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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 TRANSACTION ACQUISITION OF LAND AND ASSETS IN CANADA

The Board is pleased to announce that on 30 August 2018 (Toronto time, after the trading hours of the Stock Exchange), the Purchaser, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Seller, pursuant to which the Purchaser shall acquire and the Seller shall sell the Canadian Assets at a cash consideration of CAD19,800,000 (equivalent to approximately HK\$120,384,000).

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 constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE ACQUISITION

The Board is pleased to announce that on 30 August 2018 (Toronto time, after the trading hours of the Stock Exchange), the Purchaser entered into the Sale and Purchase Agreement with the Seller, pursuant to which the Purchaser shall acquire and the Seller shall sell the Canadian Assets at a cash consideration of CAD19,800,000 (equivalent to approximately HK\$120,384,000).

THE SALE AND PURCHASE AGREEMENT

Date : 30 August 2018

Parties : 1. the Seller, solely in its capacity as receiver of the Canadian Assets and not in its personal capacity; and

2. the Purchaser.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Seller, the Debtors and their respective ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

Subject matter : The Purchaser shall acquire and the Seller shall sell the Canadian Assets. Further details of the Canadian Assets are set out in the paragraph headed “Information regarding the Canadian Assets” below.

Consideration : The Consideration for the Acquisition is CAD19,800,000 (equivalent to approximately HK\$120,384,000), which comprises a deposit of CAD4,000,000 (equivalent to approximately HK\$24,320,000), has been paid in cash upon Completion. The Purchaser shall bear the realty taxes, outstanding public or private utilities and rents after the closing of the Acquisition.

The Consideration was determined by the Purchaser with reference to (a) the current market prices of comparable parcels of land and properties in the nearby area; and (b) the stable rental income to be generated from the subsisting lease.

The Consideration was financed by the internal resources of the Group.

Completion : The Acquisition is to be completed on 30 August 2018 or shortly thereafter.

INFORMATION REGARDING THE CANADIAN ASSETS

The Seller is the court-appointed receiver of the Canadian Assets. The Canadian Assets were subject to receivership, and the approval of the Ontario Superior Court of Justice (Commercial List) pursuant to the Bankruptcy and Insolvency Act (Canada) is required to effect the disposal of the Canadian Assets by the Seller as

contemplated under the Sale and Purchase Agreement. The required approval and vesting order made by the Ontario Superior Court of Justice (Commercial List) was obtained on 30 August 2018, which authorised the Seller to enter into the Sale and Purchase Agreement and to sell the Canadian Assets pursuant thereto and results in such agreement becoming fully effective on 30 August 2018 or shortly thereafter. The Canadian Assets were originally owned by the Debtors and because such assets were subject to receivership, the Debtors were not required to be parties to the transaction contemplated under the Sale and Purchase Agreement.

The Canadian Assets consist of (a) all of the right, title and interest of the Debtors in the Land and other property, assets and undertakings related thereto; (b) all of the right, title and interest of the Debtors in a subsisting lease on a portion of the Land; and (c) all of the right, title and interest of the Debtors in the building permit, fees and securities relating to the Land and certain drawings, plans and reports relating to the possible redevelopment of the Land.

The Land is located in No. 215 and 229 Lexington Road, Waterloo, Ontario, Canada. It is zoned for mixed residential purpose. It is a project under development which has a site area of approximately 19,020 square meters and a total gross floor area of approximately 45,708 square meters. Following the Acquisition, the Company plans to develop the Land into senior housing in three development phases. The Group intends to hold the Canadian Assets as investment properties and operate the senior housing to generate rental and management fee income. As of the date of this announcement, a portion of the Land with a total gross floor area of approximately 2,960 square meters is subject to a subsisting lease which will expire on 30 June 2025 subject to early termination rights, that if exercised, could result in termination as of 1 January 2021. The rental income generated from the subsisting lease amounted to approximately CAD240,000 (equivalent to approximately HK\$1,459,200) for each of the two years ended 31 December 2016 and 31 December 2017.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Directors consider that the Acquisition will enable the Company to expand its revenue generating sources to senior housing business and thereby increase stable senior housing rental income and management service income.

Having taken into account the above factors, the Directors are of the view that the terms of the Sale and Purchase Agreement and the Acquisition are fair and reasonable and are on normal commercial terms and the entering into of the Sale and Purchase Agreement is in the interest of the Company and Shareholders as a whole.

GENERAL

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

The Seller is a company incorporated under the laws of the Province of Ontario, Canada and is one of the largest public accounting and advisory firms in Canada.

Deem Management Services Limited, being one of the Debtors, is a company incorporated under the laws of the Province of Ontario, Canada and is principally engaged in the nursing home and retirement sector.

The Uptown Inc., being one of the Debtors, is a company incorporated under the laws of the Province of Ontario, Canada and is a wholly-owned subsidiary of Deem Management Services Limited.

LISTING RULES IMPLICATIONS

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 constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of the Canadian Assets by the Purchaser from the Seller as contemplated under the Sale and Purchase Agreement
“Board”	the board of Directors
“CAD”	Canadian dollars, the lawful currency of Canada
“Canadian Assets”	the subject matter of the Acquisition which consists of (a) all of the right, title and interest of the Debtors in the Land and other property, assets and undertakings related thereto; (b) all of the right, title and interest of the Debtors in a subsisting lease on a portion of the Land; and (c) all of the right, title and interest of the Debtors in the building permit, fees and securities relating to the Land and certain drawings, plans and reports relating to the possible redevelopment of the Land, as further described in the paragraph headed “Information Regarding the Canadian Assets” in this announcement

“Company”	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)
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Sale and Purchase Agreement
“connected person(s)”, and “subsidiary(ies)”	each has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration paid by the Purchaser for the Acquisition
“Debtors”	Deem Management Services Limited and The Uptown Inc., each a company incorporated under the laws of the Province of Ontario, Canada
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Land”	all that piece or parcel of land located at No. 215 and 229 Lexington Road, Waterloo, Ontario, Canada and known as “PT. BLOCK A PLAN 1313, BEING PTS. 1, 4 & 5 ON 58R-6774 & PT. 3 ON 58R-2194, S/T EASEMENT IN GROSS OVER PT. 1 ON 58R-17857, AS IN WR853469; CITY OF WATERLOO”
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	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
“Purchaser”	Far East Aluminium Works Canada Corp., a company established under the laws of the Province of Ontario, Canada and a wholly-owned subsidiary of the Company

“Sale and Purchase Agreement”	the sale and purchase agreement dated 30 August 2018 and entered into between the Purchaser and the Seller in relation to the Acquisition
“Seller”	Crowe Soberman Inc., a company established under the laws of the Province of Ontario, Canada, acting solely in its capacity as the court-appointed receiver of the Canadian Assets and not in its personal capacity
“Shareholder(s)”	shareholder(s) of the Company from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

For the purpose of this announcement and for illustrative purpose only, CAD is converted into HK\$ at the rate of CAD1: HK\$6.08. No representation is made that any amounts in CAD has been or could be converted at the above rates or at any other rates.

By Order of the Board
Far East Global Group Limited
Zhang Haipeng
Chairman and Non-executive Director

Hong Kong, 30 August 2018

As at the date of this announcement, the Board comprises Mr. Zhang Haipeng as Chairman and Non-executive Director; Mr. Wu Mingqing (Vice Chairman and Chief Executive Officer), 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.