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**FAR EAST TECHNOLOGY
INTERNATIONAL LIMITED**



**FAR EAST HOTELS AND
ENTERTAINMENT LIMITED**

(Both incorporated in Hong Kong with limited liability)

**JOINT ANNOUNCEMENT OF
CONNECTED TRANSACTION**

FETIL and FEHEL announce that FEHEL has acquired 10,000,000 shares in FECIL from FETIL representing approximately 1.01% of the issued share capital of FECIL for a total cash consideration of \$2,750,000.00 or \$0.275 per share through the Stock Exchange.

The share interest of FETIL in FECIL will be decreased from approximately 2.64% to approximately 1.63% after the sale.

The share interest of FEHEL in FECIL will be increased from approximately 0.34% to approximately 1.35% after the purchase.

FETIL, FEHEL and FECIL are related companies for which Mr. Deacon Te Ken Chiu and his associates are the controlling shareholders with approximately 60.2%, 58.8% and 42.6% shareholding in the respective companies.

The transaction constitutes a connected transaction discloseable pursuant to Rule 14.25(1) of the Listing Rules.

The board of directors (respectively the “Board” and collectively the “Boards”) of Far East Technology International Limited (“FETIL”) and Far East Hotels & Entertainment Limited (“FEHEL”) announce that FEHEL has acquired on 28 March 2003 10,000,000 shares (the “Shares”) in Far East Consortium International Limited (“FECIL”) from FETIL representing approximately 1.01% of the issued share capital of FECIL for a total cash consideration of \$2,750,000.00 or \$0.275 per share through the Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Parties to the Transaction

FETIL is a company incorporated in the Hong Kong SAR the shares of which are listed on the Stock Exchange.

FEHEL is a company incorporated in the Hong Kong SAR the shares of which are listed on the Stock Exchange.

FECIL is a company incorporated in the Cayman Islands the shares of which are listed on the Stock Exchange.

FETIL, FEHEL and FECIL are related companies for which Mr. Deacon Te Ken Chiu and his associates are the controlling shareholders with approximately 60.2%, 58.8% and 42.6% shareholding in the respective companies.

The transaction constitutes a connected transaction discloseable pursuant to Rule 14.25(1) of the Rules Governing the Listing of Securities on the Stock Exchange (“the Listing Rules”).

Consideration

The consideration represents a discount of approximately 8.33% to the closing price of the shares of FECIL of \$0.30 as quoted on the Stock Exchange on 28 March 2003 and a discount of approximately 8.48% to the average closing price for the last ten trading days.

Shareholdings in the related companies

As at the date of this announcement, FEHEL holds approximately 0.34% of the share interest in FECIL. The share interest of FEHEL in FECIL will be increased to approximately 1.35% after the acquisition.

As at the date of this announcement, FETIL holds approximately 2.64% of the share interest in FECIL. The share interest of FETIL in FECIL will be reduced to approximately 1.63% after the sale.

As at the date of this announcement, FETIL holds approximately 2.18% share interest in FEHEL.

Reasons for the transfer

The principal activities of FETIL are property and financial investment, entertainment and leisure business, and merchandise manufacturing and trading. The Board of FETIL intends to concentrate on its core business and gradually eliminate its share interest in related companies and believes that the transfer presents an opportunity for FETIL to reduce its share interest in FECIL.

The principal activities of FEHEL are investment holding and its subsidiaries are engaged in hotel operation, property rental, securities trading, loan financing and investment holding. The acquisition will provide an opportunity for FEHEL to increase its long term share investment in FECIL.

The aggregate consideration of \$2,750,000.00 is arrived at after arm’s length negotiations. The Boards including the independent non-executive directors consider the price to be fair and reasonable with reference to the market price of the shares of FECIL as traded on the Stock Exchange and is in the best interests of their respective companies. Details of the Boards’ view on the transaction including the independent non-executive directors will be disclosed in the next published annual report and accounts.

By Order of the Board
Far East Technology International Limited
Duncan Chiu
Joint Managing Director

By Order of the Board
Far East Hotels & Entertainment Limited
Derek Chiu
Managing Director

Hong Kong SAR, 31 March 2003

*Please also refer to the published version of this announcement in
The Standard and Sing Tao Daily.*