
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, 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 hand this circular and the accompanying form of proxy at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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**FAR EAST TECHNOLOGY INTERNATIONAL LIMITED**

(Incorporated in Hong Kong with limited liability)

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

MAJOR AND CONNECTED TRANSACTIONS

**INDEPENDENT FINANCIAL ADVISER TO
THE INDEPENDENT BOARD COMMITTEE**

ALTUS CAPITAL LIMITED

A letter of advice from Altus Capital Limited to the independent board committee of the Company is set out on pages 10 to 17 of this circular. The recommendation of the independent board committee to the independent shareholders of the Company is set out on page 9 of this circular.

A notice convening an extraordinary general meeting of Far East Technology International Limited (the "Company") to be held at 4:30 p.m. on 10th February, 2004, at the Penthouse, Far East Consortium Building, 121 Des Voeux Road, Central, Hong Kong is set out on page 51 of this circular. Whether or not you are able to attend the meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the head office and principal place of business of the Company in Hong Kong at 16th Floor, Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so desire.

16th January, 2004

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DEFINITIONS

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

“Accounts”	the unaudited pro forma balance sheet of TCPL as at the Accounts Date;
“Accounts Date”	31st October, 2003;
“Altus”	Altus Capital Limited, the independent financial adviser to the Independent Board Committee;
“Board”	the board of Directors;
“Business Day”	a day other than a Saturday during which banks are open for business in Hong Kong;
“Chiu’s family”	Chiu’s family comprises Mr. Deacon Chiu and his family members namely Mr. Dick Chiu, Mr. David Chiu, Mr. Dennis Chiu, Mr. Daniel Chiu, Mr. Derek Chiu, Mr. Duncan Chiu, Ms. Margaret Chiu and Madam Ching Lan Ju Chiu;
“Code”	Hong Kong Code on Takeovers and Mergers;
“Company” or “FET”	Far East Technology International Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange and the legal and beneficial owner of 90,000 ordinary shares of TCPL;
“Completion”	completion of the FET Share Disposal and the Property Disposal;
“Completion Date”	16th February, 2004;
“Director(s)”	the director(s) of the Company from time to time;
“EGM”	the extraordinary general meeting of the Company to be held at 4:30 p.m. on 10th February, 2004 to approve the Sale and Purchase Agreement and the Property Disposal;
“Executive”	the Executive Director of the Corporate Finance Division of the SFC and/or any delegate of the Executive Director;
“FEC”	Far East Consortium International Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange and the beneficial owner of the 93,540,200 Shares;
“FEC EGM”	the extraordinary general meeting of FEC to be held at 3:00 p.m. on 10th February, 2004 to approve the Sale and Purchase Agreement and the Property Disposal;

DEFINITIONS

“FEC Group”	FEC and its subsidiaries;
“FET Share Disposal”	the sale of 93,540,200 Shares by the FET Shares Vendors to the FET Shares Purchasers;
“FET Shares Purchasers”	Mr. Deacon Chiu, Mr. David Chiu, Mr. Dennis Chiu, Mr. Daniel Chiu and Mr. Duncan Chiu, being the purchasers of an aggregate of 93,540,200 Shares;
“FET Shares Vendors”	Far East Consortium Limited, Ridon Investment Limited, Ready Town Limited, Elliot Investment Corporation Limited and Singford Holdings Limited, being the vendors of an aggregate of 93,540,200 Shares;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Board Committee”	an independent board committee of the Company comprising Mr. Ma Chi Man and Mr. Chow Siu Hong who are independent non-executive Directors;
“Independent Shareholders”	shareholders of the Company, other than Mr. Deacon Chiu, Mr. David Chiu, Mr. Dennis Chiu, Mr. Daniel Chiu, Mr. Duncan Chiu, Mr. Derek Chiu and Ms. Margaret Chiu and their respective associates (as defined under the Listing Rules);
“Latest Practicable Date”	15th January, 2004, 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;
“Loan”	the interest free unsecured loan in the amount of SGD6,665,983.07 advanced by the Company to TCPL;
“Mr. Daniel Chiu”	Mr. Daniel Chiu Tat Jung, a son of Mr. Deacon Chiu;
“Mr. David Chiu”	Mr. David Chiu Tat Cheong, a son of Mr. Deacon Chiu;
“Mr. Deacon Chiu”	Mr. Deacon Te Ken Chiu, the father of Mr. David Chiu, Mr. Dennis Chiu, Mr. Daniel Chiu and Mr. Duncan Chiu;
“Mr. Dennis Chiu”	Mr. Dennis Chiu Tat Shing, a son of Mr. Deacon Chiu;

DEFINITIONS

“Mr. Duncan Chiu”	Mr. Duncan Chiu, a son of Mr. Deacon Chiu;
“Parkway”	the 50 units of a property known as Parkway Centre in Singapore legally and beneficially owned by TCPL;
“Property Disposal”	the sale of the entire shareholding interest in TCPL by the Vendors to the Purchaser;
“Purchaser”	Smartland Assets Limited, a wholly-owned subsidiary of FEC;
“Refinancing”	the bank refinancing arrangement pertaining to Parkway to be provided by FEC in an amount of SGD25 million (equivalent to approximately HK\$112.5 million);
“Release”	the deed of release in respect of the release of the liabilities under the Loan;
“Sale and Purchase Agreement”	the sale and purchase agreement for the FET Share Disposal and the Property Disposal dated 22nd December, 2003;
“SFC”	the Securities and Futures Commission;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“SGD”	Singapore dollar, the lawful currency of Singapore;
“Share(s)”	ordinary share(s) of HK\$1.00 each in the capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers;
“TCPL”	Tang City Properties Pte. Ltd., a private company incorporated in Singapore;
“Valuers”	Mr. Sung Tze Wah, director of Lawson David & Sung Surveyors Limited and Mr. Ronald Y F Cheung, director of Midland Surveyors Limited;
“Vendors”	the Company and Mr. Dennis Chiu;
“%”	per cent.;
“sq.ft.”	square feet; and
“sq.m.”	square meter(s).

LETTER FROM THE BOARD



FAR EAST TECHNOLOGY INTERNATIONAL LIMITED

(Incorporated in Hong Kong with limited liability)

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

Executive Directors:

Deacon Te Ken CHIU, J.P. (*Chairman*)

Duncan CHIU, B.Sc.

(Managing Director and Chief Executive Officer)

Dennis CHIU, B.A. (*Managing Director*)

Registered office:

16th Floor, Far East Consortium Building

121 Des Voeux Road Central

Hong Kong

Non-executive Directors:

Dato' David CHIU, B.Sc.

Daniel Tat Jung CHIU

Derek CHIU, B.A.

Desmond CHIU, B.A.

Margaret CHIU, LL.B.

Independent Non-executive Directors:

Chi Man MA

Siu Hong CHOW

16th January, 2004

To the Shareholders,

Dear Sir or Madam,

MAJOR AND CONNECTED TRANSACTIONS

INTRODUCTION

The Board announced on 24th December, 2003 that the Vendors have entered into the Sale and Purchase Agreement on 22nd December, 2003 with the Purchaser, a wholly owned subsidiary of FEC, pursuant to which the Vendors have agreed to sell to the Purchaser their entire shareholding interest in TCPL, at a cash consideration of SGD1; and in kind by procuring the Refinancing. TCPL is owned as to 90% by the Company and 10% by Mr. Dennis Chiu. TCPL is engaged solely in the operation of 50 units in an investment property, Parkway Centre, in Singapore.

As at the Latest Practicable Date, the Company was indirectly held as to approximately 28.2% by FEC. The Property Disposal constitutes a major and connected transaction of the Company under the Listing Rules and is conditional on approval by the Independent Shareholders at the EGM. Mr. Deacon Chiu and his family members and their respective associates will abstain from voting on the resolution in relation to the Property Disposal.

LETTER FROM THE BOARD

The Independent Board Committee comprising Mr. Ma Chi Man and Mr. Chow Siu Hong, being all the independent non-executive Directors, has been established to advise the Independent Shareholders as to the fairness and reasonableness of the Sale and Purchase Agreement and the Property Disposal. Altus has been appointed as the independent financial adviser to advise the Independent Board Committee in this regard.

The purpose of this circular is to provide you with further information regarding, among other things, the Sale and Purchase Agreement, the valuation reports on the properties of TCPL and the financial information of the Group, to set out the recommendation of the Independent Board Committee to the Independent Shareholders as regards to the Sale and Purchase Agreement based on the advice of Altus, and to give you notice of the EGM to be convened for the purpose of considering and, if thought fit, approving the Sale and Purchase Agreement and the Property Disposal.

THE PROPERTY DISPOSAL

- vendors:**
1. the Company, a company owned as to approximately 28.2% by FEC holds 90% interest in TCPL; and
 2. Mr. Dennis Chiu, an executive director of both FEC and FET, holds 10% interest in TCPL.

purchaser: Smartland Assets Limited, a wholly owned subsidiary of FEC.

Under the Sale and Purchase Agreement dated 22nd December, 2003, the Vendors have agreed to sell to the Purchaser their entire shareholding interest in TCPL, at a cash consideration of SGD1; and in kind by procuring the Refinancing.

Investment Property

The investment property owned by TCPL is situated at 1 Marine Parade Central, Parkway Centre in Singapore. It comprises 50 office units on the 2nd to 9th and 13th storeys in a 13-storey office building with existing occupancy rate of approximately 90% and a total strata floor area of 4,660 sq.m. or 50,147 sq.ft. The investment property is encumbered with a total bank loan of approximately SGD25 million (equivalent to HK\$112.5 million). The total audited net asset value of TCPL for the financial year ended 31st December, 2001 and 31st December, 2002 were in aggregate of approximately SGD8.5 million (equivalent to approximately HK\$38 million) and SGD4.1 million (equivalent to approximately HK\$18 million) respectively.

TCPL recorded an audited profit before taxation of approximately SGD1.6 million (equivalent to approximately HK\$7.4 million) and an audited loss before taxation of approximately SGD0.9 million (equivalent to approximately HK\$4.2 million) for the financial year ended 31st December, 2001 and 31st December, 2002 respectively. TCPL recorded an audited net profit of approximately SGD1.5 million (equivalent to approximately HK\$6.75 million) and an audited net loss of approximately SGD1 million (equivalent to approximately HK\$4.5 million) for the financial year ended 31st December, 2001 and 31st December, 2002 respectively. For the six months ended 30th June, 2003 TCPL recorded an unaudited revenue of approximately SGD0.9 million (equivalent to approximately HK\$4.05 million) and an unaudited

LETTER FROM THE BOARD

net loss of approximately SGD0.09 million (equivalent to approximately HK\$0.42 million). The total unaudited net asset value of TCPL as at 30th June, 2003 was approximately SGD3.97 million (equivalent to approximately HK\$17.9 million).

Consideration on the Property Disposal

The consideration for the Property Disposal is both in cash and in kind. The cash consideration for the entire issued share capital of TCPL is SGD1.00 (equivalent to approximately HK\$4.50) and was determined by reference to the net asset value of the unaudited balance sheet of TCPL as at 31st October, 2003 of approximately SGD277 (equivalent to approximately HK\$1,247) after taking into account of (i) the professional valuation by the unconnected independent professional Valuer at an open market value of SGD26.025 million (equivalent to approximately HK\$117 million) under a valuation report dated 12th December, 2003 issued by the independent Valuer appointed by FEC against the net book value of SGD36.24 million (equivalent to HK\$163 million) ; (ii) the refinancing of bank debt by FEC of approximately SGD25 million (equivalent to approximately HK\$112.5 million) as at 31st October, 2003; and (iii) taking over of the net external trade and non trade creditors of TCPL of approximately SGD1.1 million (equivalent to approximately HK\$4.9 million) after the release of the Company's debts of approximately SGD6.665 million (equivalent to approximately HK\$30 million).

Prior to the completion of this transaction. The Company will release the debts owing by TCPL to the amount of approximately SGD6.665 million (equivalent to approximately to HK\$30 million) to restore the net asset value of TCPL from negative SGD6.665 million (equivalent to HK\$30 million) to positive net asset value of SGD277 (equivalent to HK\$1,247). In the opinion of the Directors, such release of debts is not expected to affect the consolidated net asset value of the Company and the interest of the Shareholders.

Under the Sale and Purchase Agreement, FEC would procure bank refinancing arrangements pertaining to Parkway of SGD25 million (equivalent to approximately HK\$112.5 million).

Conditions of the Sale and Purchase Agreement

The Sale and Purchase Agreement is conditional upon, among other things, satisfaction of all of the following conditions before the Completion Date:

- (i) the Independent Shareholders passing at the EGM the necessary resolutions approving the Property Disposal;
- (ii) the Shares continue to be listed and dealt in on the Stock Exchange up to and including the Completion Date save for such temporary suspension not exceeding 7 consecutive trading days;
- (iii) FEC being satisfied with the results of the due diligence review to be conducted on TCPL and its subsidiaries;
- (iv) the independent FEC Shareholders passing at the FEC EGM the necessary resolutions approving the Property Disposal;

LETTER FROM THE BOARD

- (v) the Company procuring legal opinions issued by a practicing firm of Singapore lawyers confirming that the Company and Mr. Dennis Chiu is the beneficial owner of 90% and 10% of the total issued share capital of TCPL respectively and TCPL and/or its wholly owned subsidiaries has a good and marketable title to Parkway;
- (vi) the Refinancing;
- (vii) the execution of the Release; and
- (viii) the FET Share Disposal and the Property Disposal are inter-conditional.

REASONS FOR THE PROPERTY DISPOSAL

The Group is principally engaged in (i) securities investment; (ii) property development, investment and rental; (iii) entertainment and leisure-related business; and (iv) industrial manufacturing. For the six months ended 30th June, 2003, the turnover of its property development and investment operations amounted to approximately HK\$5.0 million, which accounted for approximately 11.5% of the total turnover for the FET Group. It is the present intention of the Directors to reduce its operation on property-related businesses and re-direct its resources on other business opportunities for the Group.

The FEC Group is principally engaged in property investment and development, investment holding, securities trading, hotel operations and manufacture of boiler products. For the six months ended 30th September, 2003, the turnover derived from its property development and investment amounted to approximately HK\$321.6 million, which accounted for approximately 89.5% of the total turnover of the FEC Group. It is the present intention of FEC that it will continue to focus on the property-related businesses.

EFFECTS OF THE PROPERTY DISPOSAL

The Property Disposal is effected for the purpose of clarification of the activities of the Company and FEC. As a result of the Property Disposal, there will be a substantial reduction in the bank loans and the external borrowings of the Group. The Directors consider that the Property Disposal is in the interests of the Company and the Shareholders as a whole and is fair and reasonable.

FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is principally engaged in (i) securities investment; (ii) property development, investment and rental; (iii) entertainment and leisure-related business; and (iv) industrial manufacturing.

The audited consolidated turnover of the Company for each of the two years ended 31st December, 2001 and 2002 amounted to approximately HK\$147.2 million and HK\$90.1 million respectively. The Group recorded an audited loss of approximately HK\$56.7 million and HK\$179.2 million for each of the two years ended 31st December, 2001 and 2002 respectively. The loss per Share for each of the two years ended 31st December, 2001 and 2002 was HK17.1 cents and HK54.0 cents.

LETTER FROM THE BOARD

The unaudited consolidated turnover of the Company for the six months ended 30th June, 2003 amounted to HK\$43.6 million (2002: HK\$47.6 million). The Group recorded a profit for the same period of HK\$0.2 million (2002: loss of approximately HK\$92.6 million). Earnings per Share for the period was HK0.07 cents (2002: a loss of approximately HK27.9 cents).

EGM

Set out on page 51 of this circular is a notice convening the EGM to be held at 4:30 p.m. on 10th February, 2004 at the Penthouse, Far East Consortium Building, 121 Des Voeux Road, Central, Hong Kong at which ordinary resolutions will be proposed to approve the Sale and Purchase Agreement and to authorise the Directors to execute such document and take such actions on behalf of the Company as they may consider necessary to complete and give effect to the transactions contemplated under the Sale and Purchase Agreement.

A form of proxy for use at the EGM is enclosed. Whether or not you intend to attend the EGM, you are requested to complete and return the form of proxy to the principal place of business of the Company in Hong Kong at 16th Floor, Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive not less than 48 hours before the time fixed for holding the meeting. The return of a form of proxy will not preclude you from attending and voting in person at the EGM if you so wish.

ADDITIONAL INFORMATION

Your attention is drawn to the text of the letters from the Independent Board Committee and Altus respectively containing their opinions regarding the Property Disposal.

Your attention is also drawn to the valuation report on the properties of TCPL, the financial information of the Group and the general information set out in the appendices to this circular.

Yours faithfully,
By Order of the Board
Far East Technology International Limited
Duncan Chiu
Managing Director and Chief Executive Officer

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



FAR EAST TECHNOLOGY INTERNATIONAL LIMITED

(Incorporated in Hong Kong with limited liability)

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

16th January, 2004

To the Independent Shareholders

Dear Sir or Madam,

MAJOR AND CONNECTED TRANSACTIONS

As the Independent Board Committee, we have been appointed to advise you in connection with the Sale and Purchase Agreement and the Property Disposal. Details of the Sale and Purchase Agreement are set out in the letter from the Board contained in the circular to the Shareholders dated 16th January, 2004 (the "Circular"), of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

Having considered the terms of the Sale and Purchase Agreement and the Property Disposal and the advice of Altus in relation thereto as set out on pages 10 to 17 of the Circular, we are of the opinion that the terms and conditions of the Sale and Purchase Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. We therefore recommend that you vote in favour of the ordinary resolution to be proposed at the EGM to approve the Sale and Purchase Agreement and the Property Disposal.

Yours faithfully,

Independent Board Committee

Mr. Ma Chi Man

Independent non-executive Director

Mr. Chow Siu Hong

Independent non-executive Director

LETTER FROM ALTUS

The following is the full text of the letter of advice from Altus to the Independent Board Committee prepared for inclusion in this Circular.

ALTUS CAPITAL LIMITED

8/F Hong Kong Diamond Exchange Building
8 Duddell Street, Central
Hong Kong

16th January, 2004

To the Independent Board Committee

Far East Technology International Limited

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

Dear Sirs,

CONNECTED TRANSACTION PROPERTY DISPOSAL

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee in respect of the terms of the Property Disposal, particulars of which are set out in the circular to Shareholders dated 16th January, 2004 (the “Circular”) and in which this letter forms part. Unless the context requires otherwise, terms used in this letter shall have the same meanings as given to them under the definitions section of the Circular.

The Company jointly announced with FEC on 29th December, 2003 that the Sale and Purchase Agreement, details of which have been set out in the Letter from the Board, was entered into on 22nd December, 2003 whereby (i) Mr. Deacon Chiu, Mr. David Chiu, Mr. Dennis Chiu, Mr. Daniel Chiu and Mr. Duncan Chiu would acquire from the subsidiaries of FEC, 93,540,200 Shares, representing approximately 28.2% of the total issued share capital of the Company at an aggregate cash consideration of HK\$20.7 million or HK\$0.2212 per Share; and (ii) Smartland Assets Limited, a wholly-owned subsidiary of FEC, would acquire from the Company and Mr. Dennis Chiu their entire interests in TCPL at a consideration of SGD1.00 and to procure bank refinancing arrangement pertaining to Parkway of approximately SGD25.0 million (equivalent to HK\$112.5 million).

The FET Share Disposal and the Property Disposal are subject to a number of conditions which are summarised in the section headed “Conditions of the Sale and Purchase Agreement” in the Letter from the Board. In particular, the FET Share Disposal and the Property Disposal are inter-conditional, which means the Property Disposal will not take place if the FET Share Disposal does not proceed and vice versa.

LETTER FROM ALTUS

The Property Disposal constitutes a major and connected transaction of the Company under the Listing Rules and is therefore subject to the approval of the Independent Shareholders at the EGM. The Independent Board Committee comprising Mr. Ma Chi Man and Mr. Chow Siu Hong has been established by the Company to advise the Independent Shareholders in relation to the Property Disposal and to give a recommendation to the Independent Shareholders in relation to the voting of the relevant resolution at the EGM.

Mr. Deacon Chiu and his family members and their respective associates will abstain from voting on the resolution in relation to the Property Disposal.

BASIS OF OUR OPINION

In formulating our opinion, we have relied to a considerable extent on the information, statements, opinion and representations supplied to us by the Company and the Directors and we have assumed that all such information, statements, opinions and representations contained or referred to in the Circular were true and accurate and complete at the time they were made and continue to be true at the date of the Circular, and we have relied on the same. We have also assumed that all statements of belief, opinion and intention of the Directors as set out in the Circular were reasonably made after due and careful inquiry. We have also sought and obtained confirmation from the Company that no material facts have been omitted from the information provided and referred to in the Circular.

We consider that we have been provided with, and we have reviewed, all currently available information and documents which are available under present circumstances to enable us to reach an informed view regarding the Property Disposal and to justify reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis of our opinion. We have no reason to suspect that any material facts or information (which is known to the Company) have been omitted or withheld from the information supplied or opinions expressed in the Circular nor to doubt the truth and accuracy of the information and facts, or the reasonableness of the opinions expressed by the Company and the Directors which have been provided to us. We have not, however, carried out any independent verification on the information provided to us by the Directors, nor have we conducted an independent in-depth investigation into the business and affairs of the Group.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our recommendation in respect of the terms of the Property Disposal, we have taken the following principal factors and reasons into consideration:

1. The Sale and Purchase Agreement

Pursuant to the Sale and Purchase Agreement, the Company and Mr. Dennis Chiu have agreed to sell to Smartland Assets Limited, a wholly-owned subsidiary of FEC, their entire shareholding interest in TCPL for a cash consideration of SGD1.00 (equivalent to approximately HK\$4.50). TCPL is owned as to 90% by the Company and 10% by Mr. Dennis Chiu and is engaged solely in the operation of 50 units in an investment property, Parkway, in Singapore. Under the Sale and Purchase Agreement, FEC would procure bank refinancing arrangements pertaining to Parkway.

LETTER FROM ALTUS

The completion of the Sale and Purchase Agreement is conditional upon, inter alia, outcome of FEC's due diligence review and the FET Share Disposal.

2. Business and financial performance of the Group

The Group is principally engaged in (i) securities investment; (ii) property development, investment and rental; (iii) entertainment and leisure-related businesses as well as (iv) industrial manufacturing.

The financial track record of the Group for the financial year ended 31st December, 2002, the six months ended 30th June, 2002 and the six months ended 30th June, 2003 is set out below:

	Year ended 31st December, 2002	Six-month ended 30th June, 2002	Six-month ended 30th June, 2003
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	90,124	47,596	43,592
Gross profit	25,425	12,858	5,858
Loss from operations	(62,255)	(17,616)	(1,491)
Profit (loss) before taxation	(184,695)	(92,393)	1,235
Net profit (loss) for the period	(179,242)	(92,596)	226

The turnover and unaudited net profit of the Group for the six-month period ended 30th June, 2003 amounted to HK\$43.6 million and HK\$0.2 million respectively compared with turnover and net losses during corresponding period in 2002 of HK\$47.6 million and HK\$92.6 million respectively. For the year ended 31st December, 2002, the Group recorded turnover of about HK\$90.1 million and net losses of HK\$179.2 million.

As stated in the Company's 2002 annual report, the substantial loss for the year ended 31st December, 2002 was mainly attributable to the loss recognised in relation to the closure of one of the Group's leisure operations in Singapore.

According to the Company's interim report for the six months ended 30th June, 2003 ("Interim Report"), the financial performance of the Group's industrial manufacturing division, which includes the garment manufacturing and commodity concrete manufacturing businesses, remained robust and contributed to over 80.8% of the Group's consolidated turnover for the period. Operating losses in relation to the Group's leisure and entertainment division had decreased significantly by HK\$94.1 million, or about 99.0%, as compared to the six months ended 30th June, 2002 after the closure of one of its operations and the disposal of a golf resort while contribution by the property development and investment division declined by about 29% as compared to the same period in 2002.

LETTER FROM ALTUS

The Directors stated in the Interim Report that the Group would continue to dispose of its non-core assets to reduce its gearing. Having regard to the market conditions in Singapore and Hong Kong and the financial performances of the respective business divisions, the Directors are of the view that the Group should focus on fewer business segments and devote more resources to and further expand the business of the profitable segments, namely, the industrial manufacturing and technology investment divisions.

3. Reasons for the Property Disposal

(a) Clarification of business strategies

The Group is engaged in a wide range of businesses. Turnover of property development, investment and rental amounted to about HK\$5.0 million, constituting about 11.5% of the Group's total turnover for the six months ended 30th June, 2003. The FEC Group's businesses are more property-focused, including property investment and development and hotel operations. For the six months ended 30th September, 2003, turnover derived from the above property-related businesses amounted to about HK\$321.6 million, accounted for about 89.5% of the total turnover of the FEC Group.

It is the present intention of the Directors that the Group progressively reduces its operation on property-related businesses and redirect its resources on other businesses. Meanwhile, FEC intends to continue its focus on property-related businesses.

It is noted that the Group's scale of property-related business operations is small and its contribution to the Group's turnover is not significant. It is therefore the Directors' intention to focus the Group's resources and efforts on the development of other key areas of business such as industrial manufacturing and technology investment. We are of the view that the clarification of business strategies is fair and reasonable.

(b) Reduction in borrowings

Parkway is encumbered with a bank loan of approximately SGD25.0 million (equivalent to HK\$112.5 million). Under the Sale and Purchase Agreement, FEC would procure bank refinancing arrangements pertaining to Parkway. As a result, the Group would be relieved of the bank loan obligations in respect of Parkway upon completion of the Property Disposal and its total bank borrowings would be reduced by approximately HK\$112.5 million.

The reduction in the Group's bank and other borrowings and gearing, which is further discussed in the section headed "Financial effects of the Property Disposal on the Group" below, would strengthen its financial position. We are of the view that the increase in the Group's financial flexibility following the debt reduction would enable the Group to redirect and redeploy its resources more effectively among its existing businesses. The improvement in its financial position will allow the Group to invest in business opportunities as and when they arise.

Having considered the above, we are of the view that the rationale of the Property Disposal is valid and reasonable.

LETTER FROM ALTUS

4. Consideration

The consideration for the Property Disposal is both in cash and in kind.

(a) *Consideration in cash*

The cash consideration is a nominal amount of SGD1.00 (equivalent to approximately HK\$4.50) and is determined by reference to the adjusted unaudited net asset value of TCPL as at 31st October, 2003 of approximately SGD277.00 (equivalent to HK\$1,247).

A major adjustment made to the net asset value of TCPL was an impairment loss on revaluation of Parkway based on the valuation report dated 12th December, 2003 by the Valuer (“Valuation”), an independent party. The impairment loss arose due to the fact that the value of Parkway under the Valuation was approximately SGD26.0 million (equivalent to HK\$117 million) while its corresponding net book value in the balance sheet of TCPL was SGD36.2 million (equivalent to HK\$163 million). Other adjustments include the release by the Company of loans of about SGD6.7 million (equivalent to HK\$30 million) owing by TCPL.

Prior to the Valuation, the Company has appointed a valuer to conduct a valuation in November 2003, which valued Parkway at approximately SGD27.6 million (equivalent to HK\$124.2 million), approximately 6.2% higher than the Valuation. We however noted that the Valuation was conducted when the Company commenced negotiations with FEC on the Property Disposal and was on an open market value basis. We therefore have no reason to doubt the fairness and appropriateness of the Valuation.

(b) *Consideration in kind*

The consideration in kind for the Property Disposal entails FEC having to arrange for the refinancing of Parkway’s bank debt of SGD25 million (equivalent to approximately HK\$112.5 million) and to take over the net external trade and non-trade creditors of TCPL of about SGD1.1 million (equivalent to approximately HK\$4.9 million).

Given that the Group only receives a nominal cash consideration of SGD1.00, the Property Disposal is not expected to have any immediate significant effect on the cash flow of Group. Nevertheless, the debt burden of Group would reduce substantially after the completion of the Property Disposal.

The net asset value of TCPL was adjusted based on the Valuation, which was conducted by the Valuers, who are independent third parties. The release by the Company of the loans owing by TCPL is necessary to restore TCPL to a net asset position in order to facilitate the Property Disposal. Such loan amount could in fact be viewed as the Company’s investments in Parkway which has been lost due to diminution in value of Parkway based on the Valuation. Determining the consideration of the Property Disposal based on TCPL’s adjusted net asset value is reasonable given that TCPL is an asset-based company.

LETTER FROM ALTUS

On the basis above, we are of the view that the consideration of the Property Disposal is fair and reasonable as far as the Company and the Shareholders are concerned.

5. Financial effects of the Property Disposal on the Group

(a) *Net asset value*

The net asset value of the Group as at 30th June, 2003 was approximately HK\$157.0 million. As discussed under the sub-section "Earnings" below, the Group would incur a loss of approximately HK\$45.9 million after the Property Disposal. Consequently, the net asset value of the Group would decrease from HK\$157.0 million to approximately HK\$111.1 million.

(b) *Earnings*

Under the Property Disposal, Parkway will be disposed of at the Valuation, which is the market value of about SGD26.0 million (equivalent to about HK\$117.1 million) as assessed by the Valuers. As the book value of Parkway amounts to about HK\$163.0 million, the Group would recognise a loss of approximately HK\$45.9 million in its profit and loss account.

It is however noted that such losses would have to be recognised by the Group as impairment losses in any event when the value of Parkway in the balance sheet is marked-to-market, regardless of whether the Property Disposal takes place. Other than the aforesaid losses, the Property Disposal will not have any significant impact on the Group's profit and loss account.

The Group will cease to receive gross and net rental income, which amounted to approximately SGD1.8 million and SGD1.0 million per year respectively (equivalent to approximately HK\$8.1 million and HK\$4.5 million respectively), from Parkway after the Property Disposal. However, it should be noted that the Group will also be relieved of the bank loan obligations in respect of Parkway and the Directors advised that the it will lead to an annual savings on finance expenses of approximately SGD0.8 million (equivalent to approximately HK\$3.6 million). Therefore, save for the impairment loss described above, the Property Disposal will have minimal effects on the Group's earnings.

LETTER FROM ALTUS

(c) *Gearing*

The gearing ratio (being total bank and other borrowings to shareholders' equity) of the Group as at 31st December, 2002 and 30th June, 2003 and assuming after the Property Disposal is as follows:

	As at 31st December, 2002 <i>(HK\$ million)</i>	As at 30th June, 2003 <i>(HK\$ million)</i>	After Property Disposal <i>(HK\$ million)</i>
Total bank and other borrowings	153.7	149.2	36.7
Shareholders' equity	157.0	156.9	111.1
Gearing ratio	98%	95%	33%

Upon completion of the Property Disposal, the Group's total bank and other borrowings would be reduced by approximately HK\$112.5 million to due to the assumption of the bank loan relating to Parkway by FEC. Meanwhile, the shareholders' equity of the Group would be reduced to about HK\$111.1 million as discussed in the sub-section "Net asset value" above.

Consequently, the gearing of the Group would be significantly reduced from 95% to 33% after the Property Disposal. Such reduction would provide flexibility to the Group in its future business development.

(d) *Current ratio*

The current ratio of the Group as at 30th June, 2003 was about 0.25. The low current ratio was due mainly to the fact that the financing of certain properties, including Parkway, are current borrowings. As such borrowings would be reduced by HK\$112.5 million upon completion of the Property Disposal, the current ratio of the Group would improve to about 0.48. The Property Disposal would therefore significantly improve the working capital position of the Group.

Based on the above, we are of the view that the Property Disposal would improve the financial position of the Group as a whole, and therefore, is in the interest of the Company and the Shareholders.

LETTER FROM ALTUS

CONCLUSION AND RECOMMENDATION

Having considered the above principal factors, we are of the view that the terms and conditions of the Property Disposal are fair and reasonable insofar as the Independent Shareholders are concerned. We therefore advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the resolution relating to the Property Disposal to be proposed at the EGM.

Yours faithfully,

For and on behalf of

Altus Capital Limited

Arnold Ip

Executive Director

Sean Pey, Chang

Executive Director

1. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date were as follows:

HK\$

Authorised:

700,000,000	Shares as at the Latest Practicable Date	<u><u>700,000,000</u></u>
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Issued and fully paid:

331,668,905	Shares in issue as at the Latest Practicable Date	<u><u>331,668,905</u></u>
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All the Shares in issue rank *pari passu* in all respects with each other including as regards to dividends, voting and return of capital.

The Company has not issued any Shares since 31st December, 2002 and up to the Latest Practicable Date.

Save as disclosed above, no share or loan capital of the Company has been put under option or agreed conditionally or unconditionally to be put under option and no warrant or conversion right affecting the Shares has been issued or granted or agreed conditionally or unconditionally to be issued or granted.

Save as disclosed above, the Company has no options, warrants and conversion rights convertible into Shares. Save as disclosed herein, no share or loan capital of the Company has been issued or is proposed to be issued for cash or otherwise and no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any such capital.

The Shares are listed on the Stock Exchange. No part of the securities of the Company is listed or dealt in, nor is listing or permission to deal in the securities of the Company being or proposed to be sought, on any other stock exchange.

2. INDEBTEDNESS

As at 30th November, 2003, being the latest practicable date for the purpose of ascertaining information contained in this indebtedness statement prior to the printing of this circular, the Group had total secured loans of approximately HK\$148.2 million comprising of long-term loans of approximately HK\$9.4 million, short-term secured borrowings of approximately HK\$138.8 million and other short-term loans of approximately HK\$0 million.

Save as disclosed above and apart from intra-group liabilities, the Group did not at the close of 30th November, 2003, have any material outstanding mortgage, charges, debentures, bank overdraft, liabilities under acceptances, acceptance credits loans, borrowing, or other similar indebtedness, or any hire purchase or finance lease commitments or any guarantee or other material contingent liabilities.

3. WORKING CAPITAL

The Directors are of the opinion that the Group has sufficient working capital for its present requirement.

4. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 31st December, 2002, the date to which the latest audited financial statements of the Company were made up.

The following refers to the valuation report from Lawson David & Sung Surveyors Limited and Midland Surveyors Limited.



Date: 12th December, 2003

Our Ref: LDS/V/SIN/2855

Far East Consortium International Ltd.

16/F., Far East Consortium Building

121 Des Voeux Road Central

Hong Kong

Dear Sirs

Re: 50 Office Units at

1 Marine Parade Central

#02-05, #03-01 to #3-09, #04-03 to #04-09, #05-01 to #05-09, #06-01 to #06-09,

#07-01 to #07-02, #07-05 to #07-06, #08-01 to #08-03, #09-04 to #09-06,

#13-01 to #13-02 and #13-04 to #13-06 Parkway Centre Singapore 449408

We refer to your instruction for us to carry out a valuation to assess the Open Market Value of the captioned property as at 12th December, 2003 ("Date of Valuation").

We confirm that we have carried out an internal and external inspection as at 11th December, 2003 ("Date of Inspection"). We have also made relevant enquiries and searches in the Land Registry and obtained further information as necessary. We are now pleased to present our report and valuation concerning the same, subject to the Conditions of Liability attached.

Yours faithfully,
 for and on behalf of
Lawson David & Sung Surveyors Limited
Sung Tze Wah
F.R.I.C.S., F.H.K.I.S., M.S.I.S.V., R.P.S.(G.P.)
 Director

Yours faithfully,
 for and on behalf of
Midland Surveyors Limited
Ronald Y F Cheung
BSc(Hons), MHKIS, MRICS, RPS(GP)
 Director

Encl.

* The Valuation Report by Lawson David & Sung Surveyors Limited and Midland Surveyors Limited dated 12th December, 2003 was commission by FEC when both parties commenced negotiation. The valuation was on an open market basis. After arm's length negotiation both parties agreed to adopt the valuation dated 12th December, 2003 by Lawson David & Sung Surveyors Limited and Midland Surveyors Limited.

The following is the valuation report from Lawson David & Sung Surveyors Limited and Midland Surveyors Limited.

VALUATION REPORT**ADDRESS OF SUBJECT PROPERTY**

1 Marine Parade Central #02-05, #03-01 to #3-09, #04-03 to #04-09, #05-01 to #05-09, #06-01 to #06-09, #07-01 to #07-02, #07-05 to #07-06, #08-01 to #08-03, #09-04 to #09-06, #13-01 to #13-02 and #13-04 to #13-06 Parkway Centre Singapore 449408

SITUATION

The subject property is situated on the eastern side of Marine Parade Central, in Marine Parade Town Centre on the East Coast of Singapore.

ENVIRONMENT

The area concerned is predominantly a mix of residential developments including HDB flats and commercial/office/retail uses. The Parkway Parade office and shopping complex is located opposite the subject building with nearby residential developments comprising of Marine Point Condominiums, Marine View Mansion, Parkway View and Century Roxy Park Hotel to the north of the subject. The Seaview Hotel and Paramount Hotel are also located in the vicinity.

A wide variety of public amenities and shopping facilities are available nearby.

TRANSPORT

The locality is well served by public transportation with excellent road network to other parts of Singapore via the East Coast Park Expressway.

THE SUBJECT BUILDING

Building Type	:	13-storey office building with an L-shaped configuration enclosing an atrium space. A pedestrian bridge on the 2nd storey links the building to an adjacent multi-storey 6 level public car park.
Construction	:	Reinforced concrete structure
Age of Building	:	Completed in about 1988. (Extensive refurbishment was conducted in May 2000)
External Condition	:	Good
Management Condition	:	Good

No. of lift(s)	:	3 passenger lifts and 1 fire lift
No. of staircase(s)	:	2 staircases
Car Parking Facilities	:	Available via a pedestrian link bridge

THE SUBJECT PROPERTY

The subject property comprises of 50 office units on the 2nd to 9th and 13th storeys of Parkway Centre. According to the instructing party the total strata floor area is 4,659 sq.m. or 50,149 sq.ft.

Area Schedule

Unit No.	Strata Floor Area <i>(sq.m.)</i>
#02-05	58
#03-01	105
#03-02	77
#03-03	77
#03-04	97
#03-05	110
#03-06	68
#03-07	96
#03-08	102
#03-09	126
#04-03	77
#04-04	97
#04-05	110
#04-06	68
#04-07	96
#04-08	102
#04-09	126
#05-01	105
#05-02	77
#05-03	77
#05-04	97
#05-05	110
#05-06	68
#05-07	96
#05-08	102
#05-09	126
#06-01	105
#06-02	77
#06-03	77
#06-04	97

Unit No.	Strata Floor Area <i>(sq.m.)</i>
#06-05	110
#06-06	68
#06-07	96
#06-08	102
#06-09	126
#07-01	105
#07-02	77
#07-05	110
#07-06	68
#08-01	105
#08-02	77
#08-03	77
#09-04	97
#09-05	110
#09-06	68
#13-01	105
#13-02	77
#13-04	97
#13-05	110
#13-06	68
Total	<u>4,659 sq.m.</u>

- Usage : Office
- Finishing : The interior of the subject property is mainly finished with carpet and cement-sand screed floor and suspended ceiling including light fittings.
- Internal Condition : Reasonable
- Services : We understand all usual utilities are provided to the subject property.
- Occupancy : According to the instructing party at the time of instruction most of the subject units were tenanted.

LAND REGISTRATION DETAILS

Lease Term	:	Leasehold 99 years lease commencing from 23rd July, 1981.
Registered Incumbrances	:	No title searches have been provided by the instructing party.

BASIS OF VALUATION

The assessment is our opinion of the open market value which we would define as intended to mean “the best price at which the sale of an interest in property might reasonably be expected to have been completed unconditionally for cash consideration at the date of valuation, assuming:

- (i) a willing seller;
- (ii) that, prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of price and terms and for the completion of the sale;
- (iii) that the state of the market, level of values and other circumstances were, on any earlier assumed date of exchange of contracts, the same as on the date of valuation;
- (iv) that no account is taken of any additional bid by a purchaser with a special interest; and
- (v) that both parties to the transaction had acted knowledgeably, prudently and without compulsion.”

We are instructed by the party to assess the Open Market Value of the subject property as at the date of valuation on existing tenancy basis.

VALUATION

After taking into consideration of the remarks as herein stated, it is in our opinion that the Open Market Value of the subject property (50 office units on the 2nd to 9th and 13th storeys of Parkway Centre) subject to the existing tenancies as at 12th December, 2003 is **SINGAPORE DOLLARS TWENTY SIX MILLION AND TWENTY FIVE THOUSAND ONLY (SGD\$26,025,000.00)**

Yours faithfully,
for and on behalf of
Lawson David & Sung Surveyors Limited
Sung Tze Wah
F.R.I.C.S., F.H.K.I.S., M.S.I.S.V., R.P.S.(G.P.)
Director

Yours faithfully,
for and on behalf of
Midland Surveyors Limited
Ronald Y F Cheung
BSc(Hons), MHKIS, MRICS, RPS(GP)
Director

Encl.

Note: Mr. Sung Tze Wah of Lawson David & Sung Surveyors Limited is a Chartered Surveyor who has 30 years of post-qualification experience in valuation of all types of properties in Hong Kong, the PRC and Singapore.

Mr. Ronald Y.F. Cheung of Midland Surveyors Limited is a Chartered Surveyor who has extensive experience in valuation of properties in Hong Kong, the PRC and the Asia Pacific Region.

CONDITIONS OF LIABILITY

- (1) The value stated in this report does not taken into account any charges, mortgages, or amounts owing on the property which may or may not registered against the property, nor any expenses or taxation which may be incurred in affecting a sale. Unless otherwise stated, it is assumed that the property is free from incumbrance, restrictions and outgoings of an onerous nature which could affect its value. We assume no responsibility for matters legal in nature, nor do we render any opinion as to the title which is assumed to be good and marketable. We are not aware of any easements or rights of way affecting the property and our valuation assumes that none exists.
- (2) Our valuation is based on the assumption that the owner sells the property interests on the open market without the benefit of a deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which could serve to increase the values of the property interests.
- (3) No structural survey has been made; we are therefore unable to report that the property is/is not free from any structural defects. None of the services have been tested by us and we are, therefore, unable to report on their present condition.
- (4) No detailed on-site measurement of the property were taken. The plans in this report are included to assist the reader to visualize the property and we assume no responsibility for their accuracy.
- (5) Neither the whole nor any part of this valuation report or any reference thereto may be included in any published document, circular or statement nor published in any way for any purpose without our written approval of the form and context in which it may appear.
- (6) We have assumed that the property has been constructed, occupied and used in full compliance with, and without contravention of all Ordinances, except only where otherwise stated. We have further assumed that, for any use of the property upon which this report is based, any and all required licenses, permits, certificates, and authorizations have been obtained, except only where otherwise stated.
- (7) Unless otherwise stated we have not carried out a valuation on a redevelopment basis and the study of possible alternative development options and the related economics do not come within the scope of this report.
- (8) We have relied to a very considerable extent on the information given by you and have accepted advice given to us on such matters as statutory notices, easements, tenure, occupation, lettings, site and floor areas and all other relevant matters. We assume no responsibility for their accuracy.

The following forms part of the valuation report from Lawson David & Sung Surveyors Limited and Midland Surveyors Limited and explains the basis and methodology of valuation.



Our Ref. : LDS/VAL/SIN/MP/2855

Date : 9th January, 2004

Far East Consortium International Ltd.
16th Floor Far East Consortium Building
121 Des Voeux Road Central
Hong Kong

Dear Sirs,

Re.: 50 Office Units at 1 Marine Parade Central

**#02-05, #03-01 to #3-09, #04-03 to #04-09, #05-01 to #05-09, #06-01 to #06-09,
#07-01 to #07-02, #07-05 to #07-06, #08-01 to #08-03, #09-04 to #09-06,
#13-01 to #13-02 and #13-04 to #13-06 Parkway Centre Singapore 449408**

In accordance with your instructions for us to assess the capital value of the property interests as at 12th December, 2003 ("Date of Valuation"), we confirm that we have carried out a site inspection and made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing the capital values of such property interests.

This letter which forms part of our valuation report explains the basis and methodology of valuation, and clarifies our assumptions made, titleship of property interests and the limiting conditions.

BASIS OF VALUATION

Our valuations are our opinion of the Open Market Value which we would define as intended to mean "the best price at which the sale interest in property would have been have completed unconditionally for cash consideration on the date of valuation, assuming: –

- (a) a willing seller;
- (b) that, prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of price and terms and for the completion of the sale;
- (c) that the price reflects the state of the market and other circumstances at the date of valuation;

- (d) that no account is taken of any additional bid by a purchaser with a special interest; and
- (e) that both parties to the transaction had acted knowledgeably, prudently and without compulsion.”

In this report, we have valued the property interests in their existing uses with the understanding that they are going to be used as such.

VALUATION METHODOLOGY

Unless stated otherwise, all property interests are valued by the comparison method where a comparison bases on prices realized on market of comparable properties is made. Comparable properties of similar character and location are analysed and carefully weighed against all the respective advantages and disadvantages of the property in order to arrive at a fair comparison of capital values.

Physical deterioration is the loss in value resulting from wear and tear in operation and exposure to the elements.

Functional obsolescence is the loss in value caused by conditions within the assets such as changes in design, materials, or process that result in inadequacy, overcapacity, lack of utility, or excess operating costs.

Economic/external obsolescence is an incurable loss in value caused by unfavourable conditions external to the asset such as the local economy, economics of the industry, availability of financing, encroachment of objectionable enterprises, loss of material and labour sources, lack of efficient transportation, shifting of business centers, passage of new legislation, and changes in ordinances.

ASSUMPTIONS

Our valuation has been made on the assumption that the owner sells the property interest on the open market without the benefit of a deferred terms contract, leaseback, management agreement or any similar arrangement which could serve to increase the values of the property interests.

In undertaking our valuation for the property interests, we have assumed that the Company has an uninterrupted right to use the property for the whole of the term as granted at nominal annual land use fees and any premium payable has been granted. We are unable to ascertain the titles of the property interest but have relied on the advice given by the Company regarding the validity and nature of the property interests.

It is assumed that all applicable zoning and use regulations and restrictions have been complied with unless a nonconformity has been stated, defined, and considered in the appraisal report. Moreover it is assumed that the utilization of the land and improvements is within the boundaries of the site held by the owner or permitted to be occupied by the owner. In addition, we assumed that no encroachment or trespass exists, unless noted in the report.

In the course of our valuation, we believe that the assumptions so made by us are reasonable in the circumstances.

LIMITING CONDITIONS

No allowance has been made in our report for any charges, mortgages or amounts owing on the property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature which could affect the value.

We have been provided by the Group with some documents in relation to the title to the property interest. However, we have not searched the original documents to verify ownership or to ascertain any amendments which may not appear on the copies available to us. We have relied to a considerable extent on any information given by you and have accepted advice given to us on such matters as statutory notices, easements, tenure, occupation, tenancy schedule, rentals, site and floor areas and all other relevant matters.

All documents and leases have been used as reference only and all dimensions, measurements and areas included in this valuation report are based on information contained in the documents available to us and are therefore approximations only. We have not been able to carry out detailed on-site measurements to verify the site area and floors areas of the property and we have assumed that the site and floor areas shown on the copies of the documents available to us are correct.

We have inspected the exteriors and where possible, the interiors of the properties. However, no structural survey has been carried out, and we are not able to report that the property is free of rot, infestation or any other structural defects, nor were any tests carried out on any of the services.

OPINION OF VALUE

The valuation certificate has already shown the capital value of the property interests.

REMARKS

We enclose herewith the valuation certificate.

Yours faithfully,
for and on behalf of
Lawson David & Sung Surveyors Limited
Sung Tze Wah
F.R.I.C.S., F.H.K.I.S., M.S.I.S.V., R.P.S.(G.P.)
Director

Yours faithfully,
for and on behalf of
Midland Surveyors Limited
Ronald Y F Cheung
BSc(Hons), MHKIS, MRICS, RPS(GP)
Director

Encl.

Note: The valuation report was issued jointly by Lawson David & Sung Surveyors Limited and Midland Surveyors Limited.

Mr. Sung Tze Wah of Lawson David & Sung Surveyors Limited is a Chartered Surveyor who has 30 years of post-qualification experience in valuation of all types of properties in Hong Kong, the PRC and Singapore.

Mr. Ronald Y.F. Cheung of Midland Surveyors Limited is a Chartered Surveyor who has extensive experience in valuation of properties in Hong Kong, the PRC and the Asia-Pacific Region and is a registered valuer in Hong Kong and The Stock Exchange of Hong Kong Limited.

VALUATION CERTIFICATE

Property interests held by the Company

Property	Description and tenure	Particulars of Occupancy	Capital value in its existing state as at 12th December, 2003
1 Marine Parade Central #02-05, #03-01 to #3-09, #04-03 to #04-09, #05-01 to #05-09, #06-01 to #06-09, #07-01 to #07-02, #07-05 to #07-06, #08-01 to #08-03, #09-04 to #09-06, #13-01 to #13-02 and #13-04 to #13-06 Parkway Centre Singapore 449408	<p>Parkway Centre is a 13-storey office building with an L-shaped configuration enclosing an atrium space. A pedestrian bridge on the 2nd storey links the building to an adjacent multi-storey 6 level public car park. The building was Completed in about 1988 with extensive refurbishment conducted in May 2000.</p> <p>The property interests comprises of 50 office units on the 2nd to 9th and 13th storeys of Parkway Centre. The total strata floor area is 4,659 sq.m. or 50,149 sq.ft.</p>	The properties are currently tenanted to independent third parties mainly for office use.	SGD26,025,000.00

Notes:

- (1) For the property interests the leasehold is for 99 years commencing from 23rd July, 1981.



- 1. Valuation Report For** : Tang City Parkway Pte Ltd
- 2. Purpose of Valuation** : To determine the market value of the 50 units of offices within Parkway Centre.
- 3. Address of Properties** : 1 Marine Parade Central
#02-05, #03-01 to #03-09, #04-03 to #04-09, #05-01 to #05-09, #06-01 to #06-09, #07-01 to #07-02, #07-05 to #07-06, #08-01 to #08-03, #09-04 to #09-06, #13-01 to #13-02 and #13-04 to #13-06
Parkway Centre
Singapore 449408
- 4. Brief Description of Property**
- Type : 50 office units located on the 2nd, 3rd, 4th, 5th, 6th, 7th, 8th, 9th and 13th storey of a 13-storey office building known as Parkway Centre.
- Age : Approximately 18 years old
- Condition : Good
- Date of Inspection : 7th October, 2003

5. Location and Characteristics of Locality

Parkway Centre is located in Marine Parade Town Centre, off Marine Parade Road. It is approximately 8.5 km from the city centre at Collyer Quay.

The locality comprises a mixture of HDB flats, high-rise shopping-cum-office, residential and hotel developments. Opposite the subject development, across Marine Parade Centre, is the multi-storey shopping/office complex known as Parkway Parade. Other prominent residential developments in the area include Marine Point, Marine View Mansion, Amberville, Amber Park, Parkway View and Cote D'Azur (under construction). The Seaview Hotel and Paramount Hotel are also located nearby.

Public transport and retail facilities are readily available in the area. Access to the subject development is greatly enhanced by the East Coast Park Expressway which stretches to the Changi International Airport in the east and via the Ayer Rajah Expressway to the Jurong Industrial Estate.

* The valuation report by Jones Lang LaSalle was done on 3rd November, 2003. This is a regular valuation carried out by FET on annual basis for the reference of the banks and the financial year end audit.



6. Details of Titles and Tenure

Legal Descriptions :

Unit No	Strata Floor Area (sq.m.)	Lot No.	Mukim
#02-05	58	U13069T	26
#03-01	105	U13073A	26
#03-02	77	U13084V	26
#03-03	77	U13095C	26
#03-04	97	U13106M	26
#03-05	110	U13117X	26
#03-06	68	U13128A	26
#03-07	96	U13139V	26
#03-08	102	U13150N	26
#03-09	126	U13161T	26
#04-03	77	U13096M	26
#04-04	97	U13107W	26
#04-05	110	U13118L	26
#04-06	68	U13129K	26
#04-07	96	U13140M	26
#04-08	102	U13151X	26
#04-09	126	U13162A	26
#05-01	105	U13075N	26
#05-02	77	U13086T	26
#05-03	77	U13097W	26
#05-04	97	U13108V	26
#05-05	110	U13119C	26
#05-06	68	U13130T	26
#05-07	96	U13141W	26
#05-08	102	U13152L	26
#05-09	126	U13163K	26
#06-01	105	U13076X	26
#06-02	77	U13087A	26
#06-03	77	U13098V	26
#06-04	97	U13109P	26
#06-05	110	U13120X	26
#06-06	68	U13131A	26
#06-07	96	U13142V	26
#06-08	102	U13153C	26
#06-09	126	U13164N	26



6. Details of Titles and Tenure (Cont'd)

Unit No	Strata Floor Area (sq.m.)	Lot No.	Mukim
#07-01	105	U13077L	26
#07-02	77	U13088K	26
#07-05	110	U13121L	26
#07-06	68	U13132K	26
#08-01	105	U13078C	26
#08-02	77	U13089N	26
#08-03	77	U13100A	26
#09-04	97	U13112P	26
#09-05	110	U13123M	26
#09-06	68	U13134X	26
#13-01	105	U13083W	26
#13-02	77	U13094L	26
#13-04	97	U13116N	26
#13-05	110	U13127T	26
#13-06	68	U13138W	26

Tenure : 99 years lease commencing from 23th July, 1981.

Other Details : No title searches have been conducted for the subject property. We recommend that all legal encumbrances be confirmed through your solicitors.

7. Town Planning

Master Plan Zoning : Commercial
(1998 Edition)



8. Existing Improvements

Parkway Centre is a 13-storey L-shaped block of office development, overlooking a large naturally ventilated atrium space. Construction of the building is of reinforced concrete frame, reinforced concrete floors and staircases, plastered brick infill walls and flat roof while the atrium is enclosed with a steel space frame clad in glass. The common corridors and lift lobbies are finished with terrazzo tiles. Fenestration is of anodised aluminium window with tinted glass.

Vertical movement within the building is facilitated by 3 passenger lifts, 2 staircases and 1 fire lift. Fire protection is by means of automatic sprinklers, dry riser, hoses and alarms.

Carparking spaces for the occupiers of the building are available within an adjacent 6-storey HDB car park of about 600 car capacity, which is linked to the subject building by a pedestrian overhead bridge on the 2nd storey.

Male and female toilets are provided on every floor.

9. Accommodation and Finishes

The subject properties to be valued comprises a total of 50 units of offices located on the 2nd, 3rd, 4th, 5th, 6th, 7th, 8th, 9th and 13th storey storeys within Parkway Centre.

The offices are generally finished with carpet, vinyl and cement-sand screed flooring.

The units are also provided with suspended ceiling board incorporated with light fittings.

The subject units are cooled with split-unit air-conditioning system.

10. Strata Floor Area

Total Strata Floor Area for the 50 units of offices is 4,659 sq.m.

11. Property Tax Assessment

A copy of the summarised annual values for the subject properties is attached as an appendix to this report. The prevailing rate of tax is 10%.

12. Tenancy Details

The subject properties are generally tenanted on the date of our inspection. A copy of the tenancy details is attached as an appendix to this report. We have not inspected the tenancy agreements, we assumed that the tenancy is at market rental and on standard lease terms and conditions which are not onerous in nature.

**13. Other Details**

We have not applied for Road and Drainage Interpretation Plans for the subject property as this is outside our terms of reference. Our valuation is therefore made on the assumption that the property is not adversely affected by any approved/proposed road/drainage schemes. It is recommended that the valuation be referred back to us for a review should your solicitors subsequently discover the existence of any such schemes after legal requisitions with the various competent authorities have been completed by them.

14. Basis of Valuation

Our valuation is based on direct comparison with recent transactions of comparable properties within the vicinity.

In arriving at our valuation figure, we have taken into consideration the prevailing market conditions and have made due adjustments for differences between the subject property and the comparables in terms of location, tenure, size, shape, design and layout, age and condition of buildings, dates of transactions and other factors affecting its value.

15. Valuation – as at 3rd November, 2003.

Having regard to all relevant information, we are of the opinion that the aggregate market value of the 50 units of offices, free from all encumbrances, is S\$27,600,000/- (Singapore Dollars Twenty-Seven Million and Six Hundred Thousand).

16. Recommendation/Comments

—

17. General Principles Adopted In The Preparation of Valuations And Reports

Please see attached.

JONES LANG LASALLE

* The valuation report by Jones Lang LaSalle was done on 3rd November, 2003. This is a regular valuation carried out by FET on annual basis for the reference of the banks and the financial year end audit.



GENERAL PRINCIPLES ADOPTED IN THE PREPARATION OF VALUATIONS AND REPORTS

These are the general principles upon which our Valuations and Reports are normally prepared; they apply unless we have specifically mentioned otherwise in the body of the report.

1) RICS Guidance Notes

All work is carried out in accordance with the Practice Statements in the RICS Appraisal and Valuation Manual published by RICS Business Services Limited, a wholly owned subsidiary of The Royal Institution of Chartered Surveyors subject to variation to meet local established law, custom, practice and market conditions.

2) Valuation Basis

Our valuations are made on the basis of Open Market Value. This is intended to mean “the best price at which the sale of an interest in the property would have been completed unconditionally for cash consideration on the date of valuation, assuming:

- a) a willing seller;
- b) that, prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the negotiation and agreement of price and terms and for the completion of the sale;
- c) that the state of the market, level of values and other circumstances were, on any earlier assumed date of exchange of contracts, the same as on the date of valuation;
- d) that no account is taken of any additional bid by a prospective purchaser with a special interest; and
- e) that both parties to the transaction had acted knowledgeably, prudently and without compulsion.”

No allowances are made for any expenses or taxation which might arise in the event of a disposal. All property is considered as if free and clear of all mortgages, encumbrances and other outstanding premiums, charges and liabilities.



3) Confidentiality

Our Valuations and Reports are confidential to the party to whom they are addressed or their other professional advisors for the specific purpose(s) to which they refer. No responsibility is accepted to any other parties and neither the whole, nor any part, nor reference thereto may be included in any published document, statement or circular, or published in any way, nor in any communication with third parties, without our prior written approval of the form and context in which it will appear.

4) Source of Information

Where it is stated in the report that information has been supplied by the sources listed, this information is believed to be reliable and there is no responsibility of this should it prove not to be so. All other information stated without being attributed directly to another party is obtained from our searches of records, examination of documents or enquiries with the relevant authorities.

5) Documentation

We do not normally read leases or documents of title and, where appropriate, we recommend that lawyer's advice on these aspects should be obtained. We assume, unless informed to the contrary, that all documentation is satisfactorily drawn and that good title can be shown and there are no encumbrances, restrictions, easements or other outgoings of an onerous nature which would have an effect on the value of the interest under consideration.

6) Town Planning and Other Statutory Regulations

Information on Town Planning is obtained from the set of Master Plan, Development Guide Plans (DGP) and Written Statement published by the competent authority. Unless otherwise instructed, we do not normally carry out requisitions with the various public authorities to confirm that the property is not adversely affected by any public schemes such as road and drainage improvements. If reassurance is required, we recommend that verification be obtained from your lawyers.

Our valuations are prepared on the basis that the premises and any improvements thereon comply with all relevant statutory regulations. It is assumed that they have been, or will be issued with a Certificate of Statutory Completion by the competent authority.



7) Tenants

Enquiries as to the financial standing of actual or prospective tenants are not normally made unless specifically requested. Where properties are valued with the benefit of lettings, it is therefore assumed that the tenants are capable of meeting their obligations under the lease and that there are no arrears of rent or undisclosed breaches of covenant.

8) Structural Surveys

We have not carried out a building survey nor any testing of services, nor have we inspected those parts of the property which are inaccessible. We cannot express an opinion about or advise upon the condition of uninspected parts and this Report should not be taken as making any implied representation or statement about such parts. Whilst any defects or items of disrepair are noted during the course of inspection, we are not able to give any assurance in respect of rot, termite or past infestation or other hidden defects.

9) Site Conditions

We do not normally carry out investigations on site in order to determine the suitability of the ground conditions and services for the existing or any new development, nor have we undertaken any archaeological, ecological or environmental surveys. Unless we are otherwise informed, our valuations are on the basis that these aspects are satisfactory and that, where development is proposed, no extraordinary expenses or delays will be incurred during the construction period.

10) Outstanding Debts

In the case of buildings where works are in hand or have recently been completed, we do not normally make allowance for any liability already incurred, but not yet discharged, in respect of completed works, or obligations in favour of contractors, sub-contractors or any members of the professional or design team.

11) Insurance Value

Our opinion of the insurance value is our assessment of the reinstatement cost for insurance purpose and it comprises the total cost of completely rebuilding the property to be insured, together with allowances for inflation, demolition and debris removal, professional fees, the prevailing G.S.T. (goods and services tax) and, if applicable, compliance with current regulations and by-laws.

ATTACHMENTS

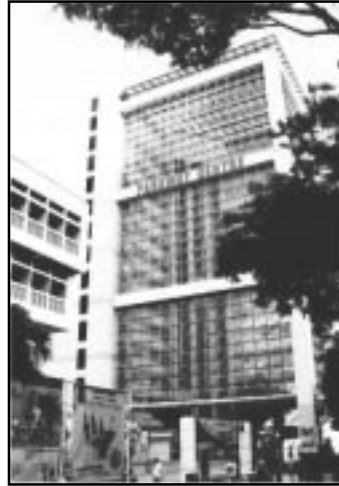
- PHOTOGRAPHS
- LOCATION PLAN
- ANNUAL VALUES
- TENANCY DETAILS



JONES LANG
LASALLE

仲量
聯行

Subject Development



**External View of
Typical Units**



**Typical Office
Unit**



060104

Far East Tech
(CT-AS)
Jo.: 8762(C)
2P*150104
09a App2a

APPENDIX IIA

PROPERTY VALUATION



JONES LANG
LASALLE

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**View of Typical
Units (Vacant)**



**View of Typical
Units (Vacant)**



060104

Far East Tech
(CT-AS)
Jo.: 8762(C)
2P*150104
09a App2a

APPENDIX IIA

PROPERTY VALUATION



JONES LANG
LASALLE

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Location Plan

Appendix

Annual Value For Year 2003

Unit No.	Strata Floor Area (sq.m.)	Lot No.	MuKim	Annual Value
#02-05	58	U13069T	26	\$16,600
#03-01	105	U13073A	26	\$30,000
#03-02	77	U13084V	26	\$21,200
#03-03	77	U13095C	26	\$21,900
#03-04	97	U13106M	26	\$27,100
#03-05	110	U13117X	26	\$30,600
#03-06	68	U13128A	26	\$19,500
#03-07	96	U13139V	26	\$27,200
#03-08	102	U13150N	26	\$28,900
#03-09	126	U13161T	26	\$35,500
#04-03	77	U13096M	26	\$21,900
#04-04	97	U13107W	26	\$27,100
#04-05	110	U13118L	26	\$30,600
#04-06	68	U13129K	26	\$19,500
#04-07	96	U13140M	26	\$27,200
#04-08	102	U13151X	26	\$28,900
#04-09	126	U13162A	26	\$35,500
#05-01	105	U13075N	26	}
#05-02	77	U13086T	26	}
#05-03	77	U13097W	26	}
#05-04	97	U13108V	26	} \$194,000
#05-05	110	U13119C	26	}
#05-06	68	U13130T	26	}
#05-07	96	U13141W	26	\$34,000
#05-08	102	U13152L	26	\$36,400
#05-09	126	U13163K	26	\$46,000
#06-01	105	U13076X	26	\$30,000
#06-02	77	U13087A	26	\$21,200
#06-03	77	U13098V	26	\$21,900
#06-04	97	U13109P	26	\$27,100
#06-05	110	U13120X	26	\$30,600
#06-06	68	U13131A	26	\$19,500
#06-07	96	U13142V	26	\$27,200
#06-08	102	U13153C	26	\$28,900
#06-09	126	U13164N	26	\$35,500
#07-01	105	U13077L	26	\$30,000
#07-02	77	U13088K	26	\$21,200
#07-05	110	U13121L	26	\$30,600
#07-06	68	U13132K	26	\$19,500
#08-01	105	U13078C	26	\$30,000
#08-02	77	U13089N	26	\$21,200
#08-03	77	U13100A	26	\$21,900
#09-04	97	U13112P	26	\$27,100
#09-05	110	U13123M	26	\$30,600
#09-06	68	U13134X	26	\$19,500
#13-01	105	U13083W	26	\$25,200
#13-02	77	U13094L	26	\$21,200
#13-04	97	U13116N	26	\$27,200
#13-05	110	U13127T	26	\$30,600
#13-06	68	U13138W	26	\$19,500
TOTAL	4659			

**PARKWAY CENTRE
RENTAL DETAILS (OCTOBER 2003)**

	UNIT NO.	TENANTS' NAME	FL. AREA (SQ. FT)	GROSS RENT	GST	TOTAL	TENANCY PERIOD
1	#02-05	Oriex Corporation (S) Pte Ltd	624	2,300.00	92.00	2,392.00	01.01.02 - 31.12.2003
2	#03-01	NHL Education Centre Pte Ltd	1130	2,200.00	88.00	2,288.00	01.12.03 - 30.11.2005
3	#03-02	Chapter One Learning Pte Ltd	829	2,072.50	82.90	2,155.40	01.07.03 - 30.06.2005
4	#03-03	Boswell Property Consultant	829	2,200.00	88.00	2,288.00	01.06.03 - 31.05.2005
5	#03-04	Kaesac Learning Centre	1044	3,000.00	120.00	3,120.00	15.02.02 - 14.02.2004
6	#03-05	Tion So Kio (Tng Poh Heng)	732	1,600.00	64.00	1,664.00	15.01.03 - 14.01.2004
7	#03-06	Growan Int'l Distributors (732sf)	1184	6,000.00	240.00	6,240.00) 01.01.04 - 31.12.2005
8	#03-07	Growan Int'l Distributors	500) 01.01.04 - 31.12.2005
	#03-07A	Growan Int'l Distributors	533) 01.01.04 - 31.12.2005
9	#03-08	Growan Int'l Distributors	1098) 01.01.04 - 31.12.2005
10	#03-09	LP Language School	1356	3,653.85	146.15	3,800.00	01.03.03 - 29.02.2004
11	#04-03	Labotech Pte Ltd	829	2,300.00	92.00	2,392.00	15.08.02 - 14.08.2004
12	#04-04	Schlegel Pty Ltd	1044	3,800.00	152.00	3,952.00	15.09.02 - 14.09.2004
13	#04-05	OWNER OCCUPIED	1184				
14	#04-06	Sensbey Corporation (S) Pte Ltd	732	2,400.00	96.00	2,496.00	21.02.02 - 20.02.2004
15	#04-07	Pro Renovation & Construction	333	900.00	36.00	936.00	01.01.02 - 31.12.2003
	#04-07A	Avenue Employment Ptd Ltd	700	2,000.00	80.00	2,080.00	01.04.03 - 31.03.2005
16	#04-08	Victoria Tutorial Centre	1098	3,074.40	122.98	3,197.38	01.12.02 - 30.11.2004
17	#04-09	VACANT	1056				
	#04-09A	Victoria Tutorial Centre	300	1,100.00	44.00	1,144.00	01.11.01 - 31.10.2003
18	#05-01/06	P.B. Health Centre	1130	20,000.00	800.00	20,800.00	01.09.02 - 31.08.2004
19			829				
20			829				
21			1044				
22			1184				
23			732				

APPENDIX IIA**PROPERTY VALUATION**

	UNIT NO.	TENANTS' NAME	FL. AREA (SQ. FT)	GROSS RENT	GST	TOTAL	TENANCY PERIOD
24	#05-07/09	Megapool	1033	8,252.43	330.10	8,582.53	15.01.02 - 14.01.2005
25			1098				
26			1356				
27	#06-01	Worldview Dvpmt Consultant	1130	2,260.00	90.40	2,350.40	01.11.03 - 31.10.2004
28	#06-02	Mind Language Centre	829	2,487.00	99.48	2,586.48	01.12.01 - 30.11.2003
29	#06-03/04	Es McNulty Education Consultants P/L	829	6,162.00	246.48	6,408.48	01.12.02 - 30.11.2004
30			384				
			660				
31	#06-05/06	Acropolis English Centre	600	4,800.00	192.00	4,992.00	15.05.03 - 14.05.2005
32			1316				
33	#06-07	Winshire Educational Centre	1033	2,068.00	82.72	2,150.72	01.10.03 - 30.09.2005
34	#06-08	Property Workshop Pte Ltd	1098	3,000.00	120.00	3,120.00	15.12.02 - 14.12.2004
35	#06-09	Berries World of Learning Sch (MP)	1356	3,868.00	154.72	4,022.72	15.12.02 - 14.12.2004
36	#07-01	Allen Telecoms (Singapore) Pte Ltd	1130	3,200.00	128.00	3,328.00	01.01.02 - 31.12.2003
37	#07-02	Express Maid & Manpower Ser	829	2,700.00	108.00	2,808.00	15.11.02 - 14.11.2004
38	#07-05	VACANT	1184				
39	#07-06	Yesir Manpower Pte Ltd	732	1,400.00	56.00	1,456.00	01.09.03 - 31.08.2005
40	#08-01	Kent Ridge Tutors Consultancy	1130	2,800.00	112.00	2,912.00	27.10.03 - 26.10.2005
41	#08-02	Coleman Commercial & Lge	829	2,400.00	96.00	2,496.00	01.06.02 - 31.05.2004
42	#08-03	PY-Micro Computer Training Ctr	829	2,500.00	100.00	2,600.00	15.08.02 - 14.08.2004
43	#09-04	HealthCosmo Pte Ltd	1044	2,300.00	92.00	2,392.00	01.03.03 - 28.02.2004
44	#09-05	VACANT	1184				
45	#09-06	Forte Management Services PL	732	2,000.00	80.00	2,080.00	07.05.03 - 06.05.2005
46	#13-01	Lord Corporation	1130	3,100.00	124.00	3,224.00	01.03.03 - 28.02.2005
47	#13-02	Nexus Academics Tuition Centre	829	2,000.00	80.00	2,080.00	15.02.03 - 14.02.2005
48	#13-04	TLC LANGUAGE SCHOOL PL	1044	3,000.00	120.00	3,120.00	01.05.02 - 30.04.2004
49	#13-05	Laerdal Singapore Pte Ltd	1184	2,800.00	112.00	2,912.00	01.09.03 - 31.08.2005
50	#13-06	MU Interior Pte Ltd	732	2,000.00	80.00	2,080.00	15.08.02 - 14.08.2004

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 in so far as it relates to the Company.

2. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the following Directors and chief executive of the Company were interested, or were deemed to be interested in the following long and short positions in the Shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors adopted by the Company to be notified to the Company and the Stock Exchange:

Name of Director	Number of ordinary shares held			Total interests
	Personal interests	Family interests	Corporate interests	
Deacon Te Ken Chiu The Company	5,048,000	6,110,000 [▲]	99,768,800*	110,926,800
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
Daniel Tat Jung Chiu The Company	11,000,000	–	30,400,000#	41,400,000
Derek Chiu The Company	201,000	–	–	201,000
Margaret Chiu The Company	5,000,000	–	–	5,000,000
Duncan Chiu The Company	25,456,211	–	–	25,456,211

* 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 equally.

▲ The 6,110,000 shares are held by Madam Ching Lan Ju Chiu, wife of Mr. Deacon Te Ken Chiu.

Save as disclosed in this circular, as at the Latest Practicable Date, none of the Directors and chief executive of the Company were interested, or were deemed to be interested in the long and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Code for Securities Transactions by Directors adopted by the Company to be notified to the Company and the Stock Exchange.

3. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, according to the register of interests in long positions and short positions kept by the Company pursuant to Divisions 2 and 3 of Part XV and section 336 of the SFO and so far as the Directors were aware, the following persons had a long position or short position in the Shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Long Positions in the Shares

Name of Shareholder	Number of ordinary share held	%
Far East Consortium International Limited ("FECIL") (Note 1)	93,540,200	28.2
Far East Consortium (B.V.I.) Limited ("FECBVIL") (Note 2)	93,540,200	28.2
Far East Consortium Limited ("FECL") (Note 3)	65,208,200	19.7
Tricom Cyberworld Holdings Limited	19,282,000	5.81

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 "Directors' interests in Shares" 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 in the Company.
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 the Company in aggregate.

Save as disclosed in this circular, the Directors were not aware of any person as at the Latest Practicable Date who had a long position or short position in the Shares, underlying shares or debentures which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was interested, directly or indirectly, in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

4. SERVICE CONTRACTS

As at the Latest Practicable Date, there were no existing or proposed service contracts between any of the Directors and any member of the Group, excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation).

5. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against the Company or any of its subsidiaries.

6. MATERIAL CONTRACTS

Save for the Sale and Purchase Agreement, neither the Company nor any of its subsidiaries had entered into any material contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this circular and are or may be material.

7. QUALIFICATION OF EXPERTS

The following are the qualifications of the experts who have given opinions or advice in this circular.

Expert	Qualification
Lawson David & Sung Surveyors Limited and Midland of Surveyors Limited	Professional surveyors
Altus Capital Limited	Deemed licensed corporation under the SFO

Lawson David & Sung Surveyors Limited and Midland Surveyors Limited and Altus Capital Limited do not have any shareholding in any member of the Group or the right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Lawson David & Sung Surveyors Limited, Midland Surveyors Limited and Altus Capital Limited do not have any direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group since 31st December, 2002, being the date to which the latest published audited financial statements of the Company were made up.

The valuation report given by Lawson David & Sung Surveyors Limited and Midland Surveyors Limited and the letter from Altus are for incorporation herein.

8. CONSENT OF EXPERTS

Lawson David & Sung Surveyors Limited, Midland Surveyors Limited and Altus Capital Limited have given and have not withdrawn their respective written consent to the issue of this circular with the inclusion of their respective report and letter (as the case may be) and references to their respective names in the form and context in which they respectively appear.

9. OTHER INTERESTS

Save as disclosed in the previous announcements and circulars of the Company, none of the Directors or the experts named under the section headed "Consent of Experts" have or had any direct or indirect interest in any assets acquired or disposed of by or leased to or by or proposed to be acquired or disposed of by or leased to or by any member of the Group since 31st December, 2002, being the date to which the latest published audited financial statements of the Company were made up.

None of the Directors is materially interested in any contract or arrangement subsisting at the date of this circular which is significant in relation to the business of the Group.

10. MISCELLANEOUS

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

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 16th Floor, Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong during normal business hours from the date of this circular up to and including the date of the EGM:

- (a) the Memorandum and Articles of Association of the Company;
- (b) the valuation report and certificate prepared by Lawson David & Sung Surveyors Limited and Midland Surveyors Limited the text of which is set out in Appendix II;
- (c) the letter of advice from Altus, the text of which is set out on pages 10 and 17 of this circular;
- (d) the annual reports of the Company for the two financial years ended 31st December, 2002 and the interim report of the Company for the six months ended 30th June, 2003;
- (e) the material contracts referred to in the paragraph headed “Material contracts” in this Appendix; and
- (f) the written consents referred to in the paragraph headed “Consent of experts” in this Appendix.

NOTICE OF THE EGM



FAR EAST TECHNOLOGY INTERNATIONAL LIMITED

(Incorporated in Hong Kong with limited liability)

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

NOTICE IS HEREBY GIVEN that an EGM of Far East Technology International Limited (the “Company”) will be held at 4:30 p.m. on 10th February, 2004, at the Penthouse, Far East Consortium Building, 121 Des Voeux Road, Central, Hong Kong, for the purpose of considering and, if thought fit, passing the following resolution as ordinary resolution of the Company:

ORDINARY RESOLUTION

“THAT:

the agreement dated 22nd December, 2003 (“Agreement”) between, (1) the companies named as the FET Shares Vendors; (2) the parties named as the FET Shares Purchasers; (3) Far East Technology International Limited (“FET”); (4) Dennis Chiu Tat Shing (“DC”); (5) Smartland Assets Limited; and (6) the Company, a copy of which has been tabled at the meeting and signed by the Chairman of the meeting for the purpose of identification, whereby, inter alia, FET and DC agreed to sell to Smartland Assets Limited the entire issued share capital of Tang City Properties Pte Ltd for a total consideration of SGD1 in cash and in kind by procuring the Refinancing pertaining to Parkway of SGD25 million (equivalent to approximately HK\$112.5 million), be and is hereby approved and the directors of the Company be and are hereby authorized to approve any amendment to the said agreement, to implement the transactions contemplated by the said agreement (subject to any amendments as may be approved by the directors of the Company) and take all necessary actions in relation thereto to give effect to the Agreement and to approve the Property Disposal.”

By Order of the Board
Kwok Wor Chow
Secretary

Dated 16th January, 2004

Notes:

1. Any member of the Company entitled to attend and vote at the meeting shall be entitled to appoint another person as his proxy to attend and, on a poll, vote instead of him. A member may appoint more than one proxy to attend on the same occasion. A proxy need not be a member of the Company.
2. A form of proxy for use at the above meeting is enclosed herewith.
3. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority must be deposited at the head office and principal place of business of the Company in Hong Kong at 16th Floor, Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong not less than 48 hours before the time for holding the meeting or any adjourned meeting, in default of which the instrument of proxy shall not be treated as valid.