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**遠東環球集團有限公司**  
**FAR EAST GLOBAL GROUP LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code : 830)**

## **DISCLOSEABLE AND CONNECTED TRANSACTION**

The Board is pleased to announce that on 14 March 2018, the Company entered into the Equity Transfer Agreement with the Seller (a wholly-owned subsidiary of CSC) whereby the Company conditionally agreed to acquire and the Seller conditionally agreed to sell the entire equity interests in the Target Company at a consideration of RMB70,000,000.

CSC is indirectly interested in approximately 74.06% of the issued share capital of the Company as at the date of this announcement and is a controlling shareholder of the Company. Accordingly, the Seller (being a wholly-owned subsidiary of CSC) is a connected person of the Company and the Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios as defined in the Listing Rules in respect of the Acquisition exceed 5%, the Acquisition is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Voting at the EGM will be conducted by poll and CSC and its associates will abstain from voting at the EGM.

As one or more of the applicable percentage ratios as defined in the Listing Rules in respect of the Acquisition exceed 5% but are less than 25%, the Acquisition also constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

A circular containing, among other things, further particulars of the Acquisition and the Equity Transfer Agreement, the recommendations of the independent board committee of the Company, a letter from the independent financial adviser to the independent board committee of the Company and the Independent Shareholders, together with a notice convening the EGM is expected to be despatched to the Shareholders on or before 9 April 2018 in accordance with the Listing Rules.

## THE ACQUISITION

The Board is pleased to announce that on 14 March 2018, the Company entered into the Equity Transfer Agreement with the Seller (a wholly-owned subsidiary of CSC) whereby the Company conditionally agreed to acquire and the Seller conditionally agreed to sell the entire equity interests in the Target Company at a consideration of RMB70,000,000.

## THE EQUITY TRANSFER AGREEMENT

- Date** : 14 March 2018
- Parties** : 1. The Seller, a wholly-owned subsidiary of CSC, as seller; and  
2. The Company as purchaser.
- Subject matter** : The Company agreed to acquire (or direct its wholly-owned subsidiary to acquire) the entire equity interests in the Target Company from the Seller at the Consideration.
- Consideration** : The Consideration is RMB70,000,000, which is payable in cash in the following manner:
- (a) RMB35,000,000, being an amount equivalent to 50% of the Consideration shall be paid by the Company to the Seller within five working days after Completion; and
  - (b) RMB35,000,000, being an amount equivalent to 50% of the Consideration shall be paid by the Company to the Seller within three month after the completion of the relevant equity transfer registration.

The Consideration was determined based on arm's length negotiation between the parties with reference to the audited net asset value of the Target Company of approximately RMB66.62 million as at 31 December 2017, which the parties consider to be a fair price. The Directors (excluding the independent non-executive Directors who will express their opinion after considering the advice of the independent financial adviser as to the fairness and reasonableness of the terms of the Acquisition) are of the view that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

**Completion** : Completion is subject to satisfaction of the following conditions:

- (a) the Company and the Seller having obtained all necessary authorisations in relation to the Acquisition; and
- (b) the passing of resolutions by the Independent Shareholders approving the Acquisition at the EGM.

## **INFORMATION REGARDING THE TARGET COMPANY**

The Target Company is a limited company established under the laws of the PRC. It, together with its subsidiary, is engaged in the provision of engineering consultancy and communication engineering consultancy services in the PRC and has obtained licenses including the Comprehensive Qualification of Engineering Supervision License.

Set out below is the audited consolidated financial information of the Target Company for the two years ended 31 December 2016 and 2017:

	<b>For the year ended 31 December</b>	
	<b>2017</b>	<b>2016</b>
	<i>RMB million</i>	<i>RMB million</i>
Net profit before taxation	21.06	17.66
Net profit after taxation	18.30	15.05

The audited net asset value of the Target Company as at 31 December 2017 was approximately RMB66.62 million. The Target Company was acquired by the CSC Group at a consideration of approximately RMB9.72 million in July 2007.

Upon Completion, each of the Target Company and its subsidiary will become a wholly-owned subsidiary of the Company.

The Target Company has entered into certain agreements with the COLI Group in relation to the provision of engineering consultancy service. As of the date of this announcement, the Target Company is owed approximately RMB5.48 million by the COLI Group. COHL is the holding company of both COLI and CSC. Accordingly, members of the COLI Group are connected persons of the Company. The transactions contemplated under the said agreements shall, upon completion of the Acquisition, constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. The Company will make further announcement(s) in relation to such continuing connected transactions after Completion.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Company is of the view that the Acquisition will boost the performance of the Company and enable the Company to create synergy with the Group's operating management business. Given it has over 30 years of experience in the provision of engineering consultancy and supervision services, the Target Company is expected to complement the dual core business strategy as well as the overall development of the Company.

Having taken into account the above factors, the Directors (excluding the independent non-executive Directors who will express their opinion after considering the advice of the independent financial adviser as to the fairness and reasonableness of the terms of the Acquisition) are of the view that the Equity Transfer Agreement was entered into on normal commercial terms and is fair and reasonable and in the interests of the Company and Shareholders as a whole.

## **GENERAL**

The CSC Group is principally engaged in building construction, civil engineering works, infrastructure investments and project consultancy services.

The Seller is principally engaged in investment holding.

The Group is mainly engaged in the general contracting business, facade contracting business (including design, engineering, manufacture, installation of curtain wall system), project consultancy and management services.

## **LISTING RULES IMPLICATIONS**

CSC is indirectly interested in approximately 74.06% of the issued share capital of the Company as at the date of this announcement and is a controlling shareholder of the Company. Accordingly, the Seller (being a wholly-owned subsidiary of CSC) is a connected person of the Company and the Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios as defined in the Listing Rules in respect of the Acquisition exceed 5%, the Acquisition is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Voting at the EGM will be conducted by poll and CSC and its associates will abstain from voting at the EGM.

As one or more of the applicable percentage ratios as defined in the Listing Rules in respect of the Acquisition exceed 5% but are less than 25%, the Acquisition also constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

None of the Directors had any material interest in the Acquisition and thus no Director was required to abstain from voting on the Board resolutions approving the Acquisition subject to the terms and conditions of the Equity Transfer Agreement.

An independent board committee of the Company comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders in respect of the Acquisition. Red Sun Capital Limited has been appointed as the independent financial adviser to advise the independent board committee of the Company and the Independent Shareholders in this connection.

A circular containing, among other things, further particulars of the Acquisition and the Equity Transfer Agreement, the recommendations of the independent board committee of the Company, a letter from the independent financial adviser to the independent board committee of the Company and the Independent Shareholders, together with a notice convening the EGM is expected to be despatched to the Shareholders on or before 9 April 2018 in accordance with the Listing Rules.

## **DEFINITIONS**

*In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:*

<b>“30%-controlled companies”, “associates”, “connected person(s)”, “controlling shareholder” and “subsidiary(ies)”</b>	each has the meaning ascribed to it under the Listing Rules;
<b>“Acquisition”</b>	the acquisition by the Company from the Seller of the entire equity interests in the Target Company as contemplated under the Equity Transfer Agreement;
<b>“Board”</b>	the board of directors of the Company;

<b>“COHL”</b>	China Overseas Holdings Limited, a company incorporated in Hong Kong with limited liability;
<b>“COLI”</b>	China Overseas Land & Investment Ltd., a company incorporated in Hong Kong with limited liability and whose shares are listed on the Main Board of the Stock Exchange (stock code: 688);
<b>“COLI Group”</b>	COLI, its subsidiaries and 30%-controlled companies from time to time;
<b>“Company”</b>	Far East Global Group Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Main Board of the Stock Exchange (stock code: 830), which is a non-wholly owned subsidiary of CSC;
<b>“Completion”</b>	completion of the Acquisition in accordance with the terms and conditions of the Equity Transfer Agreement;
<b>“Consideration”</b>	the consideration to be paid by the Company to the Seller for the Acquisition;
<b>“CSC”</b>	China State Construction International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Main Board of the Stock Exchange (stock code: 3311);
<b>“CSC Group”</b>	CSC and its subsidiaries (excluding the Group) from time to time;
<b>“Director(s)”</b>	the directors of the Company;
<b>“EGM”</b>	the extraordinary general meeting of the Company to be held to consider and approve, among other things, the Acquisition subject to the terms and conditions of the Equity Transfer Agreement;
<b>“Equity Transfer Agreement”</b>	the equity transfer agreement dated 14 March 2018 and entered into between the Company and the Seller in relation to the Acquisition;
<b>“Group”</b>	the Company and its subsidiaries from time to time;

<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the PRC;
<b>“Independent Shareholders”</b>	Shareholder(s) other than CSC and its associates;
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange;
<b>“PRC”</b>	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macao Special Administrative Region of the PRC and Taiwan;
<b>“RMB”</b>	Renminbi, the lawful currency of the PRC
<b>“Seller”</b>	Shenzhen CS Grand Wealth Investment Company Limited* (深圳中建宏達投資有限公司), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of CSC;
<b>“Shareholders”</b>	shareholder(s) of the Company from time to time;
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited;
<b>“Target Company”</b>	China Overseas Supervision Limited* (中海監理有限公司), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of CSC; and
<b>“%”</b>	per cent.

By Order of the Board of  
**Far East Global Group Limited**  
**Zhou Yong**  
*Chairman and Non-executive Director*

Hong Kong, 14 March 2018

*As at the date of this announcement, the Board comprises Mr. Zhou Yong as Chairman and Non-executive Director; Mr. Zhu Yijian (Vice Chairman and Chief Executive Officer), Mr. Luo Haichuan, Mr. Wang Hai and Mr. Chan Sim Wang as Executive Directors; Mr. Huang Jiang as Non-executive Director; and Mr. Zhou Jinsong, Mr. Hong Winn and Ms. Kwong Sum Yee Anna as Independent Non-executive Directors.*

*\* For identification purpose only*