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

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遠東控股國際有限公司
Far East Holdings International Limited

(Incorporated in Hong Kong with limited liability)

(Stock code: 36)

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

This circular is provided for the information of the shareholders of Far East Holdings International Limited only.

3 November 2008

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following 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”	Golife Concepts Holdings Limited, a company incorporated in Cayman Islands 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
“Latest Practicable Date”	30 October 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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

DEFINITIONS

“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
“%”	per cent

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. Duncan Chiu

(Managing Director and Chief Executive Officer)

Mr. Dennis Chiu

Registered office:

16th Floor

Far East Consortium Building

121 Des Voeux Road Central

Hong Kong

Non-executive Directors:

Tan Sri Dato' David Chiu

Mr. Daniel Tat Jung Chiu

Mr. Derek Chiu

Mr. Desmond Chiu

Ms. Margaret Chiu

Head office and Principal Place of

Business:

Room 1802-1804, 18th Floor

Far East Consortium Building

121 Des Voeux Road Central

Hong Kong

Independent non-executive Directors:

Dr. Lee G. Lam

Mr. Hing Wah Yim

Mr. Eugene Yun Hang Wang

3 November 2008

To the Shareholders

Dear Sir or Madam,

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

INTRODUCTION

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

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approximately 5.82% to the closing price of HK\$0.189 per share as quoted on the Stock Exchange on 6 October 2008.

PRINCIPAL TERMS OF THE AGREEMENT

Date: 6 October 2008

Parties

Seller: The Company

		Number of shares acquired	Amount HK\$
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 brought and sold notes.

LETTER FROM THE BOARD

The consideration was arrived at after arm's length negotiation between the Seller and the Purchasers with reference to current market value of Golife Sale 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 OF 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 Islands 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.

	Year ended 31 December 2007	Year ended 1 April 2006 to 31 December 2006
	<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.

LETTER FROM THE BOARD

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.

TRANSFER AGREEMENT FOR CONVERTIBLE BONDS

Meanwhile, the Board also announces that on 13 October 2008, the Company has sold the Convertible Bonds with the following details:

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

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 parties with reference to the current market value of Golife Sale 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.

LETTER FROM THE BOARD

INFORMATION OF THE TRANSFEREE

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 Islands 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 Company'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, 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.

GENERAL

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 the Transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. Your attention is drawn to the additional information set out in the Appendix General Information.

Yours faithfully
By order of the Board
Duncan Chiu

Managing Director and Chief Executive Officer

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular with regard to the Company and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts not contained in this circular, the omission of which would make any statement contained herein misleading.

2. DISCLOSURE OF INTERESTS

(1) Directors' Interests

As at the Latest Practicable Date, the interests of the Directors and the chief executive of the Company in the shares or underlying shares of the Company which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which they were taken or deemed to have under such provisions of the SFO) or were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

(i) Long positions of Directors' interests in shares of the Company

Name of director	Number of ordinary shares of the Company held				Percentage of issued share capital of the Company
	Personal interests	Family interests	Corporate interests	Total interests	
Deacon Te Ken Chiu, J.P.	20,848,664	4,175,160 ⁽¹⁾	1,869,366	26,893,190	8.88%
Tan Sri Dato' David Chiu	3,740,000	–	12,337,600 ⁽²⁾	16,077,600	5.31%
Ms. Margaret Chiu	2,200,000	–	–	2,200,000	0.73%
Mr. Dennis Chiu	7,040,088	–	4,400,000 ⁽³⁾	11,440,088	3.78%
Mr. Daniel Tat Jung Chiu	4,840,000	–	22,880,088 ⁽⁴⁾	27,720,088	9.15%
Mr. Derek Chiu	88,440	–	–	88,440	0.03%
Mr. Desmond Chiu	4,000	–	–	4,000	0.001%
Mr. Duncan Chiu	58,485,092	–	–	58,485,092	19.31%

Notes:

- (1) These shares are held by Madam Ching Lan Ju Chiu, wife of Deacon Te Ken Chiu, J.P.
- (2) These shares are held by Rocket High Investments Limited, a company wholly-owned by Tan Sri Dato' David Chiu.
- (3) These shares are held by Cape York Investments Limited ("Cape York"), a company owned by Mr. Dennis Chiu and Mr. Daniel Tat Jung Chiu equally.
- (4) Of the 22,880,088 shares, 4,400,000 shares are held by Cape York, and the remaining 18,480,088 shares are held by Gorich Holdings Limited, a company wholly-owned by Mr. Daniel Tat Jung Chiu.

(ii) Directors' interests in share options of the Company

As at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions which he was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listing Companies in the Listing Rules, to be notified to the Company and the Stock Exchange.

(iii) Service contracts

None of the Directors had any existing or proposed service contracts with any member of the Group or any associated company of the Company as at the Latest Practicable Date.

(iv) Competing interest

As at the Latest Practicable Date, in so far as the Directors are aware, none of the Directors or their respective associates had any interest in a business which competes or is likely to compete with the business of the Group.

(2) Substantial Shareholders' Interests

- (i) As at the Latest Practicable Date, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that, other than the interests disclosed above in respect of certain Directors under the section headed "Directors' Interests in Shares", the following shareholders had notified the Company of interest in shares of the Company pursuant to Divisions 2 and 3 of Part XV of the SFO:

Name of Substantial Shareholder	Capacity	Number of Ordinary shares held	Percentage of issued share capital of the Company
Madam Ching Lan Ju Chiu ⁽¹⁾	Beneficial owner and spouse	26,893,190	8.88%
Gorich Holdings Limited ("Gorich") ⁽²⁾	Beneficial owner	18,480,088	6.10%
Max Point Holdings Limited ("Max Point") ⁽³⁾	Beneficial owner	15,528,480	5.13%
Mr. Chan Wai Ki ⁽³⁾	Corporation	15,528,480	5.13%
Mr. Sin Kwok Lam ⁽⁴⁾	Beneficial owner and Corporation	40,528,000	13.38%
Allied Wealth Holdings Limited ("Allied Wealth") ⁽⁴⁾	Beneficial owner	40,000,000	13.21%

Notes:

- (1) Of the 26,893,190 shares, 22,718,030 shares are held by Mr. Deacon Chiu. Madam Ching Lan Ju Chiu is the spouse of Mr. Deacon Chiu. The interests of Mr. Deacon Chiu in the Company is stated under the section headed "Director's Interests" above.
- (2) Gorich is wholly-owned by Mr. Daniel Tat Jung Chiu. The interests of Mr. Daniel Tat Jung Chiu in the Company is stated under the section headed "Directors' Interests" above.
- (3) The entire share capital of Max Point is beneficially owned by Mr. Chan Wai Ki.
- (4) Of the 40,528,000 shares, 40,000,000 shares are held by Allied Wealth, a company wholly-owned by Mr. Sin Kwok Lam.
- (5) All interests disclosed above represent long positions in the ordinary shares of the Company.

The following Directors hold directorships with the following companies.

- (i) Mr. Daniel Tat Jung Chiu holds directorship in Gorich Holdings Limited; and
- (ii) Tan Sri Dato' David Chiu holds directorship in Rocket High Investments Limited.

Save as disclosed herein, as at the Latest Practicable Date, none the Directors was a director or employee of a company which had an interest or short position in the Shares and underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

- (ii) As at the Latest Practicable Date, so far as was known to the Directors, the following persons (other than members of the Group) were directly or indirectly interested in 10% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of the following members of the Group (other than the Company) and the amount of each of such person's interest in such securities were as follows:

Name of member of the Group	Name of substantial shareholders	Class of share capital	Percentage of shareholding
Beijing Golden Music Resources Management Technology Co., Ltd.	Wang Hong Quan	registered capital	10%
Beijing Golden Music Resources Management Technology Co., Ltd.	Beijing Jie Yang Tianbao Investment Consultants Ltd.*	registered capital	20%
Jiangsu Bang Bang Silky Fashion Manufacturer Co., Ltd.	海門市經濟技術發展總公司	registered capital	40%
Panlong Investments (Holdings) Company Limited	Silver Union Investment Limited	ordinary shares	49%
Panlong Asset Management Company Limited	Silver Union Investment Limited	ordinary shares	49% (indirectly through shareholding in Panlong Investments (Holdings) Company Limited)
Panlong Far East Auction Company Limited	Silver Union Investment Limited	ordinary shares	49% (indirectly through shareholding in Panlong Investments (Holdings) Company Limited)

* *The unofficial English transliterations or translations are for identification purposes only.*

Save as disclosed above, as at the Latest Practicable Date there was no person known to the Directors who had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, was, directly or indirectly, interested in 10% or more of the nominal value of the issued share capital carrying rights to vote in all circumstances at general meeting of any other member of the Group, or any options in respect of such capital.

3. LITIGATION

Neither the Company nor any other members of the Group was engaged in any litigation or arbitration of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group as at the Latest Practicable Date.

4. GENERAL

- (a) The registered office of the Company is at 16/F., Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong and the head office and the principal place of business of the Company in Hong Kong is at Room 1802-04, 18/F., Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong.
- (b) The Company's Hong Kong share registrar and transfer office is Computershare Hong Kong Investor Services Limited, Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (c) The qualified accountant and Secretary of the Company is Mr. Hung Kwong Lui, who is a fellow of the Hong Kong Institute of Certified Public Accountants and a fellow of the Association of Chartered Certified Accountants.
- (d) In the event of any inconsistency, the English text of this circular shall prevail over Chinese text.