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

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

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

(Stock Code: 0036)

**DISCLOSEABLE TRANSACTION**

**DISPOSAL OF PROPERTY AT HUNGHOM COMMERCIAL CENTRE**

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## DEFINITIONS

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

“Agreement”	the provisional agreement dated 30 April 2004 entered into between the Vendor and the Purchaser for the sale and purchase of the Property;
“Company”	Far East Technology International Limited, a company incorporated in Hong Kong and the shares of which are listed on the Stock Exchange;
“Directors”	The directors of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;
“HK\$” and “cents”	Hong Kong dollars and cents respectively;
“Latest Practicable Date”	27 May 2004, being the latest practicable date prior to the bulk-printing of this circular for ascertaining certain information contained in this circular;
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange;
“Property”	A property located at Hunghom Commercial Centre, 37-39 Ma Tau Wai Road, Kowloon (300/12841st shares of and in the Remaining Portion of Section O of Kowloon Marine Lot No. 40);
“Purchaser”	Fortune Plan Limited;
“SFO Ordinance”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	share(s) of HK\$1.00 each in the share capital of Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Vendor”	Profess World Investments Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company.

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## LETTER FROM THE BOARD

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### FAR EAST TECHNOLOGY INTERNATIONAL LIMITED

*(Incorporated in Hong Kong with limited liability)*

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

(Stock Code: 0036)

*Executive Directors:*

Deacon Te Ken CHIU (*Chairman*)

Duncan CHIU

*(Managing Director and Chief Executive Officer)*

Dennis CHIU

*Registered Office:*

16/F., Far East Consortium Building

121 Des Voeux Road Central

Hong Kong

*Non-executive Directors:*

David CHIU

Daniel Tat Jung CHIU

Derek CHIU

Desmond CHIU

Margaret CHIU

*Independent Non-executive Directors:*

Chi Man MA

Siu Hong CHOW

28 May 2004

*To the Shareholders*

Dear Sir or Madam,

### **DISPOSAL OF PROPERTY AT HUNGHOM COMMERCIAL CENTRE**

#### **INTRODUCTION**

The Company announced on 6 May 2004 that the Vendor entered into the Agreement with the Purchaser for the sale and purchase of the property located at Hunghom Commercial Centre, 37-39 Ma Tau Wai Road, Kowloon (300/12841st shares of and in the Remaining Portion of Section O of Kowloon Marine Lot No. 40). The consideration for the disposal of the Property to the Purchaser is HK\$15,000,000 in cash payable on completion.

Subsequently on 18 May 2004, the Company announced that formal agreement is still being reviewed by the solicitors and the signing of the formal agreement had been postponed from on or before 13 May 2004 to on or before 28 June 2004.

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## LETTER FROM THE BOARD

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The purpose of this document is to give you further information regarding the Agreement and other information required under the Listing Rules.

### **BACKGROUND OF THE DISPOSAL OF THE PROPERTY**

Date of the Agreement: 30 April 2004

Vendor: Profess World Investments Limited, a wholly-owned subsidiary of the Company.

Purchaser: Fortune Plan Limited, its principal activities is property investments.

The consideration for the disposal of the Property to the Purchaser is HK\$15,000,000 in cash payable on completion, that is, on or before 28 June 2004. The Vendor and the Purchaser are required to enter into a formal agreement for the sale and purchase of the Property on or before 28 June 2004 and completion shall take place on or before 28 June 2004.

### **REASONS AND BENEFITS FOR THE DISPOSAL OF THE PROPERTY**

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

The Group has continued to restructure its operations by disposing of non-core assets since 2003. It is the intention of the Directors of the Group to exit from entertainment and leisure-related businesses and to focus on the development of its information technology and industrial manufacturing.

The Property was formerly used for cinema operation, an entertainment and leisure-related business. The Group ceased its cinema operation in July 2000 and since then the Property was left vacant. The Disposal will provide an opportunity for the Company to realize its non-core asset at reasonable market price. The net proceeds will be used to repay bank finance. This will reduce the Group's indebtedness and strengthen the Group's financial position.

### **GENERAL**

The Directors are of the view that the disposal of the Property is in the interest of the Company and the terms of the Agreement are on normal commercial terms, which are fair and reasonable and in the interest of the shareholders as a whole. The Property was valued at HK\$13,800,000 as at 31 December 2003 by DTZ Debenham Tie Leung, an independent firm of valuers. The book value of the Property was HK\$13,800,000 as at 31 December 2003.

The Directors confirm that the consideration for the Property has been determined after arm's length negotiations between the parties by reference to the market value of property transactions and by reference to the property valuation. The net profit attributable to the Property for the year ended 31 December 2003 was HK\$467,385 and the net loss attributable to the Property for the year ended 31 December 2002 was HK\$1,266,745. The profit on disposal of the Property based on the book value is HK\$1,200,000.

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## LETTER FROM THE BOARD

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The Directors confirm that to the best of their knowledge information and belief having made all reasonable enquiry, the Purchaser and the ultimate beneficial owner of the Purchaser are third parties independent of the Company and connected persons of the Company.

### **ADDITIONAL INFORMATION**

The Directors consider the Agreement is in the interest of the Company and its Shareholders as a whole. Your attention is drawn to the general information for the Company as set out in the appendix to this circular.

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

## 1. RESPONSIBILITY STATEMENT

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

## 2. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the following Directors and chief executive of the Company and their respective associates had the following interests and short positions in the Shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of the Part XV 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 (including interests and short positions which any such Directors and chief executive of the Company was taken or deemed to have under such provisions 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 of 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	12,548,000	6,110,000 <sup>(1)</sup>	6,228,600	24,886,600
David Chiu	–	–	28,040,000	28,040,000
– The Company				
Dennis Chiu				
– The Company	25,110,200	–	30,400,000 <sup>(2)</sup>	55,510,200
– Tang Dynasty City Pte. Ltd.	1,250,000	–	–	1,250,000
Daniel Tat Jung Chiu				
– The Company	11,000,000	–	72,400,200 <sup>(3)</sup>	83,400,200
Derek Chiu				
– The Company	201,000	–	–	201,000
Margaret Chiu				
– The Company	5,000,000	–	–	5,000,000
Duncan Chiu				
– The Company	32,956,211	–	–	32,956,211

*Notes:*

- (1) The 6,110,000 shares are held by Madam Ching Lan Ju Chiu, wife of Mr. Deacon Te Ken Chiu.
- (2) 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
- (3) Of the 72,400,200 shares, 30,400,000 are held by Cape York Investments Limited, a company owned by Mr. Dennis Chu and Mr. Daniel Tat Jung Chiu equally.

Save as disclosed in this circular, as at the Latest Practicable Date, none of the Directors and chief executive of the Company was interested, or was 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, other than the interests disclosed above in respect of certain directors under the section headed “Disclosure of Interests”, 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 were 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 ordinary share held	%
Gorich Holdings Limited (“Gorich”) ( <i>Note 1</i> )	42,000,200	12.66
Rocket High Investments Limited (“Rocket”) ( <i>Note 2</i> )	28,040,000	8.45
Tricom Cyberworld Holdings Limited	19,282,000	5.81

*Notes:*

1. The shareholding held by Gorich is entirely duplicated or included in the shareholding stated in the corporate interest of Mr. Daniel Tat Jung Chiu, as mentioned in the section headed “Disclosure of Interests” above.
2. The shareholding held by Rocket is entirely duplicated or included in the shareholding stated in the corporate interest of Dato’ David Chiu as mentioned in the section headed “Disclosure of Interests” above.



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. MISCELLANEOUS**

- (a) 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.
- (b) The secretary of the Company is Mr. Kwok Wor Chow, FCS, FHKSA.
- (c) The qualified accountant of the Company is Mr. James Cheeric Yu, B. Sc., AICPA.
- (d) As at the date of this circular, the Board of Directors of the Company comprises executive directors namely Mr. Deacon Te Ken Chiu, Mr. Duncan Chiu, Mr. Dennis Chiu, non-executive directors namely Dato' David Chiu, Mr. Daniel Tat Jung Chiu, Mr. Derek Chiu, Mr. Desmond Chiu, Ms. Margaret Chiu and independent non-executive directors namely Mr. Chi Man Ma and Mr. Siu Hong Chow.