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**遠東控股國際有限公司**

**Far East Holdings International Limited**

*(Incorporated in Hong Kong with limited liability)*

(Stock Code: 36)

**DISCLOSEABLE TRANSACTION  
DISPOSAL OF 10.83% EQUITY INTEREST IN GOLIFE  
CONCEPTS HOLDINGS LIMITED AND DISPOSAL OF  
CONVERTIBLE BONDS**

Due to the under performance of the Group's investment business, the Directors have decided to dispose of 10.83% equity interest in Golife in order to limit the Group's further loss in Golife investment.

On 6 October 2008, the Company, Best China Limited, Dore Holdings Limited and In Achieve Investments Limited signed the bought and sold notes under which the Company agreed to sell and Best China Limited, Dore Holdings Limited and In Achieve Investments Limited agreed to purchase an aggregate of 10.83% equity interest in Golife at a total consideration of approximately HK\$5.97 million.

Meanwhile, the Board also announces that on 6 October 2008, the Company has sold the Convertible Bonds at a consideration of HK\$7,000,000. Upon completion of the Transaction, the Group expects to record a slightly loss at approximately HK\$51,000 on disposal of the Convertible Bonds.

As one of the applicable percentage ratios (as set in Rule 14.07 of the Listing Rules) exceed 5% but is less than 25%, the Disposal and Transaction constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules. A circular containing further information in respect of the Disposal and Transaction will be dispatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

On 6 October 2008, the Company, Best China Limited, Dore Holdings Limited and In Achieve Investments Limited signed the bought and sold notes under which the Company agreed to sell and Best China Limited, Dore Holdings Limited and In Achieve Investments Limited agreed to purchase an aggregate of 10.83% equity interest in Golife at a total consideration of approximately HK\$5.97 million in the open market. The selling price of Golife Sale Shares of HK\$0.2 per share represents a premium of approximately 5.82% to the closing price of HK\$0.189 per share as quoted on the Stock Exchange on 6 October 2008.

Date: 6 October 2008

### Parties

Seller: The Company

		<b>Number of shares acquired</b>	<b>Amount HK\$</b>
Purchasers:	(i) Best China Limited, a private company incorporated in Hong Kong	9,374,720	1,874,944
	(ii) Dore Holdings Limited, a listed company incorporated in Bermuda and the shares of which are listed on the Main Board of the Stock Exchange	8,500,000	1,700,000
	(iii) In Achieve Investments Limited, a private company incorporated in British Virgin Islands	12,000,000	2,400,000
		<u>29,874,720</u>	<u>5,974,944</u>

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Best China Limited, Dore Holdings Limited and In Achieve Investments Limited and their ultimate beneficial owners are parties independent of the Company and its connected persons.

### Subject Matter

The Seller will sell 10.83% equity interest in Golife to the Purchasers.

### Consideration

An aggregate amount of approximately HK\$5.97 million payable by Best China Limited, Dore Holdings Limited and In Achieve Investments Limited to the Company upon signing of the bought and sold notes.

The consideration was arrived at after arm's length negotiation between the Seller and the Purchasers with reference to current market value of Shares and present market sentiment condition.

The expected loss to the Company from the Disposal will be approximately HK\$10.9 million after deduction of the carrying value of HK\$7.3 million and relevant investments revaluation reserve of HK\$9.6 million, expected related costs and expenses of approximate HK\$10,000.

The non-current assets will decrease by HK\$7.3 million, investments revaluation reserve will also decrease by HK\$9.6 million and the current assets will increase by approximately HK\$5.97 million immediate after completion of the Disposal.

### **INFORMATION FOR THE PURCHASERS**

Best China Limited, a private company incorporated in Hong Kong. Dore Holdings Limited, a listed company incorporated in Bermuda, and the shares of which are listed on the Stock Exchange. In Achieve Investments Limited, a private company incorporated in British Virgin Islands. The principal activity of the three companies are investment holding.

### **INFORMATION OF THE GOLIFE SALE SHARES**

The Golife Sale Shares were issued by Golife, a company incorporated in Cayman Island with limited liability, the shares of which are listed on the Growth Enterprise Market of the Stock Exchange.

The table below sets out its audited net profit before and after taxation for the two years ended 31 December 2007, prepared under the accounting principles generally accepted in Hong Kong.

	<b>Year ended 31 December 2007</b>	<b>Year ended 1 April 2006 to 31 December 2006</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit/(Loss) before taxation		
Continuing operations	(92,580)	486
Discontinuing operation	340	1,338
Profit/(Loss) after taxation		
Continuing operations	(92,580)	(190)
Discontinuing operation	340	1,338

As at 30 June 2008, the unaudited net asset value of Golife is at HK\$12,232,000 (31 December 2007: HK\$11,753,000).

## **REASONS FOR THE DISPOSAL**

Due to the under performance of the Group's investment business, the Directors have decided to dispose of 10.83% equity interest in Golife in order to limit the Group's further loss in Golife investment.

Upon completion of the Disposal, the Company will cease to have any interest in Golife and the Directors confirmed that the consideration of approximately HK\$5.97 million has been reviewed in cash as at the date of this announcement. The Group expects incur a loss of approximately HK\$10.9 million.

## **USE OF NET PROCEEDS**

The net proceeds from the Disposal after deducting the related costs and expenses is estimated to be approximately HK\$5.97 million. The Company intends to apply the net proceeds as its general working capital and the cash flow of the Company and its subsidiaries will be improved.

Meanwhile, the Board also announces that on 6 October 2008, the Company has sold the Convertible Bonds with the following details:

<b>Offered Securities</b>	<b>:</b>	<b>the Convertible Bonds with principal amount and carrying value as at the date of this announcement of HK\$7,000,000</b>
<b>Parties</b>	<b>:</b>	<b>(i) Transferor – the Company</b> <b>(ii) Transferee – Chan Mei Sau Teresina</b>
<b>Offer price</b>	<b>:</b>	<b>HK\$7,000,000</b>
<b>Terms and conditions</b>	<b>:</b>	<b>Completion with full cash payment on 9 October 2008</b>

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Transferee is a third party independent of the Company and its connected persons. The disposal of the Convertible Bonds and the disposal of the Golife Sale shares are not inter-conditional. In addition, there is no relationship between the Purchasers of equity interest in Golife and the Transferee of Convertible Bonds.

## **CONSIDERATION**

The offer price has been determined after arm's length negotiations between the party with reference to the current market value of Golife shares and present market sentiment condition. The Directors considered that the terms of the Transaction are on normal commercial terms and fair and reasonable, and the Transaction is in the interest of the Group and the Shareholders as a whole.

The expected loss to the Company from the Transaction will be approximately HK\$51,000 after deduction of the carrying value of HK\$7 million, expected related costs and expenses of approximate HK\$51,000.

The non-current assets will decrease by HK\$7 million and the current assets will increase by approximately HK\$7 million immediate after completion of the Transaction.

## **INFORMATION OF THE TRANSFEE**

Ms. Chan Mei Sau Teresina, an independent investor and an independent third party to the Company.

## **INFORMATION OF CONVERTIBLE BONDS**

The Convertible Bonds were issued by Golife, a company incorporated in Cayman Island with limited liability, the shares of which are listed on the Growth Enterprise Market of the Stock Exchange, for a term of three years with a coupon rate of 2% per annum. Upon the approval of the share consolidation by shareholders of Golife on 12 August 2008, the conversion price be adjusted to HK\$0.125 per share.

## **REASONS FOR THE TRANSACTION**

As disclosed, the Group's principal business is to invest in potential businesses in PRC. Its subsidiaries and associates are engaged in information technology, copyright related business, maintenance and manufacture of aviation components, money lending, brand management business, securities investment and manufacturing and sales of garment products. The Directors considered that the entering into the Transaction will provide an opportunity for the Group to realize its investment in the Convertible Bonds.

The disposal of Convertible Bonds in Golife will enable to the Group to better deploy its resources by focusing on the more profitable divisions of the Group. Upon completion of the Transaction, the Company will cease to hold any Convertible Bonds in Golife.

## **USE OF NET PROCEEDS**

The net proceeds from the Transaction after deducting the related costs and expenses is estimated to be approximately HK\$6.99 million. The Company intends to apply the net proceeds as its general working capital and the cash flow of the Company and its subsidiaries will be improved.

## **ADDITIONAL INFORMATION**

The Company got acquainted with each of the transferees of the Convertible Bonds and Golife Sale Shares through the substantial shareholder of Golife and the agent of Kingston Securities Limited respectively.

As one of the applicable percentage ratios (as set out in Rule 14.07 of the Listing Rules) exceed 5% but is less than 25%, the Disposal and Transaction constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. A circular containing further information in respect of the Disposal and Transaction will be dispatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context otherwise stated, the following expressions have the following respective meanings:

“Board”	the board of Directors
“Company”	Far East Holdings International Limited, a company incorporated in Hong Kong and the shares of which are listed on the Stock Exchange
“Convertible Bonds”	the Convertible Bonds in the principal amount of HK\$7,000,000 issued by Golife
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal by the Company an aggregate of 10.83% equity interest in Golife under the bought and sold notes arrangement
“Group”	the Company and its subsidiaries
“Golife”	Golite Concepts Holdings Limited, a company incorporated in Cayman Island with limited liability, the shares of which are listed on the Growth Enterprise Market of the Stock Exchange
“Golife Sale Shares”	a total number of 29,874,720 ordinary shares of Golife representing approximately 10.83% equity interest of Golife as at the date of Disposal
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“Purchasers”	Best China Limited, a private company incorporated in Hong Kong Dore Holdings Limited, a listed company incorporated in Bermuda and the shares of which are listed on the Main Board of the Stock Exchange In Achieve Investments Limited, a private company incorporated in British Virgin Islands
“PRC”	the People’s Republic of China
“Seller”	the Company
“Shareholder(s)”	holder(s) of the shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the transaction to sell the Convertible Bonds held by the Company
“Transferee”	Ms. Chan Mei Sau Teresina, an independent investor and an independent third party to the Company.
“Transferor”	the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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

Hong Kong, 13 October 2008

*As at the date of this announcement, the executive directors are Mr. Deacon Te Ken Chiu, Mr. Duncan Chiu and Mr. Dennis Chiu; the non-executive directors are Tan Sri Dato’ David Chiu, Mr. Daniel Tat Jung Chiu, Mr. Derek Chiu, Mr. Desmond Chiu and Ms. Margaret Chiu; and the independent non-executive directors are Dr. Lee G. Lam, Mr. Eugene Yun Hang Wang and Mr. Hing Wah Yim.*