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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE; AND CONNECTED TRANSACTION AT THE SUBSIDIARY LEVEL

Placing Agent



金利豐證券
KINGSTON SECURITIES

On 17 June 2025, after trading hours, the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has agreed to procure Placees on a best effort basis, not less than six (6) Placees to subscribe for 65,346,000 Placing Shares at the Placing Price of HK\$0.344 per Placing Share upon the terms and subject to the conditions set out in the Placing Agreement.

The Placing Price represents (i) a discount of approximately 16.10% to the closing price of HK\$0.410 per Share as quoted on the Stock Exchange on 17 June 2025, being the date of the Placing Agreement (i.e., the Last Trading Day); and (ii) a discount of approximately 19.81% to the average closing price of HK\$0.429 per Share as quoted on the Stock Exchange for the last five trading days immediately prior to and excluding the Last Trading Day.

The Placing is conditional upon the Stock Exchange agreeing to grant a listing of and permission to deal in the Placing Shares. An application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Placing Shares

The Placing Shares will be allotted and issued pursuant to the General Mandate.

Assuming that the maximum number of the 65,346,000 Placing Shares are placed under the Placing, the net proceeds to be received by the Company, after deducting placing commission and other fees and expenses, will amount to approximately HK\$21.62 million. The Company intends to use the net proceeds for the general working capital of the Group, including repayment of loans.

LISTING RULES IMPLICATION

As at the date of this announcement, the Placing Agent is ultimately controlled by Mrs. Chu, who is also a substantial shareholder of a subsidiary of the Company. The Placing Agent is an associate (as defined in the Listing Rules) of Mrs. Chu and Mrs. Chu is also a connected person at the subsidiary level of the Company under Chapter 14A of the Listing Rules. As such, the Placing Agreement constitute a connected transaction with a connected person at the subsidiary level under Chapter 14A of the Listing Rules.

The Directors (including the independent non-executive Directors) have approved the Placing Agreement and confirmed that the terms thereunder are fair and reasonable, the transaction is on normal commercial terms, and the entering into of the Placing Agreement is in the interest of the Company and its Shareholders as a whole. By reason of the aforesaid, pursuant to Rule 14A.101 of the Listing Rules, the entering into of the Placing Agreement will be subject to the reporting and announcement requirements, but exempt from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Completion of the Placing is subject to fulfillment of a number of conditions, the Placing may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

PLACING AGREEMENT

On 17 June 2025, after trading hours, the Company and the Placing Agent entered into the Placing Agreement for the Placing of new Shares to be issued by the Company on a best effort basis upon the terms and subject to the conditions set out in the Placing Agreement.

The principal terms of the Placing Agreement are set out below:

Date 17 June 2025

Parties the Company, as issuer; and
Kingston Securities Limited, as Placing Agent

Number of Placing Shares

Pursuant to the Placing Agreement, Placing Agent has agreed to procure Placees on a best effort basis to subscribe for 65,346,000 new Shares, represent (i) approximately 20.00% of the existing issued share capital of the Company; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares (assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing).

Placing Price

The Placing Price of HK\$0.344 per Placing Share represents:

- (i) a discount of approximately 16.10% to the closing price of HK\$0.410 per Share as quoted on the Stock Exchange on 17 June 2025, being the date of the Placing Agreement (i.e., the Last Trading Day); and
- (ii) a discount of approximately 19.81% to the average closing price of HK\$0.429 per Share as quoted on the Stock Exchange for the last five trading days immediately prior to and excluding the Last Trading Day.

The Placing Price was agreed after arm's length negotiations between the Company and the Placing Agent with reference to prevailing market prices of the Shares.

The net Placing Price, after deducting placing commission and other fees and expenses, is estimated to be approximately HK\$0.331 per Placing Share.

Placing Agent

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, Mrs. Chu, the ultimate beneficial owner of the Placing Agent, holds approximately 4.98% of the total issued share capital of the Company, and is a substantial shareholder of a subsidiary of the Company.

Placees

It is expected that the Placing Shares will be placed to not less than six (6) Placees who are professional, institutional or other investors. The Placees (and, where relevant, their ultimate beneficial owners) shall be independent of and not connected or acting in concert (as defined in the Takeovers Code) with any connected person of the Company or its subsidiaries. It is expected that none of the Placees will become a substantial shareholder (as defined in the Listing Rules) of the Company immediately upon completion of the Placing. In case the number of Placees is less than six (6), the Company will make a disclosure of the names of the Placees in accordance with the Rule 13.28(7) of the Listing Rules.

Rights and ranking of the Placing Shares

The Placing Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with the existing Shares in issue and be free from all liens, charges, encumbrances and third-party rights together with all rights attaching thereto as at the Completion Date, including but not limited to the rights to receive all future dividends and other distributions thereafter declared, made or paid.

Conditions precedent to completion of the Placing

The Placing is conditional upon:

- (i) the Listing Committee granting the approval for the listing of and permission to deal in the Placing Shares; and
- (ii) all necessary consents and approvals to be obtained on the part of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained.

In the event the above conditions have not been fulfilled and/or waived (other than condition (i) which cannot be waived) on or before the Long Stop Date, all rights, obligations and liabilities of the parties to the Placing Agreement in relation to the Placing shall cease and terminate and neither of the parties shall have any claim against the other, save for any antecedent breaches.

Completion of the Placing

Completion of the Placing under the Placing Agreement shall be conditional upon the satisfaction of the conditions precedent (or waived as the case may be) and the completion of the Placing Agreement and shall take place on the Completion Date.

Further announcement will be made by the Company upon completion of the Placing.

Completion of the Placing is subject to fulfillment of a number of conditions, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

Termination of the Placing Agreement

Pursuant to the Placing Agreement, the Placing Agent is entitled to terminate the arrangements set out in the Placing Agreement by notice in writing prior to 9:00 a.m. on the Completion Date, if in its absolute opinion, the success of the Placing would be materially and adversely affected by any of the following force majeure events:

- (i) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (ii) 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 of the Placing Agreement) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in

the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the Placing of the Shares by potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or

- (iii) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction or trading in securities) occurs which affect the success of the Placing (such success being the placing of the Shares to potential investor(s)) or otherwise in the absolute opinion of the Placing Agent makes it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing.

Pursuant to the Placing Agreement, if, at or prior to 9:00 a.m. on the Completion Date:

- (i) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under the Placing Agreement; or
- (ii) any suspension in the trading of the Shares on the Stock Exchange for more than ten consecutive trading days; or
- (iii) the Placing Agent becomes aware that any of the representations or warranties contained in the Placing Agreement was, when given, untrue or inaccurate or would in any respect be untrue or inaccurate if repeated, the Placing Agent shall determine whether such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Group taken as a whole, or will otherwise likely to have a material prejudicial effect on the Placing, or
- (iv) any litigation or claim being instigated against any member of the Group, which has or may have an adverse effect on the business or financial position of the Group and which in the Placing Agent's absolute opinion would adversely affect the success of the Placing; or
- (v) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole,

the Placing Agent shall be entitled (but not bound) by notice in writing to the Company to elect to treat such matter or event as releasing and discharging the Placing Agent from its obligations under the Placing Agreement.

If notice is given pursuant to the Placing Agreement, the Placing Agreement shall terminate and be of no further effect and neither party shall be under any liability to the other party in respect of the Placing Agreement, save for any antecedent breach under the Placing Agreement prior to such termination.

GENERAL

Mandate to allot and issue new Shares

The Company is authorised to allot and issue up to 65,347,115 new Shares under the General Mandate granted by the Shareholders at the annual general meeting of the Company held on 11 June 2025. Up to the date of this announcement, the Company has not utilised the General Mandate. As the Placing Shares will be issued under the General Mandate, the Placing is not subject to Shareholders' approval.

Application for listing

Application will be made to the Listing Committee for the listing of, and permission to deal in, the Placing Shares.

INFORMATION OF THE GROUP

The Company is an investment holding company. The Group is principally engaged in property investment.

REASONS FOR THE PLACING AND USE OF PROCEEDS

According to the annual report of the Company, the bank borrowing for the mortgage was approximately HK\$390 million. As at the date of this announcement, approximately HK\$10 million bank loans will mature within the next four months. In view of the high gearing ratio, the Board considers there is a need for the Group to raise funds to repay the bank loans, as communicated with the bank, in order to maintain a reasonable mortgage ratio.

In addition, save for the bank loans, there are other loans totaling approximately HK\$212 million as at the date of this announcement. The Board believes the proceeds from the Placing will not only help reduce its debts but also sustain working capital for the Group.

The Company intends to use the net proceeds for the general working capital of the Group, including repayment of loans.

FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

Except for the equity fund raising activities as mentioned below, there has not been any other equity fund raising activities in the past twelve months immediately prior to the date of this announcement.

Date of announcement	Event	Net proceeds (approximately)	Intended use of proceeds as announced	Actual use of proceeds
11 November 2024	Rights issue	HK\$72.75 million	For the general working capital of the Group, including repayment of loans	Used and will use as intended

LISTING RULES IMPLICATION

As at the date of this announcement, the Placing Agent is ultimately controlled by Mrs. Chu, who is also a substantial shareholder of a subsidiary of the Company. The Placing Agent is an associate (as defined in the Listing Rules) of Mrs. Chu and Mrs. Chu is also a connected person at the subsidiary level of the Company under Chapter 14A of the Listing Rules. As such, the Placing Agreement constitute a connected transaction with a connected person at the subsidiary level under Chapter 14A of the Listing Rules.

The Directors (including the independent non-executive Directors) have approved the Placing Agreement and confirmed that the terms thereunder are fair and reasonable, the transaction is on normal commercial terms, and the entering into of the Placing Agreement is in the interest of the Company and its Shareholders as a whole. By reason of the aforesaid, pursuant to Rule 14A.101 of the Listing Rules, the entering into of the Placing Agreement will be subject to the reporting and announcement requirements, but exempt from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

CHANGES TO SHAREHOLDING AS A RESULT OF THE PLACING

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after completion of the Placing, assuming that the Placing Shares are fully placed under the Placing and there being no other change in the share capital and shareholding structure of the Company from the date of this announcement:

	As at the date of this announcement		Immediately after Completion	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
Placees	—	—	65,346,000	16.67
Other public shareholders	<u>326,735,577</u>	<u>100.00</u>	<u>326,735,577</u>	<u>83.33</u>
Total	<u><u>326,735,577</u></u>	<u><u>100.00</u></u>	<u><u>392,081,577</u></u>	<u><u>100.00</u></u>

DEFINITIONS

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

“Board”	the board of Directors
“Business Day”	means a day on which licensed banks in Hong Kong are generally open for business, other than a Saturday, a Sunday or a public holiday
“Company”	Far East Holdings International Limited, an company incorporated in Hong Kong with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange
“Completion Date”	the date falling on the fourth Business Day after the fulfillment of the conditions specified in the Placing Agreements (or such later date as the Placing Agents and the Company may agree in writing)
“connected person(s)”	having the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors to allot, issue and deal in not more than 65,347,115 new Shares by the Shareholders at the annual general meeting of the Company held on 11 June 2025
“Group”	the Company and its subsidiaries for the time being
“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
“Last Trading Day”	17 June 2025, being the date of the Placing Agreement
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	21 calendar days from the date of the Placing Agreement (i.e., 7 July 2025) (or such later date as the Placing Agent and the Company shall agree in writing)
“Mrs. Chu”	Mrs. Chu Yuet Wah, the ultimate beneficial owner of the Placing Agent

“Placee(s)”	the independent professional, institutional or other investors or any of their respective subsidiaries or associates procured by the Placing Agent to subscribe for any of the Placing Shares
“Placing”	the placing of the Placing Shares upon the terms and subject to the conditions set out in the Placing Agreement
“Placing Agent”	Kingston Securities Limited, a licensed corporation to carry out type 1 (dealing in securities) regulated activities within the meaning of the SFO
“Placing Agreement”	the placing agreement dated 17 June 2025 entered into between the Company and the Placing Agent in relation to the placing of up to 65,346,000 Shares
“Placing Price”	HK\$0.344 per Placing Share
“Placing Shares”	up to a total of 65,346,000 new Shares to be placed under the Placing
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) in the capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent.

By order of the Board
Far East Holdings International Limited
Mr. Cheung Sze Ming
Executive Director & Company Secretary

Hong Kong, 17 June 2025

As at the date of this announcement, the Board comprises Mr. Cheung Sze Ming and Ms. Li Kai Lai Miranda as executive Directors; Mr. Zhu Weiwen as non-executive Director; and Mr. Mak Ka Wing, Patrick, Mr. Lam Wai Hung and Mr. Lam Cheung Shing, Richard as independent non-executive Directors.