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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in doubt** as to any aspect of this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Far East Technology International Limited, you should at once hand this circular to the purchaser or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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**FAR EAST TECHNOLOGY INTERNATIONAL LIMITED**

*(Incorporated in Hong Kong with limited liability)*

Website: [www.fet.com.hk](http://www.fet.com.hk)

**DISCLOSEABLE TRANSACTION  
INVOLVING  
ISSUE OF NEW SHARES**

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A notice convening an extraordinary general meeting of Far East Technology International Limited to be held at 3:00 p.m. on 19 February 2002 at the Penthouse, Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong is set out on pages 13 and 14 of this circular. Whether or not you intend to attend such meeting, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding such meeting or any adjournment (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjourned meeting (as the case may be) should you so desire.

25 January 2002

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## DEFINITIONS

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

“Agreement”	a conditional sale and purchase agreement dated 29 December 2001 entered into between Through In, Sunfast and the Company pursuant to which Sunfast has conditionally agreed to acquire 80 per cent. equity interest in 焦作丹河發電有限公司 (Jiao Zuo Dan He Power Generation Co., Ltd) from Through In for a consideration of HK\$125 million payable at Completion
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	has the meaning ascribed thereto under the Listing Rules
“Chiu Family”	Mr. Deacon Te Ken Chiu, the Chairman of the Company, Messrs. Dennis Chiu, Daniel Tat Jung Chiu, Derek Chiu, Duncan Chiu and Ms. Margaret Chiu, all being Directors
“Company”	Far East Technology International Limited, a company incorporated in Hong Kong whose shares are listed on the Stock Exchange
“Completion”	completion of the Agreement
“Condition Date”	27 February 2002, the sixtieth day after the signing of the Agreement or such other date as shall be agreed by the parties to the Agreement
“Consideration”	the consideration of HK\$125 million
“Consideration Shares”	125,000,000 new Shares to be allotted and issued to Through In (and/or its nominees) in full settlement of the Consideration
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be held at the Penthouse, Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong on 19 February 2002 at 3:00 p.m. to consider and, if thought fit, approve, among other matters, the Agreement, a notice of which is set out on pages 13 to 14 of this document
“First Sale Equity”	the existing equity in the Joint Venture Company currently owned by Through In comprising 38 per cent. of the entire registered capital of the Joint Venture Company

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## DEFINITIONS

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“Group”	the Company and its subsidiaries
“HK\$”	the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Joint Venture Company”	焦作丹河發電有限公司 (Jiao Zuo Dan He Power Generation Co., Ltd), a sino-foreign equity joint venture company established under the laws of the PRC pursuant to an equity joint venture contract and articles first made on 18 April 1998 and subsequently amended on 8 September 1999 and between Through In and the PRC Parties
“Latest Practicable Date”	23 January 2002, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Power Plant’s Company”	Jiao Zuo Dan He Electric Power Generation Co., Ltd., Henan, the sole business activity held, operated and managed by the Joint Venture Company
“PRC”	the People’s Republic of China
“PRC Parties”	河南省電力公司 (Electric Power of Henan), 河南省博愛縣電力開發公司 (Bo Ai Electric Power Development Co., Ltd.) and 漯河銀鴿制漿造紙股份有限公司 (Luo He Yingge Paper Manufacturing Co., Ltd.)
“RMB”	the lawful currency of the PRC (where applicable, was converted into HK\$ for the sole purpose of reference at a rate of RMB1.04 per HK\$1.00)
“Sale Equity”	the equity interest in the capital of the Joint Venture Company legally and beneficially owned by Through In comprising as at the date of the Agreement 38 per cent. and on Completion 80 per cent. of the entire registered capital of the Joint Venture Company
“SDI Ordinance”	Securities (Disclosure of Interests) Ordinance (Chapter 396 of the Laws of Hong Kong)

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## DEFINITIONS

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“Second Sale Equity”	the existing equity in the Joint Venture Company owned by 漯河銀鴿制漿造紙股份有限公司 and to be acquired by Through In prior to Completion comprising 42 per cent. of the entire issued registered capital of the Joint Venture Company
“Share(s)”	ordinary share(s) of par value HK\$1.00 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sunfast”	Sunfast Limited, a company incorporated in the British Virgin Islands and wholly-owned by the Company
“Through In”	Through In Industries Limited, a company incorporated in Hong Kong

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## LETTER FROM THE BOARD

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### FAR EAST TECHNOLOGY INTERNATIONAL LIMITED

*(Incorporated in Hong Kong with limited liability)*

Website: [www.fet.com.hk](http://www.fet.com.hk)

*Directors:*

Deacon Te Ken Chiu (*Chairman*)  
Dennis Chiu (*Managing Director*)  
Duncan Chiu (*Joint Managing Director*)  
Dato' David Chiu  
Daniel Tat Jung Chiu\*  
Derek Chiu\*  
Desmond Chiu\*  
Margaret Chiu\*  
Ma Chi Man\*\*  
Chow Siu Hong\*\*

*Registered Office:*

16th Floor,  
Far East Consortium Building,  
121 Des Voeux Road Central,  
Hong Kong

\* *Non-executive Director*

\*\* *Independent non-executive Director*

25 January 2002

*To the shareholders of the Company*

Dear Sir or Madam,

### **DISCLOSEABLE TRANSACTION INVOLVING ISSUE OF NEW SHARES**

#### **INTRODUCTION**

It was announced by the Board on 3 January 2002 that Sunfast Limited, a wholly-owned subsidiary of the Company, entered into the Agreement with Through In Industries Limited on 29 December 2001 to acquire 80 per cent. equity interest owned by Through In in the Joint Venture Company. The sole business activity of the Joint Venture Company is the holding, operation and management of Jiao Zuo Dan He Electric Power Generation Co., Ltd., Henan, PRC. The consideration payable by Sunfast is HK\$125 million, and will be satisfied by the allotment and issue of the Consideration Shares.

Pursuant to the Listing Rules, the Agreement constitutes a discloseable transaction of the Company and this circular is required to be dispatched to the Company's shareholders with information in respect of the Agreement.

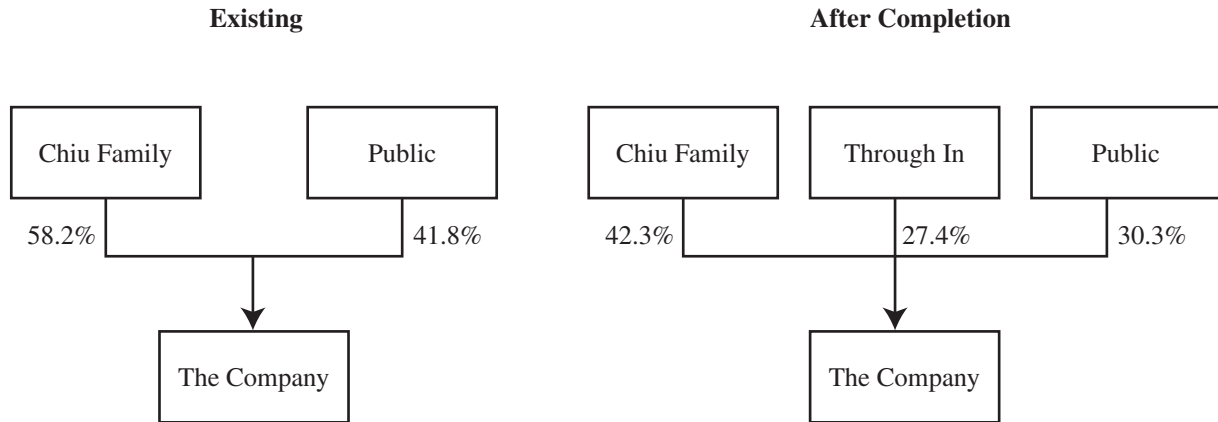
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## LETTER FROM THE BOARD

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### SHAREHOLDING STRUCTURE

Set out below is the existing shareholding structure of the Company as at the Latest Practicable Date and the proposed shareholding structure of the Company immediately after Completion.



### INFORMATION OF THE AGREEMENT

Pursuant to the Agreement, Sunfast has conditionally agreed to acquire the Sale Equity, being the equity interest in the capital of the Joint Venture Company legally and beneficially owned by Through In comprising as at the date of the Agreement 38 per cent. and on Completion 80 per cent. of the entire registered capital of the Joint Venture Company. The Company, as one of the parties to the Agreement, agreed to guarantee the due and punctual performance by Sunfast of all its obligation under the Agreement.

The sole business activity of the Joint Venture Company is the holding, operation and management of the Power Plant's Company. It is owned as to 10 per cent. by 河南省電力公司 (Electric Power of Henan), as to 10 per cent. by 河南省博愛縣電力開發公司 (Bo Ai Electric Power Development Co., Ltd.), as to 42 per cent. by 漯河銀鴿制漿造紙股份有限公司 (Luo He Ying Paper Manufacturing Co., Ltd.) and as to 38 per cent. by Through In. Under the terms of the Agreement, Through In will sell the First Sale Equity to Sunfast and acquire the Second Sale Equity from 漯河銀鴿制漿造紙股份有限公司 and then sell it to Sunfast by the Condition Date.

The Power Plant's Company commenced business since December 1998. It, being one of the power plants in the Henan Province, the PRC, produces electricity through two 100MW high voltage electric generator and sells the electricity to 河南省電力公司, the electric company authorized by the local government, which in turn distributes electricity to end users in the Henan province, the PRC. The Power Plant's Company employed approximately 900 staff in which approximately 200 people are technical staff, approximately 200 are management staff and others are responsible for security, administration etc.

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## LETTER FROM THE BOARD

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Its audited accounts (based on 責權發生制, which is a generally accepted accounting standard in the PRC) for the year ended 31 December 2001 and 31 December 2000 show its net profits after taxation and extraordinary items and its net asset value as stated below:

	<b>2001</b>	<b>2000</b>
	<i>'million</i>	<i>'million</i>
Net profits in RMB	19.3	14.9
(equivalent to approximately HK\$	18.6	14.3)
Net asset value in RMB	150.1	137.9
(equivalent to approximately HK\$	144.3	132.6)

According to the terms of the Joint Venture Company (which are for 15 years from 1998), the PRC parties and Through In share profits and assets in accordance with their respective equity interest in the Joint Venture Company.

Through In is a company incorporated in 1992 and it commenced business in April 1995. It is primarily engaged in the power plant business investment in the PRC and is owned as to 45 per cent. by China Henan Electric Power Development Company, as to 40 per cent. by Henan Hongkong Enterprises Limited, as to 5 per cent. by Hao Zheng Shan, as to 5 per cent. by Li Jugen and as to 5 per cent. by Hu Guodong.

China Henan Electric Power Development Company was incorporated in 1992 and wholly-owned by河南省電力公司. Its principal activities are investment and management of the power plants in the Henan Province, the PRC. Furthermore, it is also engaged in activities involving pharmaceutical technology and high-tech industries. Henan Hongkong Enterprises Ltd was incorporated in 1985 and is principally engaged in property investment, toll road and hotel businesses in the PRC.

Each of Through In, its ultimate beneficial owners, the Joint Venture Company and the PRC parties is an independent third party not connected with any Director, chief executive or substantial shareholder of the Company or any of its subsidiaries or their respective associates for the purposes of the Listing Rules.

### CONSIDERATION

The total consideration of HK\$125 million was arrived at after arm's length negotiations between the parties thereto having regard to the net asset value of the Power Plant's Company.

The Consideration is to be satisfied by the allotment and issue of the Consideration Shares, credited as fully paid at HK\$1.00 each, to Through In (or its nominee(s)). The issue price per Consideration Share represents (i) the par value of the Share; (ii) a premium of approximately 270.37 per cent. over the closing price of HK\$0.27 per Share quoted on the Stock Exchange on 28 December 2001, being the last trading day immediately prior to the execution of the Agreement; and (iii) a premium of about 212.5 per cent. over the average closing price of HK\$0.32 as quoted on the Stock Exchange for the five trading days up to and including the Latest Practicable Date.



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## LETTER FROM THE BOARD

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The Consideration Shares represent about 37.7 per cent. of the issued share capital of the Company as at the Latest Practicable Date and about 27.4 per cent. of its issued share capital as enlarged by the issue of the Consideration Shares.

The Consideration Shares when issued, will rank pari passu in all respect with the existing Shares on the date of issue of the Consideration Shares.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

### CONDITIONS PRECEDENT

The Agreement are conditional upon, inter alia:

- (1) the completion of a financial, legal and operational due diligence review on the Joint Venture Company by Sunfast to its reasonable satisfaction by the Condition Date;
- (2) the execution of an agreement in Chinese in a form to the reasonable satisfaction of Sunfast within 21 days from the date of the Agreement in respect of the transfer of the Sale Equity by Through In to Sunfast and the waiving of any pre-emption rights as the other parties to the Joint Venture Company may have;
- (3) the necessary resolutions having been passed in the EGM to approve, inter alia, the Agreement;
- (4) the granting to Through In by third parties all necessary consent in respect of the transactions contemplated in the Agreement;
- (5) the Stock Exchange granting the listing of and permission to deal in the Consideration Shares;
- (6) the listing status of the Shares not being withdrawn and trading of the Shares not being suspended for more than 14 consecutive days (excluding any suspension for the purposes of obtaining clearance from the Stock Exchange of the related announcement made on 3 January 2002);
- (7) the issue of a legal opinion prepared by a law firm practicing PRC laws (in form and substance reasonably satisfactory to Sunfast) confirming that:
  - a. the Joint Venture Company is properly and duly registered under the Laws of the PRC;
  - b. the approval by the relevant PRC government of the establishment/ re-registration of the Joint Venture Company as an equity joint venture pursuant to the Laws of the PRC on Chinese-Foreign Equity Ventures (中華人民共和國中外合資經營企業法);
  - c. the Joint Venture Company is legally entitled to carry out the scope of business described in its Business Licence and in particular the right to hold, operate and manage the Power Plant's Company;

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## LETTER FROM THE BOARD

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- d. the Joint Venture Company is the sole legal and beneficial owner of the Power Plant's Company;
  - e. the acquisition of the Second Sale Equity by Through In are in compliance with the laws of the PRC; and
  - f. Through In is the legal and beneficial owner of the First Sale Equity.
- (8) the production by Through In of a valuation report to be complied by a competent and independent valuation company confirming the Power Plant's Company being valued at not less than HK\$125 million; and
- (9) Through In being able to acquire the Second Sale Equity from 漯河銀鴿制漿造紙股份有限公司 and to be able to sell it to Sunfast within 60 days from the signing of the Agreement.

If the Agreement is not completed by the Condition Date, the Agreement shall terminate and none of the parties thereto shall have any claim against the other party save for antecedent breaches. Completion shall take place 7 Business Days after all of the above conditions precedent have been fulfilled, unless waived by Sunfast (in respect of conditions (1), (2), (7) and (8) above only) or by Through In (in respect of condition (6) above only), which is expected to be on or before 8 March 2002 or such later date as the parties thereto may agree in writing.

Upon Completion, the Company would be entitled to nominate five out of seven directors to the board of the Joint Venture Company and Through In intends to appoint three non-executive directors to the Board pursuant to the Agreement.

### REASONS FOR THE TRANSACTION

The principal activities of the Company are property trading and financial investment, entertainment and leisure business, and merchandise manufacturing and trading. As indicated in the Company's annual report 2000 and its interim report 2001, the Company and its subsidiaries will further consolidate its business activities and continue to pursue new investment opportunities, especially with better growth potential in the PRC. The Directors consider that it will be in the best interests of the Company to diversify into other areas with better prospects and stable return after the PRC's entry into the World Trade Organisation viewing that the demand for the electricity will be increased as a result of the good impacts on the PRC's industries. The issue of the Consideration Shares would enable the Group to acquire assets without incurring any immediate cash outlay, and to broaden its shareholder base.

The Directors consider that the Agreement has been entered into on normal commercial terms and that the terms of the Agreement are fair and reasonable and in the best interest of the Company and its shareholders as a whole.

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## LETTER FROM THE BOARD

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### FINANCIAL EFFECTS ON THE GROUP

Upon Completion, the consolidated net tangible assets per Share of the Company will be decreased slightly from approximately HK\$1.49 to approximately HK\$1.09 as shown in the following statement of pro forma unaudited consolidated net tangible assets of the Group below:

	<i>HK\$'000</i>
Unaudited consolidated net tangible assets of the Group as at 30 June 2001	371,118
<i>Add:</i>	
Value of the Consideration Shares comprising approximately – 80% of the net asset value of the Joint Venture Company as at 31 December 2001	115,478
– Premium arising from the acquisition of the 80% equity interest in the Joint Venture Company	9,522
	<u>125,000</u>
Unaudited consolidated net tangible assets of the Group upon Completion as at 30 June 2001	<u>496,118</u>
Unaudited consolidated net tangible assets per Share as at 30 June 2001 (Based on 331,668,905 Shares in issue)	<u>HK\$1.49</u>
Proforma unaudited consolidated net tangible assets per Share upon Completion (Based on 456,668,905 Shares in issue)	<u>HK\$1.09</u>

The Directors view that it is fair and reasonable and in the interest of the Company and its shareholders given the decrease of the consolidated net tangible assets per Share upon Completion.

### ADDITIONAL INFORMATION

Your attention is also drawn to the additional information as set out in Appendix I to this circular.

Yours faithfully,  
By Order of the Board  
**Far East Technology International Limited**  
**Duncan Chiu**  
*Joint Managing Director*

## 1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

## 2. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the interests of the Directors in the issued share capital of the Company and its associated corporations (within the meaning of the SDI Ordinance) which have to be notified to the Company and the Stock Exchange pursuant to Section 28 of the SDI Ordinance (including interests which they have taken or deemed to have taken under Section 31 or Part I of the Schedule in the SDI Ordinance) or which are required, pursuant to Section 29 of the SDI Ordinance, to be entered in the register referred to therein or, which are required to be disclosed pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

Name	Number of Shares held			Total interests
	Personal interests	Family interests	Corporate interests	
Mr. Deacon Te Ken Chiu				
The Company	5,048,000	6,110,000	99,768,800*	110,926,800
Mr. Dennis Chiu				
The Company	16,610,200	–	30,400,000#	47,010,200
Tang Dynasty City Pte Ltd	1,250,000	–	–	1,250,000
Tang City Properties Pte Ltd	10,000	–	–	10,000
Mr. Daniel Tat Jung Chiu				
The Company	11,000,000	–	30,400,000#	41,400,000
Mr. Derek Chiu				
The Company	201,000	–	–	201,000
Ms. Margaret Chiu	5,000,000	–	–	5,000,000
Mr. Duncan Chiu	18,836,211	–	–	18,836,211

\* *Of the 99,768,800 Shares, 93,540,200 Shares are beneficially held by Far East Consortium International Limited.*

# *The 30,400,000 Shares are held by Cape York Investments Limited, a company owned by Mr. Dennis Chiu and Mr. Daniel Tat Jung Chiu.*

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors or their associates had any interest in the issued share capital of the Company or its associated corporations which have to be notified to the Company and the Stock Exchange pursuant to Section 28 of the SDI Ordinance (including interests which they have taken or deemed to have taken under Section 31 or Part I of the Schedule in the SDI Ordinance) or which are required, pursuant to Section 29 of the SDI Ordinance to be entered in the register referred to therein or, which are required to be disclosed pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

### 3. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, the following interests of 10 per cent. or more in the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 16(1) of the SDI Ordinance:

Name	Number of Shares
Far East Consortium International Limited (“FECIL”) ( <i>Note 1</i> )	93,540,200
Far East Consortium (B.V.I.) Limited (“FECBVIL”) ( <i>Note 2</i> )	93,540,200
Far East Consortium Limited (“FECL”) ( <i>Note 3</i> )	65,208,200

*Notes:*

1. FECIL was deemed to be interested in those Shares by virtue of its 100% shareholding in FECBVIL. The shareholding beneficially held by FECIL is entirely duplicated or included in the shareholding stated in the corporate interest of Mr. Deacon Te Ken Chiu, the Chairman of the Company, as mentioned in the section headed “DISCLOSURE OF INTERESTS” above.
2. FECBVIL was deemed to be interested in those Shares by virtue of its controlling shareholding in FECL, and its 100% shareholding in a company which directly held 28,332,000 Shares.
3. FECL was deemed to be interested in those Shares by virtue of its direct shareholding of 29,327,000 Shares in the Company and its 100% shareholding in three companies which directly held 35,881,200 Shares in aggregate.

Save as disclosed above, as at the Latest Practicable Date, according to the register of interests of the Company and so far as the Directors were aware there was no person who, directly or indirectly was interested in 10 per cent. or more of the issued share capital of the Company.

**4. SHARE CAPITAL**

Upon Completion, the authorised and issued share capital of the Company will be as follows:

<i>Authorised</i>	<i>HK\$</i>
700,000,000 Shares	700,000,000
<i>Issued and fully paid or credited as fully paid:</i>	
331,668,905 Shares in issue as at the Latest Practicable Date	331,668,905
<u>125,000,000</u> Consideration Shares to be issued upon Completion	<u>125,000,000</u>
<u><u>456,668,905</u></u> Shares	<u><u>456,668,905</u></u>

**5. LITIGATION**

Neither the Company nor any of its subsidiaries is engaged in litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

**6. SERVICE CONTRACT**

None of the Directors has a service contract with the Company or any of its subsidiaries not determinable within one year without payment of compensation, other than statutory compensation.

**7. MISCELLANEOUS**

- (a) The registered office of the Company is situated on 16th Floor, Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong.
- (b) The share registrars of the Company is Central Registration Hong Kong Limited at Shops 1712-1716 of 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (c) The secretary of the Company is Mr. Chow Kwok Wor, FCS, FHKSA.
- (d) The English text of this circular prevails over the Chinese text.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### FAR EAST TECHNOLOGY INTERNATIONAL LIMITED

*(Incorporated in Hong Kong with limited liability)*

Website: [www.fet.com.hk](http://www.fet.com.hk)

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting of the above mentioned company (the “Company”) will be held at the Penthouse, Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong on 19 February 2002 at 3:00 p.m. for the purpose of considering and, if thought fit, passing the following resolutions as ordinary resolutions:

#### ORDINARY RESOLUTIONS

**1. “THAT:**

The agreement made between Through In Industries Limited (“Through In”), the Company and its wholly owned subsidiary, namely Sunfast Limited on 29 December 2001 (“the said Agreement”), a copy of which has been tabled at the meeting, whereby:

- (a) Through In agreed to sell and Sunfast Limited agreed to purchase 80% equity interest owned by Through In in Jiao Zuo Dan He Power Generation Company Limited at a consideration of HK\$125,000,000.00 and on the terms and conditions therein mentioned; and
- (b) The Company agreed to guarantee the due and punctual performance by Sunfast Limited all of its obligation under the said Agreement,

be and is hereby ratified, confirmed and approved and that the directors of the Company, or any person that they may authorize, be and is hereby authorised to implement and give effect to the transaction contemplated in the said Agreement and to do all acts and things and execute all documents which may in their absolute opinion be necessary or desirable to implement and give effect to any of the foregoing provisions.”

**2. “THAT:**

- (a) subject to paragraph (c) of this resolution, the exercise by the directors of the Company during the Relevant Period of all powers of the Company to allot shares and to make and grant offers, agreements and options which would or might require shares to be allotted be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period to make and grant offers, agreements and options which would or might require shares to be allotted after the end of the Relevant Period;

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to shares issued as a result of a Rights Issue or a scrip dividend scheme of the Company or the exercise of the subscription rights under share option scheme of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue and to be issued pursuant to resolution no.1 above, and the said approval shall be limited accordingly;
- (d) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law to be held; and
- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory)”

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

Dated 25 January 2002