



FAR EAST TECHNOLOGY INTERNATIONAL LIMITED

(Incorporated in Hong Kong with limited liability)

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

(Stock Code: 36)

PROPOSED RIGHTS ISSUE OF NOT LESS THAN 33,166,890 RIGHTS SHARES AND NOT MORE THAN 34,866,890 RIGHTS SHARES AT HK\$0.915 PER RIGHTS SHARE IN THE PROPORTION OF ONE RIGHTS SHARE FOR EVERY TWO EXISTING SHARES HELD ON THE RECORD DATE AND RESUMPTION OF TRADING

Financial Advisor to the Company



KINGSTON CORPORATE FINANCE LIMITED

Underwriter



KINGSTON SECURITIES LIMITED

The Company proposes to raise not less than approximately HK\$30.3 million and not more than approximately HK\$31.9 million before expenses by way of a rights issue of not less than 33,166,890 Rights Shares and not more than 34,866,890 Rights Shares at a price of HK\$0.915 per Rights Share on the basis of one Rights Share for every two existing Shares held on the Record Date. The Company will provisionally allot to the Qualifying Shareholders one Rights Share in nil-paid form for every two existing Shares held on the Record Date. The Rights Issue will not be available to the Excluded Shareholders. Fractional entitlements will not be allotted but will be aggregated and sold for the benefit of the Company.

The Company intends to use the net proceeds from the Rights Issue of approximately HK\$29.2 million (assuming no Options have been exercised before the Record Date) or HK\$30.8 million (assuming all Options, except those being held by Mr. Duncan Chiu, have been exercised before the Record Date) as to i) approximately HK\$25 million for possible diversified investment in aviation technology company and/or outdoor media business in the PRC which has not yet been identified by the Company as at the date of this announcement; and ii) the remaining balance of approximately HK\$4.2 million (assuming no Options have been exercised before the Record Date) or HK\$5.8 million (assuming all Options, except those being held by Mr. Duncan Chiu, have been exercised before the Record Date) for general working capital. The Company intends to continue its existing principal businesses despite that it may identify those possible diversified investment.

As at the date of this announcement, there were an aggregate of 6,600,000 outstanding Options eligible for exercise on or before the Record Date to subscribe for up to an aggregate of 6,600,000 Shares. Pursuant to the Irrevocable Undertakings, Mr. Duncan Chiu has irrevocably undertaken not to exercise subscription rights attaching to the 3,200,000 Options being held by him prior to the Record Date. If all of the subscription rights attaching to such Options (except those being held by Mr. Duncan Chiu) are exercised and Shares are issued and allotted pursuant to such exercise on or before the Record Date, the number of issued Shares will increase to 69,733,781 Shares and the number of Rights Shares which may be issued pursuant to the Rights Issue will increase to 34,866,890 Rights Shares.

The Rights Issue Documents will not be available to the Excluded Shareholders. The Company will send the Overseas Letter together with copies of the Prospectus to the Excluded Shareholders for their information only, but the Company will not send any provisional allotment letters and forms of application for excess Rights Shares to the Excluded Shareholders.

Subject to the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms, the Undertaking Shareholders holding an aggregate of 15.7% of the existing issued share capital of the Company have irrevocably undertaken to the Company and the Underwriter that all Shares beneficially owned by them shall remain registered in their (or their nominee's) names up to and inclusive of the Record Date and that they shall take up or procure subscribers to take up their entitlements to the Rights Shares in full which shall be provisionally allotted to them as the holders or beneficial owners of such Shares under the Rights Issue and, in addition, they shall make excess applications for an aggregate of 6,885,246 Rights Shares. Pursuant to the Underwriting Agreement, the Rights Shares (other than the Rights Shares to be allotted in respect of the Shares beneficially owned by the Undertaking Shareholders and the Rights Shares undertaken by the Undertaking Shareholders to be taken on excess application) shall be fully underwritten by the Underwriter.

The Rights Issue is subject to the satisfaction of certain conditions as described under the section headed "Conditions of the Rights Issue". In particular, it is subject to the Underwriter not terminating the Underwriting Agreement (see the section headed "Termination of the Underwriting Agreement" below). Accordingly, the Rights Issue may or may not become unconditional and may or may not proceed. Investors' attention is drawn to the section headed "Warning of the risks of dealing in Shares and the nil-paid Rights Shares" below.

The Rights Shares are expected to be dealt with in their nil-paid form from Friday, 2 December 2005 to Monday, 12 December 2005, both dates inclusive. If the Underwriter terminates the Underwriting Agreement, or the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed.

Any dealings in the Shares or Rights Shares in their nil-paid form from the date of this announcement up to and including the date on which the Underwriting Agreement becomes unconditional are accordingly at the Shareholders' or investors' own risk. Any Shareholder or other person contemplating any dealings in the Shares or Rights Shares in their nil-paid form is recommended to consult his/her own professional advisor.

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms.

The last day of dealings in the Shares on a cum-rights basis is Tuesday, 22 November 2005. Existing Shares will be dealt with on an ex-rights basis from Wednesday, 23 November 2005. To qualify for the Rights Issue, a Shareholder must not be an Excluded Shareholder. In order to be registered as a member of the Company on the Record Date, any transfer of Shares (together with the relevant share certificates) must be lodged for registration with the Registrar at Shops 1712-1716, 17/F Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by 4:00 p.m. on Thursday, 24 November, 2005. The Rights Shares are expected to be dealt with in their nil-paid form from Friday, 2 December 2005 to Monday, 12 December 2005, both dates inclusive. The last day for acceptance and payment of the Rights Shares is expected to be on Thursday, 15 December 2005.

The Company expects to send the Rights Issue Documents to the Qualifying Shareholders and the Overseas Letter together with the Prospectus, for information only, to the Excluded Shareholders on Wednesday, 30 November 2005.

Trading in the Shares was suspended on the Stock Exchange from 9:30 a.m. on Monday, 31 October 2005 at the request of the Company pending the issue of this announcement and an application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:30 a.m. on Thursday, 10 November 2005.

Shareholders and potential investors should exercise caution when dealing in the securities of the Company. If there is any doubt, shareholders and potential investors are recommended to consult their professional advisors.

PROPOSED RIGHTS ISSUE

Issue Statistics

Basis of Rights Issue:	One Rights Share for every two existing Shares held on the Record Date
Number of existing Shares in issue as at the date of this announcement:	66,333,781 Shares (assuming no Option has been exercised)
Number of Rights Shares:	Not less than 33,166,890 Rights Shares and not more than 34,866,890 Rights Shares
Number of Rights Shares undertaken to be taken by the Undertaking Shareholders:	Pursuant to the Irrevocable Undertakings, the Undertaking Shareholders have irrevocably undertaken to take up or procure subscribers to take up all of their entitlements under the Rights Issue for not less than an aggregate of 5,209,281 Rights Shares (assuming Mr. Deacon Te Ken Chiu shall not exercise his Options before the Record Date) and not more than an aggregate of 6,209,281 Rights Shares (assuming Mr. Deacon Te Ken Chiu exercises all his Options before the Record Date) and, in addition, make excess applications for 6,885,246 Rights Shares in aggregate under the Rights Issue
Number of Rights Shares underwritten by the Underwriter:	Not less than 21,072,363 Rights Shares and not more than 21,772,363 Rights Shares pursuant to the Underwriting Agreement
Subscription Price:	HK\$0.915 per Rights Share, payable in full upon acceptance
Gross proceeds:	Not less than approximately HK\$30.3 million and not more than approximately HK\$31.9 million before expenses

As at the date of this announcement, there were an aggregate of 6,600,000 outstanding Options eligible for exercise on or before the Record Date to subscribe for up to an aggregate of 6,600,000 Shares at a subscription price of HK\$1.35 per Share (subject to adjustment). Pursuant to the Irrevocable Undertakings, Mr. Duncan Chiu has irrevocably undertaken not to exercise the subscription rights attaching to the 3,200,000 Options being held by him prior to the Record Date. If all of the subscription rights attaching to such Options (except those being held by Mr. Duncan Chiu) are exercised and Shares are issued and allotted pursuant to such exercise on or before the Record Date, the number of issued Shares will increase to 69,733,781 Shares and the number of Rights Shares which may be issued pursuant to the Rights Issue will increase to 34,866,890 Rights Shares.

Of the 6,600,000 outstanding Options, 3,200,000 Options are being held by Mr. Duncan Chiu, 2,000,000 Options are being held by Mr. Deacon Te Ken Chiu, 1,000,000 Options are being held by Mr. Dennis Chiu and 400,000 Options are being held by two employees of the Company. Among the holders of the Options, Mr. Deacon Te Ken Chiu, Mr. Duncan Chiu and Mr. Dennis Chiu are Directors and the two employees of the Company are independent third parties not connected with the Company and its connected persons (as defined under the Listing Rules). Mr. Duncan Chiu irrevocably undertakes with the Company and the Underwriter that at any time before the Record Date, he shall not exercise any of the subscription rights attaching to the Options held by him.

Save for the Options, the Company has no other outstanding options, warrants or convertible securities in issue which confer any right to subscribe for, convert or exchange into Shares as at the date of the announcement. No Shares shall be allotted or issued by the Company except for the Shares to be allotted and issued upon the exercise of the Options by the Option Holders between the date of this announcement up to and including the Record Date.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. The Company will send (i) the Rights Issue Documents to the Qualifying Shareholders; and (ii) the Overseas Letter together with the Prospectus, for information only, to the Excluded Shareholders.

To qualify for the Rights Issue, a Shareholder must:

- be registered as a member of the Company at the close of business on the Record Date; and
- not be an Excluded Shareholder.

In order to be registered as a member at the close of business on the Record Date, Shareholders must lodge any transfers of Shares (together with the relevant share certificates) with the Registrar no later than 4:00 p.m. on Thursday, 24 November 2005.

Holders of outstanding Options who wish to participate in the Rights Issue should exercise their Options in accordance with their respective terms no later than 4:00 p.m. on Thursday, 24 November 2005. Save for one of the Undertaking Shareholders, Mr. Duncan Chiu, who has irrevocably undertaken with the Company and the Underwriter that at any time before the Record Date he shall not exercise any of the subscription rights attaching to the Options granted to him by the Company on 21 July 2005 to subscribe for 3,200,000 Shares, the other Option holders have not given any indication on whether they will exercise the Options to participate in the Rights Issue.

The address of the Registrar is:

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17/F Hopewell Centre
183 Queen's Road East, Wanchai, Hong Kong

The Company will provisionally allot one Rights Share in nil-paid form for every two existing Shares held by the Qualifying Shareholders on the Record Date.

Closure of Register of Members

The register of members of the Company will be closed from Friday, 25 November 2005 to Wednesday, 30 November 2005, both dates inclusive, to determine the eligibility of Shareholders to the Rights Issue. No transfers of Shares will be registered during this period.

TERMS OF THE RIGHTS ISSUE

Subscription Price for the Rights Shares

The subscription price will be HK\$0.915 per Rights Share, payable in full when a Qualifying Shareholder accepts his/her provisional allotment of the Rights Shares under the Rights Issue or applies for excess Rights Shares or when a transferee of nil-paid Rights Shares applies for the Rights Shares. The Subscription Price represents:

- a discount of approximately 25.0% to the closing price of HK\$1.22 per Share as quoted on the Stock Exchange on the Last Trading Day;

- a discount of approximately 18.2% to the theoretical ex-rights price of approximately HK\$1.118 per Share based on the closing price of HK\$1.22 per Share as quoted on the Stock Exchange on the Last Trading Day;
- a discount of approximately 24.9% to the average closing price of approximately HK\$1.219 per Share as quoted on the Stock Exchange for the last ten Trading Days up to and including the Last Trading Day; and
- a premium of approximately 159.9% over the audited consolidated net assets value per Share of approximately HK\$0.352 with reference to the audited consolidated net assets value of the Group as at 31 December 2004 and a discount of approximately 51.1% to the unaudited consolidated net assets value per Share of approximately HK\$1.87 based on the unaudited consolidated net assets value of the Group as at 30 June 2005 as shown in the 2005 interim report of the Company.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Underwriter with reference to the recent market prices of the Shares under the prevailing market conditions which would encourage the Qualifying Shareholders to participate in the Rights Issue. The Directors consider the terms of the Rights Issue to be fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Status of the Rights Shares

The Rights Shares, when allotted, issued and fully-paid, will rank pari passu in all respects with the then existing Shares in issue. Holders of such Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment and issue of the Rights Shares.

Nil-paid Rights Shares will be traded in existing board lot size of 3,000 Shares. Dealing in the Rights Shares in both nil-paid and fully-paid forms will be subject to the payment of stamp duty in Hong Kong. The Rights Shares shall represent approximately 50% (assuming no Options are exercised prior to the Record Date) and approximately 52.56% (assuming all Options are exercised in full prior to the Record Date except for the Options held by Mr. Duncan Chiu) of the existing issued share capital of the Company and approximately 33.33% (assuming no Options are exercised prior to the Record Date) and approximately 33.33% (assuming all Options are exercised in full prior to the Record Date except for the Options held by Mr. Duncan Chiu) of the enlarged issued share capital of the Company upon completion of the Rights Issue.

Expected timetable

	2005
Last day of dealings in Shares on cum-rights basis	Tuesday, 22 November
First day of dealings in Shares on ex-rights basis	Wednesday, 23 November
Latest time for lodging transfers of Shares in order to be entitled to the Rights Issue	4:00 p.m. on Thursday, 24 November
Latest time for the Options Holders to exercise their respective Options in order to be entitled to the Rights Issue	4:00 p.m. on Thursday, 24 November
Register of members closes (both dates inclusive)	Friday, 25 November to Wednesday, 30 November
Record Date	Wednesday, 30 November
Despatch of the Rights Issue Documents (in the case of the Excluded Shareholders, the Overseas Letter and the Prospectus only)	Wednesday, 30 November
Register of members reopens	Thursday, 1 December
First day of dealings in nil-paid Rights Shares	Friday, 2 December
Latest time for splitting nil-paid Right Shares	4:00 p.m. on Wednesday, 7 December
Last day of dealings in nil-paid Right Shares	Monday, 12 December
Latest time for acceptance of, and payment of Rights Shares and application for excess Right Shares	4:00 p.m. on Thursday, 15 December
Expected time for the Rights Issue to become unconditional	4:00 p.m. on Tuesday, 20 December
Announcement of results of the Rights Issue	Thursday, 22 December
Despatch of certificates for the Rights Shares on or before	Friday, 23 December
Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares to be dispatched on or before	Friday, 23 December
Dealings in Rights Shares commence	Thursday, 29 December

Certificates for Rights Shares and refund cheques

Subject to the fulfillment of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted on or before Friday, 23 December 2005 to those who have accepted and (where applicable) applied for, and paid for the Rights Shares, by ordinary post at their own risk, and refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares are also expected to be posted on or before Friday, 23 December 2005 by ordinary post at their own risk.

Rights of Excluded Shareholders

If at the close of business on the Record Date, a Shareholder's address on the register of members of Company is in a place outside Hong Kong, that Shareholder may not be eligible to take part in the Rights Issue as the Rights Issue Documents will not be registered and/or filed under the applicable securities legislation of any jurisdictions other than Hong Kong. The Board will make enquiries as to whether the issue of Rights Shares to the Overseas Shareholders may contravene the applicable securities legislation of the relevant overseas places or the requirements of the relevant regulatory body or stock exchange pursuant to Rule 13.36(2)(a) of the Listing Rules. If, after making such enquiry, the Board is of the opinion that it would be necessary or expedient, on account either of the legal restrictions under the laws of the relevant place or any requirement of the relevant regulatory body or stock exchange in that place, not to offer Rights Shares to such Overseas Shareholders, no provisional allotment of nil-paid Rights Shares or allotment of fully-paid Rights Shares will be made to such Overseas Shareholders. As at the date of this announcement, according to the register of members of the Company, the Overseas Shareholders have registered addresses in nine jurisdictions, namely, the PRC (excluding those Overseas Shareholders in Macau Special Administrative Region ("Macau")), Macau, Canada, U.K., U.S., Australia, Malaysia, Philippines and Spain. As at the date of this Announcement, the Company is still making enquiries of the relevant jurisdictions. After having made the enquiries, further announcement will be made by the Company on the basis of such exclusion on or before 16 November 2005.

The Company will send the Overseas Letter together with the Prospectus, for their information only, to the Excluded Shareholders but will not send the provisional allotment letter and the excess application form to them.

Arrangements will be made for Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence and before dealings in nil-paid Rights Shares end, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, of more than HK\$100 will be paid to the relevant Overseas Shareholders in Hong Kong dollars pro-rata to their respective shareholdings as soon as practicable. The Company will retain individual amounts of HK\$100 or less for its own benefit.

Fractions of Rights Shares

The Company will not provisionally allot fractions of Rights Shares (whether in nil-paid or fully-paid form). The Company will sell in the market any such Rights Shares created from the aggregation of fractions of Rights Shares (if a premium, net of expenses, can be obtained), and will retain the proceeds for its own benefit.

Applications for excess Rights Shares

Qualifying Shareholders shall be entitled to apply for any unsold entitlements of Excluded Shareholders, any unsold Rights Shares created by adding together fractions of Rights Shares and any Rights Shares provisionally allotted but not accepted and paid by Qualifying Shareholders. Application may be made by completing the form of application for excess Rights Shares and lodging the same with a separate remittance for the excess Rights Shares being applied for. The Directors will allocate the excess Rights Shares at their discretion on a fair basis, but will give preference to topping-up odd lots to whole board lots.

Shareholders with Shares held by a nominee company should note that the Board would regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares would not be extended to beneficial owners individually. Shareholders with their Shares held by a nominee company are advised to consider whether they would like to arrange registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

For Shareholders whose Shares are held by their nominee(s) and would like to have their names registered on the register of members of the Company, must complete the relevant registration with the Registrar by 4:00 p.m. on Thursday, 24 November 2005.

The latest time for acceptance of, and payment for, Rights Shares and application for excess Rights Shares is expected to be at 4:00 p.m. on Thursday 15 December 2005, or such later date as may be agreed between the Company and the Underwriter.

Reasons for subscription of provisionally allotted Rights Shares and application for excess Rights Shares by the Undertaking Shareholders

Pursuant to the Irrevocable Undertakings, Mr. Deacon Te Ken Chiu has irrevocably undertaken with the Company and (as separate undertakings) with the Underwriter to take up all of his entitlements under the Rights Issue being not less than 1,988,660 Rights Shares with a total subscription price of approximately HK\$1,819,624 (assuming Mr. Deacon Te Ken Chiu shall not exercise his Options before the Record Date) and not more than 2,988,660 Right Shares with a total subscription price of approximately HK\$2,734,624 (assuming Mr. Deacon Te Ken Chiu exercises all his Options before the Record Date) and in addition, make an excess application for 2,985,246 Rights Shares (having a total subscription price of HK\$2,731,500 payable in cash) under the Rights Issue.

Pursuant to the Irrevocable Undertakings, Mr. Duncan Chiu has irrevocably undertaken with the Company and (as separate undertakings) with the Underwriter to take up all of his entitlements under the Rights Issue, being 3,220,621 Rights Shares with a total subscription price of approximately HK\$2,946,868 payable in cash) and in addition, to make an excess application for 3,900,000 Rights Shares with a total subscription price of HK\$3,568,500 payable in cash under the Rights Issue. Mr. Duncan Chiu has further irrevocably undertaken with the Company and (as a separate undertaking) with the Underwriter that at any time before the Record Date, he shall not exercise any of the subscription rights attaching to the Options granted to him by the Company on 21 July 2005 to subscribe for 3,200,000 Shares.

The Directors consider that the Rights Issue provides a good opportunity for the Group to capitalise on the recent market conditions to raise funds to strengthen its capital base and improve its financial position to provide flexibility for the Group's future development and investments. The Directors are of the opinion that the terms of the Irrevocable Undertakings are fair and reasonable and in the interest of the Company and Shareholders as a whole.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in the Rights Shares, in both their nil-paid and fully-paid forms.

UNDERWRITING ARRANGEMENTS

Underwriting Agreement

Date:	31 October 2005
Underwriter:	Kingston Securities Limited
Number of Rights Shares underwritten:	Not less than 21,072,363 Rights Shares and not more than 21,772,363 Rights Shares are fully underwritten by the Underwriter pursuant to the Underwriting Agreement
Commission:	2.5 % of the aggregate Subscription Price in respect of the actual number of Rights Shares underwritten payable on the Record Date

Pursuant to the Underwriting Agreement, the Underwriter has agreed to underwrite the Rights Shares (other than the Rights Shares to be allotted in respect of the Shares beneficially owned by the Undertaking Shareholders and the Rights Shares undertaken by the Undertaking Shareholders to be taken up by excess application) which have not been taken up and fully-paid for up to 4:00 p.m. on the Final Acceptance Date. Accordingly, the Rights Issue is fully underwritten. The Underwriter does not have any shareholding in the Company and is an independent third party not acting in concert nor connected with the Company and its connected person (as defined in the Listing Rules).

The 2.5% commission payable to the Underwriter was determined after arm's length negotiations between the Company and the Underwriter and based on normal commercial terms with reference to the market rates.

Undertaking by the Undertaking Shareholders

As at the date of this announcement, the Undertaking Shareholders are beneficially interested in an aggregate of 10,418,562 Shares, representing approximately 15.71% of the existing issued Shares of the Company.

Subject to the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms, the Undertaking Shareholders have irrevocably undertaken to the Company and the Underwriters that all Shares beneficially owned by them shall remain registered in their (or their nominee's) names up to and inclusive of the Record Date and that they shall take up or procure subscribers to take up their entitlements to the Rights Shares in full which shall be provisionally allotted to them as the holder or beneficial owner of such Shares under the Rights Issue and, in addition, they shall make an excess application for an aggregate of 6,885,246 Rights Shares.

One of the Undertaking Shareholders, Mr. Duncan Chiu, has further irrevocably undertaken with the Company and (as a separate undertakings) with the Underwriter that at any time before the Record Date, he shall not exercise any of the subscription rights attaching to the Options granted to him by the Company on 21 July 2005 to subscribe for 3,200,000 Shares.

Termination of the Underwriting Agreement

It should be noted that the Underwriting Agreement contains provisions entitling the Underwriter at its reasonable discretion, by notice in writing, to terminate its obligations thereunder at any time prior to 4:00 p.m. on the third business day following the Final Acceptance Date:

- if the occurrence of the following events would, in the sole and reasonable opinion of the Underwriter, would materially and adversely affect the success of the Rights issue by materially and adversely affect the business, financial or trading position or prospects of the Group as a whole or the number of Rights Shares accepted or applied for or otherwise makes it inexpedient or inadvisable for the Company or the Underwriter to proceed with the Rights Issue:
 - the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever; or
 - the occurrence of any local, national or international event or change, (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic, currency or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities market; or
 - the occurrence of any change in market conditions (including without limitation suspension or material restriction on trading in securities); or
 - any change in the circumstances of the Company or any member of the Group.
- if, at or prior to 4:00 p.m. on the third business day following the Final Acceptance Date:
 - the Company commits any breach of or omits to observe any of the obligations or undertakings expressed to be assumed by it under the Underwriting Agreement; or
 - the Underwriter shall receive notification pursuant to the Underwriting Agreement of, or shall otherwise become aware of, the fact that any of the representations or warranties contained in the Underwriting Agreement was, when given, untrue or inaccurate or would be untrue or inaccurate if repeated as provided in the Underwriting Agreement, and the Underwriter shall, in its sole and reasonable opinion, determine that any such untrue representation or warranty represents or is likely to represent an adverse change in the financial or trading position or prospectus of the Group taken as a whole or is otherwise likely to have a prejudicial effect on the Rights Issue; or
 - the Company shall, after any matter or event referred to in the Underwriting Agreement has occurred or come to any of the Underwriters' attention, fail promptly to sent out any announcement or circular (after the dispatch of the Rights Issue Documents), in such manner (and as appropriate with such contents) as the Underwriter may reasonably request for the purpose of preventing the creation of a false market in the securities of the Company; or
 - the Undertaking Shareholders commits a breach of or omit to observe any of the obligations or undertakings under the Underwriting Agreement.

In the event that the Underwriting Agreement shall have been terminated, the Rights Issue shall not proceed. Save for all reasonable costs, fees, charges and expenses which may be incurred in connection with the Rights Issue, upon the giving of notice of termination, all obligations of the Underwriter under the Underwriting Agreement shall cease and no party shall have any claim against any other parties in respect of any matter or thing arising out of or in connection with the Underwriting Agreement. If the Underwriter exercises such right, the Rights Issue will not proceed.

SHAREHOLDING STRUCTURE OF THE COMPANY

The following is the shareholding structure of the Company immediately before and after completion of the Rights Issue (assuming no Options have been exercised before the Record Date):

	Before completion of the Rights Issue		Immediately after completion of the Rights Issue (assuming all Qualifying Shareholders shall take up his/her/its respective entitlements in full)		Immediately after completion of the Rights Issue (assuming no Qualifying Shareholders shall take up his/her/its entitlement under the Rights Issue, except that Undertaking Shareholders take up all their entitlements (being 5,209,281 Rights Shares in aggregate) and their excess applications (being 6,885,246 Rights Shares in aggregate) under the Rights Issue	
	Shares	% (approx.)	Shares	% (approx.)	Shares	% (approx.)
Controlling Shareholders:						
(a) Undertaking Shareholders						
Mr. Deacon Te Ken Chiu (Note 1)	3,977,320	6.00	5,965,980	6.00	8,951,226	9.00
Mr. Duncan Chiu	6,441,242	9.71	9,661,863	9.71	13,561,863	13.63
Sub-total	10,418,562	15.71	15,627,843	15.71	22,513,089	22.63
(b) Other Shareholders						
Dato' David Chiu	1,700,000	2.56	2,550,000	2.56	1,700,000	1.71
Rocket High Investments Limited (Note 2)	5,608,000	8.45	8,412,000	8.45	5,608,000	5.64
Mr. Daniel Tat Jung Chiu	2,200,000	3.32	3,300,000	3.32	2,200,000	2.21
Gorich Holdings Limited (Note 3)	8,400,040	12.66	12,600,060	12.66	8,400,040	8.44
Cape York Investments Limited (Note 4)	6,080,000	9.17	9,120,000	9.17	6,080,000	6.11
Mr. Dennis Chiu	3,322,040	5.01	4,983,060	5.01	3,322,040	3.34
Sub-total	27,310,080	41.17	40,965,120	41.17	27,310,080	27.45
Total for parties acting in concert with it:	37,728,642	56.88	56,592,963	56.88	49,823,169	50.08
Miss Margaret Chiu	1,000,000	1.51	1,500,000	1.51	1,000,000	1.01
Mr. Derek Chiu	40,200	0.06	60,300	0.06	40,200	0.03
Mr. Desmond Chiu	1,000,000	1.51	1,500,000	1.51	1,000,000	1.01
Total for Controlling Shareholders	39,768,842	59.96	59,653,263	59.96	51,863,369	52.13
Public:						
Underwriter (Note 5)	-	-	-	-	21,072,363	21.18
Others	26,564,939	40.04	39,847,408	40.04	26,564,939	26.69
Total	66,333,781	100.00	99,500,671	100.00	99,500,671	100.00

The following is the shareholding structure of the Company immediately before and after completion of the Rights Issue (assuming all Options except those being held by Mr. Duncan Chiu have been exercised before the Record Date):

	Before completion of the Rights Issue		Immediately after completion of the Rights Issue (assuming all Qualifying Shareholders shall take up his/her/its respective entitlements in full)		Immediately after completion of the Rights Issue (assuming no Qualifying Shareholder shall take up his/her/its entitlement under the Rights Issue, except that Undertaking Shareholders take up all their entitlements (being 6,209,281 Rights Shares in aggregate) and their excess applications (being 6,885,246 Rights Shares in aggregate) under the Rights Issue	
	Shares	% (approx.)	Shares	% (approx.)	Shares	% (approx.)
Controlling Shareholders:						
(a) Undertaking Shareholders						
Mr. Deacon Te Ken Chiu (Note 1)	5,977,320	8.57	8,965,980	8.57	11,951,226	11.43
Mr. Duncan Chiu	6,441,242	9.24	9,661,863	9.24	13,561,863	12.97
Sub-total	12,418,562	17.81	18,627,843	17.81	25,513,089	24.40
(b) Other Shareholders						
Dato' David Chiu	1,700,000	2.44	2,550,000	2.44	1,700,000	1.63
Rocket High Investments Limited (Note 2)	5,608,000	8.04	8,412,000	8.04	5,608,000	5.36
Mr. Daniel Tat Jung Chiu	2,200,000	3.15	3,300,000	3.15	2,200,000	2.10
Gorich Holdings Limited (Note 3)	8,400,040	12.05	12,600,060	12.05	8,400,040	8.03
Cape York Investments Limited (Note 4)	6,080,000	8.72	9,120,000	8.72	6,080,000	5.81
Mr. Dennis Chiu	4,322,040	6.20	6,483,060	6.20	4,322,040	4.13
Sub-total	28,310,080	40.60	42,465,120	40.60	28,310,080	27.06
Total for parties acting in concert with it:	40,728,642	58.41	61,092,963	58.41	53,823,169	51.46
Miss Margaret Chiu	1,000,000	1.43	1,500,000	1.43	1,000,000	0.96
Mr. Derek Chiu	40,200	0.06	60,300	0.06	40,200	0.03
Mr. Desmond Chiu	1,000,000	1.43	1,500,000	1.43	1,000,000	0.96
Total for Controlling Shareholders	42,768,842	61.33	64,153,263	61.33	55,863,369	53.41
Public:						
Underwriter (Note 5)	-	-	-	-	21,772,363	20.81
Others	26,964,939	38.67	40,447,408	38.67	26,964,939	25.78
Total	69,733,781	100.00	104,600,671	100.00	104,600,671	100.00

Notes:

- Of the 3,977,320 Shares (assuming no Options are exercised by Mr. Deacon Te Ken Chiu before the Record Date) or the 5,977,320 Shares (assuming Mr. Deacon Te Ken Chiu exercises the Options held by him in full), 1,222,000 Shares are held by Madam Ching Lan Ju Chiu, wife of Mr. Deacon Te Ken Chiu.
- Rocket High Investments Limited, a company wholly-owned by Dato' David Chiu.
- Gorich Holdings Limited, a company wholly-owned by Mr. Daniel Tat Jung Chiu.
- Cape York Investments Limited, a company owned equally by Mr. Dennis Chiu and Mr. Daniel Tat Jung Chiu.
- The Underwriter is independent of and not acting in concert nor connected with Company and its connected persons (as defined under the Listing Rules). The Underwriter, and if applicable the sub-underwriter, will at no time hold in aggregate, 30% or more interests in the Company upon completion of the Rights Issue.

6. Of the 6,600,000 outstanding Options, 3,200,000 Options are being held by Mr. Duncan Chiu, 2,000,000 Options are being held by Mr. Deacon Te Ken Chiu, 1,000,000 Options are being held by Mr. Dennis Chiu and 400,000 Options are being held by two employees of the Company.

7. All interests disclosed above represent long positions (within the meaning of SFO) in the ordinary shares in the Company.

CONDITIONS OF THE RIGHTS ISSUE

The Rights Issue is conditional upon, among other things, the following conditions:

- the delivery to the Stock Exchange and registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Rights Issue Documents duly certified by two directors of the Company (or by their agents duly authorized in writing) as having been approved by resolution of the Board (and all other documents required to be attached thereto) not later than the Allotment Posting Date and otherwise in compliance with the Listing Rules and the Companies Ordinance;
- the posting of the Rights Issue Documents to the Qualifying Shareholders and the posting of the Overseas Letter together with copies of the Prospectus stamped "For Information Only" to the Excluded Shareholders on the Allotment Posting Date;
- the Listing Committee of the Stock Exchange granting (subject to allotment), and not having revoked, listing of, and permission to deal in the Rights Shares, in nil-paid and fully-paid forms before the expected date of commencement of dealings in the nil-paid form (or such other date as may be agreed in writing between the Company and Underwriter);
- compliance by the Undertaking Shareholders with all its undertakings and obligations under the Underwriting Agreement; and
- compliance by the Company with all its undertakings and obligations under the Underwriting Agreement;

In the event that the above conditions not being fulfilled or waived by the Underwriter on or before the respective dates aforesaid (or such later date or dates as may be agreed between the Company and the Underwriter) or if the Underwriting Agreement shall be terminated, all obligations and liabilities of the parties under the Underwriting Agreement shall cease and determine and no party shall have any claim against the others (save for any antecedent breaches thereof) save that the Company will pay the documentation fee to Kingston Corporate Finance by less than 1% of the total Subscription Price on the actual number of Rights Shares underwritten by the Underwriter and the expenses incurred to the Underwriter referred to in the Underwriting Agreement. In such case, the Rights Issue will not proceed.

RESTORATION OF PUBLIC FLOAT

The Stock Exchange has stated that if, upon completion of the Rights Issue, less than 25% of the Shares are held by the public or if the Stock Exchange believes that:

- a false market exists or may exist in the trading in the Shares; or
- there are too few Shares in public hands to maintain an orderly market;

then it will consider exercising its discretion to suspend trading in the Shares until a sufficient public float is attained.

As shown under the sub-paragraph headed "Shareholding Structure of the Company", assuming none of the Qualifying Shareholders shall take up any provisional allotments of the Rights Shares except that the Undertaking Shareholders shall take up all of their entitlements under the Rights Issue, being an aggregate of 5,209,281 Rights Shares (assuming no Options have been exercised before the Record Date) or an aggregate of 6,209,281 Rights Shares (assuming all Options have been exercised before the Record Date except for the Options held by Mr. Duncan Chiu), the public float of the Shares will approximately be 26.69% or 25.78% respectively upon completion of the Rights Issue.

WARNING OF THE RISKS OF DEALING IN SHARES AND THE NIL-PAID RIGHTS SHARES

The last day of dealings in the Shares on a cum-rights basis is Tuesday, 22 November 2005. Existing Shares will be dealt with on an ex-rights basis from Wednesday, 23 November 2005. To qualify for the Rights Issue, a Qualifying Shareholder's name must appear on the Register of Members of the Company on the Record Date, which is currently expected to be on Wednesday, 30 November 2005 or such other date as may be agreed between the Company and the Underwriter, and have an address in Hong Kong which appears on the register of members of the Company on the Record Date. In order to be registered as a member of the Company on the Record Date, any transfers of Shares (together with the relevant certificates) must be lodged for registration by 4:00 p.m. on Thursday, 24 November 2005.

The Rights Shares are expected to be dealt with in their nil-paid form from Friday, 2 December 2005 to Monday, 12 December 2005, both dates inclusive. If the Underwriter terminates the Underwriting Agreement, or the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed.

Any dealings in the Shares or Rights Shares in their nil-paid form from now up to the date on which all conditions of the Underwriting Agreement are fulfilled are accordingly at the investors' own risk. Any Shareholder or other person contemplating any dealings in the Shares or Rights Shares in their nil-paid form is recommended to consult his/her own professional advisors.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Group is principally engaged in property investment, securities investment, manufacture and sales of garments and commodity concrete and provision of information technology services in the PRC.

The Company intends to use the net proceeds from the Rights Issue of approximately HK\$29.2 million (assuming no Options have been exercised before the Record Date) or HK\$30.8 million (assuming all Options except those being held by Mr. Duncan Chiu have been exercised before the Record Date) as to i) approximately HK\$25 million for possible diversified investment in aviation technology company and/or outdoor media business in the PRC which has not yet been identified by the Company as at the date of this announcement and; ii) the remaining balance of approximately HK\$4.2 million (assuming no Options have been exercised before the Record Date) or HK\$5.8 million (assuming all Options, except those being held by Mr. Duncan Chiu, have been exercised before the Record Date) for general working capital. In the event that the Company is unable to identify any suitable investment upon completion of the Rights Issue, the net proceeds from the Rights Issue will be temporarily deposited in bank as time deposit for earning interest income. The Company intends to continue its existing principal businesses despite that it may identify those possible diversified investment.

Having considered other fund raising alternatives for the Group, including bank borrowings and placing of new Shares, and taking into account the benefits and costs of each of the alternatives, the Rights Issue allows the Group to strengthen its balance sheet without facing the increasing interest rates. The Directors consider that the Rights Issue is in the interest of the Company and its Shareholders as a whole as it offers all the Qualifying Shareholders an equal opportunity to participate in the enlargement of the capital base of the Company and enables the Qualifying Shareholders to maintain their proportionate interests in the Company and continue to participate in the future development of the Company should they wish to do so. **However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted.**

The Group did not have any capital raising activities for 12 months immediately before the date of this announcement.

ADJUSTMENT TO THE SUBSCRIPTION PRICE OF THE OPTIONS

Pursuant to the terms of the share option scheme adopted by the Company on 23 May 2005, adjustments to the outstanding Options are required to be made upon the Rights Issue becoming unconditional. Further details on the adjustments will be set out in the Prospectus and an announcement will be made by the Company when appropriate.

GENERAL

The Company will send the Rights Issue Documents to the Qualifying Shareholders and, the Overseas Letter together with the Prospectus, for information only, to the Excluded Shareholders as soon as practicable.

Trading in the Shares was suspended on the Stock Exchange from 9:30 a.m. on 31 October 2005 at the request of the Company pending the issue of this announcement and an application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:30 a.m. on Thursday, 10 November 2005.

Shareholders and potential investors should exercise caution in dealing in the securities of the Company.

DEFINITIONS

"Allotment Posting Date"	Wednesday, 30 November 2005, or such other date as may be agreed between the Company and the Underwriter in writing, to despatch the Rights Issue Documents to the Qualifying Shareholders and the Overseas Letter together with the Prospectus, for information only, to the Excluded Shareholders
"associates"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"business day"	any day (other than a Saturday) on which banks are generally open for business in Hong Kong
"Company"	Far East Technology International Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Stock Exchange

“Dato’ David Chiu”	Dato’ David Tat Cheong Chiu, a non-executive Director and Shareholder who holds directly or indirectly approximately 11.01% interest in the existing issued share capital of the Company as at the date of this announcement
“Director(s)”	director(s) of the Company
“Excluded Shareholder(s)”	Shareholder(s) whose names appear on the register of members of Company on the Record Date and whose address(es) as shown on such register is(are) outside Hong Kong where the Directors, after making enquiries, consider it necessary or expedient on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place not to offer the Rights Shares to such Shareholders
“Final Acceptance Date”	Thursday, 15 December 2005 or such other date as the Underwriter and the Company may agree as the last date for acceptance and payment in respect of provisional allotments under the Rights Issue
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Irrevocable Undertakings”	the irrevocable undertakings given pursuant to the Underwriting Agreement dated 31 October 2005 under which, Mr. Deacon Te Ken Chiu has irrevocably undertaken to, (i) subscribe for his full entitlements pursuant to the Rights Issue for not less than 1,988,660 Rights Shares (assuming Mr. Deacon Te Ken Chiu shall not exercise his Options before the Record Date) and not more than 2,988,660 Rights Shares (assuming Mr. Deacon Te Ken Chiu shall exercise all his Options before the Record Date); and (ii) apply for 2,985,246 excess Rights Shares; and Mr. Duncan Chiu has irrevocably undertaken to, (i) subscribe for his full entitlements pursuant to the Rights Issue, being 3,220,621 Rights Shares; and (ii) apply for 3,900,000 excess Rights Shares
“Kingston Corporate Finance”	Kingston Corporate Finance Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the SFO, which is independent of and not a connected person (as defined in the Listing Rules) of the Company
“Last Trading Day”	28 October 2005, being the last trading day before the suspension of the trading of the Shares on the Stock Exchange pending the release of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Madam Ching Lan Ju Chiu”	Madam Ching Lan Ju Chiu, the wife of Mr. Deacon Te Ken Chiu
“Miss Margaret Chiu”	Miss Margaret Chiu, a non-executive Director and Shareholder who holds approximately 1.51% interest in the existing issued share capital of the Company as at the date of this announcement
“Mr. Daniel Tat Jung Chiu”	Mr. Daniel Tat Jung Chiu, a non-executive Director and Shareholder who holds directly and indirectly approximately 20.56% interest in the existing issued share capital of the Company as at the date of this announcement
“Mr. Deacon Te Ken Chiu”	Mr. Deacon Te Ken Chiu, the chairman and a Shareholder of the Company who holds approximately 6.00% interest in the existing issued share capital of the Company as at the date of this announcement
“Mr. Dennis Chiu”	Mr. Dennis Tat Shing Chiu, an executive Director and a Shareholder who holds directly and indirectly approximately 9.59% interest in the existing issued share capital of the Company as at the date of this announcement
“Mr. Derek Chiu”	Mr. Derek Chiu, a non-executive Director and Shareholder who holds approximately 0.06% interest in the existing issued share capital of the Company as at the date of this announcement
“Mr. Desmond Chiu”	Mr. Desmond Chiu, a non-executive Director and Shareholder who holds approximately 1.51% interest in the existing issued share capital of the Company as at the date of this announcement
“Mr. Duncan Chiu”	Mr. Duncan Chiu, the managing Director and chief executive officer of the Group and a Shareholder who holds approximately 9.71% interest in the existing issued share capital of the Company as at the date of this announcement
“Options”	share options granted by the Company to subscribe for Shares pursuant to the share option scheme adopted by the Company on 23 May 2005
“Options Holder(s)”	Mr. Duncan Chiu, being the holder of 3,200,000 Options; Mr. Deacon Te Ken Chiu, being the holder of 2,000,000 Options; Mr. Dennis Chiu, being the holder of 1,000,000 Options; and two employees of the Company, being the holders of 400,000 Options
“Overseas Letter”	a letter from the Company to the Overseas Shareholders advising them of the arrangement of their entitlements under the Rights Issue
“Overseas Shareholders”	Shareholders with registered address (as shown in the register of members of the Company on the Record Date) which are outside Hong Kong
“PRC”	the People’s Republic of China
“Prospectus”	the prospectus to be issued by the Company in relation to the Rights Issue
“Qualifying Shareholder(s)”	the Shareholder(s), other than the Excluded Shareholder(s), whose name(s) appear(s) on the register of members of the Company on the Record Date
“Record Date”	Wednesday, 30 November 2005 or such other date as may be agreed between the Company and the Underwriter, being the record date for determining entitlement to the Rights Issue
“Registrar”	Computershare Hong Kong Investor Services Limited, being the share registrar of the Company in Hong Kong
“Rights Issue”	the issue of the Rights Shares on the basis of one Rights Share for every two existing Shares held on the Record Date at a price of HK\$0.915 per Rights Share as described in this announcement
“Rights Issue Documents”	the Prospectus, the provisional allotment letter and the form of application for excess Rights Shares
“Rights Share(s)”	new Share(s) to be allotted and issued in respect of the Rights Issue
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.915 per Rights Share
“Trading Day”	a day on which the Stock Exchange is open for trading
“Undertaking Shareholders”	Mr. Deacon Te Ken Chiu and Mr. Duncan Chiu
“Underwriter”	Kingston Securities Limited, a licensed corporation to carry out type 1 (dealing in securities) regulated activity under the SFO, which is independent of and not a connected person (as defined in the Listing Rules) of the Company
“Underwriting Agreement”	the conditional agreement dated 31 October 2005 entered into between the Company, the Undertaking Shareholders and the Underwriter relating to the underwriting and other arrangements in respect of the Rights Issue
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
Far East Technology International Limited
Duncan Chiu
Managing Director and Chief Executive Officer

Hong Kong, 9 November 2005

As at the date of this announcement, the executive Directors are Mr. Deacon Te Ken 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, Dr. Lee G. Lam and Mr. Ryan Yen Hwung Fong.

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