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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 IN RELATION TO THE PROVISION OF FINANCIAL ASSISTANCE

PROVISION OF FINANCIAL ASSISTANCE

The Board is pleased to announce that on 23 July 2018, the Loan Agreement was entered into among the Lender, a direct wholly-owned subsidiary of the Company and the Borrower. Pursuant to the Loan Agreement, the Lender has agreed to provide the Loan in the principal amount of HK\$68,000,000 to the Borrower for a period of 3 months commencing from the Drawdown Date at an interest rate of 10% per annum and is secured by the Share Charge and the Personal Guarantee.

LISTING RULES IMPLICATIONS

As one or more of the relevant applicable percentage ratios in respect of the financial assistance given to the Borrower are more than 5% but less than 25%, the Loan advanced under the Loan Agreement constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules.

The Board is pleased to announce that after trading hours on 23 July 2018, the Loan Agreement was entered into among the Lender, a direct wholly-owned subsidiary of the Company and the Borrower.

THE LOAN AGREEMENT

Summarized below are the principal terms of the Loan Agreement:

Date	:	23 July 2018 (after trading hours)
Lender	:	the Lender
Borrower	:	the Borrower
Principal amount	:	HK\$68,000,000
Interest rate	:	10% per annum
Drawdown date	:	Within seven (7) Business Days from the date of the Loan Agreement
Term	:	A period of three (3) months commencing from the Drawdown Date
Repayment	:	The Borrower shall repay the principal amount of the Loan and any unpaid interest accrued thereon on or before the Maturity Date
Prepayment	:	the Loan may be prepaid, without prepayment penalty, with accrued interest up to and including the date of payment on the outstanding balance of the Loan provided that the Borrower should give the Lender not less than five (5) Business Days prior written notice before making such prepayment
Security(ies)	:	(i) the Share Charge; and (ii) the Personal Guarantee.

As a condition subsequent to the Loan Agreement, within sixty (60) days from the date of the Loan Agreement, the Borrower shall acquire 51 Shares of the BVI Company, representing 51% of the entire issued share capital of the BVI Company. Immediately after the completion of the said acquisition, the Borrower shall execute a share charge over the said 51 Shares in favour of the Lender.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Borrower, the Guarantor and the BVI Company are Independent Third Parties.

FUNDING OF THE ADVANCE

The Loan will be financed by the Group's internal resources.

INFORMATION OF THE GROUP

The Group is principally engaged in manufacturing and export of garment products, property investment and investment in securities. The Lender, a direct wholly-owned subsidiary of the Company is principally engaged in the securities investment business.

REASONS FOR AND BENEFITS OF THE LOAN AGREEMENT

The provision of the Loan will provide reasonable interest income to the Lender and the Loan will be recorded as a loan receivable of the Group.

The terms of the Loan Agreement were negotiated on an arm's length basis between the Lender and the Borrower. The Directors are of the view that the terms of the Loan Agreement thereunder are on normal commercial terms. The Loan is guaranteed by the Guarantor and is secured by the charges over the shares of the BVI Company executed by the Borrower in favour of the Lender. Taking into account the satisfactory financial background of the Guarantor and the BVI Company and that a stable revenue and cashflow stream from the interest income is expected, the Directors consider that the terms of the Loan Agreement and the entering into the Loan Agreement are fair and reasonable and is in the interest of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

The advance of the Loan constitutes financial assistance provided by the Company within the meaning of the Listing Rules.

As one or more of the relevant applicable percentage ratios in respect of the provision of the Loan are more than 5% but less than 25%, the provision of the Loan constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Board”	The board of Directors;
“Borrower”	a company incorporated in the British Virgin Islands with limited liability;
“Business Day”	a day (other than a Saturday, a Sunday or a day on which a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning signal is hoisted in Hong Kong) on which banks are generally open for business in Hong Kong throughout their normal business hours;
“BVI Company”	a company incorporated in the British Virgin Islands with limited liability and is principally engaged in the development, manufacturing and distribution of a fuel additive product;

“Company”	Far East Holdings International Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
“Director(s)”	the director(s) of the Company;
“Drawdown Date”	the date on which the Loan is draw down;
“Group”	the Company together with its subsidiaries;
“Guarantor”	a merchant, the ultimate beneficial owner of the Borrower;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) are third parties independent of and not connected with the Group and its connected persons in accordance with the Listing Rules;
“Maturity Date”	the date falling on the expiry of three (3) months period after the Drawdown Date;
“Lender”	Gold Sky Investments Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Company;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Loan”	the term loan in the principal amount of HK\$68,000,000 advanced by the Lender to the Borrower;
“Loan Agreement”	the loan agreement dated 23 July 2018 entered into between the Lender and the Borrower in respect of the Loan;
“Personal Guarantee”	the guarantee dated 23 July 2018 provided by the Guarantor in favour of the Lender to guarantee the due performance of the Borrower’s liabilities under the Loan Agreement;
“Share Charge”	the share charge dated 23 July 2018 executed by the Borrower in favour of the Lender over 20 ordinary shares of and in the BVI Company, representing 20% of the entire issued share capital of the BVI Company;
“Shareholder(s)”	holder(s) of the issued share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and

“%”

per cent.

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

Hong Kong, 23 July 2018

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