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FAR EAST HOTELS AND ENTERTAINMENT LIMITED

遠東酒店實業有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00037)

APPOINTMENT OF CHAIRMAN; APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR AND MEMBER OF BOARD COMMITTEES; AND PROPOSED ADOPTION OF NEW ARTICLES OF ASSOCIATION

APPOINTMENT OF CHAIRMAN

The board of directors (the “**Board**”) of Far East Hotels and Entertainment Limited (the “**Company**”) announces that Mr. Derek Chiu (“**Mr. Chiu**”), an executive director, managing director (the “**MD**”) and chief executive of the Company (the “**CE**”) had been appointed as the chairman of the Board with effect from 19 July 2023.

The Board believes that vesting the roles of the Chairman and the MD as well as the CE in the same person has the benefit of ensuring strong consistent leadership with the Company and its subsidiaries (the “**Group**”) and enable more effective and efficient planning and implementation of business decisions and strategies. The Board also believes that it will not impair the balance of power and authority between the Board and the management of the Company since all major decisions are made in consultation with members of the Board and relevant Board committees. In addition, there are three independent non-executive directors of the Company (the “**INEDs**”) offering independent perspectives, the Board is of the view that there are adequate safeguards in place to ensure sufficient balance of powers within the Board.

The biographical details of Mr. Chiu are set out below:

Mr. Derek Chiu, B.Sc.

Aged 57. He was appointed as a director of the Company (the “**Director**”) in 1989. He is the MD and the CE and a member of each of the remuneration committee (the “**Remuneration Committee**”) and the nomination committee (the “**Nomination Committee**”) of the Company. He is also a director of various subsidiaries of the Company. He has extensive experience in the operation of amusement parks and entertainment business. He is a son of Madam Chiu Ju Ching Lan, a non-executive Director. He is also the father of Mr. Alex Chiu, a non-executive Director, and Ms. Amanda Chiu, an executive Director. Mr. Chiu is the sole director of Energy Overseas Ltd., a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (the “**SFO**”).

Save as disclosed above, he does not have any relationship with any Directors, senior management, substantial shareholder or controlling shareholder of the Company, nor has he held other positions in the Company or other members of the Group. Mr. Chiu did not hold any directorship in the last three years in public companies, the securities of which are listed on any securities market in Hong Kong or overseas.

As at the date of announcement, Mr. Chiu was interested in 161,522,875 shares of the Company (the “**Shares**”), representing approximately 21.46% of the entire issued Shares. Such interests comprise (i) 83,092,576 Shares beneficially owned by Mr. Chiu; and (ii) 78,430,299 Shares held by Energy Overseas Ltd., a company wholly owned by Mr. Chiu. He was also interested in share options to subscribe for an aggregate of 21,893,000 Shares. Save as disclosed above, he does not have any interests in the Shares within the meaning of Part XV of the SFO.

Mr. Chiu has not entered into a service contract with the Company but he is subject to retirement by rotation and re-election in accordance with the articles of association of the Company (the “**Articles of Association**”) and the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**” and “**CG Code**”, respectively). He receives emolument from the Company that is determined by the Board from time to time by reference to the prevailing market condition and a director’s fee of HK\$10,000 per annum (by reference to the market conditions and as approved by the Shareholders at the latest annual general meeting of the Company (the “**AGM**”)).

Save as disclosed above, there are no other matters relating to the appointment of Mr. Chiu that need to be brought to the attention of the shareholders of the Company (the “**Shareholders**”) nor any information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR AND MEMBER OF BOARD COMMITTEES

The Board further announces that Mr. Ng Chi Kin (“**Mr. Ng**”) has been appointed as an INED and a member of each of the audit committee of the Company, the Nomination Committee and the Remuneration Committee with effect from 19 July 2023.

The biographical details of Mr. Ng are set out below:

Mr. Ng Chi Kin

Aged 61. He has over 20 years of experience in finance and accounting in the hospitality and entertainment industry. He holds a master’s degree in business administration from the University of Strathclyde. He is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. Mr. Ng joined the Company in 1991 and gained promotion as the financial controller of the Company in August 2012 and subsequently retired in January 2020 and was a director of subsidiaries of the Company from July 2012 to July 2020 (collectively the “**Employment**”).

He (i) does not have any relationship with any directors, senior management, substantial shareholder or controlling shareholder of the Company; and (ii) has not held in the last three years other directorships in public companies, the securities of which are listed on any securities market in Hong Kong or overseas. Save as disclosed above, Mr. Ng has not held other positions in the Company or other members of the Group or other appointments.

As at the date of announcement, Mr. Ng was interested in 12,000 Shares, representing approximately 0.002% of the entire issued Shares. Save as disclosed above, he does not have any interests in the Shares within the meaning of Part XV of the SFO.

Mr. Ng has not entered into a letter of appointment with the Company but he is subject to retirement by rotation and re-election in accordance with the Articles of Association and CG Code. He is entitled to a monthly director’s fee of HK\$11,000, which is determined by the Board upon the recommendation of the Remuneration Committee with reference to his background, qualification, experience, duties and responsibilities within the Company, as well as the prevailing market conditions. In accordance with the Articles of Association, Mr. Ng will hold office until the forthcoming AGM which was scheduled to be held on 13 September 2023 (the “**2023 AGM**”) and will then be eligible for re-election thereat.

Mr. Ng confirmed that he has satisfied all factors set out in Rule 3.13 of the Listing Rules. Considering that Mr. Ng has ceased the Employment in July 2020 and has gone through more than two years’ cooling off period since his retirement and his shareholding is far below the 1.0% threshold set forth in Rule 3.13 of the Listing Rules, the Nomination Committee and the Directors are of the view that the Employment and such shareholding would have no impact on the independence of Mr. Ng as one of the INEDs.

Save as disclosed above, there are no other matters relating to the appointment of Mr. Ng that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

The Board would like to express its welcome to Mr. Chiu for taking up the new role and Mr. Ng for joining the Board.

PROPOSED ADOPTION OF NEW ARTICLES OF ASSOCIATION

Since the last revision of the existing Articles of Association (the “**Existing Articles**”) in 2008, (a) the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) has come into effect on 3 March 2014; and (b) there have been various amendments to the Listing Rules and changes in the corporate practices and circumstances of the Company. As such, the Board proposes to adopt a new set of Articles of Association (the “**New Articles**”) in substitution for, and the exclusion of, the existing memorandum of the Company and the Existing Articles to (a) align the Company’s existing constitutional documents with the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) which has come into effect on 3 March 2014; (b) bring the Existing Articles in line with the relevant requirements of the Listing Rules (including the core shareholder protection standards set out in Appendix 3 to the Listing Rules); (c) allow the Company to send or supply corporate communications to the Shareholders by electronic means pursuant to the Listing Rules; (d) allow the Company to hold hybrid and electronic meetings of the Shareholders; and (e) introduce corresponding and house-keeping amendments.

The proposed adoption of the New Articles is subject to approval by the Shareholders by way of a special resolution at the 2023 AGM and shall take immediate effect upon the close of the 2023 AGM at which the relevant special resolution has been passed.

A circular containing, among other things, further details in relation to the proposed adoption of New Articles, together with a notice of 2023 AGM will be despatched to the Shareholders as soon as practicable.

By Order of the Board
Far East Hotels and Entertainment Limited
Derek Chiu

Executive Director, Chairman, Managing Director and Chief Executive

Hong Kong, 19 July 2023

As at the date of this announcement, the executive directors are Mr. Derek Chiu (Chairman, Managing Director and Chief Executive) and Ms. Amanda Chiu; the non-executive directors are Madam Chiu Ju Ching Lan and Mr. Alex Chiu; and the independent non-executive directors are Mr. Ip Shing Hing, Mr. Ng Wing Hang Patrick, Mr. Choy Wai Shek Raymond and Mr. Ng Chi Kin.