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

(a company incorporated in the Cayman Islands with limited liability)

(Stock code: 830)

**CONTINUING CONNECTED TRANSACTIONS
IN RELATION TO PROVISION OF CONTRACTING AND ENGINEERING
WORKS, PROJECT CONSULTANCY SERVICE AND PROJECT
MANAGEMENT SERVICE TO
CHINA STATE CONSTRUCTION INTERNATIONAL HOLDINGS LIMITED**

On 11 June 2012, the Company and CSC entered into the FE-CSC Sub-construction Engagement Agreement, whereby the CSC Group may engage the Group as subcontractor of the CSC Group for provision of contracting and engineering works, project consultancy service and project management service to the CSC Group's construction works for the period commencing from 16 July 2012 and ending on 30 June 2015 subject to CSC Works Cap.

CSC is indirectly interested in approximately 74.1% of the issued share capital and is the controlling shareholder of the Company. Accordingly, members of the CSC Group are connected persons of the Company. The transactions contemplated under the FE-CSC Sub-construction Engagement Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Since the applicable percentage ratios as defined in Rule 14A.10 of the Listing Rules in respect of the maximum total contract sum that may be awarded for each year/period under the FE-CSC Sub-construction Engagement Agreement (i.e. the CSC Works Cap) exceed 5%, the transactions contemplated under the FE-CSC Sub-construction Engagement Agreement are subject to the annual review, reporting, announcement and independent shareholders' approval requirements for the Company. Voting at the EGM will be conducted by poll and CSC and its associates will abstain from voting at the EGM.

An independent board committee of the Company comprising all the independent non-executive directors of the Company has been formed to advise the Independent Shareholders in respect of the transactions contemplated under the FE-CSC Sub-construction Engagement Agreement. An independent financial adviser will be appointed 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 transactions contemplated under the FE-CSC Sub-construction Engagement Agreement together with, 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, and a notice convening the EGM will be expected to be despatched to the Shareholders on or before 3 July 2012 in accordance with the Listing Rules.

PROVISION OF CONTRACTING AND ENGINEERING WORKS, PROJECT CONSULTANCY SERVICE AND PROJECT MANAGEMENT SERVICE

The Company expects that the CSC Group may engage the Group as its subcontractor for provision of contracting and engineering works, project consultancy service and project management service to the CSC Group's construction works from time to time. In this connection, on 11 June 2012, the Company and CSC entered into the FE-CSC Sub-construction Engagement Agreement for the period commencing from 16 July 2012 and ending on 30 June 2015 whereby the parties agreed that:

- (a) any member of the Group may act as subcontractor of the CSC Group for provision of contracting and engineering works, project consultancy service and project management service to the CSC Group's construction works in accordance with the applicable subcontracting procedures of the CSC Group from time to time;
- (b) the parties may from time to time enter into further specific contracts, which set out the detailed terms in relation to the engagement of the member of the Group to act as subcontractor of the CSC Group for provision of contracting and engineering works, project consultancy service and project management service to the CSC Group's construction works, provided that the total contract sum that may be awarded by the CSC Group to the Group under the FE-CSC Sub-construction Engagement Agreement for the period between 16 July 2012 and 31 December 2012 shall not exceed HK\$400 million, for each of the two years ending 31 December 2014 shall not exceed HK\$800 million, and for the period between 1 January 2015 and 30 June 2015 shall not exceed HK\$400 million (i.e. the CSC Works Cap). The terms of the specific contracts will be negotiated on an arm's length basis between the parties; and

(c) the fees payable by the CSC Group to the Group will be settled pursuant to the payment terms set out in the specific contracts.

The CSC Works Cap is calculated with reference to the following factors:

- (i) total contract sum of contracting and engineering works, project consultancy service and project management service provided by the Group to CSC Group's construction works in each of the past three financial years ended 31 December 2011 of approximately HK\$87 million, nil and nil respectively; and
- (ii) total estimated contract sum of contracting and engineering works, project consultancy service and project management service required by the CSC Group's construction works in the period commencing from 16 July 2012 and ending on 30 June 2015, estimated with reference to the CSC Group's future growth and expansion for such period.

The contract sums under the FE-CSC Sub-construction Engagement Agreement will be satisfied by the CSC Group from its internal resources.

The FE-CSC Sub-construction Engagement Agreement (together with the CSC Works Cap) will take effect conditional upon the approval of Independent Shareholders having been obtained at the EGM.

Reasons for the Transactions

The CSC Group is principally engaged in building construction, civil engineering works, infrastructure investment and project consultancy services. The Group mainly engages in the contracting and engineering business, including design, engineering, manufacture, installation, maintenance, project consultancy and management services. Currently, the major products of the Group are exterior facade systems primarily made of fabricated aluminium cladding, stainless steel and glass.

The directors of the Company consider that the transactions contemplated under the FE-CSC Sub-construction Engagement Agreement will allow the Company to maximise profits and bring synergy effect to both the Company and CSC; thereby facilitating the expansion of the Company's businesses.

The directors of the Company (other than the independent non-executive directors of the Company whose opinion will be provided after reviewing the advice of the independent financial adviser) consider that the transactions contemplated under the FE-CSC Sub-construction Engagement Agreement are expected to be entered into in the ordinary and usual course of business of the Group, and the FE-CSC Sub-construction Engagement Agreement (together with the CSC Works Cap) has been entered into on normal commercial terms after arm's length negotiations

between the parties, and the terms of the transactions contemplated under the FE-CSC Sub-construction Engagement Agreement (together with the CSC Works Cap) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GENERAL

CSC is indirectly interested in approximately 74.1% of the issued share capital and is the controlling shareholder of the Company. Accordingly, members of the CSC Group are connected persons of the Company. The transactions contemplated under the FE-CSC Sub-construction Engagement Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Since the applicable percentage ratios as defined in Rule 14A.10 of the Listing Rules in respect of the maximum total contract sum that may be awarded for each year/period under the FE-CSC Sub-construction Engagement Agreement (i.e. the CSC Works Cap) exceed 5%, the transactions contemplated under the FE-CSC Sub-construction Engagement Agreement are subject to the annual review, reporting, announcement and independent shareholders' approval requirements for the Company. Voting at the EGM will be conducted by poll and CSC and its associates will abstain from voting at the EGM.

An independent board committee of the Company comprising all the independent non-executive directors of the Company has been formed to advise the Independent Shareholders in respect of the transactions contemplated under the FE-CSC Sub-construction Engagement Agreement. An independent financial adviser will be appointed 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 transactions contemplated under the FE-CSC Sub-construction Engagement Agreement together with, 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, and a notice convening the EGM will be expected to be despatched to the Shareholders on or before 3 July 2012 in accordance with the Listing Rules. If there is expected to be delay in despatch of the circular, a further announcement will be published in accordance with the Listing Rules stating the reason for the delay and the new expected date of despatch of the circular.

DEFINITIONS

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

“associate(s)”, “connected person(s)”, “controlling shareholder(s)”, “subsidiary(ies)”	each has the meaning ascribed to it under the Listing Rules;
“Board”	the board of directors of the Company;
“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), is a non-wholly owned subsidiary of CSC;
“CSC”	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);
“CSC Group”	CSC and its subsidiaries (excluding the Group) from time to time;
“CSC Works Cap”	the maximum total contract sum of the contracts for provision of contracting and engineering works, project consultancy service and project management service that may be awarded by the CSC Group to the Group (as subcontractor of the CSC Group) for each year/period under the FE-CSC Sub-construction Engagement Agreement;
“EGM”	the extraordinary general meeting of the Company to be held to consider and approve, among other things, the FE-CSC Sub-construction Engagement Agreement and the transactions contemplated thereunder;

“FE-CSC Sub-construction Engagement Agreement”	the engagement agreement entered into between the Company and CSC on 11 June 2012 in respect of the engagement of members of the Group by members of the CSC Group as subcontractor of the CSC Group for provision of contracting and engineering works, project consultancy service and project management service to the CSC Group’s construction works from time to time;
“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 People’s Republic of China;
“Independent Shareholders”	Shareholder(s), other than CSC and its associates;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Shareholder(s)”	shareholder(s) of the Company from time to time;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent..

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

Hong Kong, 11 June 2012

As at the date of this announcement, the Board comprises Mr. Zhou Yong as Chairman and Non-executive Director; Dr. Cheong Chit Sun (Vice-chairman and Chief Executive Officer), Mr. Ko Chuk Kin, Herbert and Mr. Chan Sim Wang as Executive Directors; Mr. Huang Brad and Mr. Hung Cheung Shew as Non-executive Directors; and Mr. Zhou Jinsong, Mr. Yen Homer Shih Hung and Mr. Hong Winn as Independent Non-executive Directors.