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

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

**If you have sold or transferred** all your securities in Far East Technology International Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the 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: 36)

**PROPOSALS FOR GENERAL MANDATES  
TO REPURCHASE SHARES AND TO ISSUE SHARES,  
GRANT OF OPTIONS,  
BONUS ISSUE OF SHARES,  
AMENDMENTS TO THE ARTICLES OF ASSOCIATION,  
RE-ELECTION OF RETIRING DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening an annual general meeting of the Shareholders of Far East Technology International Limited to be held at Function Room, Mezzanine Floor, Cosmopolitan Hotel Hong Kong, 387-397 Queen's Road East, Wan Chai, Hong Kong on Tuesday, 23rd May, 2006 at 3:00 p.m. is set out on pages 23 to 27 of this circular. Whether or not you are able to attend the meeting in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Share Registrar, Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting should you wish.

28th April, 2006

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## DEFINITIONS

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

|                           |   |
|---------------------------|---|
| “AGM”                     | the annual general meeting of the Company to be held at 3:00 p.m. on Tuesday, 23rd May, 2006 at Function Room, Mezzanine Floor, Cosmopolitan Hotel Hong Kong, 387-397 Queen’s Road East, Wan Chai, Hong Kong  |
| “Articles of Association” | the existing articles of association of the Company   |
| “Board”                   | the board of directors of the Company   |
| “Bonus Issue”             | the proposed conditional issue of Bonus Shares on the basis of one Bonus Share for every ten existing Shares held on the Record Date upon and subject to the terms and conditions set out in this circular  |
| “Bonus Share(s)”          | new Share(s) to be allotted and issued pursuant to the Bonus Issue  |
| “CCASS”                   | the Central Clearing and Settlement System established and operated by HKSCC  |
| “Company”                 | Far East Technology International Limited, a company incorporated in Hong Kong with limited liability under the Companies Ordinance, the shares of which are listed on the main board of the Stock Exchange   |
| “Companies Ordinance”     | Companies Ordinance (Chapter 32 of Laws of Hong Kong)   |
| “Connected Person(s)”     | shall have the meaning as defined in the Listing Rules  |
| “Date of Grant”           | the date on which an Option shall be deemed to have been granted and have taken effect  |
| “Director(s)”             | the director(s) of the Company  |
| “Eligible Participant(s)” | any employees (whether full time or part time), executives or officers, directors (including executive and non-executive) of the Company or any of its subsidiaries and any business consultants, agents, financial or legal advisers of the Company or any of its subsidiaries who, in the sole discretion of the Board, will contribute or have contributed to the Company or any of its subsidiaries |
| “General Scheme Limit”    | the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme of the Company and which must not in aggregate exceed 10 per cent of the Shares in issue as at the day of the passing of the relevant ordinary resolution for the approval of the Share Option Scheme   |

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## DEFINITIONS

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| “Grantees”                               | the proposed grantees of the Options comprising of Mr. Duncan Chiu, Mr. Siu Chung Wu, Ms. Wendy Kim Bing Yung and Mr. Hung Kwong Lui   |
| “Group”                                  | the Company and its Subsidiaries for the time being  |
| “HKSCC”                                  | Hong Kong Securities Clearing Company Limited, a wholly owned subsidiary of Hong Kong Exchange and Clearing Limited  |
| “Issue Mandate”                          | a general and unconditional mandate to allot, issue, and deal with Shares up to a maximum of 20 per cent of the issued share capital of the Company as at the date of passing of the relevant resolution   |
| “Invested Entity”                        | any entity in which the Group holds any equity interest  |
| “Latest Practicable Date”                | 21st April, 2006, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular   |
| “Listing Agreement”                      | an agreement between the Company and the Stock Exchange setting out the continuing obligation which the Company undertakes to comply with as a condition of listing  |
| “Listing Rules”                          | the Rules Governing the Listing of Securities on the Stock Exchange  |
| “Memorandum and Articles of Association” | the existing Memorandum and Articles of Association of the Company   |
| “Mode Code”                              | the Model Code on Securities Transactions by Directors adopted by the Company  |
| “Option(s)”                              | a right granted pursuant to the Share Option Scheme to subscribe for Shares not being such a right which has lapsed or determined  |
| “Ordinary Resolution”                    | the ordinary resolution to be proposed and passed at the Annual General Meeting for the matters as set out in the AGM Notice;  |
| “Proposed Grant”                         | the proposed grant of an Option to Mr. Duncan Chiu to subscribe for 3,600,000 shares, to Mr. Siu Chung Wu to subscribe for 900,000 shares, Ms. Wendy Kim Bing Yung to subscribe for 300,000 shares and Mr. Hung Kwong Lui to subscribe for 300,000 shares pursuant to the share option scheme of the Company |
| “Record Date”                            | 23rd May, 2006, being the record date by reference to which entitlements to the Bonus Issue will be determined   |

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## DEFINITIONS

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|                       |   |
|-----------------------|---|
| “Repurchase Mandate”  | a general and unconditional mandate to be granted to the Directors to exercise all powers of the Company to repurchase on the Stock Exchange, or any other stock exchange on which the Shares of the Company may be listed, Shares up to a maximum of 10 per cent of the issued share capital of the Company as at the date of passing of the relevant resolution |
| ”SFO”                 | Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong)   |
| “Share(s)”            | an ordinary share of HK\$0.01 in the capital of the Company   |
| “Shareholder(s)”      | the shareholder(s) of the Company   |
| “Share Option Scheme” | the Share Option Scheme of the Company adopted on 23rd May, 2005  |
| “Stock Exchange”      | The Stock Exchange of Hong Kong Limited   |
| “Subsidiary”          | a company which is for the time being and from time to time a subsidiary of the Company including any body corporate which would be a subsidiary within the meaning of Section 2 of the Companies Ordinance, Chapter 32 of the laws of Hong Kong  |
| “Takeovers Code”      | The Hong Kong Code on Takeovers and Mergers   |
| “HK\$”                | Hong Kong dollar(s), the lawful currency of The Hong Kong Special Administrative Region   |

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## EXPECTED TIMETABLE

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2006

|   |                                      |
|---|--------------------------------------|
| Last date of dealings in Shares cum-entitlements<br>to the Bonus Issue .....                        | Tuesday, 16 May                      |
| First day of dealings in Shares ex-entitlements<br>to the Bonus Issue .....                         | Wednesday, 17 May                    |
| Latest time for lodging transfers of Shares<br>to qualify for entitlements to the Bonus Issue ..... | 4:00 p.m. on Thursday, 18 May        |
| Closure of register of members (both days inclusive) .....  | Friday, 19 May<br>to Tuesday, 23 May |
| Latest time for lodging forms of proxy<br>for the AGM .....   | 3:00 p.m. on Sunday, 21 May          |
| Record Date for determination of entitlements to<br>the Bonus Issue .....                           | Tuesday, 23 May                      |
| Date and time of the AGM .....  | 3:00 p.m. on Tuesday, 23 May         |
| Register of members reopens .....   | Wednesday, 24 May                    |
| Despatch of certificates for the Bonus Shares .....   | Tuesday, 30 May                      |
| First day of dealings in the Bonus Shares on the Stock Exchange .....                               | Friday, 2 June                       |

All times in this Circular refer to Hong Kong times.

Dates stated in this Circular for events mentioned in the timetable are indicative only and may be extended or varied. Any change to the expected timetable for the bonus issue will be announce as appropriate.

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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: 36)

*Executive Directors:*

Mr. Deacon Te Ken Chiu (*Chairman*)  
Mr. Duncan Chiu  
(*Managing Director and Chief Executive Officer*)  
Mr. Dennis Chiu

*Registered office:*

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

*Non-executive Directors:*

Tan Sri Dato' David Chiu  
Mr. Daniel Tat Jung Chiu  
Mr. Derek Chiu  
Mr. Desmond Chiu  
Miss Margaret Chiu

*Head office and Principal Place of  
Business:*

Room 1802-1804, 18th Floor  
Far East Consortium Building  
121 Des Voeux Road Central  
Hong Kong

*Independent Non-executive Directors:*

Dr. Lee G. Lam  
Mr. Ryan Yen Hwung Fong  
Mr. Hing Wah Yim

28th April, 2006

*To the Shareholders*

Dear Sir or Madam,

**PROPOSALS FOR GENERAL MANDATES  
TO REPURCHASE SHARES AND TO ISSUE SHARES,  
GRANT OF OPTIONS,  
BONUS ISSUE OF SHARES,  
AMENDMENTS TO THE ARTICLES OF ASSOCIATION,  
RE-ELECTION OF RETIRING DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

#### INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the AGM to be held on Tuesday, 23rd May, 2006. These include (i) ordinary resolutions relating to the granting to the Directors general mandates for the issue of the Company's Shares of HK\$0.01 each and the repurchase of its Shares; (ii) ordinary resolutions relating to the grant of options; (iii) ordinary resolutions relating to the bonus issue of shares; (iv) special resolutions relating to the amendments to the Articles of Association; and (v) ordinary resolutions relating to the re-election of the retiring Directors.

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## LETTER FROM THE BOARD

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### **PROPOSED GRANTING OF GENERAL MANDATE TO REPURCHASE SHARES**

At the AGM, an ordinary resolution will be proposed that the Directors be granted a general and unconditional mandate to exercise all powers of the Company to repurchase on the Stock Exchange, or on any other stock exchange on which the Shares of the Company may be listed, Shares up to a maximum of 10 per cent of the issued share capital of the Company as at the date of passing of the relevant resolution.

As at the Latest Practicable Date, there was a total of 99,500,671 Shares in issue. Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to repurchase a maximum of 9,950,067 Shares.

### **PROPOSED GRANTING OF GENERAL MANDATE TO ISSUE SHARES**

An ordinary resolution will also be proposed that the Directors be granted a general and unconditional mandate to allot, issue, and deal with Shares up to a maximum of 20 per cent of the issued share capital of the Company as at the date of passing of the relevant resolution.

As at the Latest Practicable Date, there was a total of 99,500,671 Shares in issue. Subject to the passing of the resolution granting the Issue Mandate and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to issue a maximum of 19,900,134 Shares.

In addition, an ordinary resolution will be proposed at the AGM adding any Shares repurchased under the Repurchase Mandate to the Issue Mandate. The Repurchase Mandate and the Issue Mandate will continue in force until the conclusion of the next annual general meeting of the Company unless it is renewed at such meeting or until revoked or varied by ordinary resolutions of the Shareholders in a general meeting held prior to the next AGM of the Company.

An explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the proposed general mandate to repurchase Shares is set out in Appendix I to this circular. The explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolutions at the AGM.

### **PROPOSED GRANT OF OPTIONS**

The Board proposed to further grant an Option to Mr. Duncan Chiu, Managing Director to subscribe for 3,600,000 shares, Mr. Siu Chung Wu, director of a subsidiary to subscribe for 900,000 shares, Ms. Wendy Kim Bing Yung, Investment Manager to subscribe for 300,000 shares and Mr. Hung Kwong Lui, Financial Controller to subscribe for 300,000 shares respectively of HK\$0.01 each in the capital of the Company. Among the four Grantees, only Mr. Duncan Chiu is a substantial shareholder of the Company.

The Board considers that a stable management team and the continuing commitment of the above Grantees are crucial to the Group's future development. The Board believes the proposed grant of Options to the Grantees would serve as both the Group's recognition of the dedication and efforts of the Grantees towards the development of the Group and as incentive for their continuing contribution to the growth of the Group.



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## LETTER FROM THE BOARD

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At a meeting of the Board held on 21st April, 2006, the Board (including all the three independent non-executive Directors) approved the motion of seeking the independent shareholders' approval at the AGM for the Proposed Grant on the Proposed Date of Grant where one of the grantees, Mr. Duncan Chiu is considered to be a substantial Shareholder.

Pursuant to Rule 17.04 of the Listing Rules, where any grant of option(s) to a substantial Shareholder or an independent non-executive Director, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1% of the Shares in issue; and
- (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million,

such further grant of options must be separately approved by the independent shareholders in general meeting. Any vote taken at such meeting to approve the grant of such options shall be taken on a poll.

*Note:* Pursuant to Rule 17.03(4) of the Listing Rules, the total number of securities issued and to be issued upon exercise of the options granted to each participants (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the relevant class of securities of the listed issuer (or the subsidiary) in issue. Where any further grant of options to a participant would result in the securities issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the relevant class of securities in issue, such further grant must be separately approved by shareholders of the listed issuer in general meeting with such participant and his associates abstaining from voting.

The company constitutes a breach of Listing Rules 17.03(4) in the first grant of options to three directors namely, Mr. Duncan Chiu, Mr. Deacon Chiu and Mr. Dennis Chiu whose options granted have exceeded 1% of the Company's issued capital but without the separate approval by shareholders of the Company in general meeting.

A resolution to approve the Proposed Grant will therefore be proposed at the AGM and votes taken in respect of such resolution shall be taken on a poll. Mr. Duncan Chiu, Mr. Siu Chung Wu, Ms. Wendy Kim Bing Yung and Mr. Hung Kwong Lui and their respective associates shall abstain from voting on the resolution. Subject to the approval of the independent shareholders at the AGM, the Board would offer the Options to Mr. Duncan Chiu, Mr. Siu Chung Wu, Ms. Wendy Kim Bing Yung and Mr. Hung Kwong Lui on the Proposed Date of Grant. Assuming Mr. Duncan Chiu, Mr. Siu Chung Wu, Ms. Wendy Kim Bing Yung and Mr. Hung Kwong Lui shall accept the Options, they are respectively required to return to the Company duly signed written acceptances of the offer within 28 days from the proposed date of grant together with a remittance of HK\$1.00 in favour of the Company by way of consideration for the grant of Options. In the event that the proposed grant is not approved by independent shareholders at the AGM, the proposed Grant shall be deemed to be null and void and shall have no further effect.

The Company will comply with all disclosure requirements under the Listing Rules, including the issue of an announcement in respect of the poll result of such resolution at the AGM.

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## LETTER FROM THE BOARD

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### Principal Terms of Proposed Grant

The principal terms of the Proposed Grant are as follows:-

| Name                    | Proposed date<br>of grant | No. of options<br>to be granted | Exercise Price<br>(Note)<br>HK\$ | Exercise Period        | Appropriate<br>percentage<br>to be issued<br>share capital<br>of the Company<br>as at the Latest<br>Practicable Date |
|-------------------------|---------------------------|---------------------------------|----------------------------------|------------------------|--|
| Mr. Duncan Chiu         | 23rd May, 2006            | 1,800,000                       | 1.34                             | 23/5/2006 to 22/5/2016 | 3.62%  |
|                         |                           | 1,800,000                       | 1.34                             | 23/5/2007 to 22/5/2017 |  |
|                         |                           | <u>3,600,000</u>                |                                  |                        |  |
| Mr. Siu Chung Wu        | 23rd May, 2006            | 450,000                         | 1.34                             | 23/5/2006 to 22/5/2016 | 0.90%  |
|                         |                           | 450,000                         | 1.34                             | 23/5/2007 to 22/5/2017 |  |
|                         |                           | <u>900,000</u>                  |                                  |                        |  |
| Ms. Wendy Kim Bing Yung | 23rd May, 2006            | 150,000                         | 1.34                             | 23/5/2006 to 22/5/2016 | 0.30%  |
|                         |                           | 150,000                         | 1.34                             | 23/5/2007 to 22/5/2017 |  |
|                         |                           | <u>300,000</u>                  |                                  |                        |  |
| Mr. Hung Kwong Lui      | 23rd May, 2006            | 150,000                         | 1.34                             | 23/5/2006 to 22/5/2016 | 0.30%  |
|                         |                           | 150,000                         | 1.34                             | 23/5/2007 to 22/5/2017 |  |
|                         |                           | <u>300,000</u>                  |                                  |                        |  |

*Note:* Being the higher of:- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on 21st April, 2006, being the date of the Board meeting proposing the Proposed Grant; (ii) a price being the average of the closing prices of the Shares in the Stock Exchange's daily quotations sheets for the 5 Business Days immediately preceding 21st April, 2006, being the date of the Board meeting proposing the Proposed Grant; and (iii) the nominal value of Share.

The Shares to be allotted upon the exercise of the Options will be subject to all the provisions of the Company's Articles of Association for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue on the date of their allotment and issue, and accordingly will entitle Mr. Duncan Chiu, Mr. Siu Chung Wu, Ms. Wendy Kim Bing Yung and Mr. Hung Kwong Lui to participate in all dividends or other distributions paid or made on or after the date of allotment and issue other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefore shall be before the date of allotment and issue.

### Information on Proposed Grant

As at the Latest Practicable Date, the particulars of the outstanding options granted to Mr. Duncan Chiu, Mr. Duncan Te Ken Chiu, Mr. Dennis Chiu, Ms. Wendy Kim Bing Yung and Mr. Hung Kwong Lui under the Share Option Scheme are set out below.

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## LETTER FROM THE BOARD

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The following table summer details of the options granted to the Grantees during the 12-month period up to and including 21st April, 2006, being the date of passing of the board of directors resolution

| Name of Grantees        | Number of shares<br>issuable upon<br>exercise of all<br>options granted<br>during the<br>last 12-month<br>period<br>(excluding<br>the Proposed<br>Options) | Number of shares<br>issuable upon<br>exercise of all<br>options granted<br>during the<br>last 12-month<br>period<br>(including the<br>Proposed Options) | Approximate<br>percentage<br>of shares<br>issuable upon<br>exercise of<br>all options<br>granted to<br>the Grantees<br>during the<br>last 12-month<br>period<br>(excluding<br>the Proposed<br>Options)<br>to the issued<br>share capital<br>of the<br>Company as<br>at the Latest<br>Practicable<br>Date | Approximate<br>percentage<br>of shares<br>issuable upon<br>exercise of<br>all options<br>granted to<br>the Grantees<br>during the<br>last 12-month<br>period<br>(including<br>the Proposed<br>Options)<br>to the issued<br>share capital<br>of the<br>Company as<br>at the Latest<br>Practicable<br>Date |
|-------------------------|--|---|--|--|
| Mr. Duncan Chiu         | 3,406,158  | 7,006,158   | 3.42%  | 7.04%  |
| Mr. Deacon Te Ken Chiu  | 2,128,848  | 2,128,848   | 2.14%  | 2.14%  |
| Mr. Dennis Chiu         | 1,064,424  | 1,064,424   | 1.07%  | 1.07%  |
| Ms. Wendy Kim Bing Yung | 212,885  | 512,885   | 0.21%  | 0.52%  |
| Mr. Hung Kwong Lui      | 212,885  | 512,885   | 0.21%  | 0.52%  |
| Mr. Siu Chung Wu        | -  | 900,000   | -  | 0.90%  |

Since the granting of the proposed options will result in the Shares issued and to be issued upon exercise of all options granted and to be granted to each of the Grantee (including exercised, cancelled and outstanding options) in the 12-month period up to and including 21st April, 2006, being the date of the passing of the board of director resolutions, representing in aggregate over 1% of the issued share capital of the Company, the grant of the proposed options has to be approved by the Shareholders at the AGM with the Grantees and their respective associates abstaining from voting.

The subscription price of the Shares to be issued upon exercise of the proposed options is HK\$1.34 per Share representing the highest of (i) the closing price of the Shares as stated on the daily quotations price of the Shares as stated on the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of the passing of the board of director resolutions; and (iii) the nominal value of the Shares (being HK\$0.01 per Share).

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## LETTER FROM THE BOARD

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### AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Stock Exchange has revised the Listing Rules concerning various corporate governance issues. Among other code provisions of the code on corporate governance practices set out in Appendix 14 to the Listing Rules, it is required that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

In their present form, the Articles of Association provides that such Director holding office as the managing director of the Company will not be subject to retirement by rotation or be taken into account in determining the number of Directors to retire in each year. As such, the Board considers that the Articles of Association should be amended in line with the changes required under the revised Listing Rules and an amendment to the Articles of Association will be proposed at the AGM, details of which are set out in resolution numbered 10 in the notice of the AGM.

### THE BONUS ISSUE

#### (1) Introduction

The directors propose that the Bonus Issue will be made on the basis of one Bonus Share, credited as fully paid at par, for ten existing issued Ordinary Shares of HK\$0.01 held by the Shareholders whose names appear on the register of members of the Company on the Record Date. The Bonus Shares will rank pari passu in all respects with the existing issue Shares except to the extent that the holders of the Bonus Shares will not be entitled to participate in the proposed Bonus Issue.

On the assumptions that all outstanding share options, are exercised in full on or before the Record Date and that no further Shares will be allotted and issued or repurchased prior to the Record Date and based on 99,500,671 Shares in issue and taking into account 7,025,200 additional Shares that may fall to be allotted and issued pursuant to the exercise in full of all outstanding Share Options as at the Latest Practicable Date, there would be 106,525,871 Shares in issue on the Record Date. Accordingly, the total number of Bonus Shares to be issued may amount to 10,652,587.

It is proposed that the Directors be authorised to capitalize an amount of not less than HK\$106,526 standing to the credit of the share premium account of the Company and to apply such amounts in paying up in full the Bonus Shares.

#### (2) Conditions of the Bonus Issue

The Bonus Issue will be conditional upon:

- (a) the passing of an ordinary resolution to approve the Bonus Issue by the Shareholders at the AGM; and
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Bonus Shares.

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## LETTER FROM THE BOARD

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### **(3) Reasons for the Bonus Issue**

The Directors believe that the Bonus Issue will enhance the liquidity of the Shares in the market and the Bonus Issue will also provide the Shareholders with an opportunity to obtain further equity participation in the Company, thereby enlarging the Shareholders' base.

### **(4) Listing and dealings**

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Bonus Shares. The issued Shares are listed and dealt in on the Stock Exchange. No part of the equity or debt securities of the Company is listed or dealt in on any other stock exchange, nor is listing or permission to deal in such securities on any other stock exchange being or proposed to be sought.

Subject to the granting of the listing of, and permission to deal in, the Bonus Shares on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Bonus Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Bonus Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading date is required to take place in CCASS on the second trading date thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Dealings in the Bonus Shares on the Stock Exchange are expected to commence on 2nd June, 2006 and will be subject to stamp duty in Hong Kong.

### **(5) Fractions of Bonus Shares**

The Company will not allot any fractions of the Bonus Shares. Bonus Shares representing fractional entitlement will not be issued by the Company.

### **(6) Share certificates**

Certificates for the Bonus Shares are expected to be despatched to the qualifying Shareholders by ordinary post on or about 30th May, 2006 to their respective addresses shown in the register of members on the Record Date or in the case of joint holders to the address of the joint holders whose name stands first in the register of members on the Record Date at their own risk.

### **(7) Overseas Shareholders**

Shareholders whose addresses as shown on the register of members on the Share Record Date are outside Hong Kong ("Overseas Shareholders") will be entitled to the proposed Bonus Share Issue.

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## LETTER FROM THE BOARD

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### **CLOSURE OF THE REGISTER OF MEMBERS**

The register of members will be closed from 19th May, 2006 to 23rd May, 2006, both days inclusive, during which period no transfer of shares will be registered.

In order to qualify for the bonus shares, transfer forms accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on Thursday, 18th May, 2006.

### **NOTICE OF ANNUAL GENERAL MEETING**

Notice of the AGM is set out in this circular. A proxy form for appointing proxy is despatched with this circular and published on the website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)). Whether or not you intend to attend the AGM, you are requested to complete the proxy form and return it to the Company's Share Registrar, Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for the holding of the AGM or the adjourned meeting. Completion and return of a proxy form will not preclude you from attending and voting at the meeting and at any adjournment thereof if you so wish.

### **RE-ELECTION OF RETIRING DIRECTORS**

As at the Latest Practicable Date, the board of directors of the Company comprises of executive directors namely Mr. Deacon Te Ken Chiu (will retire on 23rd May, 2006), Mr. Duncan Chiu (will voluntarily retire on 23rd May, 2006), Mr. Dennis Chiu; non-executive directors namely Tan Sri Dato' David Chiu, Mr. Daniel Tat Jung Chiu, Mr. Derek Chiu (will retire on 23rd May, 2006), Mr. Desmond Chiu (will retire on 23rd May, 2006) and Miss Margaret Chiu; and independent non-executive directors namely Dr. Lee G. Lam (will retire on 23rd May, 2006); Mr. Ryan Yen Hwung Fong (will retire on 23rd May, 2006) and Mr. Hing Wah Yim (will retire on 23rd May, 2006).

In accordance with Company's Articles of Association, Dr. Lee G. Lam, Mr. Ryan Yen Hwung Fong and Mr. Hing Wah Yim (appointed on 1st April, 2006) who were appointed as Independent Non-executive Directors of the Company during the year, will hold office until the 2006 AGM of the Company and, being eligible, have offered themselves for re-election at the AGM.

In accordance with Articles 79 and 80 of the Company's Articles of Association, Mr. Deacon Te Ken Chiu, Mr. Derek Chiu and Mr. Desmond Chiu will retire by rotation at the 2006 AGM of the Company and, being eligible, have offered themselves for re-election.

In accordance with Articles 76 of the Company's Articles of Association, Mr. Duncan Chiu is not subject to re-election by rotation at the 2006 AGM. In view of Good Corporate Governance Practices, he will voluntarily retire by rotation at the 2006 AGM of the Company and, being eligible, have offered himself for re-election.

Details of the above Directors that are required to be disclosed under the Listing Rules are set out in Appendix III of this circular.

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## LETTER FROM THE BOARD

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### PROCEDURES FOR DEMANDING A POLL

Pursuant to Article 57, every question submitted to a general meeting shall be determined in the first instance by a show of hands of the members present in person, but a poll may be demanded (before or upon the declaration of the result of the show of hands) by the chairman or by:–

- (i) not less than three members present in person or by proxy having the right to vote at the meeting; or
- (ii) a member or members present in person or by proxy representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (iii) a member or members present in person or by proxy holding shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Unless a poll is duly demanded in accordance with the foregoing provisions a declaration by the chairman that a resolution has been carried or lost or has or has not been carried by any particular majority, and an entry to that effect in the minutes of the proceedings of the Company, shall be conclusive evidence of the fact without proof of the number, proportion or validity of the votes recorded in favour of or against such resolution.

### RESPONSIBILITY STATEMENT

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

### RECOMMENDATION

The Directors (including the independent non-executive directors) consider that the proposed granting of the general mandates to the Directors to issue Shares and to repurchase Shares, the grant of Share Options bonus issue of shares, amendments to the Articles of Association and the re-election of the retiring Directors are in the best interests of the Company and the Shareholders. The Directors therefore recommend the Shareholders to vote in favour of the relevant resolutions as set out in the notice of the AGM.

Yours faithfully,  
For and on behalf of the Board  
**Duncan Chiu**  
*Managing Director and Chief Executive Officer*

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide certain information to you for your consideration of the Repurchase Mandate.

## **1.     SHARE CAPITAL**

As at the Latest Practicable Date, there was a total of 99,500,671 Shares in issue.

Subject to the passing of the resolutions granting the Issue Mandate and the Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to issue a maximum of 19,900,134 Shares and to repurchase a maximum of 9,950,067 Shares, being 20 per cent and 10 per cent respectively of the issued capital of the Company as at the date of passing of the relevant resolutions.

## **2.     REASONS FOR REPURCHASES**

The Directors believe that it is in the best interests of the Company and the Shareholders to seek a general authority from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and/or earnings per share of the Company and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

## **3.     FUNDING OF REPURCHASES**

Repurchases made pursuant to the Repurchase Mandate would be funded out of funds legally available for the purpose in accordance with the Company's Memorandum and Articles of Association and the Companies Ordinance. Such funds include distributable profits of the Company and/or the proceeds of a new issue of Shares made for the purposes of the repurchase.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the Annual Report for the year ended 31st December, 2005) in the event that the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors will not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse impact on the working capital requirements of the Company or the gearing levels of the Company.



#### 4. SHARE PRICES

The following table shows the highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the twelve months preceding the Latest Practicable Date were as follows:

| Month   | Share Prices<br>Per Share |                       |
|---|---------------------------|-----------------------|
|   | Highest<br><i>HK\$</i>    | Lowest<br><i>HK\$</i> |
| <b>2005</b>   |                           |                       |
| May   | 1.56                      | 1.42                  |
| June  | 1.60                      | 1.30                  |
| July  | 1.57                      | 1.30                  |
| August  | 1.45                      | 1.20                  |
| September   | 1.38                      | 1.14                  |
| October   | 1.32                      | 1.10                  |
| November  | 1.20                      | 0.90                  |
| December  | 1.00                      | 0.89                  |
| <b>2006</b>   |                           |                       |
| January   | 0.93                      | 0.88                  |
| February  | 1.08                      | 0.95                  |
| March   | 1.06                      | 0.91                  |
| April (up to and including the Latest Practicable Date) | 1.42                      | 1.28                  |

#### 5. UNDERTAKING AND DISCLOSURE OF INTERESTS

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates, has any present intention to sell any Shares to the Company, if the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will only exercise the Repurchase Mandate in accordance with the Listing Rules and the Companies Ordinance, and in accordance with the regulations set out in the Memorandum and Articles of Association of the Company.

The Company has not been notified by any Connected Person that such a person has a present intention to sell, or has undertaken not to sell, any Shares to the Company, if the Repurchase Mandate is approved by the Shareholders.

## 6. HONG KONG CODE ON TAKEOVERS AND MERGERS

If, as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

### (a) Directors' interests pursuant to the SFO

As at the Latest Practicable Date, the interests of the directors and their associates in the shares of the Company or any of its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

| Name of director         | Number of ordinary shares of the Company held |                          |                           |                 | Percentage of issued share capital of the Company |
|--------------------------|---|--------------------------|---------------------------|-----------------|---|
|                          | Personal interests                            | Family interests         | Corporate interests       | Total interests |   |
| Mr. Deacon Te Ken Chiu   | 11,605,514                                    | 1,897,800 <sup>(1)</sup> | 1,466,076                 | 14,969,390      | 15.04%  |
| Tan Sri Dato' David Chiu | 1,700,000                                     | –                        | 5,608,000 <sup>(2)</sup>  | 7,308,000       | 7.34%   |
| Ms. Margaret Chiu        | 1,000,000                                     | –                        | –                         | 1,000,000       | 1.01%   |
| Mr. Dennis Chiu          | 4,386,464                                     | –                        | 6,080,000 <sup>(3)</sup>  | 10,466,464      | 10.52%  |
| Mr. Daniel Tat Jung Chiu | 2,200,000                                     | –                        | 14,480,040 <sup>(4)</sup> | 16,680,040      | 16.76%  |
| Mr. Derek Chiu           | 40,200  | –                        | –                         | 40,200          | 0.04%   |
| Mr. Desmond Chiu         | 1,000,000                                     | –                        | –                         | 1,000,000       | 1.01%   |
| Mr. Duncan Chiu          | 16,992,431                                    | –                        | –                         | 16,992,431      | 17.08%  |

*Notes:*

- (1) These shares are held by Madam Ching Lan Ju Chiu, wife of Mr. Deacon Te Ken Chiu.
- (2) These shares are held by Rocket High Investments Limited, a company wholly-owned by Tan Sri Dato' David Chiu.
- (3) These shares are held by Cape York Investments Limited ("Cape York"), a company owned by Mr. Dennis Chiu and Mr. Daniel Tat Jung Chiu equally.
- (4) Of the 14,480,040 shares, 6,080,000 shares are held by Cape York, and the remaining 8,400,040 shares are held by Gorich Holdings Limited, a company wholly-owned by Mr. Daniel Tat Jung Chiu.
- (5) All interests disclosed above represent long positions in the ordinary shares of the Company.

**(b) Substantial Shareholders pursuant to the SFO**

As at the Latest Practicable Date, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that, other than the interests disclosed above in respect of certain Directors under the section headed “Directors’ interests in shares”, the following shareholders had notified the Company of any interest, directly or indirectly, in 5% or more of the issued share capital of the Company:

| Name of shareholder  | Number of<br>ordinary shares held | %    |
|--|-----------------------------------|------|
| Gorich Holdings Limited (“Gorich”) <sup>(1)</sup>                      | 8,400,040                         | 8.44 |
| Cape York Investments Limited (“Cape York”) <sup>(2)</sup>             | 6,080,000                         | 6.11 |
| Rocket High Investments Limited (“Rocket”) <sup>(3)</sup>              | 5,608,000                         | 5.64 |
| Virtual Dragon International Limited (“Virtual Dragon”) <sup>(4)</sup> | 5,101,600                         | 5.13 |

*Notes:*

- (1) Gorich is wholly-owned by Mr. Daniel Tat Jung Chiu. The interests of Mr. Daniel Tat Jung Chiu in the Company is stated under the section headed “Directors’ Interests in Shares” above.
- (2) Cape York is owned equally by Mr. Dennis Chiu and Mr. Daniel Tat Jung Chiu. The interests of Mr. Dennis Chiu and Mr. Daniel Tat Jung Chiu in the Company are stated under the section headed “Directors’ Interests in Shares” above.
- (3) Rocket is wholly-owned by Tan Sri Dato’ David Chiu. The interests of Dato’ David Chiu in the Company is stated under the section headed “Directors’ Interests in Shares” above.
- (4) These shares are held by Peace View Company Limited (“Peace View”), a wholly-owned subsidiary of Far East Consortium Limited (“FEC”). On 28th March, 2001, FEC had entered into a Sale of Shares Agreement with Virtual Dragon International Limited (“Virtual Dragon”) to dispose of its entire equity interests in Peace View to Virtual Dragon.
- (5) All interests disclosed above represent long positions in the ordinary shares of the Company.

Save as disclosed above, the Directors are currently not aware of any consequences which will arise under the Takeovers Code as a result of any purchase made under the Repurchase Mandate.

**7. SHARE REPURCHASE MADE BY THE COMPANY**

No Share had been repurchased by the Company, whether on the Stock Exchange or otherwise, in the last six months preceding the Latest Practicable Date.

**FAR EAST TECHNOLOGY INTERNATIONAL LIMITED**

*(Incorporated in Hong Kong with limited liability)*

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

(Stock Code: 36)

*To the independent Shareholders*

Dear Sir or Madam

We have been appointed to advise you in connection with the granting of Options to each of (1) Mr. Duncan Chiu, the Managing Director and Chief Executive Officer, (2) Mr. Siu Chung Wu, director of subsidiary, (3) Ms. Wendy Kim Bing Yung, Investment Manager and (4) Mrs. Hung Kwong Lui, Financial Controller, details of which are set out in the letter from the Board contained in the circular of the Company dated 28th April, 2006 (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 Options, we are of the view that the granting of the Options to Mr. Duncan Chiu, Mr. Siu Chung Wu, Ms. Wendy Kim Bing Yung and Mr. Hung Kwong Lui are fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company. We therefore recommend that you vote in favour of the resolutions to be proposed at the Annual General Meeting to approve the granting of the Options to Mr. Duncan Chiu, Mr. Siu Chung Wu, Ms. Wendy Kim Bing Yung and Mr. Hung Kwong Lui under ordinary resolutions numbered 9 as set out in the notice of the AGM.

Yours faithfully,

**Dr. Lee G. Lam**  
*Independent*  
*non-executive Director*

**Mr. Ryan Yen Hwung Fong**  
*Independent*  
*non-executive Director*

**Mr. Hing Wah Yim**  
*Independent*  
*non-executive Director*

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## APPENDIX III      DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

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*The following are the particulars of the Directors proposed to be re-elected at the AGM:*

### EXECUTIVE DIRECTORS

**Mr. Deacon Te Ken Chiu, J.P. (Chairman)**

Mr. Chiu, aged 80, is the founder of the Far East Group and has been the Chairman of the Company since 1981. He is also the Chairman of Far East Consortium International Limited and Far East Hotels and Entertainment Limited. Mr. Chiu has more than 50 years of business experience in property investment and development; operation of entertainment and tourism related business; hotel ownership and management; financing and banking. He was a member of the Chinese People's Political and Consultative Conference from the 6th to 9th; the founder of the Yan Chai Hospital and the Vice Patron of the Community Chest since 1968; the founder and permanent Honorary Chairman of The New Territories General Chamber of Commerce; the founder and Chairman of the Ju Ching Chu Secondary School since 1966. Mr. Chiu is the father of Messrs. David Chiu, Dennis Chiu, Daniel Tat Jung Chiu, Derek Chiu, Desmond Chiu, Duncan Chiu and Miss Margaret Chiu .

Mr. Deacon Te Ken Chiu was paid HK\$15,000 as director's emoluments for the year ended 31st December, 2005 and his emoluments for the year ended 31st December, 2006 will be paid HK\$15,000 subject to the Board's approval. There is no service contract between Mr. Deacon Te Ken Chiu and the Company and he is subject to retirement by rotation and re-election at the Company's Annual General Meeting in accordance with the Company's articles of association. Mr. Deacon Te Ken Chiu's interest in the shares of the Company (as defined under Part XV of the Securities and Futures Ordinance) as of the date of this circular is set out under the section "Directors' interests pursuant to the SFO" in Appendix I of this circular.

As far as the Directors are aware and save as disclosed above, Mr. Deacon Te Ken Chiu did not hold any directorship in other public listed companies in the last three years or any executive positions with the Company or other members of the Group, nor does he have other relationship with the Directors, senior management or substantial or controlling shareholders of the Company.

**Mr. Duncan Chiu, B.Sc. (Managing Director and Chief Executive Officer)**

Mr. Chiu, aged 31, is the Managing Director and Chief Executive Officer of the Group. Mr. Chiu graduated with a bachelor's degree in business administration from Pepperdine University of California, USA in 1996. He serves as a Non-executive Director of both Far East Hotels & Entertainment Limited (SEHK: 37) and Chinasoft International Limited (SEHK: 8216). He currently serves as Vice Chairman and Treasurer of The Chamber of Hong Kong Listed Companies, Vice President of Innovation & Technology Association and is a Committee Member of All-China Youth Federation. He is the son of Mr. Deacon Te Ken Chiu and the brother of Messrs. David Chiu, Dennis Chiu, Daniel Tat Jung Chiu, Derek Chiu, Desmond Chiu and Miss Margaret Chiu.

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## **APPENDIX III      DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED**

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Mr. Duncan Chiu was paid HK\$15,000 as director's emoluments for the year ended 31st December, 2005 and his emoluments for the year ended 31st December, 2006 will also be paid HK\$15,000 but subject to the Board's approval. There is no service contract between Mr. Duncan Chiu and the Company and he is subject to retirement by rotation and re-election at the Company's Annual General Meeting in accordance with the Company's articles of association. Mr. Duncan Chiu interest in the shares of the Company (as defined under Part XV of the Securities and Futures Ordinance) as of the date of this circular is set out under the section "Directors' interests pursuant to the SFO" in Appendix I of this circular.

As far as the Directors are aware and save as disclosed above, Mr. Duncan Chiu did not hold any directorship in other public listed companies in the last three years or any executive positions with the Company or other members of the Group, nor does he have other relationship with the Directors, senior management or substantial or controlling shareholders of the Company.

### **NON-EXECUTIVE DIRECTORS**

#### **Mr. Derek Chiu, B.A.**

Mr. Chiu, aged 40, was appointed a Director of the Company in 1989. He is also the Managing Director and Chief Executive of Far East Hotels and Entertainment Limited. Mr. Chiu has extensive experience in the operation of amusement parks and entertainment business. He is the son of Mr. Deacon Te Ken Chiu and the brother of Messrs. David Chiu, Dennis Chiu, Daniel Tat Jung Chiu, Desmond Chiu, Duncan Chiu and Miss Margaret Chiu.

Mr. Derek Chiu was paid HK\$15,000 as director's emoluments for the year ended 31st December, 2005 and his emoluments for the year ended 31st December, 2006 will also be paid HK\$15,000 but subject to the Board's approval. There is no service contract between Mr. Derek Chiu and the Company and he is subject to retirement by rotation and re-election at the Company's Annual General Meeting in accordance with the Company's articles of association. Mr. Derek Chiu's interest in the shares of the Company (as defined under Part XV of the Securities and Futures Ordinance) as of the date of this circular is set out under the section "Directors' interests pursuant to the SFO" in Appendix I of this circular.

As far as the Directors are aware and save as disclosed above, Mr. Derek Chiu did not hold any directorship in other public listed companies in the last three years or any executive positions with the Company or other members of the Group, nor does he have other relationship with the Directors, senior management or substantial or controlling shareholders of the Company.

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## **APPENDIX III      DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED**

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### **Mr. Desmond Chiu, B.A.**

Mr. Chiu, aged 39, was appointed a Director of the Company in 1991. He graduated from the University of Cambridge, the United Kingdom and he was appointed as Deputy Managing Director of Far East Hotels and Entertainment Limited in 1999. He is the son of Mr. Deacon Te Ken Chiu and the brother of Messrs. David Chiu, Dennis Chiu, Daniel Tat Jung Chiu, Derek Chiu, Duncan Chiu and Miss Margaret Chiu.

Mr. Desmond Chiu was paid HK\$15,000 as director's emoluments for the year ended 31st December, 2005 and his emoluments for the year ended 31st December, 2006 will also be paid HK\$15,000 but subject to the Board's approval. There is no service contract between Mr. Desmond Chiu and the Company and he is subject to retirement by rotation and re-election at the Company's Annual General Meeting in accordance with the Company's articles of association. Mr. Desmond Chiu's interest in the shares of the Company (as defined under Part XV of the Securities and Futures Ordinance) as of the date of this circular is set out under the section "Directors' interests pursuant to the SFO" in Appendix I of this circular.

As far as the Directors are aware and save as disclosed above, Mr. Desmond Chiu did not hold any directorship in other public listed companies in the last three years or any executive positions with the Company or other members of the Group, nor does he have other relationship with the Directors, senior management or substantial or controlling shareholders of the Company.

### **INDEPENDENT NON-EXECUTIVE DIRECTORS**

#### **Dr. Lee G. Lam**

Lee G. Lam, aged 46, has been an Independent Non-executive Director of the Company since 30th September, 2004. He is the President & Chief Executive Officer and Vice Chairman of Chia Tai Enterprises International Limited. He is also a Director of True Corporation Public Company Limited, a Non-executive Director of Glorious Sun Enterprises Limited, and an Independent Non-executive Director of Rowsley Ltd., Hutchison Harbour Ring Limited, Capital Strategic Investment Limited, Mingyuan Medicare Development Company Limited, Vongroup Limited and Finet Group Limited. Dr. Lam has over 23 years of multinational operations and general management, strategy consulting, corporate governance, investment banking, and direct investment experience in the telecommunications, media and technology (TMT), conglomerates and financial services sectors.

As far as the Directors are aware and save as disclosed above, Dr. Lee G. Lam did not hold any directorship in other public listed companies in the last 3 years or any executive positions with the Company or other members of the Group. He does not have any relationship with any other Directors, senior management or substantial or controlling shareholders nor does he have any interest in shares of the Company within the meaning of part XV of the Securities and Futures Ordinance. There is no service contract between the Company and Dr. Lam. He is not appointed for a specific term but is subject to retirement by rotation and re-election at the Company's annual general meeting in accordance with the Company's Article of Association. Dr. Lee G. Lam was paid HK\$120,000 as director's remuneration for the year ended 31st December, 2005 and his annual remuneration package for 31st December, 2006 will also be paid HK\$120,000 but subject to the Board's approval.

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## **APPENDIX III      DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED**

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### **Mr. Ryan Yen Hwung Fong**

Mr. Ryan Yen Hwung Fong aged 33, has been an Independent Non-executive Director of the Company since 30th September, 2004. He has over 10 years of equities portfolio management, trading and international capital markets analysis management experience.

As far as the Directors are aware and save as disclosed above, Mr. Ryan Yen Hwung Fong did not hold any directorship in other public listed companies in the last 3 years or any executive positions with the Company or other members of the Group. He does not have any relationship with any other Directors, senior management or substantial or controlling shareholders nor does he have any interest in shares of the Company within the meaning of part XV of the Securities and Futures Ordinance. There is no service contract between the Company and Mr. Fong. He is not appointed for a specific term but is subject to retirement by rotation and re-election at the Company's annual general meeting in accordance with the Company's Article of Association. Mr. Ryan Yen Hwung Fong was paid HK\$120,000 as director's remuneration for the year ended 31st December, 2005 and his annual remuneration package for 31st December, 2006 will also be paid HK\$120,000 but subject to the Board's approval.

Save as disclosed above, the Directors are not aware of any matters in relation to the re-election of directors that should be brought to the attention of the Company's Shareholders.

### **Mr. Hing Wah Yim**

Mr. Hing Wah Yim, aged 42, is an associate member of Hong Kong Institute of Certified Public Accountants, fellow member of the Chartered Association of Certified Accountants and a member of the Hong Kong Securities Institute. He holds a bachelor degree of Accountancy with Honors from Hong Kong Polytechnic University. Mr. Yim has over 16 years of experience in audit work, accounting, taxation and financial management. He had worked with Deloitte Touche Tohmatsu for over eight years. Currently, he is an audit partner of Chan Yim Cheung & Co. Apart from being the independent non-executive director of the Company, he is also an independent non-executive director of other listed companies namely Jiangsu NandaSoft Company Limited, Powerleader Science & Technology Co., Ltd., China Haisheng Juice Holdings Co. Ltd., Artel Solutions Group Holdings Limited and Launch Tech Co, Ltd., which are listed on the Stock Exchange of Hong Kong Limited.

He is not appointed for a specific term but is subject to retirement by rotation and re-election at the Company's annual general meeting in accordance with the Company's Article of Association. Mr. Hing Wah Yim was not paid as director's remuneration for the year ended 31st December, 2005 since he was appointed as an independent non-executive director on 1st April, 2006 and his annual remuneration package for 31st December, 2006 will be paid HK\$80,000 but subject to the Board approval.

Save as disclosed above, the Directors are not aware of any matters in relation to the re-election of directors that should be brought to the attention of the Company's Shareholders.



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## NOTICE OF ANNUAL GENERAL MEETING

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### FAR EAST TECHNOLOGY INTERNATIONAL LIMITED

*(Incorporated in Hong Kong with limited liability)*

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

(Stock Code: 36)

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting (the “Meeting”) of shareholders of Far East Technology International Limited (the “Company”) will be held at the Function Room, Mezzanine Floor, Cosmopolitan Hotel Hong Kong, 387-397 Queen’s Road East, Wan Chai, Hong Kong on Tuesday, 23rd May, 2006 at 3:00 p.m. for the following purposes:

**As ordinary business:**

1. To receive and consider the audited financial statements and the reports of the Directors and of the auditors for the year ended 31st December, 2005.
2. To declare the final dividend for the year ended 31st December, 2005.
3. To re-elect the retiring directors and authorize the Board of Directors to fix their remuneration.
4. To re-appoint auditors and to authorize the Board of Directors to fix their remuneration.

**As special business:**

To consider and, if though fit, pass the following resolutions, (with or without amendments), as Ordinary Resolutions:

5. **“THAT**
  - (a) subject to paragraph (c) of this resolution and pursuant to section 57B of the Companies Ordinance, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which might require the exercise of such powers be and is hereby generally and unconditionally approved;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of the share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) any Share Option Scheme (as hereinafter defined) of the Company; (iii) the exercise of rights of conversion under the terms of any securities which are convertible into shares of the Company or warrants to subscribe for shares of the Company; or (iv) any scrip dividend or other similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company pursuant to the articles of association of the Company, shall not exceed 20 per cent of the existing issued share capital of the Company as at the date of passing of this resolution and the approval in paragraph (a) of this resolution shall be limited accordingly; and
- (d) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws to be held;
  - (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting;and

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company on the register of members on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange applicable to the Company); and

“Share Option Scheme” means a share option scheme or similar arrangement for the time being, as varied from time to time, adopted for the grant or issue of shares or rights to acquire shares of the Company.”

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## NOTICE OF ANNUAL GENERAL MEETING

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6. **“THAT**
- (a) subject to paragraph (b) of this resolution, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase its own shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and recognised by The Securities and Futures Commission of Hong Kong (“the Securities and Futures Commission”) and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the rules and regulations of the Securities and Futures Commission, the Stock Exchange or of other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
  - (b) the aggregate nominal amount of the share capital of the Company to be repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10 per cent of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution; and
  - (c) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
    - (i) the conclusion of the next annual general meeting of the Company;
    - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws to be held;
    - (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”
7. **“THAT** conditional upon the passing of Ordinary Resolutions 5 and 6 as set out in the notice convening this Meeting, the general mandate granted to the Directors to allot, issue and deal with additional shares in the capital of the Company pursuant to Ordinary Resolution 6 set out in the notice convening this Meeting be and is hereby extended by the addition thereto the aggregate nominal amount of share capital of the Company repurchased by the Company under the authority granted pursuant to Ordinary Resolution 7 set out in the notice convening this Meeting provided that such amount shall not exceed 10 per cent of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution.”

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## NOTICE OF ANNUAL GENERAL MEETING

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8. To consider and, if thought fit, pass, (with or without amendments), the following resolution as an Ordinary Resolution:

**“THAT** conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting listing of and permission to deal in the new shares of HK\$0.01 each (individually a “Bonus Share” and collectively the “Bonus Shares”) in the capital of the Company to be issued:

- (a) to capitalise such amount necessary to give effect to the issue of the Bonus Shares that is for the time being standing to the credit of the share premium account of the Company and the Directors be and are hereby authorised to apply such sum in paying up in full at par HK\$0.01 such number of Bonus Shares to be allotted and issued as fully paid to the shareholders of the Company on the basis of one Bonus Share for every ten issued ordinary shares of HK\$0.01 each held by such shareholders whose names appear on the register of members of the Company at the close of business on 23rd May, 2006 and to allot and issue such Bonus Shares;
  - (b) the Bonus Shares to be issued shall rank *pari passu* in all respects with the existing issued shares of the Company as at the date of issue of such Bonus Shares;
  - (c) the company will not allot any fractions of the Bonus Shares, Bonus Shares representing fractional entitlement will not be issued by the Company;
  - (d) the Directors be and are hereby authorised to do all acts and things as may be necessary and expedient in connection with the issue of Bonus Shares.”;
9. To consider and, if thought fit, pass (with or without amendments) the following resolution as an Ordinary Resolution:

**“THAT** the grant of options (the “options”) Mr. Duncan Chiu to subscribe for 3,600,000 shares, Mr. Siu Chung Wu to subscribe for 900,000 shares, Ms. Wendy Kim Bing Yung to subscribe for 300,000 shares and Mr. Hung Kwong Lui to subscribe for 300,000 shares respectively of HK\$0.01 each in the capital of the Company, subject to and in accordance with the terms of the share option scheme adopted by the Company on 23rd May, 2005 be and is hereby approved; and **THAT** any director of the Company be and is hereby authorized to do such things and acts as may be necessary or expedient to give full effect to such grant of options.”.

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## NOTICE OF ANNUAL GENERAL MEETING

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10. To consider and, if thought fit, pass (with or without amendments), the following resolution as a Special Resolution:

**“THAT** the existing Articles of the Association of the Company be and are hereby altered by amending Articles 76 by deleting the word “not” appearing after the word “shall” in the forth sentence in Article 76.”

By order of the Board

**Duncan Chiu**

*Managing Director and Chief Executive Officer*

Hong Kong, 28th April, 2006

*Notes:*

- (a) A member entitled to attend and vote at the Meeting is entitled to appoint one or, under particular case, more proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
- (b) Where there are joint registered holders of any share, any one of such persons may vote at the AGM, either personally or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders is present at the AGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company shall, in respect of such share, be entitled alone to vote in respect thereof.
- (c) In order to be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed must be lodged at the Company’s Share Registrar, Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for the holding of the Meeting (or the adjourned meeting as the case may be).
- (d) Completion and return of the form of proxy will not preclude a member from attending and voting in person at the Meeting, if he so wishes. If such member attends the Meeting, his form of proxy will be deemed to have been revoked.
- (e) Concerning Ordinary Resolution No. 2 above, Deacon Te Ken Chiu, Mr. Duncan Chiu (voluntarily retire), Mr. Derek Chiu and Mr. Desmond Chiu will retire by rotation and, being eligible, have offered themselves for re-election at the Annual General Meeting. Dr. Lee G Lam, Mr. Ryan Yen Hwung Fong and Mr. Hing Wah Yim (appointed on 1st April, 2006) who were appointed as Independent Non-executive Directors of the Company during the year, will hold office until the Annual General Meeting and being eligible, have offered themselves for re-election at the Annual General Meeting. Details of the above Directors are set out in Appendix III to the circular dated 28th April, 2006.

As at the date of this circular, the board of directors of the Company comprises of executive directors namely Mr. Deacon Te Ken Chiu, Mr. Duncan Chiu and Mr. Dennis Chiu; non-executives directors namely Tan Sri Dato’ David Chiu, Mr. Daniel Tat Jung Chiu, Mr. Derek Chiu, Mr. Desmond Chiu and Miss Margaret Chiu and independent non-executive directors namely Dr. Lee G. Lam, Mr. Ryan Yen Hwung Fong and Mr. Hing Wah Yim.