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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)

## **FULFILLMENT OF RESUMPTION CONDITIONS AND RESUMPTION OF TRADING**

**Financial Adviser to the Company**



**ASIAN CAPITAL**  
(CORPORATE FINANCE) LIMITED

卓亞(企業融資)有限公司

### **FULFILLMENT OF RESUMPTION CONDITIONS**

The Company is pleased to announce that all the Resumption Conditions have been fulfilled.

### **RESUMPTION OF TRADING**

Trading in the Shares on the Stock Exchange was suspended from 12:05 noon on 3 September 2010 at the request of the Company pending the release of an announcement by the Company which is price sensitive in nature. As all the Resumption Conditions have been fulfilled, the Company has made an application to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 17 July 2012 on the Stock Exchange.

Reference is made to the announcements of Far East Holdings International Limited (the “**Company**”) dated 3 September 2010, 6 September 2010, 7 September 2010 and 24 January 2011 (the “**Announcements**”) in relation to, *inter alia*, the suspension of trading in the Shares. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

### **FULFILLMENT OF RESUMPTION CONDITIONS**

Trading in the Shares on the Stock Exchange was suspended from 12:05 noon on 3 September 2010 at the request of the Company pending the release of an announcement by the Company which is price sensitive in nature. As disclosed in the Company’s

announcement dated 24 January 2011, the Stock Exchange issued a letter to the Company on 3 January 2011 setting out the key issues (the “**Resumption Conditions**”) which the Company must address before the resumption of trading in the Shares as follows:

- (i) compliance with Rules 3.08 and 3.09 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) to demonstrate that there are no reasonable regulatory concerns on the integrity of the directors of the Company (the “**Directors**”) which will pose a risk to investors and damage market confidence; and
- (ii) implementation and disclosure of adequate corporate governance measures in legitimately deploying corporate funds.

The Company is pleased to announce that the above Resumption Conditions have been fulfilled, details of which are set out below:

**(i) Compliance with Rules 3.08 and 3.09 of the Listing Rules**

With reference to the Company’s announcement dated 2 November 2011, the Company has changed the composition of the board of Directors (the “**Board**”) in order to strengthen the management’s integrity of the Company and its subsidiaries (collectively, the “**Group**”). Mr. Ip Ngai Sang (“**Mr. Ip**”) and Mr. Richard Yen (“**Mr. Yen**”) were appointed as executive Directors with effect from 2 November 2011. Furthermore, with reference to the Company’s announcement dated 27 February 2012, Mr. Lee Kwan Hung (“**Mr. Lee**”) was appointed as an independent non-executive Director and a member of the audit committee of the Company with effect from 1 March 2012 following the resignation of Mr. Fan Chun Wah Andrew (“**Mr. Fan**”) who was an independent non-executive Director and member of the audit committee of the Company, and subsequent to that Mr. Fan took up the employment as financial controller of the Group. Background of Mr. Ip and Mr. Yen were set out in the Company’s announcement dated 2 November 2011 and that of Mr. Lee was set out in the Company’s announcement dated 27 February 2012.

The change of composition of the Board also included the resignation of Mr. Duncan Chiu as the executive Director and authorized representative of the Company with effect from 2 November 2011. As set out in the Company’s announcement dated 2 November 2011, Mr. Duncan Chiu was in the process of resigning from all directorships of the Company’s subsidiaries except for Jiangsu Bang Bang Silky Fashion Manufacturer Co. Ltd. (“**Bang Bang**”) and would continue to act as the Company’s representatives to Bang Bang and Beijing Kailan Aviation Technology Co. Ltd. (“**Kailan**”). Subsequently, Mr. Duncan Chiu has also resigned as a director of Bang Bang and Kailan and Mr. Yen has replaced Mr. Duncan Chiu as the principal communication channel of the Company with Bang Bang and Kailan. As such, Mr. Duncan Chiu has resigned from all directorships of the Company’s subsidiaries and he no longer has any executive or management positions within the Group. As announced by the Company on 14 May 2012, Mr. Duncan Chiu was acquitted of the Charges (as defined in the Company’s announcement dated 14 May 2012) in the District Court of Hong Kong on 8 May 2012.

As at the date of this announcement, the Board comprises eight Directors, of which four are executive Directors, namely, Deacon Te Ken Chiu, J.P., Mr. Derek Chiu, Mr. Yen and Mr. Ip, one is non-executive Director, namely, Mr. Desmond Chiu; and three are independent non-executive Directors, namely, Dr. Lam Lee G., Mr. Eugene Yun Hang Wang and Mr. Lee.

The Board is not aware of any regulatory concerns on the Directors' integrity which will pose a risk to investors and damage market confidence.

**(ii) Corporate governance measures in legitimately deploying corporate funds**

For the purpose of reinforcing the internal control of the Group on its deployment of corporate funds, the Company has adopted the following measures and procedures to monitor the investment activities, capital expenditure and general working capital of the Group:

**(a) *Investment activities***

Members of the investment committee of the Company (the “**Investment Committee**”) shall be appointed by the Board. The Investment Committee shall consist of three members, two of which shall be independent non-executive Directors, and meetings of the Investment Committee shall be chaired by an independent non-executive Director.

Individual investment in the amount of HK\$5 million or above shall be subject to the review and endorsement by the Investment Committee. Individual investment below HK\$5 million shall be managed and approved by any two executive Directors.

Under certain circumstances, investments in the amount below HK\$5 million may also be subject to the review and endorsement by the Investment Committee. The Investment Committee will meet at least twice a year or when there is any new investment or disposal, which requires the approval from the Investment Committee. In addition, the Investment Committee will review the investment portfolio of the Company every six months.

**(b) *General working capital***

All outgoing expenses of the Company shall be verified by the relevant departments regarding the receipt of services or products accompanying the approval by the department head on original invoices. Those approved documents will be checked by the accounts department. Cheque is required to be signed by authorized signatories in accordance with the cheque payment authorization. Receipts shall be requested from the suppliers or service providers and subsequently filed by the accounts department for reference.

**(c) *Capital expenditure***

Expenses categorized as capital expenditures are subject to internal control measures similar to those as general working capital described above. Capital expenditure over HK\$10,000 but below HK\$200,000 will be approved by

an executive Director and those over HK\$200,000 will be approved by the Investment Committee.

The Company also engaged an independent audit firm on 8 July 2011 to perform reviews on the corporate governance and internal control systems of the Group. The initial review covered the period from 1 January 2011 to 30 June 2011 while the follow-up review covered the period from 31 October 2011 to 15 February 2012.

During the initial review, the independent audit firm has identified certain issues relating to the internal control system of the Company. The management of the Company has formulated certain actions to address these issues. According to the initial review report, the independent audit firm formed the view that nothing has come to its attention that causes it to believe that the internal control system of the Group is inadequate or ineffective if it properly implements and effectively maintains the proposed course of actions by the Company's management.

A follow-up review was performed subsequently. According to the follow-up review report, the independent audit firm concluded that the Company has implemented and maintained the proposed course of actions by the Company's management to address all the issues identified during the initial review. In addition, the independent audit firm considered that the actions taken by the Company are adequate for the Company to meet its obligation under the Listing Rules, in particularly, the Company's deployment of corporate funds.

The Board considered that the internal control system of the Group is adequate and effective for its future operations.

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

Hong Kong, 13 July 2012

*As at the date of this announcement, the Board comprises eight Directors, of which four are executive Directors, namely, Deacon Te Ken Chiu, J.P., Mr. Derek Chiu, Mr. Richard Yen and Mr. Ip Ngai Sang, one is non-executive Director, namely, Mr. Desmond Chiu; and three are independent non-executive Directors, namely, Dr. Lam Lee G., Mr. Eugene Yun Hang Wang and Mr. Lee Kwan Hung.*