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FAR EAST TECHNOLOGY INTERNATIONAL LIMITED

(Incorporated in Hong Kong with limited liability)

(Website: <http://www.fet.com.hk>)

(Stock Code: 0036)

CLARIFICATION ANNOUNCEMENT

The Directors wish to clarify certain information contained in the Announcement and the Circular. In view of the incorrect information in the Announcement and the Circular, the Board proposes that a supplemental circular be issued and an EGM be convened to consider, and if thought fit, approve the special resolution in relation to the Capital Reorganisation based on the correct financial information as stated in this announcement.

Reference is made to the Company's announcement dated 28 April 2004 (the "Announcement"), the delay announcements dated 3 May 2004 (the "First Delay Announcement") and 19 May 2004 (the "Second Delay Announcement") and the circular dated 28 May 2004 (the "Circular"). This announcement is made to clarify certain information contained in the Announcement and the Circular and terms used herein shall have the same meanings as ascribed thereto in the Announcement, the First and Second Delay Announcements and the Circular.

The Directors wish to clarify that the accumulated losses of the Company as at 31 December 2003 should have been HK\$532,554,276 instead of HK\$552,066,993 as stated in the Announcement and on page 22 in the Circular which represented the accumulated losses of the Group (and not that of the Company) as at 31 December 2003. Also relating to this information, the amount of the Share Premium Account of the Company as at 31 December 2003 which will be used to reduce the accumulated losses of the Company as at 31 December 2003 should therefore have been HK\$201,548,709 instead of HK\$221,061,426 as stated in the Announcement and on pages 5, 6 and 22 in the Circular. In view of the incorrect information in the Announcement and the Circular, the Board proposes that a supplemental circular be issued and an EGM be convened to consider, and if thought fit, approve the special resolution in relation to the Capital Reorganisation based on the correct financial information as stated in this announcement.

As at the date of this announcement, the executive Directors are Mr. Deacon Chiu, Mr. Duncan Chiu and Mr. Dennis Chiu. The non-executive Directors are Dato' David Chiu, Mr. Daniel Tat Jung Chiu, Mr. Derek Chiu, Mr. Desmond Chiu and Ms. Margaret Chiu and the independent non-executive Directors are Mr. Chi Man Ma and Mr. Siu Hong Chow.

By Order of the Board

Far East Technology International Limited
Duncan Chiu

Managing Director and Chief Executive Officer

Hong Kong, 9 August 2004

*Please also refer to the published version of this announcement in
The Standard and Hong Kong Economic Times.*