Kong
<b>Legal Adviser to the Company</b>	King & Wood Mallesons 9th Floor, Hutchison House Central, Hong Kong
<b>Principal Banker</b>	Hang Seng Bank Limited 83 Des Voeux Road Central, Hong Kong
<b>Share Registrar and Transfer Office</b>	Computershare Hong Kong Investor Services Limited Shops 1712–1716 17th Floor, Hopewell Centre 183 Queen's Road East Hong Kong

**PARTICULAR OF THE DIRECTORS****EXECUTIVE DIRECTORS****Deacon Te Ken Chiu, J.P.**

Mr. Chiu, aged 87, is the founder of the Far East Group and has been the Chairman of the Board since 1981. With effect from 8 September, 2011, Mr. Chiu has retired as the chairman and the executive director and was appointed as the honorary chairman of Far East Consortium International Limited (stock code: 35). He is also the chairman of the board of directors of Far East Hotels and Entertainment Limited (stock code: 37). Mr. Chiu has more than 50 years of business experience in property investment and development, operation of entertainment and tourism related business, hotel ownership and management and financing and banking. He was a member of the Chinese People's Political and Consultative Conference from the 6th to 9th, the founder of Yan Chai Hospital and the vice patron of the Community Chest since 1968, the founder and permanent honorary chairman of The New Territories General Chamber of Commerce, and the founder and chairman of Ju Ching Chu Secondary School since 1966.

Mr. Chiu is the father of Messrs. Derek Chiu, an Executive Director and Desmond Chiu, a Non-executive Director.

**Mr. Derek Chiu**

Mr. Chiu, aged 46, joined the Group in 1989 and was re-designated as an Executive Director in November 2011. He is also appointed as a member of each of the remuneration committee, the nomination committee and the investment committee of the Company. Mr. Chiu is also directors of various subsidiaries and an associated company of the Company. He is 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., the Chairman of the Board and an Executive Director, and the brother of Mr. Desmond Chiu, a non-executive Director.

**Mr. Richard Yen**

Mr. Yen, aged 44, joined the Group in November 2011. He was also appointed as the Chief Executive Officer/Managing Director and directors of a subsidiary and an associated company of the Company. Mr. Yen leads the management team and is responsible for the Group's business development. Mr. Yen has over 20 years of executive management and mergers and acquisitions experience in the region, working in multinational companies in Japan, United States and China. He possesses extensive industry knowledge in advanced technology and consumer products, and devises corporate strategies related to technology and regional business development. Mr. Yen holds a Bachelor Degree in Aerospace Engineering and a Master Degree in Business Administration in International Management from Boston University.

Mr. Yen was the executive director and chief operating officer of Golife Concepts Holdings Limited (now known as “China Media and Films Holdings Limited”) (stock code: 8172) from 2006 to 2008.

**Mr. Ip Ngai Sang**

Mr. Ip, aged 49, firstly joined the Company in April 2009 as a business development manager who is mainly responsible for communicating and managing the portfolio investments of the Group in information, communication and technology companies. In November 2011, he was appointed as Executive Director. Mr. Ip was also director of a subsidiary of the Company. He received both his Bachelor of Science Degree and Master of Business Administration Degree from the Chinese University of Hong Kong.

**NON-EXECUTIVE DIRECTOR**

**Mr. Desmond Chiu**

Mr. Chiu, aged 45, joined the Group since 1991. Mr. Chiu is also directors of various subsidiaries of the Company. Mr. Chiu is the executive director and deputy managing director of Far East Hotels and Entertainment Limited (stock code: 37). He was graduated from the University of Cambridge, the United Kingdom. Mr. Chiu is the son of Deacon Te Ken Chiu, *J.P.*, the Chairman of the Board and an Executive Director, and brother of Mr. Derek Chiu, an Executive Director.

**INDEPENDENT NON-EXECUTIVE DIRECTOR**

**Dr. Lam Lee G.**

Dr. Lam, aged 53, has been an Independent Non-executive Director since September 2004. He is also appointed as the chairman of each of the audit committee, the remuneration committee and the investment committee and a member of the nomination committee of the Company. Dr. Lam has international experience in general management, strategy consulting, corporate governance and investment banking. Dr. Lam is Chairman of Monte Jade Science and Technology Association of Hong Kong, and serves as an independent or non-executive director of several publicly-listed companies in the Asia Pacific region. Having served as a Part-time Member of the Central Policy Unit of the Government of the Hong Kong Special Administrative Region for two terms and as a Member of the Legal Aid Services Council of Hong Kong, Dr. Lam is a Member of the Jilin Province Committee (and formerly a Specially-invited Member of the Zhejiang Province Committee) of the Chinese People’s Political Consultative Conference (CPPCC), a Member of the Hong Kong Institute of Bankers, a Board Member of the East-West Center Foundation, a Member of the Young Presidents’ Organization (YPO), a Member of the Chief Executives Organization (CEO), a Fellow of the Hong Kong Institute of Directors, a Fellow of the Hong Kong Institute of Arbitrators, an Accredited Mediator of the Centre for Effective Dispute Resolution (CEDR), a Member of the General Council and the Corporate Governance Committee of the Chamber of Hong Kong Listed Companies, a Vice President of the Hong Kong Real Estate Association, a founding Board Member and the Honorary Treasurer of the Hong Kong–Vietnam Chamber of Commerce, a Board Member of the Australian Chamber of Commerce in Hong Kong, a Board Member of

Hong Kong Education City Limited, and a visiting professor (in the fields of corporate governance and investment banking) at the School of Economics & Management of Tsinghua University in Beijing.

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 United Kingdom, a PCLL in law from the City University of Hong Kong, a Certificate in Professional Accountancy from the Chinese University of Hong Kong SCS, a LLM in law from the University of Wolverhampton in the United Kingdom, and a Doctor of Philosophy from the University of Hong Kong.

**Mr. Eugene Yun Hang Wang**

Mr. Wang, aged 39, joined the Group in December 2007. He is also a member of each of the audit committee, the investment committee and the remuneration committee and the chairman of the nomination committee of the Company. He holds a Bachelor of Science Degree in Business Administration from the University of Southern California in the United States and a Master of Business Administration Degree 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 a director of Sterling Products Limited, a garment and textile manufacturing company.

**Mr. Lee Kwan Hung**

Mr. Lee, aged 47, joined the Group in March 2012. He is also a member of the audit committee of the Company. He is a practising solicitor and an independent non-executive director of several listed companies in Hong Kong, namely Asia Cassava Resources Holdings Limited, China BlueChemical Limited, Embry Holdings Limited, Futong Technology Development Holdings Limited, NetDragon Websoft Inc., Newton Resources Limited, Tenfu (Cayman) Holdings Company Limited, Walker Group Holdings Limited and Yuexiu REIT Asset Management Limited. Mr. Lee was a senior manager of the Listing Division of the Stock Exchange from 1993 to 1994.

Mr. Lee received his Bachelor of Laws (Honours) Degree and Postgraduate Certificate in Laws from the University of Hong Kong in 1988 and 1989 respectively. He was then admitted as a solicitor in Hong Kong in 1991 and the United Kingdom in 1997.

**SENIOR MANAGEMENT**

**Mr. Andrew Chun Wah Fan**

Mr. Fan, aged 34, was appointed as the financial controller of the Group after resigned from the office of an Independent Non-executive Director on 1st March 2012. Mr. Fan is a practicing certified public accountant under the name of C. W. Fan & Co.. Prior to that, he was a vice president of Citigroup and a manager of PricewaterhouseCoopers, Hong Kong. Mr. Fan is a member of both the Association of Chartered Certified Accountants and the Hong Kong

Institute of Certified Public Accountants (the “HKICPA”) and the council member of The Society of Chinese Accountants & Auditors. He is a member of the Tenth Chinese People’s Political Consultative Conference of Zhejiang Province (中國人民政治協商會議第十屆浙江省委員會), a member of the 4th and 5th Chinese People’s Political Consultative Conference of Shenzhen (中國人民政治協商會議第四屆及第五屆廣東省深圳市委員會), a vice chairman of the Hong Kong United Youth Association, a member of The Government of HKSAR, the Greater Pearl River Delta Business Council.

Mr. Fan holds a Bachelor Degree in Business Administration (accounting and finance) from the University of Hong Kong and a Bachelor Degree in Law from the University of London.

The business/residential addresses of the Directors and senior management are as follows:

#### **Executive Directors**

Deacon Te Ken Chiu, <i>J.P.</i>	24/F., Far East Consortium Building 121 Des Voeux Road Central, Hong Kong
Mr. Derek Chiu	Suite 1902 19/F., The Sun’s Group Centre 200 Gloucester Road, Wanchai, Hong Kong
Mr. Richard Yen	Room 2101–2102 21/F., Far East Consortium Building 121 Des Voeux Road Central, Hong Kong
Mr. Ip Ngai Sang	Flat A, 18/F., Rialto Mansion 183 King’s Road, North Point, Hong Kong

#### **Non-executive Director**

Mr. Desmond Chiu	16/F., Far East Consortium Building 121 Des Voeux Road Central, Hong Kong
------------------	--

#### **Independent Non-executive Directors**

Dr. Lam Lee G.	31A Floor, Block 1, Estoril Court, 55 Garden Road Central, Hong Kong
Mr. Eugene Yun Hang Wang	10/F., Sing Mei Industrial Building 29–37 Kwai Wing Road Kwai Chung, New Territories
Mr. Lee Kwan Hung	Room B, 5/F., CTS House 78–83 Connaught Road Central, Hong Kong

**Senior management**

Mr. Andrew Chun Wah Fan

Room 2101–2102  
21/F., Far East Consortium Building  
121 Des Voeux Road Central, Hong Kong

**DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES**

A copy of the Prospectus Documents and the consent letter referred to the sub-section “The Expert and Consent” in this appendix have been registered with the Registrar of Companies in Hong Kong pursuant to Section 38D of the Companies Ordinance.

**MATERIAL CONTRACTS**

The following contracts (not being contracts in the ordinary course of business) had been entered into by the members of the Group within the two years immediately preceding the Latest Practicable Date:

- (1) the Underwriting Agreement dated 14 December 2012 entered into between the Company and the Underwriter in relation to the Open Offer;
- (2) the sale and purchase agreement dated 13 July 2012 entered into between the Company and Far East Consortium Limited, a wholly-owned subsidiary of Far East Consortium International Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 35), pursuant to which the Company conditionally agreed to dispose of the entire issued share capital of Cathay Motion Picture Studios Limited (“Cathay Motion”), a wholly-owned subsidiary of the Company, and assign its debt, being HK\$9,351,306 due to the Company by Cathay Motion, at an aggregate consideration of HK\$8,500,000, which consists of HK\$1 being the sale shares consideration and HK\$8,499,999 being the debt consideration;
- (3) the underwriting agreement dated 29 November 2011 entered into between Power Profit Far East Limited (“Power Profit”), a wholly-owned subsidiary of the Company, other selling shareholders, First Credit Holdings Limited, Mr. Sin Kwok Lam, being the covenantors, Mr. Tse Young Lai, Altus Capital Limited, being the sponsor, and Shenyin Wanguo Capital (H.K.) Limited, being the lead manager, pursuant to which Power Profit agreed to offer an aggregate of 53,033,479 shares of First Credit Holdings Limited at an indicative range of placing price of not more than HK\$0.38 and not less than HK\$0.30 per share of First Credit Holdings Limited at a consideration of not less than HK\$15.91 million and not more than HK\$20.15 million;
- (4) the sale and purchase agreement dated 26 May 2011 entered into between the Company and Keen Insight Limited, pursuant to which Keen Insight Limited conditionally agreed to acquire and the Company conditionally agreed to dispose of



25,000,000 ordinary shares in Chinasoft International Limited (“Chinasoft”), the shares of which are listed on the Main Board of the Stock Exchange (stock code: 354) at HK\$46,500,000, or HK\$1.86 per share of Chinasoft; and

- (5) the sale and purchase and subscription agreement dated 20 May 2011 entered into between the Company, Mr. Chu Kar Cheong and Market Talent Limited in relation to (i) the disposal of the entire issued share capital of HomeBase Media Group Limited and all obligations, liabilities and debts owing or incurred by HomeBase Media Group Limited and its subsidiaries to the Company at an aggregate consideration of HK\$8,000,000; and (ii) the subscription of new share(s) of Market Talent Limited by the Company at a consideration of HK\$9,000,000.

#### DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection from 9:30 a.m. to 6:30 p.m. on any weekdays (except for Saturdays and public holidays) at the principal office of the Company at Room 2101–2102, 21st Floor, Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong for a period of 14 days from the date of this Prospectus:

- (a) the Company’s memorandum and articles of association;
- (b) the material contracts referred to in the section headed “Material Contracts” in this appendix;
- (c) the written consent referred to under the section headed “The Expert and Consent” in this appendix;
- (d) the annual reports of the Company for the two years ended 31 December 2010 and 2011;
- (e) the interim report of the Company for the six months ended 30 June 2012;
- (f) the report on the unaudited pro forma financial information of the Group from Deloitte Touche Tohmatsu, the text of which is set out in Appendix II to this prospectus; and
- (g) this Prospectus, the Provisional Allotment Letter and the Excess Application Form.

#### MISCELLANEOUS

In the event of inconsistency, the English version of this Prospectus shall prevail over the Chinese text.

**NOTICE TO OVERSEAS SHAREHOLDERS IN THE UNITED KINGDOM**

This Prospectus has not been delivered for approval to the Financial Services Authority in the United Kingdom and no prospectus (within the meaning of Section 85 of the Financial Services and Markets Act 2000 (“**FSMA**”)) has been published or is intended to be published in respect of the Offer Shares. Accordingly, no Offer Shares will be offered or sold except in circumstances which have not resulted and will not result in an offer to the public in contravention of Section 85 of the FSMA in the United Kingdom.

In addition, invitations or inducements to engage in investment activity within the meaning of Section 21 of the FSMA (the “**financial promotion**”) in connection with the issue or sale of any of the Offer Shares in the United Kingdom will only be communicated in circumstances which would give rise to no breach of Section 21(1) of the FSMA (which restricts the making of the financial promotion). Accordingly, the distribution of this Prospectus in the United Kingdom is directed only at (i) those persons who are existing members or creditors of the Company or other persons within Article 43 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended; and (ii) other persons to whom it is otherwise lawful to distribute it. The investment or investment activity to which this Prospectus relates is available in the United Kingdom only to such persons. It is not intended that this Prospectus be distributed or passed on in the United Kingdom, directly or indirectly, to any other class of person and in any event and under no circumstances should persons of any other description rely on or act upon the contents of this Prospectus.

In view of the above, the Directors are of the view that it is expedient to extend the Open Offer to the Overseas Shareholders in the United Kingdom.