

**FAR EAST HOLDINGS INTERNATIONAL LTD:  
PREPARE FOR THE WORST, FOLKS !**

As expected, publicly listed [Far East Holdings International Ltd \(\)](#) (Code: 36, Main Board, The Stock Exchange of Hongkong Ltd) is suffering from the very material, share-price falls on the equity markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

The substantial, share-price deteriorations, of late, as well as further, share-price falls that have been forecast over the coming months, have taken their collective toll of the financials of many a publicly listed company in the HKSAR.

As far as Far East Holdings is concerned, the recently released Interim Results of the Company in respect of the six months, ended June 30, 2015, a report that was published on September 10, 2015, makes the above, frightening statements only too real.

At Page 34 of this Interim Report, it is stated:

*'Subsequent to the end of the reporting period, due to the share price declines in the Hong Kong securities market, the fair values of the Group's held-for-trading investments have decreased significantly and as at the latest practicable date (28th August, 2015), the fair values were significantly below their carrying amounts as at 30th June, 2015 and were below their total costs.'*

At Page 30 of this Interim Report, under Note 18 to the Accounts, it is stated that, as at June 30, 2015, the 'Fair Value' of financial assets, being listed equity securities in the HKSAR, classified as Held-For-Trading Investments in the Consolidated Statement of Financial Position, was \$HK294,545,000.

With September, being another horror month for speculators on the equity markets of the HKSAR – of which Far East Holdings is but one such speculator – one may only surmise as to how much money has been wiped off the market values of this Company's holdings in stocks and shares.

But it, certainly, cannot be small: It has to be very material.

For the first half of this Financial Year, Far East Holdings turned in a Net Profit Attributable to Shareholders of \$HK53,263,000 (2014: Net Loss Attributable to Shareholders of \$HK2,625,000).

Three of the component parts of this Net Profit Attributable to Shareholders, however, were:

Increase in Fair Value of Held-For-Trading Investments	\$HK56,594,000
Gain on Disposal of Available-For-Sale Investments	\$HK18,846,000
Gain on Disposal of Derivative Financial Instruments	<u>\$HK659,000</u>
<b>TOTAL:</b>	<b><u>\$HK76,099,000</u></b>

In contrast to the above, the data, compiled by **TARGET ()**, in respect of the like period in the 2014-Year:

Increase in Fair Value of Held-For-Trading Investments	\$HK206,000
Gain on Disposal of Available-For-Sale Investments	Nil

Gain on Disposal of Derivative Financial Instruments  
TOTAL:

Nil  
**\$HK206,000**

Without question, without the inclusion of the above-mentioned, three items, all of which were material gains with regard to the first half of the 2015-Year, Far East Holdings would have had to report a very material loss for the six-month period.

### **The Strong Cash Position**

The Condensed Consolidated Statement of Financial Position with regard to the six months, ended June 30, 2015, indicates that bank balances and cash stood at \$HK248,470,000 (December 31, 2014: \$HK74,170,000).

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